

*What if
one investment decision
would allow you to...*

*...keep your assets **working for you.***

NIW LIFE

The Superior Strategy for Asset-backed Insurance Lending

People such as you - with a net worth in excess of \$10 million are a unique breed of leaders, innovators and visionaries.

You have a great deal, but you've worked hard and earned all you've achieved. You're proud of your legacy and want it to carry on for generations. While you are already addressing this situation by setting up trusts, gifting and using other traditional estate planning techniques, you want to do more. You want to keep your assets working for you.

In the past, your options were limited. You could do nothing and let the family sort it out, or simply pay for the life insurance. The drawback to the first option is clear - immediate asset liquidation to offset the highest possible estate taxes. This generally results in clients losing up to 85 percent of their estate after death.

The second option, paying for life insurance out of pocket, is often an expensive choice. Premium payments, along with the triggered gift taxes and revenue lost by liquidating assets to pay the premiums; could actually have you paying more than the death benefit at life expectancy.

But what if one investment decision would allow people that have created substantial wealth keep it that way? Asset-backed Insurance Lending (ABIL) utilizing the NIW LIFE Strategy does just that.



NIW



... **Grow** Your
Business.

...Provide
**Peace of
Mind.**

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All Programs are *Not* Alike

Using financing to pay for insurance is not a new or unique concept. Quite simply, it is a way for individuals to obtain needed life insurance by financing premiums with little and potentially no out-of-pocket costs. This is accomplished by using a combination of the cash value in their life insurance policies and other assets to collateralize the loan.

While there are many financing solutions available on the market, most do not work in the long term. Some are available only to people over the age of 70. Others generate short-term benefits and can actually cost clients as much money as paying out of pocket in just 7-10 years. Some use unrealistic interest rate forecasting. While others just don't effectively or accurately explain the risks that can occur when using financing.

NIW LIFE is a solution that has addressed these issues head-on. By using superior designs, realistic projections, as well as ongoing support, NIW LIFE can truly deliver a unique asset-backed insurance lending concept to a younger and healthier market that once thought life insurance was a fiscally unsound decision. As a result, you're able to grow your income today, while leaving your family a legacy for tomorrow.

NIW LIFE - Delivering on the Promise

The key differentiator between NIW LIFE and other financing options is the strategy's ability to address a younger market (ages 1-70) with a focus on 35-65 year old individuals that have a net worth of at least \$10 million.

With the NIW Life strategy, interest is usually (but not always) rolled up into the loan and an insurance product is used that has the capacity to grow cash values that outperform the loan. When the cash value is sufficient, the loan is paid off using excess cash values, leaving sufficient residual cash value to see the policy in place through age 100-120. Even if the insured passes away before the loan is retired, the loan and interest will be deducted from the death benefit, and the remainder goes directly to the beneficiaries. The end result? The client enjoys the benefits and peace of mind that come with life insurance without incurring the prohibitive taxes and costs, and/or liquidation of assets that have been deterrents in the past.



NIW



NIW LIFE ABIL

*Providing Peace
of Mind*

Asset-backed Insurance Lending Risks & Rewards

With any form of lending there are risks. At NIW, we take pride in not only thoroughly communicating this to our clients, but also developing strategies that truly mitigate that risk.

First and foremost, NIW LIFE is not free insurance. While the strategy may show no out-of-pocket costs, that does not mean there will never be a need to pay something. Although, NIW strives to analyze and anticipate policy performance along with interest rate fluctuations, we cannot guarantee positive outcomes each year. And, in order to obtain the most favorable loan rates from lenders, the loan needs to be fully secured. In other words, if the policy cash surrender value is insufficient to fully secure the loan, then outside supplemental collateral is required. And in some cases interest may have to be paid out-of-pocket by the client

The interest roll up design of NIW LIFE is one way to reduce a client's costs and mitigate gift taxes. As long as appropriate design assumptions and realistic interest rate forecasting are used at the onset, the product's cash value should, on average, grow at a higher rate than the loan. Clients should be wary of strategies that use flat line loan interest rate forecasts, as they could be hiding a high profit margin for the lender and erroneously assume a low underlying borrowing rate.

NIW believes that their strategy has the most economic logic and highest probability of saving the client money of any insurance financing concept on the market.


- Best possible program on the market today for high net worth clients ages 1-70. Especially viable for individuals between the ages of 20-65.
- Bequeath your estate to those you choose rather than the government.
- Obtain the life insurance you need without impacting your day-to-day cash flow by leveraging your assets
- Reduce the amount of gift tax your planning would otherwise trigger.
- Use the power of leverage to achieve your financial goals

Another risk mitigator that NIW LIFE provides is ongoing support throughout the duration of the loan. When a client works with NIW, he becomes much more than just a policy number. NIW strongly believes that even though the papers are signed, our job is far from over. In fact, we view each client and each transaction as a valuable partnership that extends for the life of the loan. Therefore, NIW will review your case every year against the performance of the plan and based on that analysis will recommend adjustments or corrections that can improve return performance.

The essence of asset-backed Insurance Lending is simple. Can I use other peoples' money to fund my life insurance, thereby allowing me to protect assets, continue business development and ultimately pass my financial legacy to future generations?

The answer is yes. But you should do so only with a program that makes realistic assumptions; identifies, mitigates and communicates risk factors; can be tailored to meet your unique needs; and - most importantly - makes good business sense.

The NIW LIFE Strategy does all of those things, making it an industry-leading and truly innovative solution - the ideal choice for today's leaders and innovators. ■



The Decision
Starts
with You.

About NIW

NIW Companies, Inc. is a specialized marketing organization, which focuses on developing and commercializing highly differentiated insurance marketing concepts.

For more than 10 years, NIW has developed programs that can offer tremendous value to unique audiences. We then leverage our industry longevity and expertise in concept commercialization to create an effective marketing strategy. NIW partners with carriers and select distribution companies to launch these concepts and strategies to the appropriate market. Once launched, NIW focuses on training and supporting the sales through to closure, and where appropriate, post-sale servicing.

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