



Below is a view of the Workbook Main Window from the Wealthy and Wise[®] analysis used for Blog #172 along with a description of its contents.

Wealthy and Wise

Wealthy and Wise (v 13.0) - Blog #172 (Extensive Details) - Strategy 1 vs. Strategy 2 vs. Strategy 3 (Compare Strategies)

Client Workbook Edit Tools Options Help

This Workbook contains stored reports for: Blog #172 (Extensive Details)

Scenarios

For the columns below, display values for client age: 94

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	\$14,371,402	\$15,691,436	\$0	\$13,308,182	\$12,107,316
2. Add IUL (for Arbitrage)	Add Indexed Universal Life to tl	\$29,461,291	\$32,396,248	\$0	\$29,939,800	\$27,785,022
3. Add PF (for Accelerated Arb.)	Add Premium Financing to the	\$43,271,430	\$46,543,705	\$0	\$44,029,095	\$38,085,312

Comparisons

Comparison Storage Name	Comparison Title	Scenario #1 Description	Scenario #2 Description	Scenario #3 Description
Compare Strategies	Strategy 1 vs. Strategy 2 vs. St	1. Current Plan	2. Add IUL (for Arbitrage)	3. Add PF (for Accelerated Arb.)

Workbook file: Blog #172 (Highlights).!ww & Blog #172 (Extensive Details).!ww Import either of these Digital workbook files into your *Wealthy and Wise* to see how data is entered to create the wealth planning in Blog #172.

Scenario 1. Current Plan This illustrates Robert and Jamie Sterling's current plan. Their combined net worth is \$6,600,000 (\$1,600,000 in retirement plans, \$800,000 in CDs, \$800,000 in municipal bonds, \$2,500,000 in equities plus \$900,000 in home value and personal property). Robert and Jamie want \$350,000 of spendable cash flow – in today's dollars – starting at age 65 indexed at 3.00% as a cost-of-living adjustment. Fortunately, their current asset base is sufficient to support this cash flow requirement with more than \$14 million of illustrated long-range net worth with a similar increase in wealth to heirs.

Scenario 2: Indexed Universal Life Added to the Current Plan The face amount of the IUL is \$1,054,069 increasing for 20 years; level thereafter. Premiums are \$50,000 a year for 15 years with participating policy loans beginning at age 65. *Wealthy and Wise* is instructed to use assets as a source of premiums to eliminate any out-of-pocket costs for the Sterlings. Annual, participating, policy loans of \$170,000 for retirement cash flow begin at age 65 and are illustrated through age 95, five years past the Sterlings' joint life expectancy; otherwise the revised plan is unchanged from Scenario 1. This produces more than \$29 million in illustrated long-range net worth with a similar increase in wealth to heirs.

Scenario 3. Premium Financing of IUL Added to the Current Plan The IUL's annual premium for 15 years is increased four times to \$200,000 using the minimum possible death benefit of \$4,216,273. The Sterlings are scheduled to pay \$50,000 of the annual premium; however, as in Scenario 2, the software is instructed to use assets as a source of funding to eliminate any out-of-pocket costs for the Sterlings. Bank loans with accrued loan interest fund the balance of \$150,000. Participating policy loans repay the bank loan and accrued loan interest at the beginning of year 16.

Annual, participating, policy loans of \$350,000 for retirement cash flow begin at age 65 and are illustrated through age 95, five years past the Sterlings' joint life expectancy.

Note: The InsMark Premium Financing System was used to illustrate the premium financing concept, and Blog #171 (Part 1) includes a digital workbook download along with a Digital Workbook Guide similar to this Guide. For Wealthy and Wise to reflect the premium financing data, a user must first import that data into Source Data Storage by clicking on the following selection in the Premium Financing System while in Edit mode:



We then accessed that exported data using prompts on the Other Assets tab in Wealthy and Wise resulting in an illustrated long-range net worth of more than \$43 million with a similar amount of wealth to heirs.

Important Note: The information in this file 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.

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