

Kai-Zen® Vs. Alternative Choices:

	Index Life with Kai-Zen®	Index Life Without Leverage	After Tax Investment	Tax-Deferred Investment
Potential Distribution from 65-90				
Potential annual distribution	\$103,000	\$60,000	\$35,716	\$44,650
Total Potential Distribution Taken from Age 65-90	\$2,678,000	\$1,560,000	\$928,613	\$1,160,891
IRR Calculations	9.26%	6.85%	4.58%	5.42%
Potential Protections				
Initial Death Benefit	\$1,535,640	\$745,132	\$0	\$0
Death Benefit Remaining At Age 90 After Distribution (Net of loans)	\$1,148,539	\$331,204	\$0	\$0



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Example of KaiZen: Supercharged Retirement Income Strategy

Male, 45, excellent health, non smoker or marijuana user.

- Annual Contributions: \$50,000 years 1-5, total \$250,000
- Lender Annual Contributions: \$44,507 years 1-5; \$93,107, years 6-10; total \$688,320
- Total Combined Contributions: \$938,320

Benefits and Distributions:

- Initial death benefit protection (net of loan), \$1,535,640; with living benefit riders
- Growth Rate of 5.92%.
- Internal Rate of Return: 9.26%
- Average Asset Allocation Fund Investor, 30 years: 2.95%
- Beginning potential tax-free distributions at 65, \$103,000 per year when using policy loans
- Cumulative distributions taken from age 65-90: \$2,678,000
- Remaining death benefit for beneficiaries net of all loan repayments: \$1,148,539

Assumptions Used for Kai-Zen® and Alternative Choices:

- Growth Rate of 5.92%.
- DALBAR Qualitative Analyst of Investor Behavior 2022
- Distributions beginning at the later of age 65 or after the lender loan has been repaid (typically the 15th plan year) and continue through age 90.
- Long term capital gains rate of 20%.
- Income tax rate of 37%.
- The after tax and tax deferred investments assume a management fee of 0.5%.
- The index policies include all costs of insurance and fees.
- Policy Distributions shown using tax-free policy loans.
- Participation in Kai-Zen® requires a minimum contribution amount of \$20,000 (Minimum for age 45 is \$21,350) and a participant trust to be established as part of the plan. An additional \$1,350 per year will be added to your five-annual contributions. (The trust pays the premiums and monitors the policy until the loan repayment in approximately the 15th year.)
- AFR Applicable Federal Rate Rate of 3.55%.