

IULS, INDEXED UNIVERSAL LIFE OVERVIEW

DISCLOSURE: I AM NOT A TAX ADVISOR, I AM INSURANCE AGENT AND ALL PROJECTIONS ARE FOR TRAINING PURPOSES ONLY

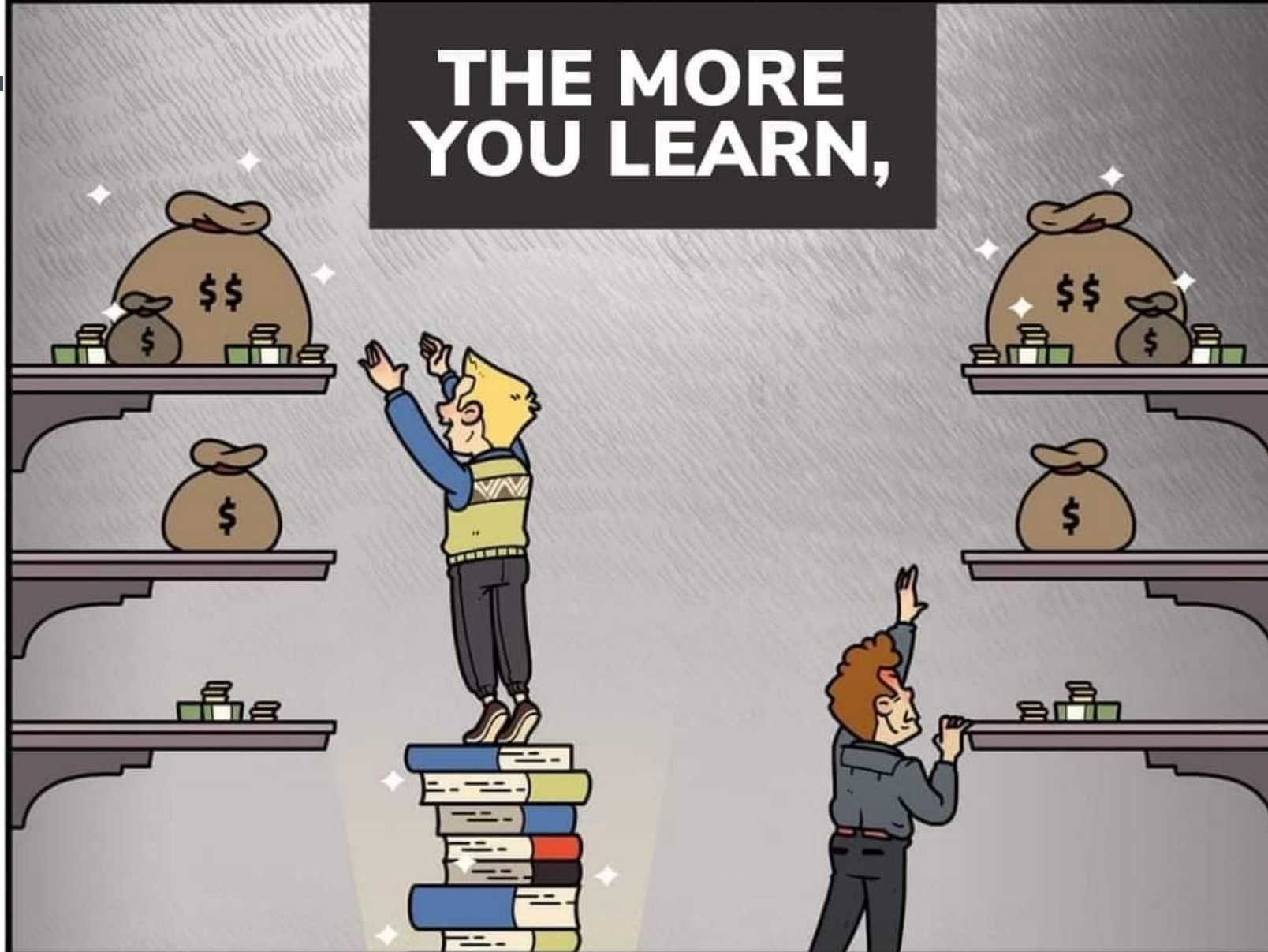


“85% of your financial success is due to **your personality** and ability to **communicate, negotiate, and lead.**

Shockingly, only 15% is due to technical knowledge.

