

Insurance Made Simple

A guide to insurance for Non-Traditional Families



When it comes to insurance for non-traditional couples, one size certainly doesn't fit all.

There are currently nearly 5 million unmarried couples in the US. These non-traditional families are financially vulnerable because they are legal strangers in most states, even though they are committed partners. Low Load Insurance Services, Inc. (LLIS), helps fee-only financial planners like you find the right insurance solutions for this often under-served market.

Non-traditional couples face many issues married couples do not.

To begin with, most state laws favor spouses and blood relatives – not partners. This can leave partners in a non-traditional relationship especially vulnerable should disability or death occur and there are no legal directives to authorize one another to act on their partner's behalf. In addition, unmarried couples may need more cash to make up for fewer sources of income, to protect their assets, and to preserve their abilities to earn a living.

Unmarried couples typically can't rely on survivor benefits from Social Security or corporate pension plans after the death of their partner. And many group health care plans lack provisions for unmarried partners.

When a husband or wife dies, the surviving spouse automatically inherits all assets not otherwise directed in a will. Unmarried couples don't enjoy the same right. Consequently, unmarried, high-income earners may have fewer net assets available for the surviving stay-at-home or lower income-earning partner as a result of the double burden from both gift and/or estate taxes.

With proper planning, non-traditional couples can overcome virtually any obstacle.

Life insurance, disability insurance and long-term care insurance can be used to protect the collective wealth of non-traditional couples. We've all heard of wills that have been contested. But all of these insurance policies are legal contracts that are controlled by the policy owner. That means only the wishes of the policy owner are honored, and they can't be negated by outside interference from siblings or bitter family members.

We'll help your clients structure life insurance policies with safeguards built right in.

Guaranteed Universal Life: These Low Load policies enable high-income earners to guarantee a death benefit and a premium for a policy owned by an Irrevocable Insurance Trust. The death benefit is not included in the estate and the death benefit is available to pay any estate taxes that might be due.

Low Load UL with a Long Term Care Rider: This policy has a no-cost Long Term Care Rider that would begin prepayments of the death benefit if an insured partner is unable to perform two activities of daily living.

Accelerated Death Benefit or Living Benefits: These options on Term policies and Low Load policies can pre-pay a portion of the death benefit if the insured person becomes terminally ill.

Critical Illness Policies: These can pay a lump sum directly to the policy owner upon diagnosis of a covered illness.

Pension Maximization: This plan, when funded with a Low Load insurance policy, can protect both partners when a pensioner can't name an unmarried partner as a beneficiary. A pensioner can take a life-only option for their pension distribution and plan on life insurance proceeds to replace the income stream for the surviving partner that would otherwise be lost. Term and permanent policies can be layered to reduce the premium costs.

Low Load Accumulation UL: With this policy, the policy owner can recover nearly all the premiums paid with no surrender charges if a non-traditional couple breaks up. The insurance they bought to protect each other from loss of income is no longer needed.

Long Term Care Insurance enables partners to grow old together.

Current Medicaid laws don't offer non-traditional couples as many options to keep and transfer assets as they do married couples. For instance, the homes of married couples are excluded from Medicaid eligibility calculations, but the homes of unmarried couples are not. With Long Term Care (LTC) insurance, domestic partners need not sell their homes to cover on-going acute care. Better yet, the ill partner can be cared for at home, a benefit not generally available with Medicaid. Non-traditional couples can protect the assets they've worked so hard to earn while reducing their financial risks.

Disability insurance helps partners live comfortably if disaster strikes.

When a non-traditional couple buys a home together, they should take steps to protect their assets should one partner become temporarily or permanently disabled. Disability insurance protects both partners' abilities to earn a living, and can also protect retirement plan contributions. Catastrophic Disability Riders can protect income even when an illness or accident requires long-term care.

An annuity can guarantee a partner's income for life.

A Single-Premium Immediate Annuity (SPIA) pays a guaranteed monthly income to an annuitant. When the insured partner dies, they can protect their loved one with a life and joint survivor option that will continue the income stream for the surviving partner.

We help fee-only planners give non-traditional clients the tools to avoid unexpected surprises.

LLIS will work with you, the fee-only planner, to design unique solutions for your non-traditional client families. To learn more, simply call us toll free at 877-254-4429 or visit us online at www.llis.com.

Confidentiality is paramount. All information obtained during the underwriting process is strictly confidential. This information will be used solely to determine your eligibility for the insurance applied for, and will not be released to any other party without your permission.

