



CLIENT AND CLIENT ADVISOR CONFIDENTIAL

**Kai-Zen® PROPOSAL FOR:** Kai-Zen Client  
**PRESENTED BY:** NIW Licensed Producer

*Kai-Zen is the most exciting strategy in benefits....Period.*

## The Future's Uncertain

You've earned the right to maintain your standard of living throughout your retirement. Ordinarily, caps on individual contributions make traditional retirement plans inadequate for high-earners. In addition, unplanned pre-retirement expenses may have substantial tax consequences. Kai-Zen provides flexible, tax-beneficial retirement and permanent insurance for high-income professionals. Kai-Zen uses bank financing with 3 to 1 leveraging so you invest more, giving you increased supplemental income and benefits. This leveraged, all-in-one solution takes the uncertainty out of your future.

**Kai-Zen Has You Covered if you:**



**Can you afford to wait?**

Supporting Documents::  
 Life Carrier Insurance Illustration



## Control your future

If you are like most people, you're only able to afford a portion of the benefits that you truly need. Kai-Zen is the best answer for leveraging your current cash flow.

## How Does Kai-Zen work?

Kai-Zen uses a combination of client contributions and a bank loan that delivers:

- **Approximately 60% more supplemental income vs other conventional retirement plans**
- **Bank financing provides approximately 75% of the contributions (reduces costs and increases benefits)**
- **A Bank loan that uses the policy (cash value) and contributions as its sole collateral**
- **Tax deferred growth within the policy**
- **Tax free supplemental income (from policy loan)**
- **Permanent death benefit from inception (typically not taxable)**
- **Policy is bankruptcy and creditor protected (in most states)**
- **Lifetime income benefit rider (income stream in lieu of lump sum death benefit)**
- **Permanent death benefit can be accelerated (after loan repayment) to cover:**
  - o **Chronic illness (similar to Long term care)**
  - o **Critical illness**
  - o **Critical Injury**
  - o **Terminal illness**

## About NIW (Kai-Zen designed by NIW)

Since 2000, NIW Companies, Inc. has used its long time industry experience to develop sustainable financial solutions for life insurance. Financing, when used correctly, can both help reduce client costs and provide more substantial benefits. NIW Concepts are designed specifically to stand the test of time and to weather adverse economic conditions. NIW works with many of the largest lenders in the world. NIW has financed Life insurance for the last 15 years – even during the 2008 banking crisis. NIW has facilitated over \$4 billion in loans with the lowest failure rate and highest persistency in the industry. NIW monitors and services the plan annually throughout the life of the loan.



### Kai-Zen Client

<b>Client Summary</b>	<b>Projected Annual After-Tax supplemental Income</b>	\$ 51,000
	<b>Projected Total Retirement Income</b>	\$ 663,000
	<b>Projected Minimum Death Benefit after bank loan repayment</b>	\$ -
	<b>Projected Maximum Death Benefit after bank loan repayment</b>	\$ 1,823,557

Annual Contributions	
• <b>Annual Client contributions (5 total):</b>	\$ 56,500
• <b>Annual amount Bank lends for 10 yrs (some yrs may differ):</b>	\$ 52,054
• <b>Total Premium per year, Years 1 - 5:</b>	\$ 108,554
• <b>Trust Fees Client will fund per year for 5 years:</b>	\$ 1,500

Total Contributions	
• <b>Total Client contributions over 5 years:</b>	\$ 282,500
• <b>Projected total the Bank will lend over 10 years:</b>	\$ 803,040
• <b>Projected Total Premiums to the policy over 10 yrs:</b>	#####
• <b>Total Trust Fees client will pay to cover 15 years:</b>	\$ 7,500
• <b>Projected Bank loan repayment from policy in the 15th year:</b>	#####
(bank loan payoff from policy could vary based on actual policy performance)	
(bank loan payoff amount could vary based on actual bank loan terms)	

Living Benefits	
<b>Death Benefit can be accelerated for:</b>	
• <b>Chronic Care Benefits</b> (Assistance with daily living)	<b>Up to: \$1,500,000</b>
• <b>Critical Illness Protection</b> (heart attack, stroke, etc)	<b>Up to: \$1,000,000</b>
• <b>Critical Injury Protection</b> (coma, severe burn, traumatic brain injury, and paralysis )	<b>Up to: \$1,000,000</b>
• <b>Terminal illness Protection</b>	<b>Up to: \$1,500,000</b>
• <b>Lifetime Income Benefit Rider Option</b> (Income Stream for life instead of lump sum death benefit)	

Other Information	
•	Duration of and start of income is selected by participant (after loan repayment)
•	As long as the policy is inforce, policy loans are not typically taxable
•	Benefits are creditor-protected in most states
•	Policy Growth is based on market index changes with a floor of 0% (Protection against negative market performance)

See attached disclosure page

Not valid without accompanying insurance carrier illustration and product guide. Not all benefits are available in all states.