~ Carnegie Institute of Technology

**THE MORE
YOU LEARN,**



**THE MORE
YOU EARN.**



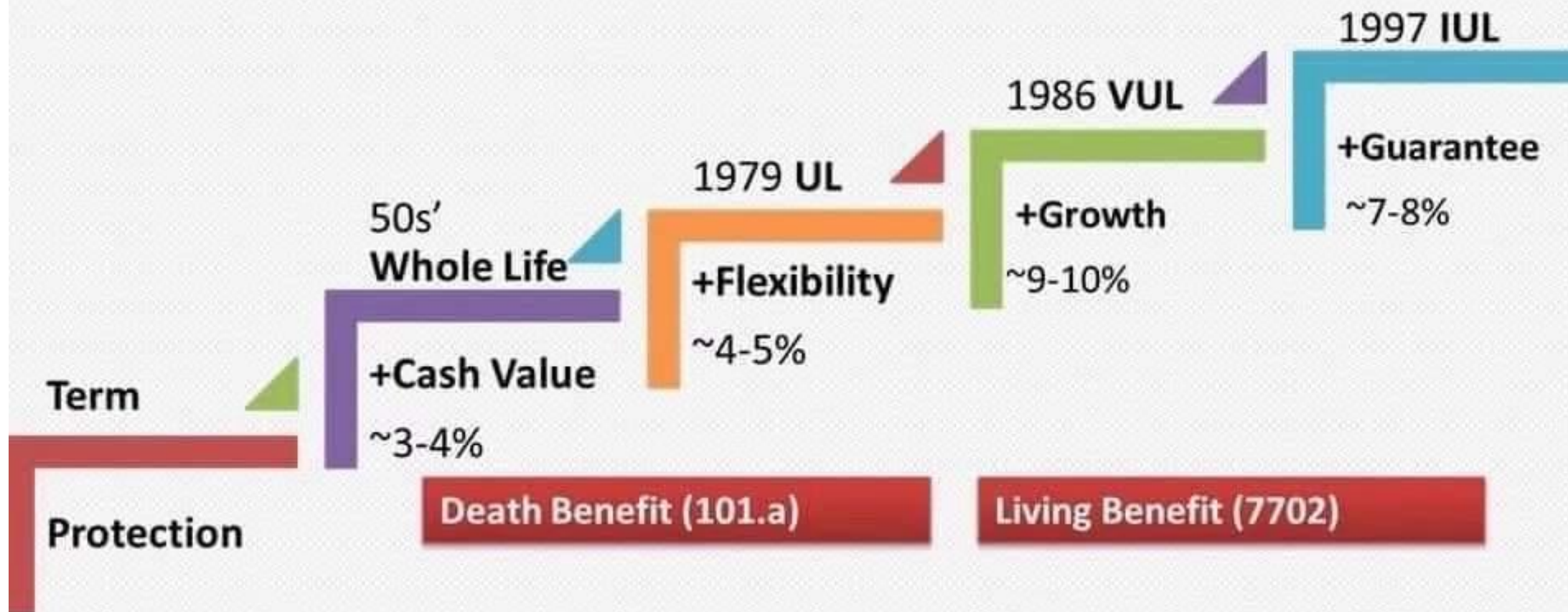
Investing in the market without taking losses — is it too good to be true? Not according to the University of Michigan's head coach Jim Harbaugh. In August, University of Michigan helped Harbaugh become the top-paid college football coach in the nation, according to USA Today figures, by creating a deferred compensation package utilizing cash value life insurance called Indexed Universal Life Insurance (IUL).

Just like in Harbaugh's case, IULs appeal to many executives and business owners because of the advantages they provide. IULs allow cash value within the policy to grow tax-free over time. IULs are funded with post-tax dollars which allow clients to withdraw money tax-free at any age, and provide financial security in the form of a death benefit for the family after the client passes.

