

More Money Working for You -



More Protection for You and Your Family -

Kai-Zen[®]

Prepared for:

Kai-Zen Client

Presented By:

NIW Licensed Producer

The benefits and values shown in this illustration are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. This presentation is not valid unless accompanied by a complete insurance company illustration for each insurance policy scenario. Please see the full illustrations for guaranteed values and other important information. The Master Trust facilitates the premium financing arrangement. The life insurance companies are bound by the terms of the life insurance policies that they issue.



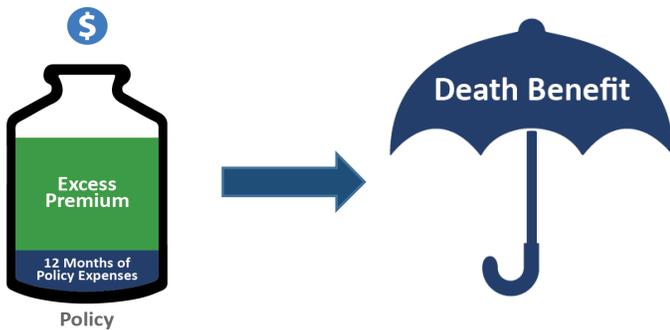
Kai-Zen was first introduced in 2012 by NIW. The underlying financial approach has been utilized by wealthy individuals and estates (typically \$10M and over) since the 1960s. Kai-Zen is a new variation on this approach - allowing highly compensated individuals like yourself to participate in this type of leveraging for the first time.

Traditional Retirement Plans May Be Insufficient

Kai-Zen's unique combination of financing and a cash accumulation life insurance policy, gives you more protection and the potential to accumulate more cash value. By using bank leverage every dollar you contribute into the policy gives you the ability to use up to 3 additional dollars to acquire more than you could without leverage.

Kai-Zen Protecting You and Your Family

Your cash accumulation policy is designed to minimize the cost of insurance, while maximizing your potential tax advantaged growth. The leveraged bank loan is projected to be paid off after the 15th year*** (depending on policy performance*) using the cash value of the policy through policy loans. The remaining cash value, has the potential to continue to accrue and could be accessed through policy loans and withdrawals to supplement retirement income. The life insurance within the policy includes a death benefit with living benefit riders. These riders allow the death benefit to be used early to cover an unexpected qualifying illness.



Death Benefit Features

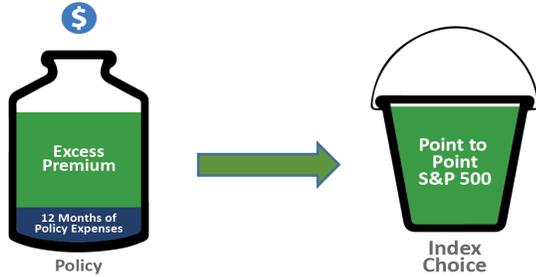
A permanent life insurance policy with living benefit riders** that can provide benefits in the case of:

- **Chronic Illness**
(Assistance with daily living, Bathing, Eating, etc.)
- **Terminal Illness**
(Illness where death is expected within 12-24 months. Term varies by state.)

*The ability of a life insurance contract to accumulate sufficient cash value to meet illustrated accumulation goals will be dependent upon the performance of the contract and is not guaranteed. Policy loans reduce the policy's cash value and death benefit and may result in a taxable event. If remaining policy values and scheduled premiums are insufficient, additional out-of-pocket payments may be needed to keep the policy in force. **Living benefits are provided by no-additional premium accelerated benefit riders. Payment of Accelerated Benefits will reduce the Cash Value and Death Benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event, may affect your eligibility for public assistance programs, and may reduce or eliminate other policy and rider benefits. Please consult your personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect you. Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless you have a need for life insurance. Riders are optional, may require additional premiums and may not be available in all states or on all products. This is not a solicitation of any specific insurance policy. *** Financing life insurance premiums has certain inherent risks including interest rate fluctuations, financial market performance, credit availability, lender financial strength, lender funds availability, insurance company ratings and stability which can result in bank exiting and/or policy surrender. The loan terms are dependent on the lender and are not guaranteed for the full term of the plan. The lender has the right to discontinue funding new premiums, exit the market or demand loan repayment based on the terms and conditions signed by the Master Trust. See the Master Trust documents for additional information.

