



## MEMBER NEWS

WINTER 2003 \* P.O. BOX 160384 \* NASHVILLE, TN 37216 \* 1-800-251-8434 \* E-MAIL: [INFO@ASMBA.COM](mailto:INFO@ASMBA.COM)

### *McCONNELL NAMED NEW PRESIDENT*

The Board of Governors, at its September 2002 meeting, selected Michael G. McConnell, Col., USAF Ret'd to be the new President of ASMBA. Col. McConnell spent 26 years in the Air Force and had a varied career between flying operations and staff assignments. His flying assignments were with Strategic Air Command and Air Combat Command in B-52's and KC-135's. Col. McConnell's staff positions were at the Pentagon with Office of Joint Chiefs of Staff, and at Strategic Air Command and Air Combat Command in operations.

He retired from the Air Force in 1999 and immediately was accepted to the Fuqua School of Business at Duke University where he earned a Global Master of Business Administration degree. His curriculum at Duke concentrated on global marketing and management issues along with business firm valuation. While at Duke he also spent portions of his last semester working in the office of Congressman Zach Wamp, R-TN to gain a better exposure of the interaction of business and politics in the United States today.

Upon graduation from Duke he joined Nortel Networks in Atlanta as specialist in marketing new business initiatives and in evaluating start-up business plans for Nortel. His areas of concentration were bandwidth trading and bandwidth on demand business plans and programs. In 2001, he departed Nortel Networks to assist in the founding of two telecommunications start-up firms. The first was LaserShift, Inc. which specialized in providing outsourced engineering services to a wide ranging class of customers. At LaserShift he served as Director of Marketing. Later Col. McConnell and several LaserShift alumni went on to found their own firm, OCX2, Inc. which returned him to bandwidth trading and bandwidth on demand business. At OCX2 he served as the Vice President for Operations and Strategy.

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### *NEW PLANS OF COVERAGE AT ASMBA*

We are very excited about the new plans of coverage we will be offering in the next few weeks.

#### **CHOICE LEVEL TERM**

A flexible option plan to fit your needs. This plan **guarantees fixed cost and coverage** for a specific period of time—10, 20 or 30 years for you and/or your spouse. Coverage amounts are available from \$50,000 to \$250,000 and no medical exam is required if you are active duty. The **Choice Level Term** plans also offer an emergency death benefit of \$5,000 payable within 24 hours of notice. If you are between the ages of 18 and 69 you are eligible for this plan. Check out this affordable and competitive plan, it may be just what you need.

#### **PLATINUM AD&D**

Our new **Platinum AD&D** (Accidental Death and Dismemberment) plan is available with four different options: member only; member and spouse; member and child; member and family. Coverage

levels available from \$50,000 to \$200,000 with **no medical exam or health requirements**.

#### **SENIOR SECURITY PLAN**

This policy is designed to reduce the financial burden your loved ones could experience from losing you. The **Senior Security Plan** offers members, ages 50-60, the option to apply for extra coverage to cover their final expenses with a plan that accrues a cash value. Coverage amounts are available ranging from \$5,000 to \$25,000 **without the inconvenience of having to take a medical exam**. An emergency death benefit of \$5,000 payable within 24 hours of notice of death is offered with this plan.

As a current member of ASMBA, you will automatically receive information on these plans when it becomes available. For more information or if you know of anyone who might be interested who is not a member of ASMBA, please contact us at our toll-free number (1-800-251-8434) or at our new web-site at [www.asmba.com](http://www.asmba.com). These new plans, along with all our plans, cover you during peace or war, 24 hours a day!



## *CHARITABLE GIVING & ESTATE PLANNING*

### *A WINNING STRATEGY*

*BOB SCULLEN, CFP™*

When the subject of estate planning arises, it draws a variety of responses. Typical responses include, "It is only for the extremely wealthy, all our assets are jointly held and we don't need a plan, the fees are too expensive, the estate tax is going to be eliminated," and so on. These perceptions have potentially disastrous results. Unnecessary taxes could be paid and the true wishes of the deceased are not carried out.

