

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.



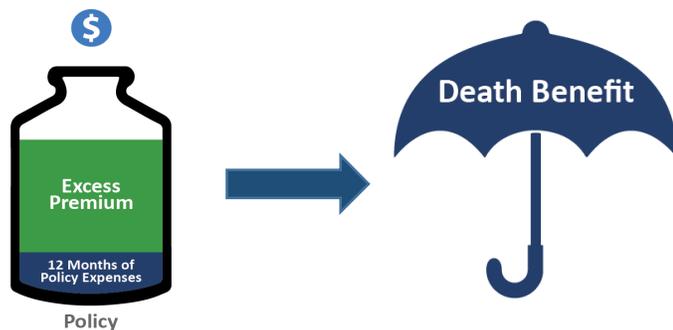
Kai-Zen was first introduced in 2012 by NIW. The underlying financial approach has been utilized by wealthy individuals and estates (typically \$10M and over) since the 1960s. Kai-Zen is a new variation on this approach - allowing highly compensated individuals like yourself to participate in this type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

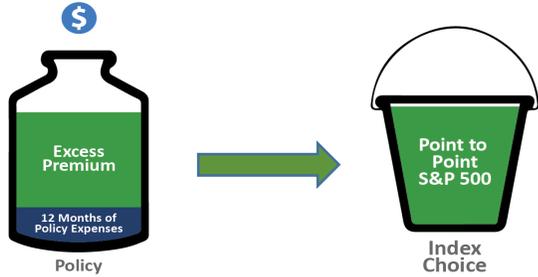
A permanent life insurance policy with living benefit riders** that can provide benefits in the case of:

- **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

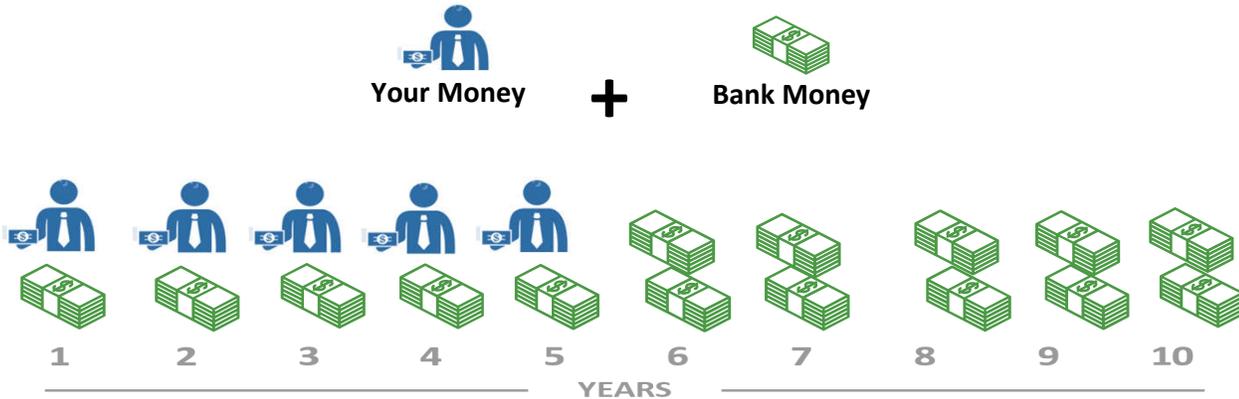
Interest credited based in part on changes of a stock market index like the S&P 500

- **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 \$53,050 and the lender loans \$35,774 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 \$87,474 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* \$53,050 years 1-5 \$0 years 6-10 <hr/> \$265,250 Your Total Contributions	+	 Leveraged Contributions \$35,774 years 1-5 \$87,474 years 6-10 <hr/> \$616,240 Total Leveraged Amount
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Your Contributions Plus Leveraged Contributions: \$881,490 *
 (Includes \$1,350 per year for the trust fee. Trust pays the life insurance premiums.)

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Comparing Your Kai-Zen Plan

You Pay The Same \$53,050 For 5 Years

With Other Plans:

After-tax Investment



Potential Annual
Distributions*
\$32,080

Self-fund Policy*



Potential Annual Policy
Distribution*
\$38,000

Kai-Zen



**Kai-Zen Potential Annual Policy
Distributions* After Lender loan is Paid
\$57,000**

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 70 - 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)

Annual Potential Policy Distributions during Retirement (age 70-90)

Total Potential Policy Distributions

Initial Death Benefit

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

Self-funded Policy

\$53,050

\$0

\$53,050

\$38,000

\$798,000

\$950,000

\$220,176

Kai-Zen

\$51,700

\$1,350

\$53,050

\$57,000 *

\$1,197,000

\$1,500,000

\$566,646 *

Stress Test Using Historical Interest Rates/Policy Performance:

1980s Stress Test Annual Supplemental Income:*

\$46,000

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

Great Depression Annual Supplemental Income:

\$34,000

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 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.

