

## 3D Wealth™ – A Different Perspective on Life Insurance Planning

Scott J. Silbert, President and founder of Creative Planning Strategies (CPS), has built a successful career in the financial services industry since 1981 through a combination of innovative financial strategies and client advocacy. Scott has developed a one-of-a-kind, three-dimensional approach to viewing money and wealth. This approach generates wealth protection and acceleration strategies, which actually transform the way clients think about money.

### THE CONCERN

Clients typically view life insurance as an expense that must be tolerated. Despite its important protection features, it is perceived as a necessary evil that many people would gladly forgo if they could find a cheaper way of achieving the same result.

Essentially, life insurance is currently viewed as a “needs-based” financial product that people are likely to drop when they feel that they no longer need it. This perception is compounded by the fact that life insurance is designed to benefit someone other than the insured. What if life insurance were not an expense at all? What if it could generate significant additional net wealth for the insured while they were still alive? What if life insurance were a product to be desired rather than required?

### A DIFFERENT PERSPECTIVE

Scott Silbert is an experienced and knowledgeable life insurance professional. He has developed a unique context for planning called 3D Wealth™. This formidable perspective helps clients shift their perception of life insurance from a negative expense to a powerful tool for wealth protection and acceleration. In some cases, 3D Wealth™ strategies can provide the client with a considerable amount of additional net spendable wealth that he might otherwise never



see. At the same time, 3D Wealth™ generally lowers the client’s overall financial risk exposure.

### HOW IT WORKS

The first step in exploring a 3D Wealth™ strategy is to help clients understand the nature and value of life insurance on a much deeper level. This frank discussion starts with the stark recognition that there is only one true guarantee in life: everyone is going to die. Everybody knows this, but very few people consider the powerful opportunities it presents.

In buying the appropriate life insurance, clients are placing a bet they cannot lose. However, most people do not place that bet, and those who do seldom realize the optimum value available to them. 3D Wealth™ strategies generate substantial monetary benefits while the insured can still enjoy them. At the same time, the strategies guard against a range of potentially devastating wealth-eroding factors. Using 3D Wealth™ strategies, permanent life insurance is transformed from a static financial product triggered at death to a vital part of a comprehensive, multi-generational wealth structure.

There is no single definitive pathway toward implementing 3D Wealth™ strategies. Each design is carefully tailored to the client’s financial circumstances, goals and objectives. The process starts with an examination of how the client’s current asset and investment patterns will play out under best case scenarios. This becomes the baseline for any alternative strategies. The process thoroughly analyzes how alternative strategies utilizing life insurance might significantly outperform the client’s present plan. As always, a key

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consideration is that the optimal 3D Wealth™ alternative requires little or no additional out-of-pocket outlays and causes no long-term negative financial impacts to the client.

Many traditional life insurance recommendations offer one-dimensional solutions that generally only produce financial benefits when the insured dies. 3D Wealth™ strategies actually bring the value of the net death benefit to life. They generate substantial additional net wealth that the insured can spend during their lifetime.

Because 3D Wealth™ strategies are funded through efficient reallocation of the client's assets they generally do not cause any negative financial impacts. Frequently these strategies can be made to work over two or three generations, leaving each with significantly stronger financial positions.

Let's take an example of a 50-year-old man with a net worth of \$50 million and an annual net cash flow requirement of \$600,000. Although he is several years from completely stopping work, he is planning carefully for a less stressful, more enjoyable retirement. His other key objectives are to provide a solid financial foundation for each of his three children, protect his assets from creditors<sup>1</sup> and shield his wealth from estate taxes<sup>2</sup>.

By implementing a 3D Wealth™ strategy, he was able to:

- Create \$41.5 million of additional net wealth for himself and his children (\$14.5 million more net spendable wealth for himself and his wife and \$27 million more for his three children)
- Safeguard \$54 million from taxes and creditors, including disgruntled former spouses
- Realize a total estate tax savings of \$20 million
- Remove \$54 million from the family's taxable estate without utilizing either the lifetime exemption or the annual gift allowance – or incurring any gift taxes

The backbone of this 3D Wealth™ strategy is a \$40 million whole life policy on the life of the client's 50-year-old wife with an annual premium of \$1 million payable each year for 15 years. In order to assure no negative financial impact and little or no additional out-of-pocket outlay, the premium is funded by a strategic reallocation of capital from other similar asset classes and paid through a special form of loan regime split dollar. The policy itself is owned by an irrevocable trust, thereby keeping it out of the estates of both the client and his children.