Estate planning is simply planning for the orderly transfer of assets to whom you want and when you want. Not all transfers occur at death. Transfers can occur while still living, allowing the owner the opportunity to observe and enjoy the results. Goals of estate planning range from paying absolutely no estate tax, to maintaining absolute control over the assets from the grave. Fortunately, most want to demonstrate their genuine love and concern for the individuals and organizations that they leave behind. That is why a well-written estate plan is often referred to as the last love letter.

There is now, as in the past, great debate occurring regarding the future taxation of income and estates. There will be changes. Change has always been part of our tax system. Therefore, plans need to be flexible and reviewed by competent financial and legal advisors. Even if estate taxes are eliminated at the federal level, there still remain income taxes, capital gains tax, excise tax and state death taxes to consider.

Taxes are not the only consideration in planning your estate. Many want to leave a legacy that typifies their life. During our lifetimes most of us have supported many important and worthwhile causes and institutions such as our churches, universities and schools, and community services and health organizations, such as the American Cancer Society or the American Heart Association. We have received more than we have ever given from these organizations and our estate plans offer the opportunity to demonstrate to our families and friends the importance of continuing that support. Our tax code has been written to provide incentive to support these charities. The writers of the tax code realized the importance of being able to choose the ones we support and thus give substantial tax benefits for donating to those institutions that qualify under the tax code.

The most popular and least complicated method to give to a charity from an estate is a bequest of a specific dollar amount or percentage of the estate value. The taxable estate is reduced directly by the amount of the bequest. Bequest language is used in the decedent's will or in some cases, Living Trust to make the gift. This method, if you have charitable intent, is appropriate for virtually anyone regardless of how big or small the estate might be.


Another uncomplicated method of giving to charity is through the beneficiary designation of a life insurance policy that is not needed to provide for surviving family members. The charity can be named as primary or contingent beneficiary. The death benefit of the policy is removed from the value of the estate.

Charitable Gift Annuities permit the giving of cash or assets such as appreciated stock to a charity that in turn guarantees the payment of income to the donor for the balance of his life. The donor receives a tax deduction for a portion of the gift in the year the gift is made and the value of the asset donated is removed from the estate. The income received is partially sheltered from income tax and can be used for living expenses or to increase giving. The income can be paid over two lives such as a husband and wife or a grandparent and grandchild.

Two types of trusts are also used frequently to reduce the size of the estate and support charities. The first is the Charitable Remainder Trust (CRT). This trust allows for an appreciated asset such as stock or real estate to be placed irrevocably in the trust. The trust produces income to the donor and at the end of the trust period the principal remaining goes to the designated charity or charities. The taxable estate is reduced and capital gains tax is bypassed and there is an income tax deduction in the year the trust is established. The second is the Charitable Lead Trust (CLT). It is the reverse of the CRT. Assets are put in the trust and income provided to the charity for the life of the trust, typically ten to twenty years. The remaining assets then go to the donor's non-charitable beneficiaries, typically children or grandchildren. This provides immediate benefit to the charity, reduces the taxable estate and potentially increases the net amount transferred to heirs. The CLT can be established during the donor's lifetime (inter vivos CLT) or upon death (testamentary CLT).

If we felt passionate enough about the work and mission of an organization during our lifetime that we donated our time and treasure, it naturally follows that we would want to leave a legacy that would encourage others to do the same. Depending upon the estate and its makeup, it is quite possible to give away money and assets that would have been lost to taxes. We have very little control over how taxes are spent. Proper planning, which requires advice from competent tax and legal professionals, allows the conversion of those tax dollars into "social capital" that will support those causes and organizations that find cures for disease, serve the needy, educate our children and grow us spiritually. And when you do include these organizations in your gift planning, let them know. Every one of them needs to make near and long term plans to make effective use of the gifts they receive. Having information about what is in the future for them enhances their ability to make strategic plans enabling them to be more effective in accomplishing their mission. Remember, when we give, we all receive.

*Bob Scullen is a CERTIFIED FINANCIAL PLANNER™ practitioner. He is a former USAF pilot and a graduate of the USAF Academy.*

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## *THE NEWEST MEMBER OF THE BOARD OF GOVERNORS* *EDWIN F. RUMSEY*

The newest elected member of the Board of Governors is retired Air Force Colonel Edwin F. Rumsey. As a 1955 graduate of the United States Military Academy at West Point he elected to serve as a pilot in the Air Force. (At that time there was no Air Force Academy and one third of the graduating class was allowed to serve in the Air Force as long as they were physically qualified for flight training.)