These banks have life insurance, too.

| Bank | Life Insurance Assets |
|---------------------|------------------------------|
| Bank of America | \$19,607,000,000 |
| Wells Fargo Bank | \$17,739,000,000 |
| JPMorgan Chase Bank | \$10,327,000,000 |
| U.S. Bank | \$ 5,451,892,000 |

The Evolution of Life Insurance



NLG VS MUTUAL OF OMAHA



| | NLG | MOO |
|------------------|-------------------|---------------------|
| Simplified issue | NO | YES |
| Living benefits | YES | YES |
| Min face | 50k | 25k |
| LIBR | YES | NO |
| CHOICE OF FUNDS | YES | YES |
| USR Friendly | YES | WINFLEX |
| Fast Pay | NO | YES |
| Illustration | YES | YES |
| COMP (100) | LOWER (70) | HIGH (90) |
| Delivery | Edelivery | Sign receipt |

Topics

INDEX How they work

LIBR/Private pension

Different Uses/Legacy/TFR/College
Education/Private pension

Reference materials

Phases of life



CHILDREN'S EDUCATIONAL PLAN



Why Life Insurance vs. 529 plan ?

Let's take a look at two of the most popular college funding vehicles used today. 529 Plans and the use of Life Insurance

| | Life Insurance | 529 Plan |
|--|---|---|
| Annual Contribution Limit | ✓ No Limit | \$13,000 |
| Taxation of Withdrawals | ✓ Tax-Free, using loans | Tax-Free, qualified education expenses only |
| Value for State Education Financial Needs Analysis | ✓ Excluded | Included |
| Funding if Parents Dies (The Primary Source of Funding) | ✓ Death Benefit Completion, college funding | Stops, account value may not be sufficient |

IUL vs 529 College Savings Plan?

| Various Features | IUL | 529 Plan |
|---|-----|----------|
| Tax Deferred Growth | ✓ | ✓ |
| After-Tax Contributions | ✓ | ✓ |
| Living Benefits in case of sickness or accident | ✓ | ✗ |
| Can use the funds for whatever | ✓ | ✗ |
| 10% Penalty if not used for school | ✗ | ✓ |
| Tax Free Death Benefit | ✓ | ✗ |
| Limited Yearly Contributions | ✗ | ✓ |
| Potential Future Value | ✓ | ✗ |
| Tax Free Retirement Income | ✓ | ✗ |
| Disability waiver Rider | ✓ | ✗ |
| Subject to Market Loss | ✗ | ✓ |
| Max Potential Growth | ✗ | ✓ |



CASE STUDY

- 0-5 yrs old \$100
- 6-10yrs old \$150
- 11-15yrs old \$200
- 16-21yrs old \$250

TAX FREE ACCESS/TAX FREE RETIREMENT/LIBR



PRE-TAX



TAXED LATER



TAX MANAGED



TAXED NOW



TAX FREE*



TAXED NEVER



DO YOU KNOW HOW YOUR MONEY WILL BE TAXED?

COMPARING 5 DIFFERENT FINANCIAL ACCOUNTS

| | Bank | 401K | Roth IRA | FIA | IUL |
|--|------|------|----------|-----|-----|
| TAX EXEMPT DISTRIBUTION | | | | | |
| GROWTH POTENTIAL | | | | | |
| NO RISK OF LOSS | | | | | |
| EASY ACCESS (LIQUIDITY) | | | | | |
| PROTECTION (INSURED) | | | | | |
| CRITICAL ILLNESS (LIVING BENEFIT) | | | | | |
| LONG TERM CARE (LIVING BENEFIT) | | | | | |
| LEGACY (DEATH BENEFIT) | | | | | |
| PROBATE AVOIDANCE | | | | | |

IUL

- ✓ Market Protection
- ✓ No Contribution Limits
- ✓ Principal Protection
- ✓ Favorable Access to Cash Value
- ✓ Tax Free Survivor Benefit

After Tax Contributions

Tax Free Growth

Tax Free Distributions

Access to Basis

No RMD's

ROTH IRA

- ✗ Market Exposure
- ✗ Contribution Limits
- ✗ Principal Risk Exposure
- ✗ Annual Income Limits
- ✗ Early Withdrawal Penalty

You can contribute up to the Roth IRA limit if your Modified Adjusted Gross Income (MAGI) is below \$129,000 in 2022, which is up from \$125,000 in 2021. Your 2022 Roth IRA contribution limit is either \$6,000 if you are under 50 or \$7,000 if you are 50 or older.

You can't contribute to a Roth IRA at all if your MAGI is \$144,000 or more (up from \$140,000 in 2021).

