

Benefits of the Kai-Zen Program

- Unlimited contributions (Not subject to income limitations)
- Contribution commitment of 5 years
- Matching contributions (up to 3:1) without third party obligation
- Growth indexed to the market without downside interest rate risk
- Tax-free death benefit to beneficiary(ies)
- Cash benefits via acceleration features in the event of a chronic, critical, or terminal illness
- Diversification from qualified plans or taxable accounts
- Asset protection from creditors (state specific)

And the most important benefit?

Competitive, tax-favored, supplemental income

How can Kai-Zen be utilized to compliment your existing retirement plans?

Example: Male, age 45, good health contribution \$30,000/yr. for 5 years

What amount of projected “net” income and remaining legacy benefit would you have from age 65 to 90?

Qualified Plan
Income: \$42,000
Death Benefit (A90): \$0

Taxable Account
Income: \$35,000
Death Benefit (A90): \$0

Kai-Zen
Income: \$46,000
Death Benefit (A90): \$476,500
First year DB: \$800,000

What is the market and tax risk for each option? What “living benefits” does each offer?

Assumptions:

- Qualified plan growth rate of 9% during accumulation years / 6% during distribution years
- Taxable account growth rate of 9% during accumulation years / 6% during distribution years
- Index UL crediting rate of 6.42%
- 0% portfolio turnover
- 75 bps management fee
- 30% ordinary income tax
- 20% capital gains tax