Cash Accumulation Features of The Policy

The unique crediting strategy of the policy provides your policy with an upside growth crediting potential that is capped and a zero percent floor. Once the gains are credited, they cannot decline due to market losses. When the market index (i.e. S&P 500) has annual growth it is used, in part, to determine the amount of interest to credit to your policy, when the market index is negative your policy will only return zero percent growth. Although, the policy will not decline with the market, the insurance expenses would still come out of the policy.



Excess Premium Features

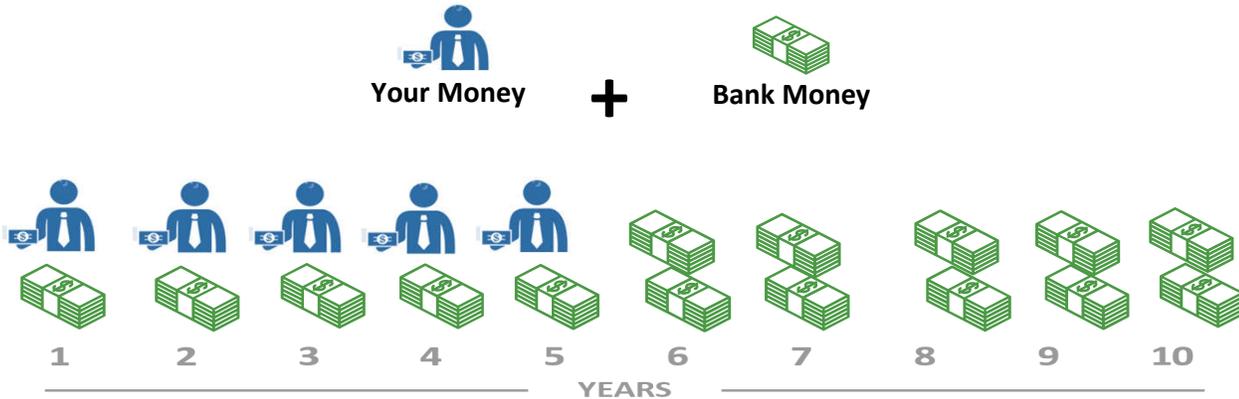
Interest credited based in part on changes of a stock market index like the S&P 500

- **Upside Crediting Potential**
- **No Negative Returns,**
(0% Floor (Due To Declines In An Index)
Policy Floor Prevents Negative Crediting Rates
- **Potential Growth Tax-Deferred**
- **Potential Tax-free Withdrawals****
(Access to cash value using Tax-Free policy loans)

The zero percent floor helps to prevent losses in the policy cash value due to market volatility.

Kai-Zen's Unique Use of Leverage

To maximize the potential growth of your cash accumulation life insurance policy, you contribute \$23,450 and the lender loans \$18,323 into your policy each year for the next 5 years. At the end of the 5th year, your contributions end*. However, the lender continues to pay premiums of \$40,423 per year into your policy for years 6 through 10***. With leverage you get approximately three times more into your policy which can be potentially used for supplemental retirement income. Without having to make any loan guarantees, with no liability outside of the policy itself and the payments that you make into the plan.



	Your Contributions*	+		Leveraged Contributions
	\$23,450 years 1-5			\$18,323 years 1-5
	\$0 years 6-10			\$40,423 years 6-10
	<u>\$117,250</u> Your Total Contributions			<u>\$293,730</u> Total Leveraged Amount

Your Contributions Plus Leveraged Contributions: \$410,980 *
(Includes \$1,350 per year for the trust fee. Trust pays the life insurance premiums.)

* The benefits and values shown above are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. 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. The initial premium going into the policy does NOT include the \$1,350.00 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 only 15 years of servicing. The information above is for illustration and comparative purposes only. ** Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. *** Financing life insurance premiums has certain inherent risks including interest rate fluctuations, financial market performance, credit availability, lender financial strength, lender funds availability, insurance company ratings and stability which can result in bank exiting and/or policy surrender. The loan terms are dependent on the lender and are not guaranteed for the full term of the plan. The lender has the right to discontinue funding new premiums, exit the market or demand loan repayment based on the terms and conditions signed by the Master Trust. See the Master Trust documents for additional information.