401k Hidden Fees:

- 1- Investment Fees
- 2- Plan Administration Fees
- 3- Individual Service Fees

Fees range from .20% to 5% - **Average 2.22%***

Average worker Pays **\$138,336** in fees over their lifetimes*

| tax deferred | | VS | tax free | |
|---|--|----|--|-----------------------|
| 401(k), IRA, 403(b), Pension Plans | | | Indexed Universal Life, Roth IRA and 401(k) (funding limited on Roths) | |
| SAVE | RETIRE | | SAVE | RETIRE |
| \$10,000 Contribution per year | \$100,000 withdrawal per year | | \$7,200 Contribution per year | 100,000 Withdrawal |
| ↓ | ↓ | | ↓ | ↓ |
| \$2,800 Taxes Deferred per year | TAXES \$28,000 per year | | \$2,800 Taxes Paid per year | \$ 0 TAXES |
| ↓ | ↓ | | ↓ | ↓ |
| \$84,000 Taxes Deferred over 30 years | \$420,000 Taxes Paid over 15 years | | \$84,000 Taxes Paid over 30 years | \$ 0 TAXES |



CASE STUDY

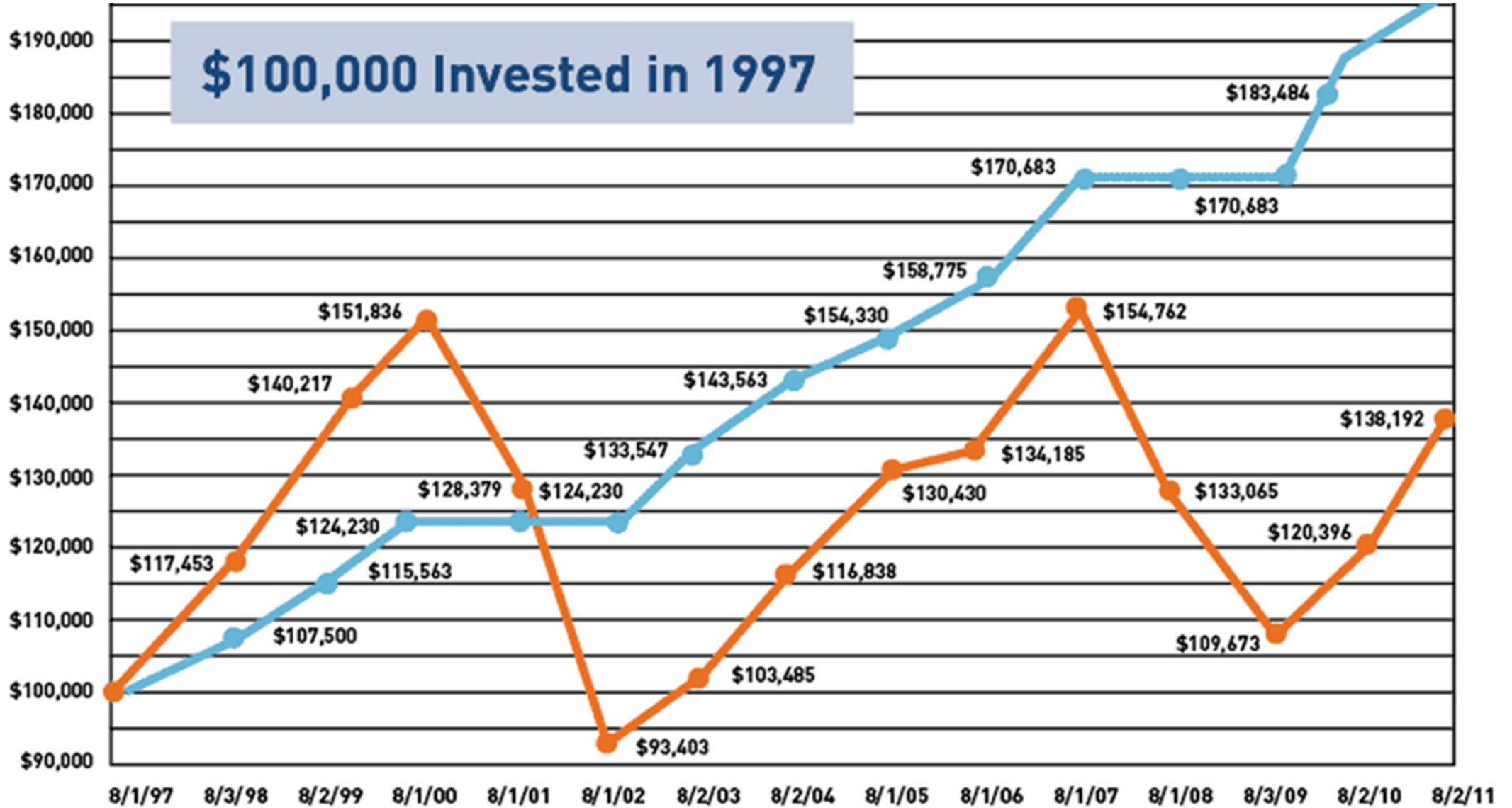
- 25 YRS OLD (TAX SHELTER)
- 35 YRS OLD (LIVING BENEFITS)
- 50 YRS OLD (PRIVATE PENSION)
- 70 YRS OLD (LEGACY BUILDING)