After a four-year tour in France, Rumsey was stationed at Sewart AFB as a C-130 pilot in the 61<sup>st</sup> Troop Carrier Squadron commanded by Lt. Col. Kenneth Chatfield, who eventually became the President of ASMBA upon retirement. Leaving Sewart AFB in 1963, at the time ASMBA was founded, Rumsey had a three-year tour at the Air Force Academy in Colorado serving as Air Officer Commanding.

From 1967-1968 Rumsey completed a tour in Southeast Asia and was subsequently assigned to the Plans (J-5) staff at CINCPAC under the leadership of Admiral Jack McCain (Senator John McCain's father). His last assignment was as the commander of the AFROTC detachment at Clemson University.

Rumsey looks back to his command of the 317<sup>th</sup> Tactical Airlift Wing (TAW) at Pope AFB as the best duty assignment in his 26 years of service. Ironically, it was the 40<sup>th</sup> Airlift Squadron of the 317<sup>th</sup> TAW that was his first assignment in France serving with

ASMBA founders Herb Schreiner, Bud Van Gieson, and Ken Chatfield.

After retiring in 1981, Rumsey was hired as the Director of Cooperative Education at Clemson until he was offered a position in Saudi Arabia with Lockheed International as a Training Director for the Saudi Air Force. Coming back after two years in the Kingdom, he started his own business in the fitness sector and stayed with it as owner, manager, and employee for 12 years. By 1997, he sold that business and started a new one as a licensed private investigator.



Currently, Rumsey is a licensed realtor with Allquest Realty in Seneca, South Carolina. However, he admits spending most of his time as Chairman of the Republican Party in Oconee County. His support, and that of the local party, were instrumental in the election of Oconee County resident Lindsey Graham to replace Senator Strom Thurmond in the United States Senate.

Rumsey attended his first Board meeting in September when the Board Members interviewed and hired President Michael McConnell. During that meeting he had a chance to renew his friendship with Board Members Dick Wieland and Bob Smith. He looks forward to working with Chairman Larry Dagley and other members of the Board in serving the Association during the next few years.

# CONTEST! CONTEST! CONTEST!

At ASMBA we are making many exciting changes. We feel with our association moving into a new era, our newsletter needs a new name. Please complete the entry form below and return it to us (no postage necessary) by March 31, 2003. If your entry is chosen you will be the proud new owner of a Palm Pilot to help keep track of all those important events!



### WE NEED YOUR HELP TO NAME OUR NEWSLETTER

Name \_\_\_\_\_ Member # \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone \_\_\_\_\_

E-Mail Address (please print clearly) \_\_\_\_\_

**I think the newsletter should be named:** \_\_\_\_\_

The winning entry will be chosen from entries received by March 31, 2003  
and will receive a Handheld Palm Pilot as our thanks for helping!!!



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**FOUNDED BY MILITARY, FOR  
MILITARY,  
RUN BY MILITARY!**

## AIRLIFT/TANKER CONVENTION

ASMBA recently participated in the Airlift/Tanker Convention at the Opryland Hotel in Nashville, Tennessee. Thanks to all of you who stopped by the ASMBA booth. Everyone that signed up for our new FREE Basic Membership and \$3,000 AD&D Coverage was placed in our drawing for PALM PILOTS (we gave away 5!). The winners were:

*James H. Simpson, O'Fallon, IL*  
*Jack A. Klein, Medical Lake, WA*  
*Christopher L. Dockery, Puyallup, WA*  
*Charles E. Westbrook, Schertz, TX*  
*Elmer A. Nichols, O'Fallon, IL*

We also gave away insulated water bottles and had a water cooler at our booth. It was a great success. We became known throughout the Convention as the "Water People".

ASMBA would like to thank everyone involved in coordinating the Convention for all their hard work and long hours of preparation, and we look forward to attending the 2003 Convention in Anaheim, CA. SEE YOU THERE!



Pictured above are Vice President of Operations at ASMBA Lt. Col. John C. Jones, USAF, Ret'd; CMS Jim Ames, USAF, Ret'd; James H. Simpson, first winner in the Palm Pilot drawing; and Mrs. Helen Ames.

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