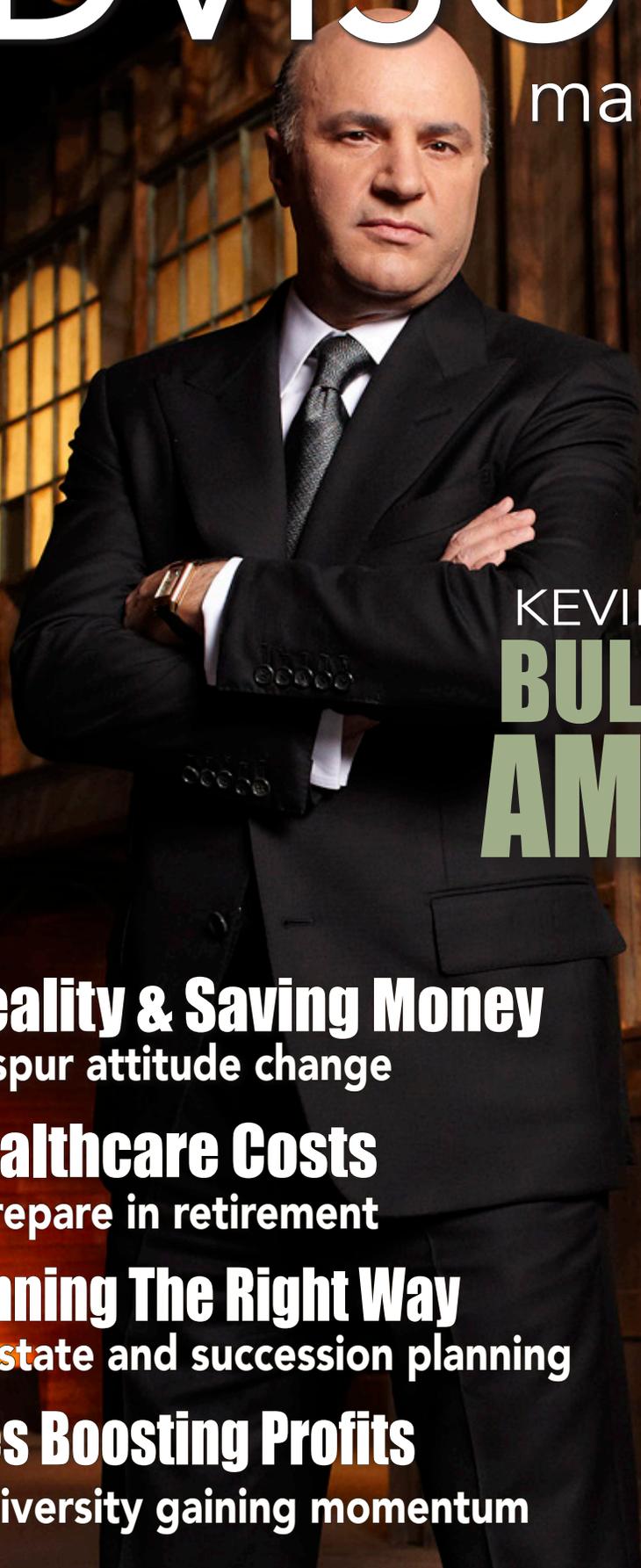


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# ADVISORS

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A photograph of Kevin O'Leary, a middle-aged man with a receding hairline, wearing a dark suit, white shirt, and patterned tie. He has his arms crossed and is standing in a rustic, industrial-style setting with wooden walls and a window with a grid pattern. The lighting is dramatic, with strong highlights and deep shadows.

KEVIN O'LEARY  
**BULLISH ON  
AMERICA**

## **Virtual Reality & Saving Money**

Simulations spur attitude change

## **Rising Healthcare Costs**

4 Ways to prepare in retirement

## **Estate Planning The Right Way**

A guide to estate and succession planning

## **Businesses Boosting Profits**

Workplace diversity gaining momentum

## THE LEAST RISK FOR THE MOST EARNINGS

*Specific solutions for clients looking to avoid stock market risks and earn excellent interest*



Every client has different needs, but many times what benefits a client most is not what has been heavily marketed. That's the view of

Moshe Fishman, President of Tekeno Financial LLC, based in Lakewood, New Jersey. He wants clients to understand their options when it comes to minimal risk, other than those broadcasted the loudest, such as CD and money market rates. "Often times, I'll introduce products that my clients have never heard of before," says Fishman, adding he enjoys educating clients and making tailor-made solutions for them.

### Modified Endowment Contracts

Fishman's practice looks for specific clients, those seeking peace of mind with safety and liquidity. They had money in CDs or money market accounts, but "Most just threw up their hands and said, 'I'm not going to make money, I'll just have to accept the low interest rates,'" says Fishman. For these clients, he sets up modified endowment contracts (MECs), special life insurance contracts from top-rated life insurance companies.

MEC is a broad term for a life insurance contract used primarily for its cash accumulation, and the interest offerings vary greatly, Fishman explained. They earn interest in stock market "up" years, but when the market goes down, the zero percent floor means that clients don't lose money. The interest these MECs earn is based on a full year performance of the S&P 500 index.

The money is not actually in the market, but in the insurance company. Currently, there's an upside cap of 8.5



percent per year, which is the lowest it's ever been, according to Fishman. Caps can change annually and are expected to increase as interest rates rise. To adjust the risk of having no downside, clients are given this upside cap. In addition, these contracts are tax-deferred, and the life insurance portion of the contract is tax-free to beneficiaries when the insured person dies. If money is taken out of the contract, the gains are taxable as ordinary income. The minimum contract is \$100K, while the maximum is \$250K per contract.

### MECs and Long-Term Care

If someone needs help with long-term care, that's another MEC benefit. A portion of the life insurance can be accelerated in this instance, and they can take money out of the policy – usually tax-free. This large disbursement amount depends on the age and health of the person insured with the MEC. "It takes money otherwise earning nothing and gives a lot of value to it," says Fishman. He says many people who would not otherwise get long-term care insurance will get an MEC, because unlike standard long-term care policies, it combines many

benefits together.

### Make Sure Risks and Rewards Equal Each Other

Fishman says his approach involves a shift in thinking. Traditionally, trying to achieve certain levels of gains requires a certain level of risk. "If you're going to take risks, you must make sure the risks you're taking, and possible rewards are balanced" he says. He finds different vehicles and approaches that provide the highest returns with least amount of risk ratio. Bitcoin, for example, has no intrinsic value. "How much upside potential does Bitcoin need to show to make it worth the risk? Bitcoin has no metric to tell you what the risk is, it's not even an investment, it's gambling," he says. Fishman wants the least risk for the most earnings.

For more information about Tekeno Financial, visit: [Tekeno Financial](https://www.tekenofinancial.com)

