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Life Insurance: Do It for Love or Do It for Money

Need some **ideas** for marketing pieces to hand to clients? This article lists 30 uses for life insurance, ranging from personal needs and business planning, to estate planning and charitable giving.

U.S. Cracks Down on Noncompliant Retirement Plans

The Obama administration is increasing **enforcement** of federal rules that govern retirement planning. Seventy-seven percent of 401(k) plans have been found by the Labor Department to be noncompliant "in some form," said John Carl, president of the Retirement Learning Center. The American Institute of Certified Public Accountants established the Employee Benefit Plan Audit Quality Center to help CPAs meet the challenges of performing quality audits.

Combination Life Insurance Up 62 Percent

Following strong double-digit growth in 2009, new premium sales of individual life **combination products** jumped 62 percent in 2010, reaching \$1.2 billion, according to LIMRA's research. New sales of combination products represent 6 percent of the individual life insurance market based on new premium. In addition, with more than 26,000 policies sold in 2010, policy count of combination products increased 69 percent over 2009.

IRS Scrutinizes Gifts of Real Estate

The Internal Revenue Service (IRS) has a low-profile but sweeping effort under way to use state land-transfer records for evidence of omissions in **reporting** gifts of real estate to family members. States that have handed over information on gift-like transactions are Connecticut, Florida, Hawaii, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Virginia, Washington and Wisconsin, according to a court document filed with the IRS. A sampling of data from these states showed an extremely high failure-to-report rate. A chart in the document indicated noncompliance rates of 60 percent in Connecticut, 90 percent in Florida, 60 percent Nebraska, 100 percent in Ohio, 90 percent in Virginia, 80 percent in Washington and 50 percent in Wisconsin.

Ohio to Repeal Its Estate Tax

Legislators in Ohio's House and Senate have successfully voted to **repeal** their state's estate tax as of Jan. 1, 2012. Since the repeal is backed by Gov. John Kasich, it's looking more and more like the tax is on the way out.

The Good, the Bad and the Never Ugly: Suze Orman

According to Michael Chamberlain of Forbes.com, "We are all aware that **Suze Orman** does a good job of raising public perception regarding the importance of making sound financial decisions. Unfortunately her blanket approach does not fit everyone's needs..."

Life Insurance 1Q Sales Up 8 Percent, Led by UL Gains

As measured by new annualized premium, total individual life insurance sales in the United States rose 8 percent, as compared to the first quarter of 2010. According to LIMRA, universal and whole life insurance continue to drive the **sales**, and they expect the growth to continue.

Texas Men to Be Sentenced in September for \$100 Million Fraud

Two Houston area men will be **sentenced** in September for lying about how their company operates and using investor funds to finance lavish lifestyles. Their company used investor funds to purchase life

insurance contracts from insured people for less than half of face value and promised their investors large returns.

Client Perspective

Fifty-four Percent of Americans Over 65 Say They Can Pay for Retirement

Fifty-four percent of older Americans are confident they are **prepared** for retirement, according to a Charles Schwab survey. Respondents 65 and older are twice as likely to feel confident as those 18–24. However, there are still some older people who are unsure of their readiness: 21 percent of those 65 and older said they lack confidence.

As World Millionaires Multiply, Singapore Holds Its Lead

Singapore seems modest by some measures: Median income among working households was only about S\$5,700 (about US\$4,500) in 2010, according to the Singapore Department of Statistics. Yet in this small island nation of only 5 million, known for extravagant shopping, high-end restaurants and draconian chewing-gum laws, nearly one in every six households has more than \$1 million in assets, making it the densest population of wealthy households in the world, according to a new report by Boston Consulting Group.

AARP Now Expects Cuts to Social Security

AARP says it is open to Social Security benefit **cuts** in the future, giving hope to groups that are pushing for a balanced budget deal. AARP has said it does not want Social Security cuts included in a broader budget deal, but rather in separate legislation.

IRS Reports More High-income People Who Owe No Tax

A study by the Internal Revenue Service found that from 2007 to 2008, the number of people with **incomes** of \$200,000 or more who owed no taxes rose 79.5 percent. The 18,783 people in that income range who paid no federal tax amounted to 0.43 percent of all high-income taxpayers, compared with 0.23 percent in 2007.

Some Employers Restart 401(k) Matching with Conditions

Some U.S. companies are restoring **matching funds** for employee retirement plans after suspending them during the recession. However, many companies are placing limits on the programs, such as restrictions on the size of matches, and raising the amount that employees must contribute before the match kicks in. The terms are meant to protect the programs in case of financial troubles later, executives say.

Tax Cheating Occurs Despite IRS Enforcement

Cheating on taxes is still widespread despite an Internal Revenue Service crackdown. Some of the common ways taxpayers cheat include overreporting refundable credits, hiding income and identity theft.

States Roll Back Income Taxes on High Earners

Federal income taxes on the highest earners may still be under debate, but many states are **cutting** their rates. New York's state tax on income exceeding \$500,000 will fall from 8.97 percent to 7.85 percent this year. Maryland and California are also reducing rates.

Does Your Personal Financial Advisor Have Your Best Interests in Mind?

In the wake of the Wall Street scandals, wealthy investors and affluent retirees are asking some **tough questions** about financial planning. Is my financial advisor trustworthy? Is my financial advisor competent? Is my financial advisor objective? A new organization, the National Alliance of Objective Financial Advisors, has created the most stringent due diligence process in the financial advisory industry.

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