

2018 InsMark Symposium EAST

September 14 - 15, 2018 | Philadelphia, PA

Strategic Alert #9

[Listen to what fellow producers have to say about the InsMark Symposium.](#)

The purpose of Strategic Alert #9 is to highlight a portion of the Main Platform on Day 2 of the [2018 InsMark Symposium East](#) scheduled for September 14 - 15, at the Courtyard Marriott (and adjacent to the Marriott Downtown) in Philadelphia.

New Look at Term vs. Permanent



**Symposium East Presentation by: Robert B. Ritter, Jr.
President/CEO, InsMark, Inc.**

"Buy term and invest the difference" continues to be the siren song of the uninformed – folks like Dave Ramsey and Suze Orman. Add to this the occasional CPA or attorney who can often throw a stink-ball into your presentation with a question like this, "Why would you pay \$20,000 for something you could get for \$500?"

If this is the extent of the analysis, why indeed? But there is so much more to consider, and in this Symposium session, I will explore three new ways to deal with this Permanent vs. Term argument.

Comparison #1

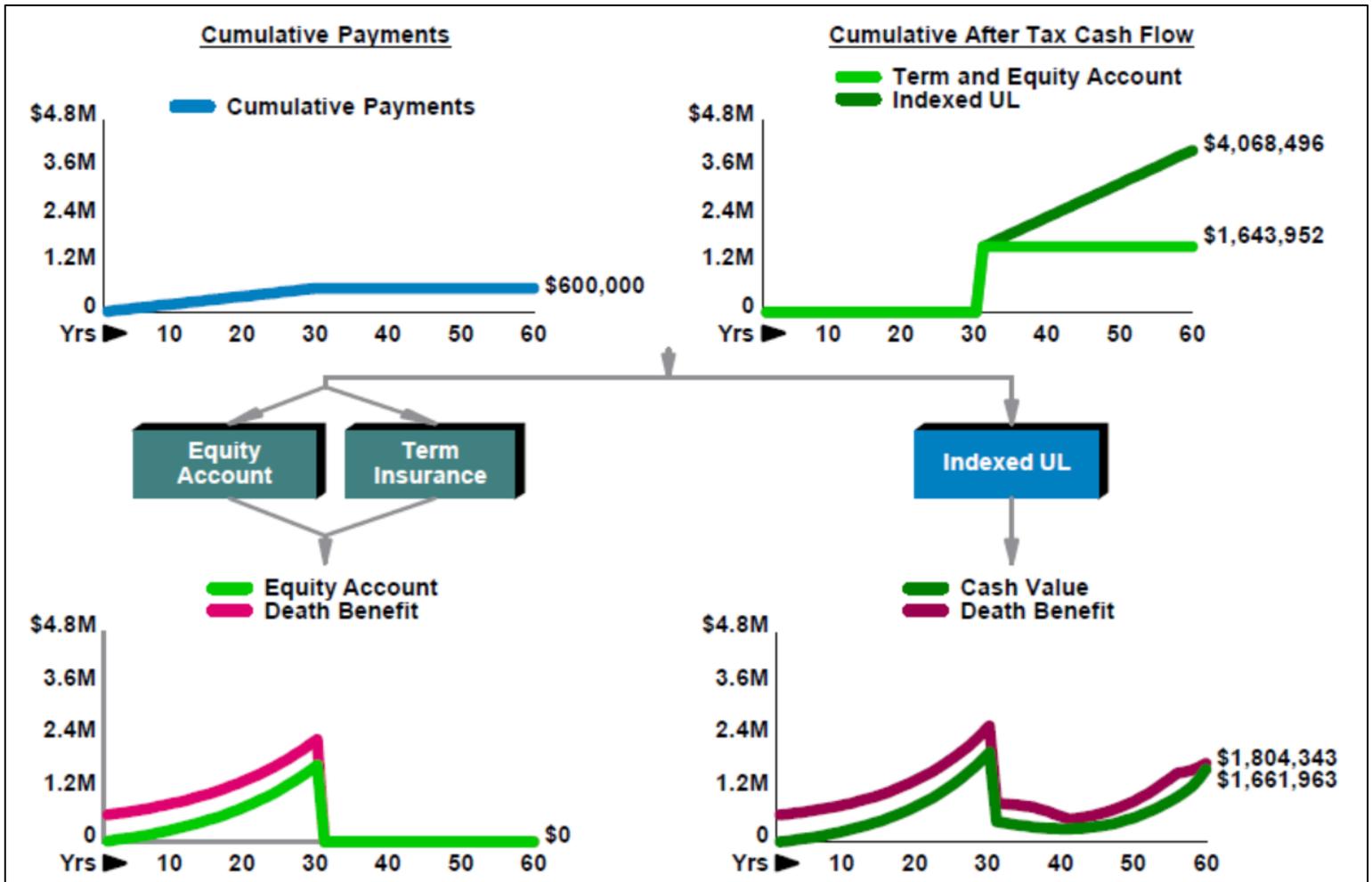
This comparison involves \$600,000 of Indexed Universal Life (“IUL”) with an assumed yield of 7.00% for a male age 35 with continuous premiums of \$20,000. The death benefit is increasing for 30 years; level after that.

