How Insurance or Annuity is the best retirement tool?

**Healthcare: Covering costs**  
Simply tapping into your investment accounts to pay for medical expenses isn’t ideal because you could lose out on future growth for those savings. For example, say you take $10,000 from your IRA to pay for a medical emergency at age 70. That same $10,000 might have doubled in value by the time you were 85 had you left it to grow.6

Instead of tapping into your savings, consider these options for covering medical bills:

* Contribute to a health savings account (HSA). Money you invest through an HSA will grow tax-free until you withdraw it for eligible healthcare expenses. Although you can only contribute to an HSA until you’re age 65, these funds can be used throughout your lifetime.
* Purchase an annuity. Annuities provide a predictable income stream that can be allocated to cover fixed costs, such as insurance premiums or prescription drug plans.
* Buy a permanent life insurance policy. Some policies, while offering a death benefit, include options that let you access the policy values in the event that you’re diagnosed with a terminal illness or need long-term care.

**How life insurance and annuities can help with estate planning:**  
Life insurance and annuities can play an essential role in your estate planning. Life insurance can provide a source income, tax-free, for surviving family members. What’s more, proceeds from life insurance typically can bypass the probate process (the distribution of your estate) so they can provide an immediate source of cash that your survivors can use to pay off taxes or remaining debts, such as mortgages. Annuities with a named beneficiary generally can avoid the probate process, potentially providing income directly to beneficiaries without delay..

**Retirement** can bring surprises — such as market fluctuations or medical expenses. It’s crucial to protect yourself. Fortunately, some permanent life insurance policies, while offering a death benefit, also provide a cash value that can be used to cover unanticipated expenses during your lifetime. Likewise, annuities provide guaranteed income regardless of the value of your other investments. Adding safeguards like these can shore up your finances and secure your future.

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