## SUMMARY OF BENEFITS

**Client:** Kai-Zen Client  
**Agent:** NIW Licensed Producer  
**Age:** 58

**Illustrated Rate:** 7.00%  
**Health:** Male NS

Age	Year	Loan Rate	Total Premium Paid	Client Contribution w/ Trust Fees	Bank Loan Contributions	Projected Loan Repayment Using Policy Loan	Projected Cumulative Bank Loan Including Interest	Illustrated Year End Projected Cash Value	Estimated Net Cash Surrender Value After Bank Loan	Illustrated Year End Projected Death Benefit	Projected Net Illustrated Year End Death Benefit after Bank Loan	Illustrated Projected Income Stream Using Policy Loans
58	1	2.75%	108,554	58,000	52,054		54,148	97,438	43,290	1,597,438	1,543,290	-
59	2	2.75%	108,554	58,000	52,054		109,163	200,906	91,743	1,700,906	1,591,743	-
60	3	3.04%	108,554	58,000	52,054		166,178	310,673	144,495	1,810,673	1,644,495	-
61	4	3.32%	108,554	58,000	52,054		225,601	427,158	201,557	1,927,158	1,701,557	-
62	5	3.55%	108,554	58,000	52,054		287,660	550,670	263,010	2,050,670	1,763,010	-
63	6	3.74%	108,554	-	108,554		411,238	681,409	270,171	2,181,409	1,770,171	-
64	7	3.89%	108,554	-	108,554		540,307	819,985	279,678	2,319,985	1,779,678	-
65	8	4.01%	108,554	-	108,554		675,215	966,917	291,702	2,466,917	1,791,702	-
66	9	4.10%	108,554	-	108,554		816,358	1,122,624	306,265	2,622,624	1,806,265	-
67	10	4.18%	108,554	-	108,554		964,128	1,287,685	323,557	2,787,685	1,823,557	-
68	11	4.42%	-	-	-		1,007,305	1,375,947	368,642	2,025,947	1,018,642	-
69	12	4.53%	-	-	-		1,053,549	1,470,409	416,860	2,045,409	991,860	-
70	13	4.60%	-	-	-		1,102,746	1,570,836	468,090	2,145,836	1,043,090	-
71	14	5.00%	-	-	-		1,158,649	1,677,611	518,961	2,252,611	1,093,961	-
72	15	5.00%	-	-	-	(1,167,000)	-	554,239	554,239	1,129,239	1,129,239	-
73	16	-	-	-	-		-	546,874	546,874	1,121,874	1,121,874	51,000
74	17	-	-	-	-		-	539,493	539,493	1,114,493	1,114,493	51,000
75	18	-	-	-	-		-	532,064	532,064	1,107,064	1,107,064	51,000
76	19	-	-	-	-		-	524,543	524,543	1,099,543	1,099,543	51,000
77	20	-	-	-	-		-	516,873	516,873	1,091,873	1,091,873	51,000
<b>Total</b>			<b>\$ 1,085,540</b>	<b>\$ 290,000</b>	<b>\$ 803,040</b>	<b>\$ (1,167,000)</b>						<b>\$ 255,000</b>

Note: The benefits and values shown in this proposal are not guaranteed. The information above is for illustration and comparative purposes only. The assumptions on which they are based are subject to change by the insurer and/or lender. Actual results may be more or less favorable. There is an administration fee that is built into client contributions to cover 15 years which does not go into the policy ( see the Kai-Zen disclosure page). Financing life insurance premiums has certain inherent risks including interest rate fluctuations, financial market performance, credit availability, insurance company ratings and stability which can affect the loan. Policy loans and withdrawals will reduce the policy's cash value and death benefit and may result in a taxable event. Policy cash values are not guaranteed and surrendering the policy may result in less cash value than what is illustrated. Surrendering the policy to access the cash value could result in substantial tax consequences and loss of the death benefit protection. If you accelerate the death benefit, the amount accelerated is no longer available for the death benefit or for loans or withdrawals. This presentation is not valid unless accompanied by a complete insurance company illustration. Please see the full illustration for guaranteed values and other important information. **LOAN EXIT IS PROJECTED AND BASED ON PLAN PERFORMANCE.**



## SUMMARY OF BENEFITS

**Client:** Kai-Zen Client  
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**Illustrated Rate:** 7.00%  
**Health:** Male NS