INDEXED FUNDS

Indexes
Cap (ceiling)
Floor (0)



What interest rate do you think these have?



Diverse Crediting Options To Meet My Needs:

Our interest crediting options provide you with a variety of choices, plus a floor to help protect any cash surrender value in the index strategy from loss due to a decline in the index¹. Depending on your outlook, they offer you a mix of options to help you meet your specific needs.

Diverse Array of Interest Crediting Options (with a built-in floor)

Credit Suisse

- A volatility-controlled index that seeks to provide a smoother ride than the highs and lows of the general market
- Follows a mix of different asset classes and global markets in the pursuit of less volatility

S&P 500®

- Tracks the S&P 500®, considered to be representative of large-company stocks in general
- Choose a higher participation rate or higher cap depending on your outlook on the index

Interest Bonus

+ An additional interest bonus that varies according to the index crediting strategy selected starting in year 6, at no additional cost. The interest bonus will never be less than the Guaranteed Interest Bonus Percentage of 0.35%.

Cash Surrender Value Growth

Hypothetical Returns by Strategy*

| | Credit Suisse Balanced Trend Index Pt-to-Pt No Cap Par: 130.00% | S&P 500® Pt-to-Pt Cap Focus Cap: 8.50% Par: 100.00% | S&P 500® Pt-to-Pt Par Focus Cap: 6.50% Par: 140.00% | S&P 500® Pt-to-Pt 1% Floor Cap: 6.75% Par: 100.00% | Indexed Loan Account, S&P 500® Pt-to-Pt Cap Focus Cap: 8.50% Par: 100.00% |
|---------------------------------------|---|---|---|--|---|
| 5 Year Avg | 6.90% | 6.74% | 5.17% | 5.57% | 6.74% |
| 10 Year Avg | 7.51% | 6.74% | 5.17% | 5.57% | 6.74% |
| 15 Year Avg | 6.63% | 5.83% | 4.62% | 4.97% | 5.83% |
| 20 Year Avg | N/A | 5.79% | 4.64% | 4.93% | 5.79% |
| Maximum Illustrated Rate ² | 5.50% | 5.50% | 4.50% | 4.80% | 5.50% |
| Interest Bonus Percentage | 0.70% | 0.35% | 0.35% | 0.35% | 0.35% |

* The interest crediting strategies are further defined in the policy and any attached riders. Indexed universal life insurance policies do not directly participate in any stock or equity investments.

- 1 The 0% or 1% "floor" provided by an indexed universal life insurance policy ensures that during crediting periods where the index is negative, that no less than 0% or 1% interest is credited to the index strategy. However, monthly deductions continue to be taken from the account value, including a monthly policy fee, monthly expense charge, cost of insurance charge, and applicable rider charges, regardless of interest crediting.
- 2 The Maximum Illustrated Rate for the Indexed Loan Account and all Indexed Strategies is defined as the lesser of the average annual look-back rate for the Benchmark Indexed Account using all of the possible 25-year periods from the most recent 65 calendar years, subject to the maximum allowed for each strategy defined by regulation. The Maximum Illustrated Rate for the Indexed Loan Account is capped at 50 basis points (0.50%) above the current Fixed Loan Interest Rate.
- 3 Please refer to the Accumulated Value Enhancement section of this illustration for additional information.