Comparing Your Kai-Zen Plan

You Pay The Same \$23,450 For 5 Years

With Other Plans:

After-tax Investment



Potential Annual
Distributions*
\$28,720

Self-fund Policy*



Potential Annual Policy
Distribution*
\$47,000

Kai-Zen



Kai-Zen Potential Annual Policy
Distributions* After Lender loan is Paid
\$83,000

Assumptions:

Growth Rate of 6.0%
Income Tax Rate 37.0%
Long Term Capital Gains 20%



Total Death Benefit
& Living Benefits



Total Potential Policy Distributions
or Other Distributions (age 65 - 90)

The Power of Leverage

Your Contribution Per Year (Years 1-5)
Your Trust Fees Per Year (Years 1-5)
Your Total Annual Contributions (Years 1-5)

Self-funded Policy

\$23,450
\$0
\$23,450

Kai-Zen

\$22,100
\$1,350
\$23,450

Annual Potential Policy Distributions during Retirement (age 65-90)

\$47,000

\$83,000 *

Total Potential Policy Distributions

\$1,222,000

\$2,158,000

Initial Death Benefit

\$900,000

\$1,500,000

Policy Potential Death Benefit/Living Benefits (at age 90)

\$392,582

\$953,971 *

Stress Test Using Historical Interest Rates/Policy Performance:

1980s Stress Test Annual Supplemental Income:*

\$66,000

*The 1980 simulation assumes a gradual cap increases to 15%

Great Depression Annual Supplemental Income:

\$50,000

Kai-Zen - More Money Working for You- More Protection for You and Your Family - More Potential for Tax Advantaged Growth

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Why NIW?

NIW has financed life insurance for the last 18 years, including during the 2008 banking crisis, with the highest persistency and success rate in the industry.

NIW has facilitated over \$5 Billion of loans with nationally-known insurance carriers and banks.

NIW uses conservative assumptions, provides annual servicing and monitoring with the carrier and lenders until the loan is repaid.

Frequently Asked Questions

Do I need to apply for the loan?

There is no loan application or personal loan underwriting. The policy is assigned to the bank and is the only collateral for the loan.

What happens after the bank is paid back?

Once the lender has been repaid, the assignment will be released. In the 15th year, the bank loan is projected to be paid off by using a withdrawal and loans from the policy (underperformance could delay the repayment). Once the bank loan has been repaid you can take distributions at any time (dependent on the cash value).

What do the trust/administration fees cover?

Kai-Zen plan administration and trustee fees are included in your contributions and shown on the illustration. The administration/trust costs are charged for 5 years and cover the first 15 years of servicing/trustee fees. The fees pay for the initial trust setup, including the master trust, ongoing trustee administration of the insurance trust and annual loan servicing. Any changes to the trust outside the scope of the standard transaction are the responsibility of the settlor of the trust. If trust remains intact after year 15, any ongoing trustee fees are the sole responsibility of the settlor of the trust.

Are there additional features of your trust?

You establish your trust that owns your policy. The policy is assigned to the bank until the loan is paid off. Once the the loan has been repaid the assignment is released. The Trust provides additional asset protection (see your financial advisor or attorney for guidance). Personal life insurance and trusts are generally not subject to creditors and if a company benefit, are portable if you leave the company.

How will I know how my policy is performing?

NIW provides annual servicing and monitoring with the carriers and lenders until loan repayment. You will receive an annual review and policy statement from the plan administrator. The review will contain information about the policy performance and amount of interest credited to the policy.

Will the caps on the Indexed Universal Life (IUL) policy change?

The life carrier resets the cap on the IUL each policy anniversary and locks it in for the year. As interest rates rise or fall, the return on the insurer's general account changes and this is passed on through to the policy. As rates rise the cap typically rises, as interest rates fall, it typically falls (life carriers are profit neutral on the cap).

What are the requirements?

Commit to make five partial-annual premium payments, complete a life insurance application (which may include medical underwriting) and sign all the necessary trust forms.

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. Actual results may be more or less favorable. The initial premium going into the policy does NOT include the \$1,350 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 expenses when the loan is projected to be paid off. The Kai-Zen plan is dependent on the client making contributions for the first 5 years therefore not defaulting on the loan, which could result in bank loan exit and/or policy surrender. 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 demand loan repayment based on the terms and conditions signed by the Master Trust. See the Master Trust documents for additional information.