## POTENTIAL ISSUES

Of course, everybody wants this kind of result with no negative financial impact. The biggest hurdle every client must clear is their misconception about the financial product life insurance. Typically, this has been influenced by three key factors: 1) the insurance industry's history of selling suboptimal products; 2) the uncomfortable fact invoked by life insurance; and 3) the common viewpoint that life insurance is a big expense that provides minimal or no evident value to the insured.

The proprietary 3D Wealth™ financial model enables clients to see for themselves that, while requiring little or no additional out-of-pocket outlays or exposing them to any additional negative financial impacts, the purchase of the proper life insurance can actually generate significant additional net wealth.

Once the initial misconceptions are properly examined, many prospective clients tend to feel that 3D Wealth™ strategies sound too good to be true. Seeing the promises come to life verifiably before their own eyes using their own financial

circumstances dramatically shifts this point of view.

It shifts further when clients are reminded that quality whole life insurance is a very conservative long-term asset class which includes guarantees.<sup>3</sup> Now they are left with only one question: why doesn't everyone do this? The answer is simple: they don't know it exists.

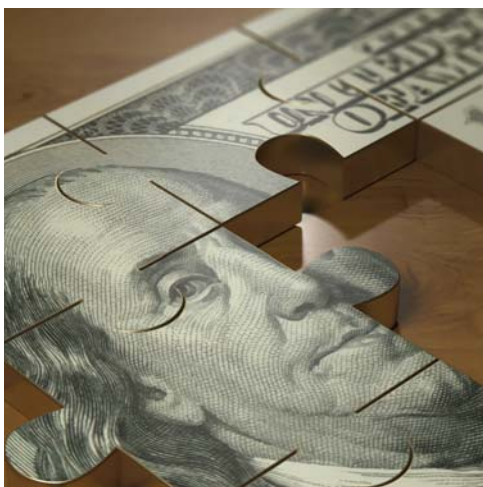
## IS 3D WEALTH™ PLANNING FOR YOU?

3D Wealth™ strategies can create tremendous results for just about anyone, no matter how wealthy they are. The best clients already have quality advisory relationships, considerable liquidity, and a

substantial net positive cash flow. Even if a client already has life insurance, 3D Wealth™ strategies can generate considerable additional strategic financial benefits.

Properly conceived 3D Wealth™ strategies involve a complete advisory team. Scott and the team at Creative Planning Strategies have two decades of flawless collaboration with other life insurance agents, accountants, attorneys, and many other financial advisors. In every instance where they have been invited to collaborate, they have demonstrated the ability to generate significant additional net spendable wealth – sometimes tens of millions of dollars' worth – that the client would otherwise never see.

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More information is available at [www.cpsnyc.com](http://www.cpsnyc.com), or to have a conversation, please contact Scott at [ssilbert@cpsnyc.com](mailto:ssilbert@cpsnyc.com).

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<sup>1</sup> State creditor protection for life insurance policies varies by state. Contact your state's insurance department or consult your legal advisor regarding your individual situation.

<sup>2</sup> The Penn Mutual Life Insurance Company, Hornor, Townsend & Kent, LLC (HKT), its subsidiaries, agents, and employees do not provide tax, legal, or accounting advice. Consult your tax, legal, or accounting professional regarding your individual situation.

<sup>3</sup> All whole life insurance policy guarantees are subject to the timely payment of all required premiums and the claims paying ability of the issuing insurance company. Policy loans and withdrawals affect the guarantees by reducing the policy's death benefit and cash values.

Scott J. Silbert Registered representative of, and securities and investment advisory services offered through Hornor, Townsend & Kent, LLC (HTK), Registered Investment Adviser, Member FINRA/SIPC, 600 Dresher Road, Horsham, PA 19044. 800-873-7637, [www.htk.com](http://www.htk.com). HTK is a wholly-owned subsidiary of The Penn Mutual Life Insurance Company. Creative Planning Strategies and 3D Wealth™ are not affiliated with HTK.

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