



2026 LIFE INSURANCE AND ANNUITY CONFERENCE

The Power of Promise

**Beyond Assets: Preserving
Protection in a Holistic
Wealth Strategy**



LIMRA LOMA

Society of
Actuaries®

ACLI



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Benefits of Including Life Insurance in a Holistic Wealth Plan

Early /Mid Asset Accumulation Stage

- Permanent Tax-Free Death Benefit
- Avoids Loss of Term Premiums
- Emergency Cash Reserve
- Supplemental Education Funding

Late Asset Accumulation Stage

- Cash Value (CV) could be collateralized and used for other opportunities
- More equity risk in invest as PLI cash value builds

Critical 10 years- Retirement Distribution

- Tax-free income- pull from CV while maintaining the insurance
- Permanent death benefit provides the emotional freedom to annuitize or spend down other assets
- Utilize CV to avoid taking money from investments following a loss
- Fund long-term care from CV through tax free loans/repay at death

Legacy Stage

- Estate strategies that could include: pay estate taxes from life insurance proceeds/gift non-step up asset to charitable foundation- replace with DB
- PLI gives legacy assurance

Unique Challenges of Selling Life Insurance

- **Behavioral and perception hurdles**
- **Complexity and education challenges**
- **Industry-specific friction**

Biggest Misconceptions About Life in a Wealth Strategy

Misconception #1: “Life insurance is just a death benefit.”

Reality → **Permanent insurance is a living asset** with liquidity, optionality, and planning value

It supports **retirement income, risk buffering, tax management, and legacy planning**

Banks own cash value life insurance
(Largest US Banks / Life Ins Assets)

Bank #1	\$12.66 Billion
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Bank #2	\$24.38 Billion
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Bank #3	\$5.34 Billion
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Source: [FDIC BankFind](#)



Biggest Misconceptions About Life in a Wealth Strategy

Misconception #2:
“Insurance competes with investments for dollars.”

Reality → **Insurance improves investment efficiency**, not replaces it

Acts as a **volatility buffer**, allowing clients to stay invested longer and more confidently

Figure 2. Retirement Income & Median Legacy for Various Asset Mixes at the 60/40 Asset Allocation



Biggest Misconceptions About Life in a Wealth Strategy

Misconception #3:

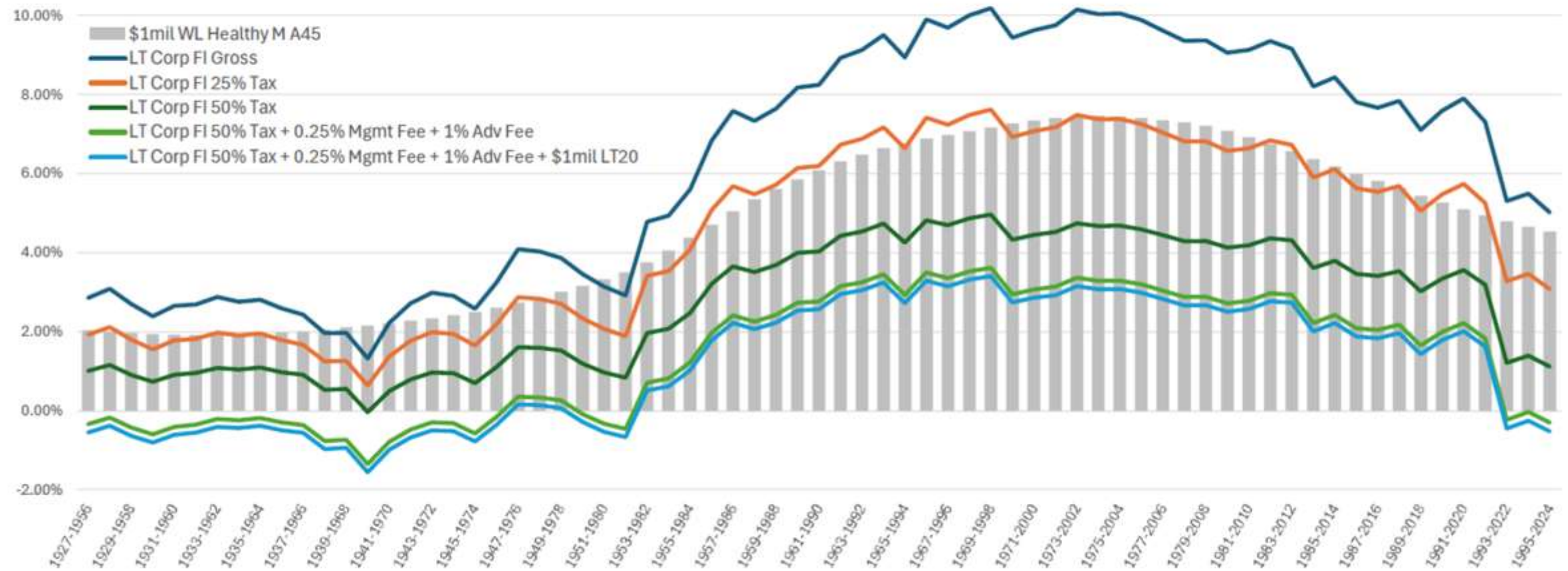
“Returns aren’t competitive.”