Kai-Zen Client

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Death Benefit Amount: \$ 1,500,000

Male PNS

Illustrated Rate: 6.00% *

Option B Increasing

Alz

Bank Margin: 1.75%

Age	Year	Loan Rate Liber Plus Bank Margin	Total Premium Paid	Client Contribution Plus Trust Fees	Bank Loan Amount	Projected Loan Repayment Using Policy Loan	Projected Cumulative Bank Loan Including Interest	Illustrated Year End Projected Cash Accumulation Value*	Illustrated Year End Projected Cash Surrender Value*	Estimated Net Cash Surrender Value After Bank Loan*	Illustrated Year End Projected Death Benefit (Gross Amount)*	Projected Net Illustrated Year End Death Benefit Minus Bank Loan*	Potential Annual Policy Distributions* After Lender Loan Is Paid
		(A)	(B)	(B)	(C)	(D)	(E)	(F)	(G)	(H) (G-E)	(I)	(J) (I-E)	(K)
35	1	2.75%	40,423	23,450	18,323	-	19,476	\$35,370	35,370	15,894	1,535,370	1,515,894	-
36	2	2.75%	40,423	23,450	18,323	-	38,853	\$73,008	73,008	34,155	1,573,008	1,534,155	-
37	3	2.75%	40,423	23,450	18,323	-	58,770	\$113,171	113,171	54,401	1,613,171	1,554,401	-
38	4	2.75%	40,423	23,450	18,323	-	79,260	\$156,087	156,087	76,827	1,656,087	1,576,827	-
39	5	2.85%	40,423	23,450	18,323	-	100,403	\$201,939	201,939	101,536	1,701,939	1,601,536	-
40	6	3.12%	40,423	-	40,423	-	145,281	\$250,934	250,934	105,653	1,750,934	1,605,653	-
41	7	3.32%	40,423	-	40,423	-	191,976	\$303,279	303,279	111,303	1,803,279	1,611,303	-
42	8	3.47%	40,423	-	40,423	-	240,575	\$359,196	359,196	118,621	1,859,196	1,618,621	-
43	9	3.59%	40,423	-	40,423	-	291,226	\$418,921	418,921	127,695	1,918,921	1,627,695	-
44	10	3.67%	40,423	-	40,423	-	344,013	\$484,434	484,434	140,421	1,984,434	1,640,421	-
45	11	3.74%	-	-	-	-	357,058	\$513,824	513,824	156,766	1,513,824	1,156,766	-
46	12	3.77%	-	-	-	-	370,706	\$545,250	545,250	174,544	1,545,250	1,174,544	-
47	13	3.77%	-	-	-	-	384,899	\$580,395	580,395	195,496	1,580,395	1,195,496	-
48	14	3.77%	-	-	-	-	399,612	\$617,967	617,967	218,355	1,617,967	1,218,355	-
49	15	3.84%	-	-	-	(\$400,000)	-	\$656,109	236,109	236,109	1,074,317	1,074,317	-
50	16	-	-	-	-	-	-	\$697,962	256,962	256,962	1,053,317	1,053,317	-
51	17	-	-	-	-	-	-	\$742,539	279,489	279,489	1,031,267	1,031,267	-
52	18	-	-	-	-	-	-	\$790,044	303,842	303,842	1,008,115	1,008,115	-
53	19	-	-	-	-	-	-	\$840,677	330,164	330,164	983,804	983,804	-
54	20	-	-	-	-	-	-	\$894,671	358,633	358,633	958,279	958,279	-
55	21	-	-	-	-	-	-	\$952,272	389,432	389,432	932,227	932,227	-
56	22	-	-	-	-	-	-	\$1,013,742	422,760	422,760	929,631	929,631	-
57	23	-	-	-	-	-	-	\$1,079,360	458,828	458,828	955,334	955,334	-
58	24	-	-	-	-	-	-	\$1,149,275	497,717	497,717	980,413	980,413	-
59	25	-	-	-	-	-	-	\$1,223,724	539,588	539,588	1,004,603	1,004,603	-
60	26	-	-	-	-	-	-	\$1,302,985	584,642	584,642	1,027,657	1,027,657	-
61	27	-	-	-	-	-	-	\$1,387,496	633,236	633,236	1,049,485	1,049,485	-
62	28	-	-	-	-	-	-	\$1,477,493	685,521	685,521	1,099,219	1,099,219	-
63	29	-	-	-	-	-	-	\$1,573,339	741,768	741,768	1,150,836	1,150,836	-
64	30	-	-	-	-	-	-	\$1,675,425	802,276	802,276	1,204,378	1,204,378	-
65	31	-	-	-	-	-	-	\$1,783,735	779,777	779,777	1,172,199	1,172,199	83,000
66	32	-	-	-	-	-	-	\$1,898,672	757,367	757,367	1,137,102	1,137,102	83,000
67	33	-	-	-	-	-	-	\$2,020,512	734,992	734,992	1,118,889	1,118,889	83,000
68	34	-	-	-	-	-	-	\$2,149,662	712,716	712,716	1,099,655	1,099,655	83,000
69	35	-	-	-	-	-	-	\$2,286,553	690,609	690,609	1,079,323	1,079,323	83,000
70	36	-	-	-	-	-	-	\$2,431,650	668,759	668,759	1,057,823	1,057,823	83,000
71	37	-	-	-	-	-	-	\$2,585,441	647,255	647,255	1,035,071	1,035,071	83,000
72	38	-	-	-	-	-	-	\$2,748,845	626,600	626,600	983,950	983,950	83,000
73	39	-	-	-	-	-	-	\$2,922,599	607,092	607,092	928,578	928,578	83,000
74	40	-	-	-	-	-	-	\$3,107,535	589,103	589,103	868,781	868,781	83,000
75	41	-	-	-	-	-	-	\$3,304,602	573,098	573,098	804,420	804,420	83,000
76	42	-	-	-	-	-	-	\$3,514,894	559,665	559,665	735,410	735,410	83,000
77	43	-	-	-	-	-	-	\$3,737,876	547,735	547,735	734,629	734,629	83,000
78	44	-	-	-	-	-	-	\$3,974,242	537,444	537,444	736,156	736,156	83,000
79	45	-	-	-	-	-	-	\$4,224,707	528,920	528,920	740,155	740,155	83,000
80	46	-	-	-	-	-	-	\$4,490,017	522,290	522,290	746,791	746,791	83,000
81	47	-	-	-	-	-	-	\$4,770,905	517,642	517,642	756,187	756,187	83,000
82	48	-	-	-	-	-	-	\$5,068,044	514,968	514,968	768,370	768,370	83,000
83	49	-	-	-	-	-	-	\$5,382,180	514,299	514,299	783,408	783,408	83,000
84	50	-	-	-	-	-	-	\$5,714,044	515,619	515,619	801,322	801,322	83,000
85	51	-	-	-	-	-	-	\$6,064,261	518,766	518,766	821,979	821,979	83,000
86	52	-	-	-	-	-	-	\$6,433,370	523,450	523,450	845,118	845,118	83,000
87	53	-	-	-	-	-	-	\$6,821,955	529,389	529,389	870,487	870,487	83,000
88	54	-	-	-	-	-	-	\$7,230,428	536,083	536,083	897,604	897,604	83,000
89	55	-	-	-	-	-	-	\$7,658,972	542,760	542,760	925,709	925,709	83,000
90	56	-	-	-	-	-	-	\$8,107,755	548,583	548,583	953,971	953,971	83,000
91	57	-	-	-	-	-	-	\$8,577,132	640,001	640,001	1,068,857	1,068,857	-
92	58	-	-	-	-	-	-	\$9,079,398	745,410	745,410	1,108,586	1,108,586	-
93	59	-	-	-	-	-	-	\$9,619,863	869,176	869,176	1,157,772	1,157,772	-
94	60	-	-	-	-	-	-	\$10,205,199	1,016,978	1,016,978	1,221,082	1,221,082	-
95	61	-	-	-	-	-	-	\$10,843,424	1,195,792	1,195,792	1,304,226	1,304,226	-
96	62	-	-	-	-	-	-	\$11,543,971	1,413,957	1,413,957	1,413,957	1,413,957	-
97	63	-	-	-	-	-	-	\$12,290,523	1,654,008	1,654,008	1,654,008	1,654,008	-
98	64	-	-	-	-	-	-	\$13,086,141	1,917,801	1,917,801	1,917,801	1,917,801	-
99	65	-	-	-	-	-	-	\$13,934,092	2,207,334	2,207,334	2,207,334	2,207,334	-
100	66	-	-	-	-	-	-	\$14,837,861	2,524,765	2,524,765	2,524,765	2,524,765	-