Hypothetical Returns by Strategy*

| Year | Credit Suisse Balanced Trend Index Pt-to-Pt Growth Rate | Credit Suisse Balanced Trend Index Pt-to-Pt No Cap Par: 130.00% | S&P 500 [®] Pt-to-Pt Growth Rate | S&P 500 [®] Pt-to-Pt Cap Focus Cap: 8.50% Par: 100.00% | S&P 500 [®] Pt-to-Pt Par Focus Cap: 6.50% Par: 140.00% | S&P 500 [®] Pt-to-Pt 1% Floor Cap: 6.75% Par: 100.00% | Indexed Loan Account, S&P 500 [®] Pt-to-Pt Cap Focus Cap: 8.50% Par: 100.00% |
|--|---|---|---|---|---|--|---|
| 2002 | N/A | N/A | -23.37% | 0.00% | 0.00% | 1.00% | 0.00% |
| 2003 | 12.39% | 16.10% | 26.38% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2004 | 7.14% | 9.29% | 8.99% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2005 | 3.64% | 4.73% | 3.00% | 3.00% | 4.20% | 3.00% | 3.00% |
| 2006 | 6.33% | 8.23% | 13.62% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2007 | 1.27% | 1.65% | 3.53% | 3.53% | 4.94% | 3.53% | 3.53% |
| 2008 | 1.71% | 2.22% | -38.49% | 0.00% | 0.00% | 1.00% | 0.00% |
| 2009 | 4.87% | 6.34% | 23.45% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2010 | 6.43% | 8.35% | 12.78% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2011 | 4.69% | 6.09% | 0.00% | 0.00% | 0.00% | 1.00% | 0.00% |
| 2012 | 8.25% | 10.73% | 13.41% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2013 | 8.42% | 10.94% | 29.60% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2014 | 12.79% | 16.63% | 11.39% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2015 | -0.43% | 0.00% | -0.73% | 0.00% | 0.00% | 1.00% | 0.00% |
| 2016 | 2.45% | 3.18% | 9.54% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2017 | 9.65% | 12.54% | 19.42% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2018 | -2.21% | 0.00% | -6.24% | 0.00% | 0.00% | 1.00% | 0.00% |
| 2019 | 11.09% | 14.41% | 28.88% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2020 | 1.16% | 1.50% | 16.26% | 8.50% | 6.50% | 6.75% | 8.50% |
| 2021 | 5.23% | 6.80% | 26.89% | 8.50% | 6.50% | 6.75% | 8.50% |
| 5 Year Avg | 4.90% | 6.90% | 16.30% | 6.74% | 5.17% | 5.57% | 6.74% |
| 10 Year Avg | 5.50% | 7.51% | 14.30% | 6.74% | 5.17% | 5.57% | 6.74% |
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2 Please refer to the Accumulated Value Enhancement section of this illustration for additional information.

LIVING BENEFITS



\$480,000
Chronic Illness
Up to 96%
2% per month

Could these CASH
payments save your
family from financial
disaster?

\$450,000
Terminal Illness
Up to 90%
Payout

\$500,000
Living Benefits
Protection

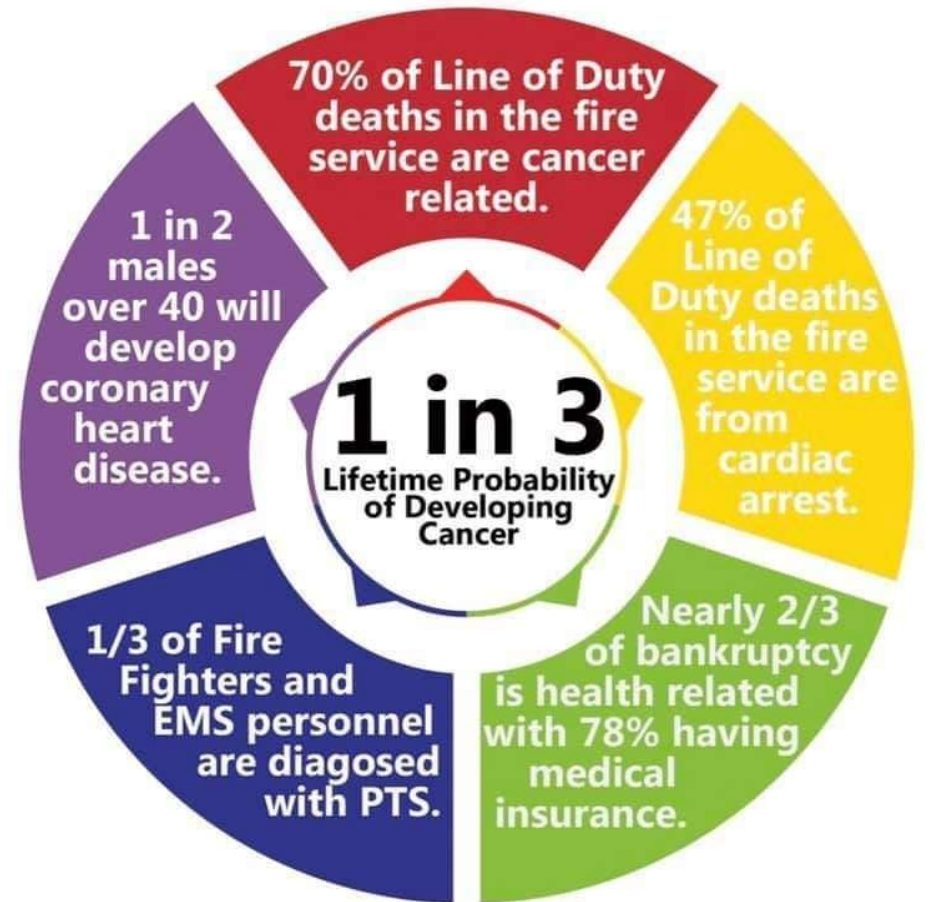
\$375,000
Critical Injury
Up to 75%
Payout

