Chapter E-Bulletin

This publication made possible by

Total Brokerage Solutions

FI Toll Free: 1.800.448.0035
Local: 561.995.8200
www.totalbrokeragesolutions.com
Formerly the Sahm Life Agency

Dates to Remember

February 18, 2009
1:00 pm to 3:15 pm
VTC on DVD
"Different Strokes for Different Folks: Between Plan Design & Personal Goals, the Choices are Limitless"
2 hrs C.E. applied for Ins, CFP, CPE, CLE & Banking Credits
Capital Conclusions Corp – 7000 W Palmetto Park Rd #402, Boca Raton
Register at: www.pbsfsp.org

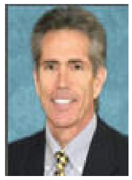
March 12, 2009
Panel Discussion – Life Insurance & Asset Protection.
Do you know how to work with CPAs?
11:15 a.m. – registration
11:45 a.m. – lunch
12 noon – 1:30 p.m. – C.E. Program
Location: Atlantis Country Club
190 Atlantis Blvd, Atlantis, FL
Register: www.pbsfsp.org

April 23, 2009
TBA

May 20, 2009
VTC on DVD
True Stories in Succession Planning and Exit Strategies

May 21. 2009
Joint Annual Meeting & CE
LTC in Group Market

Palm Beach County Chapter



William Stansbury, CLU, ChFC
President 2008-2009

I must admit I found myself mesmerized in front of the television set in the early afternoon of January 15th. Surely my eyes were deceiving me - a US Airways jetliner floating in the Hudson River. Certainly the death and injury toll was going to be significant – how could it be otherwise with a plane this large crashing into the river? But as the doors opened, passengers began scrambling out onto the wings until only the captain was left inside – and he was double checking to make sure no one was onboard! Rightfully so, the lead story that evening on every major network was the "Miracle on the Hudson" and attention was starting to focus on the people responsible for this "miracle" – the captain and crew. When the captain was asked how he was able to make this miracle happen, he attributed it to training, experience and professionals working together. Since that afternoon, the pilot has been declared a hero, invited to be a guest of honor at the presidential inauguration, been given the keys to the city of his hometown and had a parade thrown in his honor. All of these accolades are coming his way, and rightfully so, because he used his training, experience and team when things weren't going right to help create a favorable outcome from what could have been a terrible situation. So, for a few days, the top news stories were about a happy ending to what could have been a significant catastrophe.

Remember what the major news stories were prior to and since this incident – stock and real estate market uncertainty, Ponzi investment schemes, 401k plans turning into 201k plans, etc, etc. In many ways we are seeing people across the country trusting their financial survival to "crews" with very little training, little experience, and not willing or able to work with other professionals. The sad result is that for many families there won't be any miracles just nightmares. I am proud to be a member of a professional organization whose roots are planted in education, experience, and working with professional advisors – and at the end of the day isn't that what most people are really looking for? Knowing what the passengers of that US Airways flight know now, I wonder how many would be willing to save $100 on the ticket for a crew with little to no training and experience – and I wonder how many people might actually pay a little more for their ticket to have that crew from flight 1549 on their next flight. Education, training, ethics, experience have real value.

I commend all of you who have made the commitment to membership and I encourage you to reach out to those people in this area who may not be members and encourage them to join. Collectively we can make a difference, but we have to remain committed to training and education. Please mark your calendar and plan to attend the February 18th video teleconference "Different Strokes for Different Folks: Between Plan Design & Personal Goals, the Choices are limitless". The presentation has been approved for 2 hours of CE. There will be industry experts who will discuss a number of topics to include: Where the economy stands on a recession-depression scale; the "Rescue Plan" and the implications of government regulation and the new Administration; how various factors influence investment choices in company sponsored retirement plans.

Look forward to seeing you at the video teleconference on February 18th.

Bill can be reached *Diana@lifeinsuranceconcepts.com*

Comments are welcomed!

Palm Beach County Chapter Leaders

President
William E. Stansbury, CLU, ChFC
561-988-8984
bill@lifeinsuranceconcepts.com

President-Elect
Nancy Hite, CFP®, CLU, ChFC, RFC
561-997-8800
finadvv@comcast.net

Secretary-Treasurer
Harvey Stein, CLU, ChFC
561-392-7400
harveystein@bellsouth.net

Immediate Past-President
Darlene M. Hanes, CLU, ChFC
561-252-1061
dmhcluchfc@comcast.net

Directors
Teresa Di Lorenzo, ChFC, CEP, ATP
561-279-7630
dfs@df.fdn.com

Jeff Ritter, DBA,MBA, BBA
561-272-7800
jritter1961@bellsouth.net

Laz Mur, Esq
561-691-5427
lmur@nixonpeabody.com

Adi Toth, CFP®, MBA, CLU, ChFC
561-962-2923
adi.toth@nmfn.com

Andrew Shamp, JD, LL.M.
561-988-8974
ashamp@lifeinsuranceconcepts.com

Chapter Executive
Claire Gamelin
561-588-5444
admin@pbsfsp.org or
clairegamelin@comcast.net

Society of FSP – President
Rod Hansen, CFP®, CLU, ChFC, AEP
800-800-2599
roderick.hansen@pacificlife.com

Private Letter Ruling (PLR 200903001)

Life Insurance Contracts Rider / Certain Accident & Health Benefits

Finally some good news from the Internal Revenue Service (is that an oxymoron?). The IRS has determined in a private letter ruling (PLR 200903001) that a life insurance contracts rider, which provides certain accident and health benefits, will be treated as "accident or health insurance" as that term appears in section 104(a)(3) of the Revenue Code. Benefits received under the Rider will be excludable from the recipient's gross income under that section (relating to amounts received as accident or health insurance on account of personal injuries or sickness), so long as the benefits are attributable to the recipient's after-tax contributions.