Reality → Insurance should not be judged on standalone IRR

When evaluated on **risk-adjusted outcomes, tax efficiency, and behavioral benefits**, results are often superior

30yr Rolling Period Returns

\$26,090 Ann Outlay - Healthy age 45M \$1mil DB WL Pay to 100



Assumes a hypothetical all-base whole life insurance policy and does not represent any specific policy issued by Northwestern Mutual. \$1,000,000 DB Hypothetical WL, 45-year-old Male Healthy NonSmoker. Annual Premium = \$26,090. Assumes industry average mortality and expenses and uses Northwestern Mutual historic dividend interest rates. The dividend interest rate is not the policy's rate of return and does not reflect policy charges related to mortality costs and expenses. Dividends are not guaranteed. Whole life insurance has a longer-term outlook with immediate benefits in the form of death benefit coverage. Indexes and/or benchmarks are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Corporate Bonds based on U.S. long-term corporate bonds total returns. Net bond portfolio returns assume 25% and 50% effective income tax rates, 0.25% management fee, and 1% advisory fee. Comparisons calculated by Northwestern Mutual using information and data presented in Morningstar Investment Analysis Software, © 2025 Morningstar Associates, Inc. All rights reserved. Used with permission.

Biggest Misconceptions About Life in a Wealth Strategy

Misconception #4: “It’s only for ultra-high-net-worth clients.”

Reality → Middle-market and mass-affluent clients often benefit even more from guarantees and tax efficiency

Insurance fills gaps where sophisticated planning tools may be unavailable

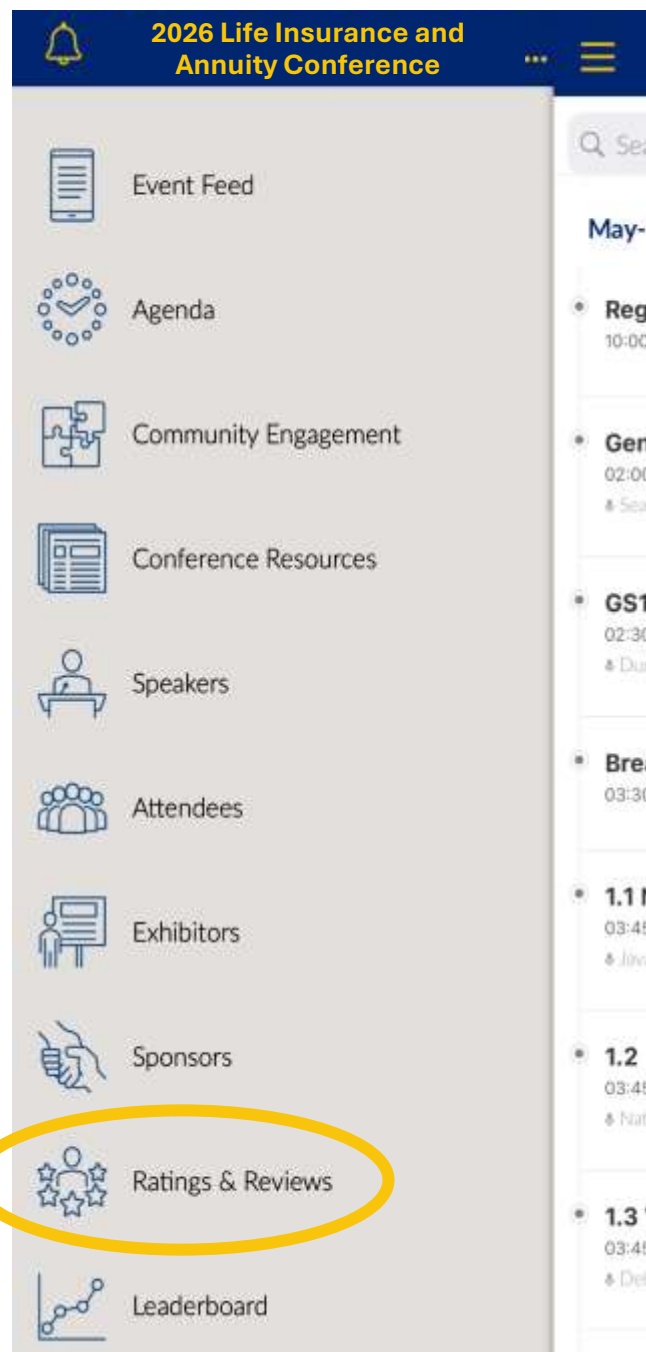


- **How technology is changing the practice model**
- **Tools supporting prospecting and planning
(high-level, non-vendor specific)**
- **Role of AI in today's wealth and insurance practice**
- **What AI is — and is not — doing**

