



Below is a view of the Workbook Main Window from the InsMark Illustration System Digital Workbook used for Blog #170 along with a description of its contents.

InsMark Illustration System

Client Workbook Edit Tools Options Help

Workbook Main Window

Proposals for the workbook: Blog #170

| Proposal Description | Sales Concept | Policy Data (if applicable) | | | |
|----------------------|------------------------|------------------------------|-----------------|---------------|-----------------|
| | | Policy Notation | Initial Premium | Death Benefit | Name of Product |
| Proposal 1 | InsMark Compare | Multiple notations | \$50,000 | \$1,054,069 | Indexed UL |
| Proposal 2 | Investments vs. Policy | Blog #170 (Bigger Loans) ... | \$50,000 | \$1,054,069 | Indexed UL |

Workbook file name: Blog #170.lli This file can be imported into your *InsMark Illustration System* to see exactly how data was entered in the prompts to create the illustrations featured in Blog #170.

Proposal 1: *InsMark Compare* is an illustration module located on the *Personal Insurance* tab. It was used to compare Indexed Universal Life (“IUL”) with fixed loans vs. participating loans. Both were designed to provide the identical amount of loans, and the illustration with participating loans ended up with 8.4 times as much cash value.

You can enter up to four different policies in this module (minimum of two) with the following data: Premiums, optional withdrawals and/or loans, cash values, and death benefits. The input is simple on the Policy Data tab in that you either import linked source data from the carrier(s) you are using, cut and paste from a pdf, or hand-enter the data for each policy illustration.

Data entry is simple for the *Basic Data* tab; here is how it was entered for Proposal 1:

Client Workbook Edit Tools Options Help

Policy Data Basic Data Optional Risk Tolerance Questionnaire Report Selections

Years to illustrate

Illustrate through year: 55

Tax data

Tax bracket: 35.00 %

Use second tax bracket: 15.00 %

Starting in year: 1

Policy descriptions

Add custom descriptions that will appear above the columns of policy data on your illustrations. If you are doing a risk comparison, you can use this option to describe the level of risk of each policy.

Fixed Loans Participating Loans Customize Customize

Indexed Universal Life Interest Rate: 7.00% Indexed Universal Life Interest Rate: 7.00%

How do you want the graphs to reference each policy? Note: not all options will fit in the space available, please check your output!

By product name By the product name and interest rate

By the custom text selection (above) By the product name and insurance company name

Proposal heading

Indexed Universal Life: Fixed Loans vs. Participating Loans

See page 2 for information re Proposal 2.

Proposal 2: The module for this illustration is *Other Investments vs. Your Policy* located on the *Personal Insurance* tab where a comparison is made between IUL with participating loans and an equity account. In this example, the IUL was stress-tested to provide as much policy loan activity as possible (\$205,000 from age 65 - 95) and we tried to match that cash flow with the equity account. The equity account unfortunately crashed in year 35 (age 79).

Most of the data input is on the *Investment Details* tab, and that input is reflected below.

| Basic Data | | Investment Details | Report Selections |
|--|--|--|-------------------|
| Investment selection Selection: <input type="text" value="An Equity Account"/> Short name: <input type="text" value="Equity Account"/> This box reflects the space on your report. <input checked="" type="radio"/> Growth: <input type="text" value="7.00"/> % <input type="radio"/> Schedule... growth 2 letter graph legend: <input type="text" value="EQ"/> <input type="button" value="Equity Account"/> | | Deposits to the investment <input checked="" type="radio"/> Same as life policy <input type="radio"/> Schedule | |
| Taxation of customized investment Tax type: <input type="radio"/> Taxable <input type="radio"/> Tax exempt <input type="radio"/> Tax deferred <input type="radio"/> Non Ded. IRA <input checked="" type="radio"/> Equity account <input type="radio"/> Tax Deductible Retirement Plan (TDRP) | | Investment fees <input type="checkbox"/> Sales charge: <input type="text" value="0.00"/> % <input checked="" type="checkbox"/> Management fee: <input type="text" value="0.500"/> % <input type="checkbox"/> Guarantee of principal fee: <input type="text" value="0.00"/> % (in the event of death) <input type="checkbox"/> Annual administrative fee: <input type="text" value="\$0"/> | |
| Tax deferred or TDRP data <input type="checkbox"/> Guaranteed Withdrawal Benefit <input type="button" value="Calc Logic"/> <input type="checkbox"/> Premature distribution tax: <input type="text" value="0.00"/> % <input type="checkbox"/> Surrender Charges <input type="button" value="Schedule"/> <input type="checkbox"/> Apply surrender charges on distributions | | | |
| Equity account data Dividends Percent of current value paid out annually as dividend: <input type="text" value="2.00"/> % Dividend tax rate: <input type="text" value="25.00"/> % <input type="checkbox"/> Use a 2nd rate: <input type="text" value="20.00"/> % Starting at age: <input type="text" value="47"/> | | | |
| Capital gains data Capital gains tax rate: <input type="text" value="25.00"/> % <input type="checkbox"/> Use a 2nd rate: <input type="text" value="20.00"/> % Starting at age: <input type="text" value="56"/> | | Portfolio turnover Portfolio turnover rate: <input type="text" value="35.00"/> % <input type="checkbox"/> Use a 2nd rate: <input type="text" value="0.00"/> % Starting at age: <input type="text" value="56"/> | |
| | | Portion of capital gains that is long term: <input type="text" value="65.00"/> % Sales charge on reinvested turnover: <input type="text" value="0.00"/> % | |

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