



A Triple Potential Threat

Capital Gains, No Step up in basis, and Rising Home Values

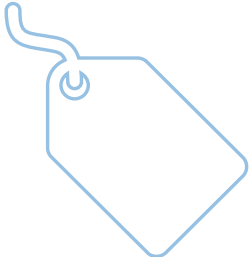
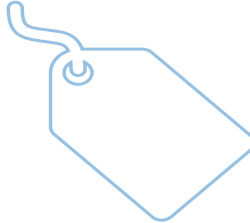
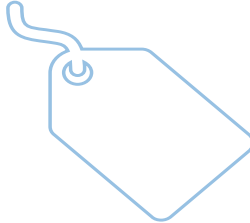
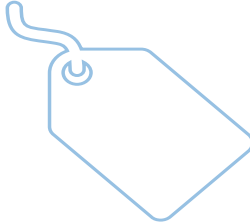
Zurich American Life Insurance Company

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Biden Administration Proposed Tax Plan Highlights



Corporate Tax Rate	Top Individual Tax Rate	Long Term Capital Gains	No step up in basis
 <p data-bbox="150 562 390 595">From 21% to 28%</p>	 <p data-bbox="583 562 853 595">From 37% to 39.6%</p>	 <p data-bbox="1033 562 1304 595">From 20% to 39.6%</p>	 <p data-bbox="1464 562 1773 873">Treat death and gifts of appreciated property as realization events that require gain to be recognized as if the underlying property was sold, subject to a \$1 million lifetime exclusion</p>

Source: <https://www.natlawreview.com/article/treasury-s-green-book-provides-details-biden-administration-s-tax-plan>

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“Real estate cannot be lost or stolen,
nor can it be carried away. Purchased
with common sense, paid for in full,
and managed with reasonable care, it
is about the safest investment in the
world.” – Franklin D. Roosevelt



Triple Potential Threat Capital Gains...No Step Up in Basis...Home Values

Meet Bob



No longer married,
60 years old, lives
in California



Loves his kids
And grandkids

Bob's House

Bought his house 30 years
ago for \$250,000.



Now worth \$2,500,000.
Bob dreamed of leaving it to
his heirs.

Under Biden's proposal:

$\$2.5M - \$250K = \$2.25M$

$\$2.25M - \$1.25M^* = \$1M$ gain

*Exclusion



Depending
on other
assets
inherited, tax
could be as
high as 56%

Gain of $\$1M \times 56.7\%$
=
 $\$567,000$ in potential
taxes for children

- Higher capital gains rate
- No step up in basis
- Increased home value

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“The better you do, the simpler your choice: taxes or life insurance” – Joe Osborn
Bob looks to purchase \$500,000 of life insurance



Guaranteed DB

- Select IUL
- \$7K Annual Premium
- Guaranteed to Age 90
- Carry to Age 90 (Current)
- Potential CV at Age 80: \$55K

Premium Increase: 28%
Potential Surrender Value
Increase: 121%



Guaranteed DB +

- Select IUL
- \$9K Annual Premium
- Guaranteed to Age 90
- Carry to Age 105 (Current)
- Potential CV at Age 80: \$122K

Premium Increase: 44%
Potential Surrender Value
Increase: 133%



Cash Accumulation

- Wealth Builder IUL
- \$13K Annual Premium
- Guaranteed to Age 70
- Carry to Age 121 (Current)
- DB at Age 100: \$1.2M
- Potential CV at Age 80: \$285K

Premiums are subject to change. Issuance of a policy and premiums are subject to underwriting guidelines and approval. Premiums quoted are for Male, Age 60, Preferred Non-Tobacco. Cash Values are using AG49A maximum illustrative rates. For Select IUL, the death benefit is guaranteed according to the terms of the policy and provided that planned premiums are timely paid and with an additional charge for the NLG Rider.

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Important Disclosures



Zurich American Life Insurance Company

Administrative Office: 7045 College Boulevard, Overland Park, KS 66211-1523

877 678 7534 life.zurichna.com

The terms and conditions for the Flexible Premium Adjustable Life Insurance Policy with Index-Linked Interest Options and Flexible Premium Adjustable Life Insurance Policy with Index-Linked Interest Options are set forth in policy form numbers ICC19-APIUL-01 and ICC18-LPIUL-02, or applicable state variations. The terms and conditions for the No Lapse Guarantee Rider for the Flexible Premium Adjustable Life Insurance Policy with Index-Linked Interest Options are set forth in policy form number ICC18-LPNLG-01, or applicable state variation. The terms and conditions for the Accelerated Death Benefit Rider for Chronic Illness is set forth in policy form number ICC14-IULCIR-01 or applicable state variation. The policies are issued by Zurich American Life Insurance Company, an Illinois domestic life insurance company, located at its registered home address of 1299 Zurich Way, Schaumburg, IL 60196.

The policies are subject to the laws of the state where they are issued. This material is a summary of the product features only. Please read the policy carefully for details. Certain coverages may not be available in all states and policy provisions may vary by state

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Thank you