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Illustration Explanation and Disclosures for Preceding Page

- (A) **Loan Interest Rate** - Bank-supplied projected forecast used to calculate projected loan interest.
- (B) **Client Contributions Plus Trust Fees** - The amount participant is projected to contribute each year for 5 years (includes trust/administration fees).
- (C) **Bank Financing** - Projected bank financing amount (dependent on lender see disclosures below)
- (D) **Loan Repayment** - In the 15th year, the bank loan is projected to be paid off by using a withdrawal and loans from the policy (underperformance could delay the repayment).
- (E) **Cumulative Bank Loan** - Accumulation of the financed premium plus interest and bank fees.
- (F/G) **Cash Accumulation/Surrender Values** - Illustrated projected year-end policy cash accumulation/surrender value. Actual value will fluctuate based on insurance costs and market index results. An index policy has a 0% floor due to a decline in an index and interest is credited based in part on the change in the market index at end of policy anniversary.
- (H) **Cash Surrender Values After Bank Loan** - Illustrated potential policy cash surrender value minus loan balance. Actual cash surrender value will fluctuate based on insurance costs and market index results.
- (I) **Illustrated Year End Projected Death Benefit (Gross Amount*)** - Illustrated Potential Death Benefit.
- (J) **Projected Net Illustrated Year-End Death Benefit Minus Bank Loan** - The potential death benefit after loan is paid off.
- (K) **Potential Annual Policy Distributions* After Lender Loan is Paid** - The projected annual policy distributions during retirement, using policy loans.