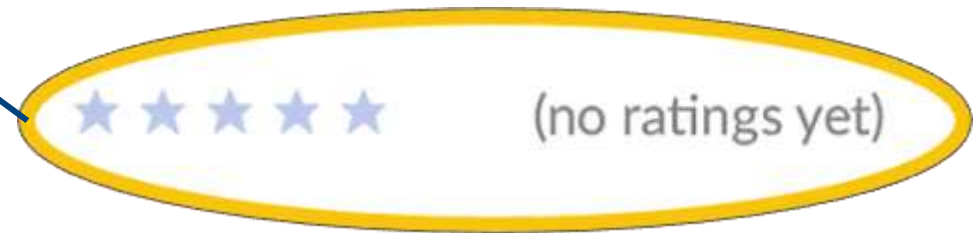
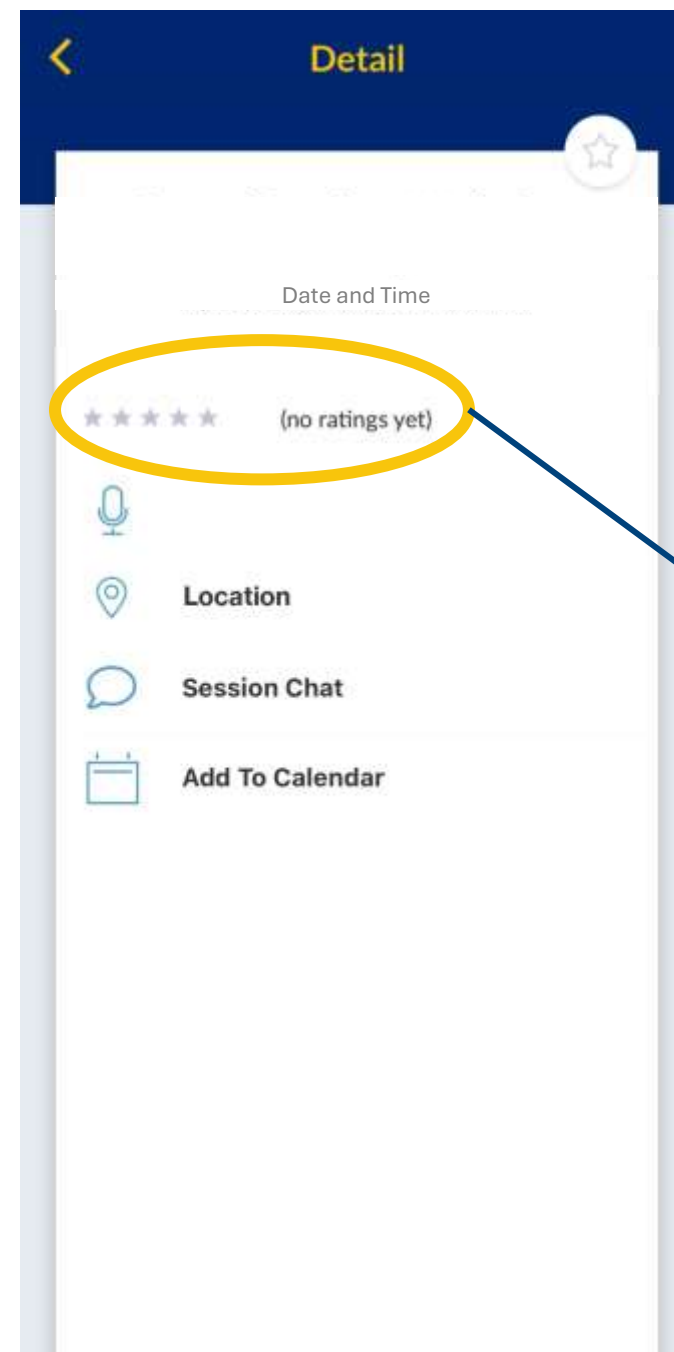
- **Reframing the issue**
- **Barriers facing middle-market consumers**
- **How the industry can close the gap**
- **Strategic industry shift**

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