



Below is a view of the Workbook Main Window from the InsMark Premium Financing System Digital Workbook used for Blog #164 along with a description of its contents.

InsMark Premium Financing System (v. 4.0) Workbook Blog #163

Client Workbook Edit Tools Options Help

Workbook Main Window

Proposals for the workbook: Blog #163

Proposal Description	Sales Concept	Policy Data (if applicable)			
		Policy Notation	Initial Premium	Death Benefit	Name of Product
Premium Financing	Prem. Financing - Trust	Blog #163	\$1,000,000	\$26,681,680	Indexed UL

**Workbook file name: Blog #163.IPF** This file can be imported into your InsMark Premium Financing System to see exactly how data was entered in the prompts to create the premium financing illustrations featured in Blog #163 and #164.

**Proposal Description - Premium Financing:** This premium financing illustration used is “Policy Owned by an Irrevocable Trust”.

See Page 2 for details of the Wealthy and Wise® digital Workbook associated with Blog #164.

Below is a view of the Workbook Main Window from the Wealthy and Wise® Digital Workbook used for Blog #164 along with a description of its contents.

Wealthy and Wise (v 13.0) - Blog #164 - Details of the Current Plan (1. Current Plan)

Client Workbook Edit Tools Options Help

This Workbook contains stored reports for: Blog #164

Scenarios

For the columns below, display values for client age: 99

Scenario Storage Name	Scenario Title	Net Worth	Taxable Estate	Wealth To Charity	Wealth To Heirs	Liquid Assets
1. Current Plan	Details of the Current Plan	\$126,330,371	\$126,330,371	\$0	\$93,785,539	\$65,409,252
2. Premium Financing	Details of the Premium Financing	\$83,934,684	\$83,934,684	\$0	\$156,180,562	\$23,013,565
3. Add Family Foundation	Details of the Bequest to the Fou	\$83,934,684	\$26,597,685	\$0	\$114,026,314	\$23,013,565

Comparisons

Comparison Storage Name	Comparison Title	Scenario #1 Description	Scenario #2 Description	Scenario #3 Description
Compare Strategies	Current Plan vs. Add Premium Fi	1. Current Plan	2. Premium Financing	3. Add Family Foundation

**Workbook file name: Blog #164.lww**

**Scenario 1:** This illustrates details of cash flow, net worth, and wealth to heirs developed from the current asset and benefit base of Arthur and Allison Baxter, ages 50 and 45.

**Scenario 2:** Additional values are produced for the Baxters by adding trust-owned, bank-funded, premium financing of a \$26,681,680 Indexed Universal Life (“IUL”) policy bearing seven \$1,000,000 annual premiums. The Baxters’ personal cost of gifts to the trust of \$300,000 a year for ten years is funded by asset transfer not an out-of-pocket expenditure, producing what is known as a *cash flow neutral* comparison when compared with Scenario 1.

Scenario 2 introduces an additional concept of net worth called Family Net Worth™ developed when a significant portion of the parents’ wealth is passed to children during the lives of the parents. In this case, the value of Scenario 2 is measured by comparing Family Net Worth of Scenario 1 vs. Scenario 2 where the Family Net Worth of Scenario 1 realizes no additional value due to the absence of any assets out of the estate. Family Net Worth of Scenario 2 develops an additional \$42 million more than Scenario 1 due to the presence of the cash values of the IUL owned by the trust formed on behalf of the Baxters’ children.

**Scenario 3:** This introduces the Baxter Family Charitable Foundation created by a planned charitable bequest in the Wills of the Baxters. You can see how this is established on the bottom right of the Asset #3 sub-tab located on the Illiquid Asset tab in Scenario 3.

**Compare Strategies:** This compares all aspects of Scenarios 1, 2, and 3.

**Important Note #1:** The hypothetical values associated with Blog #163 assume the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. Life insurance illustrations are not valid unless accompanied by a basic illustration from the issuing life insurance company.

**Important Note #2:** The information in Blog #164 is for educational purposes only. In all cases, the approval of a client’s legal and tax advisers must be secured regarding the implementation or modification of any planning technique as well as the applicability and consequences of new cases, rulings, or legislation upon existing or impending plans.

“InsMark” and “Wealthy and Wise” are registered trademarks of InsMark, Inc.

“Family Net Worth” is a trademark of InsMark, Inc.

© Copyright 2017, InsMark, Inc., All Rights Reserved.