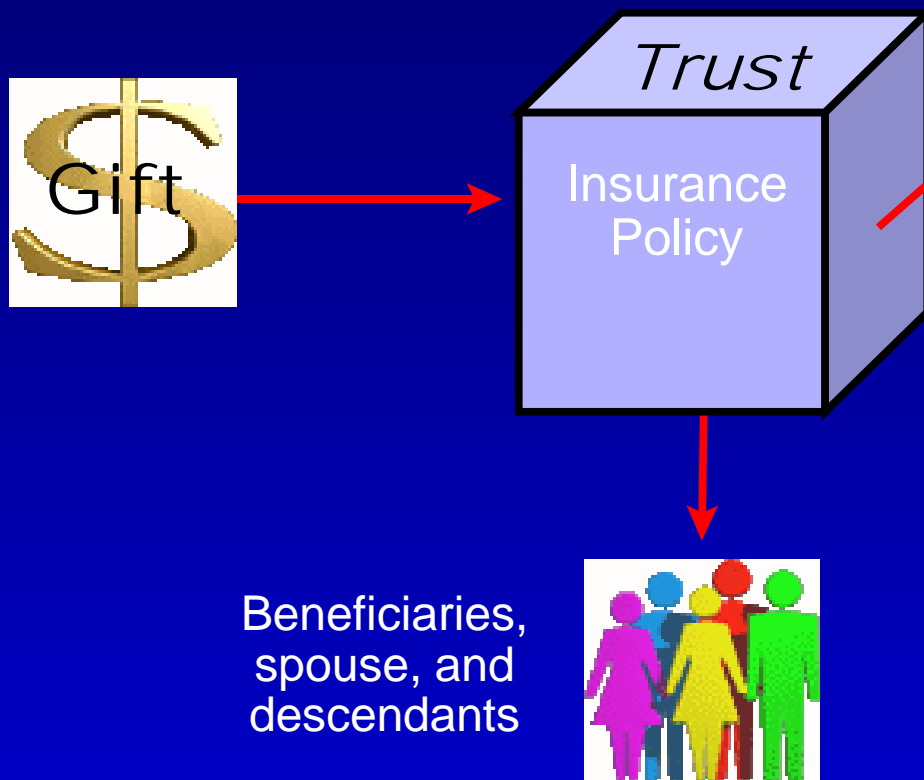


LIFE INSURANCE TRUST



Beneficiaries,
spouse, and
descendants

- ★ Trustee (spouse?)
 - ★ Opens bank account
 - ★ Deposits gift
 - ★ Gets forms signed
- ★ Removes life insurance from estate taxation
 - ★ Pays premiums
- ★ 3 year rule
- ★ There may be **no income tax, gift tax, or estate tax** on the death benefit.
- ★ **Irrevocable** and unamendable
- ★ Can use 2nd to die policy, but with a different trust
- ★ Insured would have to earn **three times** the death benefit (minus taxes) to equal the death benefit by earnings.