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78	21		-	-			-	508,979	508,979	1,083,979	1,083,979	51,000
79	22		-	-			-	500,771	500,771	1,075,771	1,075,771	51,000
80	23		-	-			-	492,030	492,030	1,067,030	1,067,030	51,000
81	24		-	-			-	481,634	481,634	1,056,634	1,056,634	51,000
82	25		-	-			-	469,985	469,985	1,044,985	1,044,985	51,000
83	26		-	-			-	457,148	457,148	1,032,148	1,032,148	51,000
84	27		-	-			-	442,940	442,940	1,017,940	1,017,940	51,000
85	28		-	-			-	426,782	426,782	1,001,782	1,001,782	51,000
86	29		-	-			-	461,890	461,890	1,036,890	1,036,890	-
87	30		-	-			-	497,115	497,115	1,072,115	1,072,115	-
88	31		-	-			-	532,388	532,388	1,107,388	1,107,388	-
89	32		-	-			-	567,960	567,960	1,142,960	1,142,960	-
90	33		-	-			-	603,950	603,950	1,178,950	1,178,950	-
91	34		-	-			-	639,471	639,471	1,214,471	1,214,471	-
92	35		-	-			-	673,875	673,875	1,248,875	1,248,875	-
93	36		-	-			-	703,282	703,282	1,278,282	1,278,282	-
94	37		-	-			-	726,595	726,595	1,301,595	1,301,595	-
95	38		-	-			-	744,218	744,218	1,319,218	1,319,218	-
96	39		-	-			-	757,328	757,328	1,332,328	1,332,328	-
97	40		-	-			-	770,143	770,143	1,345,143	1,345,143	-
<b>Total</b>			\$ 1,085,540	\$ 290,000	\$ 803,040	\$ (1,167,000)						663,000

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98	41		-	-		-	-	784,499	784,499	1,359,499	1,359,499	-
99	42		-	-		-	-	800,057	800,057	1,375,057	1,375,057	-
100	43		-	-		-	-	823,416	823,416	1,398,416	1,398,416	-
<b>Total</b>			\$ 1,085,540	\$ 290,000	\$ 803,040	\$ (1,167,000)						663,000

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## Disclosures

### PLAN PROPOSAL - LOAN RATES AND INSURANCE PERFORMANCE RESULTS

**This proposal is hypothetical and may not be used to project or predict insurance performance results in the future. This illustration is using end of year projected numbers and if you surrender the policy sooner, the actual amount could be lower. This proposal is designed to allow clients and their advisors to review the Kai-Zen Plan concept and to assess the risk/rewards associated with the plan. The numbers are estimates based on interest rate (LIBOR) projections supplied by major lenders plus bank margin. The illustrated insurance policy performance is provided by the insurance carriers. Surrender charges may reduce the policy cash value in early years. Because these are projections, future policy performance and interest rates are not guaranteed and are subject to change. NIW nor any of its affiliates represent the lenders. A FINAL PROPOSAL AND ILLUSTRATION WILL BE PREPARED ONCE THE CLIENT HAS AN UNDERWRITING OFFER FROM THE CARRIER AND ONCE THE LOAN TERM AND PRICING HAS BEEN DETERMINED. This document is not intended to give legal advice or tax advice. For tax and legal advice please contact your personal tax and legal advisors, and legal advisors.**

Illustrated projected bank loan payoff and income stream from policy loan and withdrawals could vary based on actual performance. Financing life insurance premiums has certain inherent risks including interest rate fluctuations, financial market performance, credit availability, insurance company ratings and stability which can affect the loan. The assumptions on which they are based are subject to change by the insurer and/or lender. Actual results may be more or less favorable.

### LIVING BENEFITS (Accelerated Benefit Riders)

**Living Benefits are provided by the insurance carriers and all may not be available with all carriers or in all states. If you accelerate the death benefit to access the living benefits, the amount accelerated is no longer available for the death benefit or for loans, and the amount accelerated may be taxable. Accelerated Benefit Riders are typically available at no additional cost. Please contact your insurance agent or the insurance carrier for more information on the Accelerated Benefit Riders available on your policy.**

### KAI-ZEN TRUST FEES

Client contribution portion of the plan includes a trustee and administration fee of \$1,500 per year (all unused money is left in the employee trust account). The fee covers ONLY 15 years of the plan. The fees pay for the initial trust setup, including the master trust, ongoing trustee administration of the subtrust, annual loan servicing fees, and bank legal fees. Any changes to the subtrust or services outside the scope of the standard transaction are the responsibility of the settlor of the sub-trust. If trust remains intact after year 15, any ongoing trustee fees are the sole responsibility of the settlor of the sub-trust.

**Client Signature** \_\_\_\_\_ **Date** \_\_\_\_\_