Pursuant to representations made by Taxpayer (a stock life insurance company), Taxpayer issued Contracts constituting individual, non-participating, flexible premium adjustable life insurance policies designed to qualify as life insurance contracts under section 7702. A Rider to the Contracts allows the owner to make an election to accelerate the receipt of all or a portion of the death benefit under the Contracts to which the Rider is attached, if the person insured there under becomes critically ill. The Rider pays a benefit to the policy owner during the insured's lifetime if the insured is diagnosed by a physician as having a qualifying covered condition, as defined in the Rider. Payment of the benefit reduces the death benefit payable under the Contracts. The Contracts terminate if the death benefit payable is reduced to zero upon payment of the benefit. The Rider does not provide any cash value or loan value. Taxpayer represented that the Contracts and Rider are purchased with after-tax monies, *i.e.*, no premiums are deductible by the owner or attributable to contributions by an employer of an owner which were not includible in the gross income of the owner. Thus, the Contracts and Rider are purchased solely with the owner's after-tax funds.

On the foregoing facts, the Revenue Service ruled that the Rider benefits will be fully excludable from the recipient's gross income under section 104(a)(3). Effectively, the benefits will not be taxable as pre-death payments in lieu of what would have been nontaxable life insurance death benefits if paid after death. Section 104(a)(3) provides that gross income does not include amounts received through accident or health insurance (or through an arrangement having the effect of accident or health insurance) for personal injuries or sickness, other than amounts received by an employee that are attributable to contributions of the employer not previously taxed to the employee. Remember, this is only a private letter ruling and the above information was not intended or written to be used by you for the purpose of avoiding any tax or penalty that may be imposed by the Internal Revenue Service. Please advise your client to seek their own advice from their attorney and/or accountant.

Bill Stansbury, CLU, ChFC

Comments are welcomed! *Diana@lifeinsuranceconcepts.com*

Society of FSP proudly presents

Different Strokes for Different Folks: Between Plan Design & Personal Goals, the Choices are Limitless

WEDNESDAY, February 18, 2009
1:00 P.M. to 3:15 P.M.

RESERVE NOW! 2 Hours of Continuing Education!!

Intermediate Level - This program has been submitted for Insurance, CLE, CPE, CFP®, ICB, and PACE credits

Program Overview

Investor decisions are the result of many factors that involve both the plan design and individual psychological issues such as a person's risk tolerance level or his understanding of the stock market. The vast array of different plan designs, coupled with the numerous investments within each plan, makes the options to investors virtually limitless. Most educational programs talk only about plan design or the psychology of the investor when it comes to making actual choices and not the investments offered within the plan.

This program takes into account the "other" factors such as the tax status of the plan (tax advantaged vs. non-tax advantaged), age of the investor, ultimate goal of the investments, and structure of the plan itself. It discusses how these factors influence the investment choices offered to investors before they factor in their individual likes, dislikes, beliefs, theories, or risk tolerance issues.

Within the context of the current economic situation, panelists will discuss:

- Where a client is in his or her life stage
- Where the economy stands on a recession-depression scale
- The "Rescue Plan," the implications of government intervention, and the new Administration
- How these factors influence investment choices about company-sponsored retirement plans

Several case studies compare and contrast the investment portfolios of different plans. They also discuss the different money management decisions to be made every day as those "other" factors are influenced by the day-to-day activity of investment markets.

Moderator: Deborah Gaynor, CLU, ChFC. Panel of Experts: Mark A. Davis, CLU, ChFC, CFS, **James W. Mader, CLU, ChFC,**
George R. Shannon and **Lawrence Wiener, CLU, ChFC, AEP**

1:00 P.M. to 3:15 P.M.
Wednesday Only!

Capital Conclusions Corp (561) 392-7400
7000 West Palmetto Park Rd, Ste 402
Boca Raton, FL 33433
Host: Harvey Stein, CLU, ChFC
561-392-7400

Member: $35.00 of FSP –PB
Non-Member: $50.00

Take Exit 44 West on Palmetto Park Rd. Keep right at the fork to go onto W Palmetto Park Rd.
SW Corner of Powerline & Palmetto Park Rd.
Register: http://www.pbsfsp.org

Thank you for renewing!

***Edward Barrett,** CLU ChFC CEBS CFP®*
Robert Coury, CLU
Daniel Dixon, CLU, ChFC, CFP®
***Linda Dolphin,** CLU ChFC CFP® MBA*
David Goldberg, CLU,ChFC
E. Klueppelberg, CLU ChFC BS
Robert Probst, CLU,ChFC
David Stoller,CLU,ChFC
Stephen Volk, CLU,ChFC

~~~~~~~~~

HELP FSP GROW AND BE A WINNER!

Individual Member Competition

Individual Member Prizes: Every member that recruits just one new member is a **guaranteed winner!** The more you recruit the greater the value of your prize (see schedule below).

Grand Prize: The member that recruits the most new members will receive a free 2009 FSP Forum and Professional Leadership Symposium (including 3 nights onsite hotel lodging, airfare voucher of $500, PLUS complimentary national dues for the 2009-10 membership year. In the event of a tie, winner will be selected by drawing.

- Recruit 5 or more new members and your 2009-10 National Dues are complimentary.
- Recruit 2 to 4 new members and receive 50% off your 2009-10 National Dues.
- Recruit 1 new member and receive 25% off your 2009-10 National Dues.

Visit http://www.financialpro.org for more details!

If you do not wish to continue receiving our emails and/or faxes, contact admin@pbsfsp.org or 561-588-5444
~~~~~~~~~