Initial: _____

PLAN PROPOSAL - LOAN RATES & INSURANCE PERFORMANCE RESULTS

The Kai-Zen plan is dependent on the client making contributions for the first 5 years therefore not defaulting on the plan. Defaulting on the plan will result in bank loan exit and/or policy surrender. The loan terms are dependent on the lender and are not guaranteed for the full term of the plan. Financing life insurance premiums has certain inherent risks including interest rate fluctuations, financial market performance, credit availability, lender financial strength, lender funds availability, insurance company ratings and stability which can result in bank loan exiting and/or policy surrender. 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. This proposal is hypothetical and may not be used to project or predict insurance performance results in the future. Because these are projections, future policy performance and interest rates are not guaranteed and are subject to change by the insurer and/or lender. Underperformance could result in a lower death benefit, cash surrender value and lower annual income (results may be less favorable). NIW nor any of its affiliates represent the lenders or the insurance carriers. This document is not intended to give legal advice or tax advice. For tax and legal advice contact your personal tax and legal advisors. Illustrated projected bank loan payoff and income stream from policy loan and withdrawals will vary based on actual performance.

Initial: _____

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 benefit to access the living benefits, the amount accelerated is no longer available for the death benefit or for loans, and the amount of death benefit accelerated may be taxable. The loan must be paid off before you can accelerate the death benefit. Accelerated Benefit Riders are typically available at no additional cost. Please contact your insurance agent or the insurance carrier for more information in the Accelerated Benefit Riders available on your policy.

Initial: _____

KAI-ZEN TRUST FEES

Client contribution portion of the strategy includes a trustee and administration fee of \$1,350 per year. The fee covers only 15 years of the trust fees. The fees pay for the initial trust setup, including the master trust, ongoing trustee administration of the insurance trust and annual loan servicing fees. Any changes to the trust or services outside the scope of the standard transaction are the responsibility of the settlor of the trust. If trust remains intact after year 15, any ongoing trustee fees are the sole responsibility of the settlor of the trust.

ALL TRUST FEES ARE NON-REFUNDABLE ONCE THE TRUST HAS BEEN SET UP.

Client Signature _____

Date _____

Take Comfort in Understanding Your Strategy

No one knows what will happen in the future but looking at the past uncovers some common patterns. Stressing our designs *through some of the harshest economic conditions to date allows us to implement a strategy to help protect against potential future failures and optimizes our chances for a more successful outcome.*

Great Depression simulation (extreme product underperformance) - represents the most sequential number of 0% returns in US history. From 1930 to 1932, stock portfolios lost 70% of their value and did not recoup their losses until 1959. The Great Depression simulation has 9 years of zero's over a 12 year period and uses the current insurance product caps against the then Federal funds rate. Even in this senario the loan does not default. Removing the negative losses and replacing them with 0%, dramatically changes the risk profile, which makes an IUL a better instrument for leverage.

1980's Loan High Interest simulation - represents the highest loan interest rates in the US history with rates as high as 16.88%. High interest rates in most cases positively affect IUL caps, except when there is a sudden increase in interest rates like in the 1980's. NIW has simulated the 1980's by using the high loan rates and lower insurance caps which simulates the delay in the cap rate (lag).

Although running these historical stress tests does not guarantee what will happen in the future, it certainly gives us more comfort in knowing that we have simulated the worst economic time periods this country has faced. It would take something worse than the Great Depression and the 1980's High Interest conditions to undo the value of using leverage with Kai-Zen.

It is unlikely the next severe economic crisis will be the same. The Stress tests are designed to test for "Black Swan" type scenarios to see plan resilience. They are not a guarantee that the design will survive any future under performance scenario. In the most extreme under-performance crises the client could conceivably lose part or all their contributions.

Combining long time industry experience with conservative designs to create financial solutions that are focused on sustainability.



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