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Kai-Zen Client 54
 Male PNS Illustrated Rate: 6.00% *
 Alz Bank Margin: 1.75%

Death Benefit Amount: \$ 1,500,000
 Option B Increasing

Age	Year	Loan Rate Libor 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)
55	1	2.75%	87,474	53,050	35,774	-	37,414	\$76,508	76,508	39,094	1,576,508	1,539,094	-
56	2	2.75%	87,474	53,050	35,774	-	75,228	\$157,627	157,627	82,399	1,657,627	1,582,399	-
57	3	2.75%	87,474	53,050	35,774	-	114,097	\$243,581	243,581	129,484	1,743,581	1,629,484	-
58	4	2.75%	87,474	53,050	35,774	-	154,068	\$334,748	334,748	180,680	1,834,748	1,680,680	-
59	5	2.85%	87,474	53,050	35,774	-	195,327	\$431,663	431,663	236,336	1,931,663	1,736,336	-
60	6	3.12%	87,474	-	87,474	-	291,747	\$534,818	534,818	243,071	2,034,818	1,743,071	-
61	7	3.32%	87,474	-	87,474	-	392,007	\$644,675	644,675	252,668	2,144,675	1,752,668	-
62	8	3.47%	87,474	-	87,474	-	496,350	\$761,659	761,659	265,309	2,261,659	1,765,309	-
63	9	3.59%	87,474	-	87,474	-	605,075	\$886,233	886,233	281,158	2,386,233	1,781,158	-
64	10	3.67%	87,474	-	87,474	-	718,341	\$1,022,636	1,022,636	304,295	2,522,636	1,804,295	-
65	11	3.74%	-	-	-	-	745,581	\$1,082,382	1,082,382	336,801	1,882,382	1,136,801	-
66	12	3.77%	-	-	-	-	774,079	\$1,145,900	1,145,900	371,821	1,945,900	1,171,821	-
67	13	3.77%	-	-	-	-	803,691	\$1,215,342	1,215,342	411,651	2,015,342	1,211,651	-
68	14	3.77%	-	-	-	-	834,411	\$1,289,120	1,289,120	454,709	2,089,120	1,254,709	-
69	15	3.84%	-	-	-	(\$835,000)	-	\$1,368,845	492,095	492,095	724,799	724,799	-
70	16	-	-	-	-	-	-	\$1,456,786	476,348	476,348	709,434	709,434	57,000
71	17	-	-	-	-	-	-	\$1,550,057	460,748	460,748	693,256	693,256	57,000
72	18	-	-	-	-	-	-	\$1,649,157	445,532	445,532	659,922	659,922	57,000
73	19	-	-	-	-	-	-	\$1,754,472	430,816	430,816	623,808	623,808	57,000
74	20	-	-	-	-	-	-	\$1,866,474	416,785	416,785	584,768	584,768	57,000
75	21	-	-	-	-	-	-	\$1,985,699	403,676	403,676	542,675	542,675	57,000
76	22	-	-	-	-	-	-	\$2,112,770	391,795	391,795	497,434	497,434	57,000
77	23	-	-	-	-	-	-	\$2,247,527	380,653	380,653	493,030	493,030	57,000
78	24	-	-	-	-	-	-	\$2,390,384	370,317	370,317	489,836	489,836	57,000
79	25	-	-	-	-	-	-	\$2,541,768	360,848	360,848	487,936	487,936	57,000
80	26	-	-	-	-	-	-	\$2,702,110	352,294	352,294	487,399	487,399	57,000
81	27	-	-	-	-	-	-	\$2,871,970	344,813	344,813	488,411	488,411	57,000
82	28	-	-	-	-	-	-	\$3,051,784	338,419	338,419	491,009	491,009	57,000
83	29	-	-	-	-	-	-	\$3,242,042	333,158	333,158	495,260	495,260	57,000
84	30	-	-	-	-	-	-	\$3,443,232	329,054	329,054	501,216	501,216	57,000
85	31	-	-	-	-	-	-	\$3,655,780	326,044	326,044	508,833	508,833	57,000
86	32	-	-	-	-	-	-	\$3,880,069	323,996	323,996	517,999	517,999	57,000
87	33	-	-	-	-	-	-	\$4,116,532	322,806	322,806	528,632	528,632	57,000
88	34	-	-	-	-	-	-	\$4,365,513	322,250	322,250	540,526	540,526	57,000
89	35	-	-	-	-	-	-	\$4,627,240	321,964	321,964	553,326	553,326	57,000
90	36	-	-	-	-	-	-	\$4,901,939	321,549	321,549	566,646	566,646	57,000
91	37	-	-	-	-	-	-	\$5,189,259	379,850	379,850	639,313	639,313	-
92	38	-	-	-	-	-	-	\$5,495,681	445,801	445,801	665,628	665,628	-
93	39	-	-	-	-	-	-	\$5,824,286	521,912	521,912	696,641	696,641	-
94	40	-	-	-	-	-	-	\$6,179,194	611,701	611,701	735,285	735,285	-
95	41	-	-	-	-	-	-	\$6,565,577	719,710	719,710	785,366	785,366	-
96	42	-	-	-	-	-	-	\$6,989,691	851,531	851,531	851,531	851,531	-
97	43	-	-	-	-	-	-	\$7,441,656	996,587	996,587	996,587	996,587	-
98	44	-	-	-	-	-	-	\$7,923,323	1,156,001	1,156,001	1,156,001	1,156,001	-
99	45	-	-	-	-	-	-	\$8,436,672	1,330,984	1,330,984	1,330,984	1,330,984	-
100	46	-	-	-	-	-	-	\$8,983,809	1,522,837	1,522,837	1,522,837	1,522,837	-

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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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Or visit us at: www.niwcop.com
Or visit us at: www.kaizenplan.com