

Common Questions

Q. Is there a tax deduction?

NO - Kai-Zen is not intended to create or utilize any tax-deductions.

Q. What insurance underwriting is needed?

Individual insurance underwriting is required.

Q. What are participant requirements?

- Any business executive may participate
- Under age 65
- Standard health underwriting
- \$1 Million minimum death benefit
- Any business executive with a minimum income of \$100k, and is a standard insurance risk

Q. Do all participants need to have the same death benefit level?

No. Each participant determines their own death benefit.

Q. What happens if the plan is terminated?

The termination distribution is the cash value of the policy minus admin & financed exit costs.

Q. Are there benefits in addition to death benefits?

Potentially Yes, if a participant is below age 55, there may be additional income flow from the plan in later years. There are no restrictions on use.

Example: A 45 year old could generate a projected income flow of \$30,000 per year, per \$1M of Death Benefit.

Q. Who actually provides the death benefit?

Top-rated life insurance carriers are used to insure the risk.

Q. If there are sufficient participants, can a group have their own plan trust?

Yes. With a minimum of \$120M of total death benefit any group can design their own plan. Groups above 200 lives will need pre-qualifying.

Q. Is there a maximum number of participants?

Not in principle, but any group above 200 lives will be treated as a case that needs pre-qualifying.

Q. Does the participant need to qualify for the financing?

No, neither the participant or company have any loan liability and do not need to qualify.



IBG is a nationally recognized consulting and marketing firm serving professional practices, corporations, labor organizations and not-forprofit groups. Utilizing a multi-disciplinary approach, IBG brings together under one roof, attorneys, accountants, actuaries, former IRS officials, and insurance benefits professionals, to work cooperatively with clients and their advisors. This multi-disciplinary approach allows IBG to understand all tax, legal and financial considerations to develop solutions tailored to meet each client's objectives.

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Kai-Zen

\$162 Executive Bonus Plan

*Leveraging the Power of
the \$162 Bonus for
applications such as...*

Supplemental Retirement Income

Post-Retirement Healthcare

Permanent Death Benefit

Buy-Sell Arrangements

Business Ownership Buyouts

Key-Man Insurance



A Proprietary Joint Venture

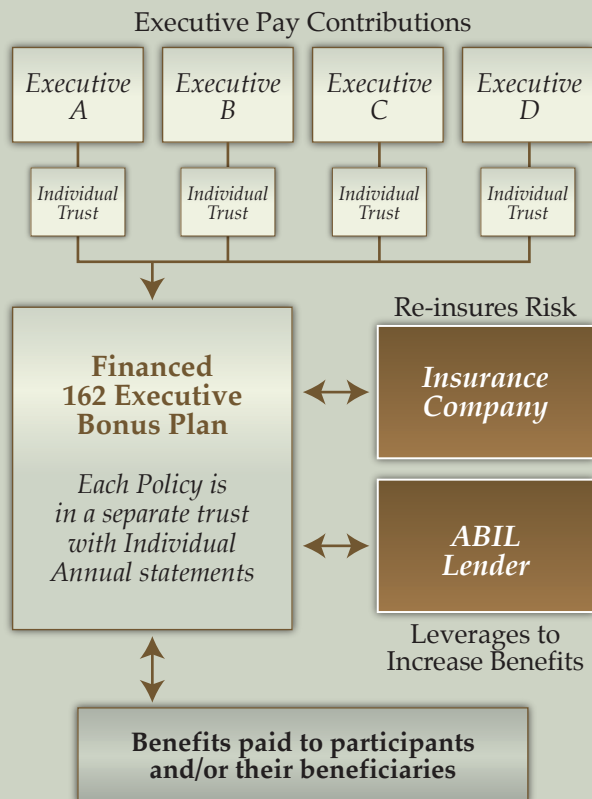
Kai-Zen

\$162 Executive Bonus Plan

The Legacy Kai-Zen Plan resolves the high cash flow costs of traditional executive bonus funding methods by leveraging a \$162 Executive Bonus Plan. The design groups executives together to purchase life insurance at a significantly reduced cost. Kai-Zen increases the executive's contribution with additional bank financed dollars.

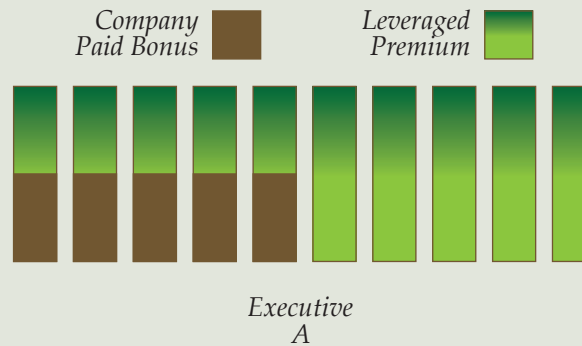
- Does not use pre-tax dollars
- No ERISA problems
- Partial client pay
- Partial leverage
- No loan qualification

Kai-Zen Structure



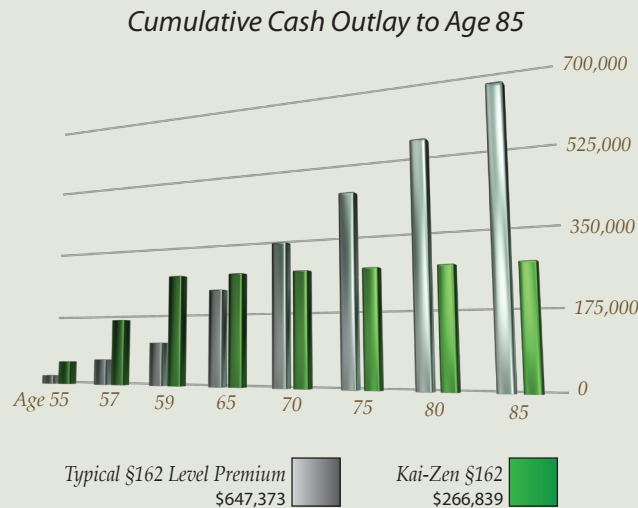
The Power of Leveraged Funding

Leveraging puts significantly more cash into a policy, resulting in higher benefits without requiring more company funding.



Sample Cost Comparison

Male, 55, Standard, Non-Smoker
1 Million Death Benefit Policy



Income taxation was not included in calculations.

Key Benefits

Cost Efficient Design

- Substantial cash flow savings over traditional policy purchase methods
- 25-40% saving vs. self fund.
- Participant determines individual death benefit
- Short contribution period - 1-5 years
- Needed Death Benefit funded immediately
- No net worth minimums to participate (min salary 100k)
- Participant does not need to qualify for the loan

Potential for Future Income

Your policy earnings performance may generate addition cash values which may be used for any purpose.

- Can be designed to be free of income tax
- Can be used for any purpose - no restrictions
- Surplus can be used to increase death benefits

Trust Advantages

- Professional Plan Administration
- Proceeds can pass to heirs outside estate
- Asset Protection - Policy cash values can be protected from, divorce, law suits, bankruptcy, and creditors, with proper structuring.
- Each Policy is completely separated from others = no cross contamination.
- Separate trust for each insured