

Phrases you cannot say:

Life insurance is a retirement plan – life insurance has the potential to supplement your retirement

*Tax-Deferred income –
Tax-Deferred (when using policy loans)
Income needs to be distributions*

When talking about living benefits you cannot separate from the death benefit. Death Benefit with living benefits...

3 to 1 loans – needs to say up to 3 to 1

Rates LIBOR + 1.75% without, rates are subject to change

NON RECOURSE – limited to your policy contributions

Market growth – IUL's have the potential to earn interest without market risk

Guaranteed – unless describing the principle guarantee of the carrier general account



Receipt of benefits depends on rider and meeting certain qualifications and riders vary by state. The use of one benefit may reduce or eliminate other policy and rider benefits. Payment of living benefits will reduce the cash value and death benefit. Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in taxable event. Substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years. It is possible that coverage will expire when either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage. 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 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. There are some exceptions to the rule. Please consult a tax professional for advice concerning your individual situation.



Expense

Portion of the premium is used to pay policy expenses. The expenses provide death benefit protection for your family, or can be a living benefit if needed for a chronic or terminal illness once the bank loan is repaid.

Accident Protection

A life insurance policy with accelerated benefit riders can provide a tax-free death benefit and/or living benefits in the event of:

Accidental Death

(Heart Attack, Stroke, etc.)

Chronic Illness

(Inability to perform basic activities of daily living, bathing, eating, dressing, transferring, etc.)

Terminal Illness

(Provide living benefits if death is expected within 12-24 months. Terms vary by state.)

Surplus Cash

The surplus cash has the opportunity to earn interest in an external index crediting strategy of your choice, such as the MSDC. If growth is obtained, that interest is credited to the policy and locked in annually, protecting the growth from losses due to market volatility.

Cash Accumulation

Potential cash value accumulation for lifestyle needs, such as supplemental distributions during retirement. Policy features include:

- Interest Crediting Potential
(Opportunity for interest credited based on a market index or a fixed rate)
- No Loss of Cash Value, 0% Floor
(0% floor protects against declines in an index)
- Potential Cash Value Growth Tax-Deferred
- Potential Income Tax Free Distributions
(Access to cash value using policy loans and distributions that may be income tax-free)

When talking about a carrier's product...

Use the disclosures provided by the carrier for that content. Check with your carrier compliance to get the specific wording.

When describing IUL growth

Achieving Growth

Your policy's potential for growth is based on a market index like the S&P 500 or MSCI.

The point-to-point strategy gives you the potential for growth based on a chosen index (i.e. S&P 500) and a set period of time (i.e. January 2018 to January 2019).

At the end of the period, if the index is positive, your policy is credited a portion of the growth based on current caps and participation rates. Growth is locked in annually and cannot be lost due to market declines.



Numbers shown represent the performance of our strategies, which are based on the growth of the S&P 500® index, excluding dividends, without direct market participation and with guaranteed protection against negative returns. Policy values may decline if premiums paid out-of-pocket are insufficient to cover insurance costs and other charges. Guarantees are dependent upon the claims-paying ability of the issuing company.

This unit
Disclaimer

How Is The Growth Protected?

Since your cash value is not actually invested in an index, if the index were to return a negative return, your policy would return declining due to the policy's crediting rate. However, policy expenses would still come out of the policy.

When describing IUL caps

Additional Protection Features of the Index Universal Life Policy (IUL)

0% Floor protects your cash value
against declines in the market index



Monthly deductions continue to be taken from the account value, including a monthly policy fee, monthly expense charge, cost of insurance charge, and applicable rider charges. Surrender charges may reduce the policy's cash value if money is withdrawn from the policy in the early years.

Using an Index Universal Life (IUL) Product provides an added layer of security when using leverage. IUL products have a guaranteed floor so that in any year where the index is negative, your policy would record a 0% credit instead of realizing the market loss.

This 0% floor dramatically reduces the risk profile vs an index fund, making it safer to use leverage versus other types of loans, such as margin loans, on index funds that have full market risk.

This safety feature is part of the reason why the Kai-Zen® lenders do not have to underwrite YOU for the loan.

When talking about the Kai-Zen loan...

Use the disclosures provided by NIW or you can find on ilia or the product brochures.

Leverage Made Easy

The plan's unique design and the policy's 0% floor provide the lenders the security to utilize your policy contributions as the sole collateral for the loan. This means there are no participant loans, no credit check, no personal guarantees and no interest payments.


No Interest Payments

No Loan Documents

No Credit Checks

No Personal Guarantees



3-1 Leverage 

Only 5 annual payments required by client

Use of borrowed money 

Low borrowing rates: LIBOR + 1.75%*

*Rates Subject to Change

Actual ratio may vary due to variables specific to your case.

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, funds availability, insurance company ratings and stability which can result in bank loan exiting and/or policy surrender.