Changing the Future of Executive Benefits

Kai-Zen

NIW Companies - Innovators in Wealth Management and Protection Strategies

Since 2000, NIW has been developing innovative solutions to help high net-worth individuals successfully manage their financial future. NIW adds value by bringing substantial knowledge and expertise when designing solutions that deliver optimal insurance protections and effective retirement planning strategies.

Our team is committed to generating the best possible outcomes and delivering service that has earned the confidence and loyalty of our clients and their advisors.

NIW is independent of any insurance company that would provide the insurance policy for this strategy.



NIW

Kai-Zen

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What is Kai-Zen?

Kai-Zen is a strategy that helps you maintain your current lifestyle with an index life insurance policy that provides death benefit protection and living benefits in the event of a chronic illness, premature death, or to potentially supplement your retirement savings. Protecting your ability to earn is critical to insuring that you will be able to save for retirement. Due to limitations, traditional retirement plans are typically insufficient for high income earners. If you want the potential to maintain your lifestyle in retirement, you need a proactive strategy that puts more money toward helping to protect your future without putting a drain on your current finances.

Kai-Zen is one of the ONLY strategies that uses leverage to help you acquire more of the insurance benefits you need to financially protect you and your family. Kai-Zen's unique fusion of financing and life insurance offers you more death benefit and helps supplement retirement more than you could without leverage.

Kai-Zen

Features and Benefits Provided by the Life Insurance Policy

Death Benefit Protection

A cash value life insurance policy with accelerated benefit riders can provide benefits in the case of:

Death
(Generally paid to beneficiaries income tax free)

Chronic Illness
(Assistance with daily living, bathing, eating, dressing, transferring, etc.)

Terminal Illness
(Illness where death is expected within 12-24 months. Term varies by state.)

Life insurance requires qualification through health and financial

Cash Value Accumulation

Build Your Policy's Cash Value Based On The Growth Of A Market Index
(Interest credited based on market index or a fixed rate)

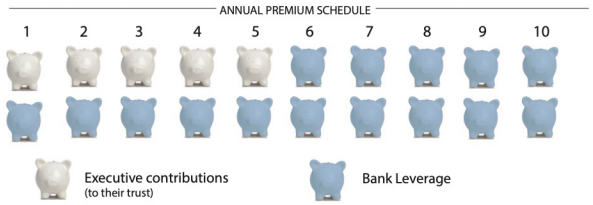
Cash Value and Indexed Interest Earned Are Never At Risk to Market Loss
(Due to declines in an index)

Tax Deferred Growth Potential

Access to Cash Value
(Policy loans and withdrawals can be used to supplement retirement income or other financial needs)

Accelerated benefit riders may be available at an additional cost and may be subject to underwriting requirements. Payment of accelerated benefits will reduce cash value and death benefit. Policy fees and expenses will also reduce cash value. Policy loans will reduce available cash values and death benefit. Additional premium may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. Withdrawals are generally income tax-free, unless the withdrawal amount exceeds the amount of premium paid. The client will not have access to the policy, the cash values, the death benefits or the living benefits until the loan is repaid and the assignment is released.

The most unique and compelling aspect of the Kai-Zen strategy is that the executive's contributions are leveraged up to 3:1.



How the Kai-Zen Strategy Works

A life insurance policy is jointly funded by the executive and bank financing. The bank financing provides approximately 60-75% of the total premiums to the policy.

Now executives can realize benefits far beyond what their annual contributions alone could afford them.

The Use of Leverage

This concept is not much different than using a bank mortgage to leverage assets to purchase a home. Money is borrowed to buy more house (or with Kai-Zen, more benefits) than one could purchase with assets on hand. The amount funded into the policy has the potential for market growth without the risk of market losses due to declines in an index and uses the policy's cash value as the sole collateral for the loan.

Years 1-5
During the first 5 years, the participant contributes their portion and the lender finances the additional premiums into the insurance policy.

Years 6-10
After year 5, the participant's obligation is projected to be complete and the lender makes the remaining premium payments.

Years 11-15
During this time, the policy has the potential to accumulate more value and the lender's note is projected to be satisfied approximately by the end of the 15th year.

Years 16 and beyond
Potential policy cash value accumulation is projected for distributions for lifestyle needs such as supplemental retirement income.



Hypothetical example, not indicative of a particular product. Actual results may be more or less favorable. The initial premium going into the policy does NOT include the $1500.00 of trust fees and expenses that will be added each year to the client trust. Those additional payments are being escrowed into the trust account to cover the 15 years of service until loan repayment. Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. The Kai-Zen Strategy is dependent on the client making contributions for the first 5 years therefore not defaulting on the policy, which could result in policy lapse and surrender charges. The client will not have access to the policy, the cash values, the death benefits or the living benefits until the loan is repaid and the assignment is released. The lender has the right to discontinue funding new premiums, exit the market, or to demand loan repayment based on the terms and conditions signed by the Master Trust. See the Master Trust documents for additional information. Refer to life insurance carrier's product brochure and illustration for complete insurance policy details.