We compared the IUL to the same \$20,000 payment directed to an equity account coupled with a 30-year, level term plan costing \$525, the lowest rate I could find. The equity account has an assumed growth rate of 7.00% plus a 2.00% dividend, 200 basis points greater than the IUL’s yield of 7.00%.

At the end of 30 years (just before retirement), the equity account has an illustrated value of \$2,351,315, all of which is illustrated as withdrawn netting after tax funds of \$1,643,952. An identical \$1,643,952 is borrowed from the IUL using tax free participating loans leaving \$460,877 in cash value. The remaining cash value is sufficient to produce additional, annual, after tax, policy loans of \$83,605 through age 95 with cash value remaining in the policy of \$1,661,963. (The arbitrage power of participating loans is extraordinary.)

Below is a graphic of the result:

Image 1
Term Insurance and an Equity Account
vs.
Indexed Universal Life



It may sound too good to be true, but I promise you, there are no smoke and mirrors involved.

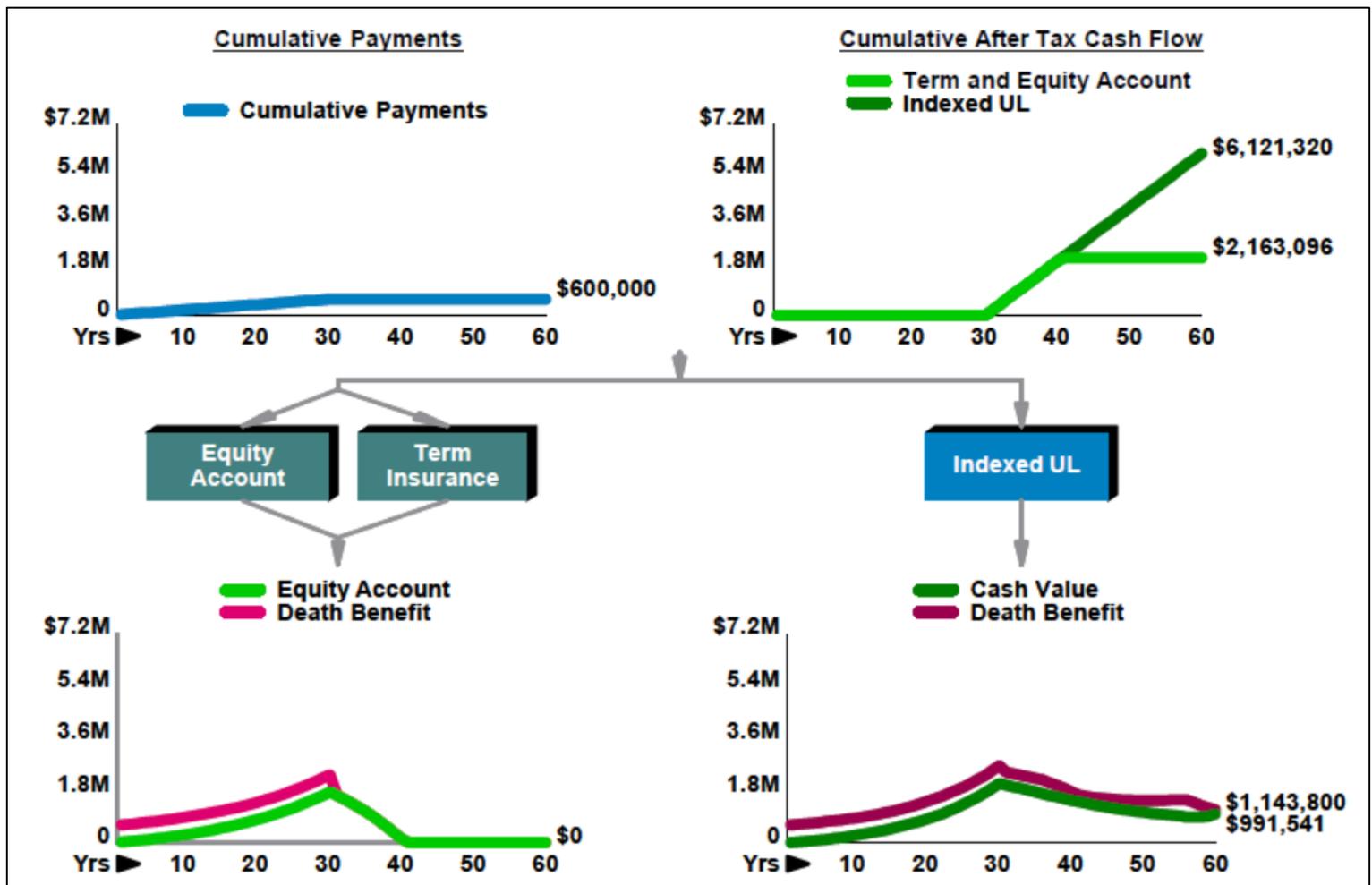
Comparison #2

“But,” you ask, “what if you left the equity account intact at age 65 and used its value to produce after retirement cash flow?”

If the client retains the \$1,643,952 in the IUL at age 65 rather than distribute it by loan to match the cash-out value of the equity account, the annual tax free, retirement cash flow from the IUL could increase from \$83,605 to \$204,044 through age 95. Leaving these funds in the equity account would allow it to duplicate the tax free cash flow of \$204,044 from the IUL, but it could do so for only ten years, followed by \$122,656 for one year.

Below is a graphic of this comparison:

Image 2
Term Insurance and an Equity Account
vs.
Indexed Universal Life



Alternatively, the equity account could deplete itself by producing reduced, after tax cash flow of \$114,313 to age 95, only 56% as much as the IUL – with no residual value.

Comparison #3

Another way to make the comparison is to use our Wealthy and Wise[®] where both variations are integrated and compared in an overall wealth analysis. This approach is compelling as you can see from the graphic below:

Image 3

Net Worth and Cash Flow Comparison

Strategy 1: Term Insurance and an Equity Account

VS.

Strategy 2: Indexed Universal Life



In this example, the retirement cash flow is the same with either plan; however, Strategy 1 risks collapsing overall net worth by depleting other assets in order to support the needed cash flow.

Plan Design

All three comparisons discussed can currently be illustrated using InsMark Systems, and as part of the morning session on Saturday, September 15, at the 2018 Symposium, I'll include directions on the design of each one.

Contact Julie Nayeri at 1-888-InsMark (467-6275) or julien@insmark.com for more information on the Symposium or click below to review the Agenda and/or register online:

If you would like to review any of the prior Strategic Alerts relative to the 2018 Symposium East, see the links below.



[Symposium East Agenda](#)

New details are added frequently.



[Register Now](#)

Online registration is open.
Act now - seats are limited!



[Beginners Workshop](#)

September 13, 2018
2pm - 6pm

I look forward to seeing you on September 14 - 15 in Philadelphia.

Bob

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Prior Summaries of Topics to be Discussed at the 2018 Symposium

[Symposium Strategic Alert #1: \(5/15/18\)](#)

Dual Security Plan - A New Executive Benefit (with unbelievably favorable tax consequences)

[Symposium Strategic Alert #2: \(5/22/18\)](#)

Family Net Worth (a new way of presenting the effectiveness of wealth planning)

[Symposium Strategic Alert #3: \(5/29/18\)](#)

Best Policy for My Clients (examining a client's risk profile in order to determine the best type of policy for that client)

[Symposium Strategic Alert #4: \(6/5/18\)](#)

The InsMark Symposium is coming to Philadelphia. Learn more about this meeting and why you should attend. Limited Seating!

[Symposium Strategic Alert #5: \(6/12/18\)](#)

InsMark's *Advanced Consulting Group* -- specialist firms available for joint case development in premium financing, COLI, BOLI, qualified plan optimization, life settlements, and institutionally-priced life insurance for high net worth investors.

[Symposium Strategic Alert #6: \(6/19/18\)](#)

The double arbitrage of Indexed Universal Life coupled with Premium Financing enhances a Roth IRA conversion in astonishing ways.

[Symposium Strategic Alert #7: \(6/26/18\)](#)

This Beginners Workshop focuses on two key InsMark systems: Wealthy and Wise, and InsMark Illustration System. We will go through the input steps needed to build basic cases, teach you how to navigate through the systems, and explain how the cases are organized.

[Symposium Strategic Alert #8: \(7/10/18\)](#)

"Jim Harbaugh" Split Dollar is the name of a particular variation of split dollar life insurance granted by the University of Michigan to this well-known coach of its football team. His plan has received extensive coverage by the media from ABC News to ESPN. It has also received serious attention from insurance producers wanting to offer duplicate versions to some of their high-end clients. You can design this plan with InsMark, and this Symposium session will show you how.

Important Note #1: The hypothetical values associated with this commentary assume the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. Life insurance illustrations are not valid unless accompanied by a basic illustration from the issuing life insurance company.

Important Note #2: This information 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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