All this for as little as
\$3 - \$5 a day!

\$375,000
Critical Illness
Up to 75%
Payout

Living Benefits Coverage

Up to 95% of the face amount can be accelerated as a lump sum benefit for protection from Critical, Chronic & Terminal Illnesses - including Cancer.



Qualifying Events

Terminal Illness

What qualifies?

Generally, if you have been diagnosed with a terminal illness that will result in death within 24 months (12 months in some states) of certification of the illness by a physician.

Chronic Illness

What qualifies?

A doctor has certified, within the past 12 months, that you are unable to perform two out of six “activities of daily living” for a period of at least 90 consecutive days without assistance, or that you are generally cognitively impaired.

Activities of Daily Living:
Bathing, Continence, Dressing,
Eating, Toileting, Transferring

Critical Illness & Injury

What qualifies?

Critical Illness includes:
ALS (Lou Gehrig’s disease),
Aorta Graft Surgery, Aplastic
Anemia, Blindness, Cancer,
Cystic Fibrosis, End Stage
Renal Failure, Heart Attack,
Heart Valve Replacement,
Major Organ Transplant,
Motor Neuron Disease, Stroke,
Sudden Cardiac Arrest

Critical Injury: Coma, Paralysis,
Severe Burns, Traumatic Brain
Injury



CASE STUDY

- Friends 60k to 46k
- 500k to 100k

LEGACY PLANNING/TRANSFER OR CREATION OF WEALTH



CASE STUDIES

- TFR, LIBR, MAX FUNDING
 - Children educational plan
 - Protection focused, term/perm combo
 - 10yrs min to fund for LIBR
 - CONS health qualification
 - Older client
 - **Transfer of wealth**
 - Reverse mortgage/equity out
 - Replace losses from taxes
 - **Create wealth**
 - Single premium
 - Bypass probate
 - Creditor and Lawsuit proof
 - Business
- IUL/Annuity combo
Inherited IRA

AMS SEAN RUGGIERO AND TEAM

■ <https://fflams.com>



FAMILY FIRST LIFE
ADVANCED MARKET SALES

AN INTEGRITY COMPANY

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Getting Started Guide →

Register

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Why Everyone Needs an IUL – Estate Planning

IUL Reason #4

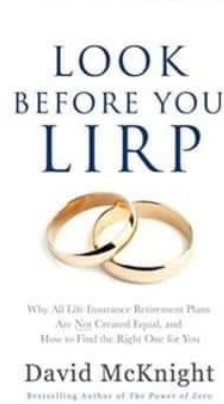
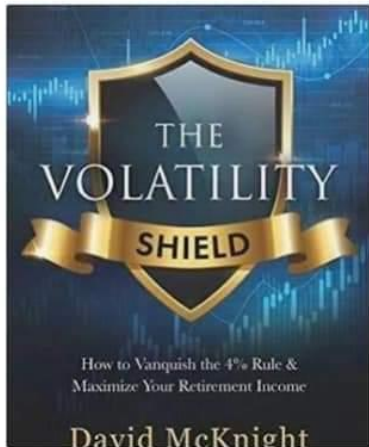
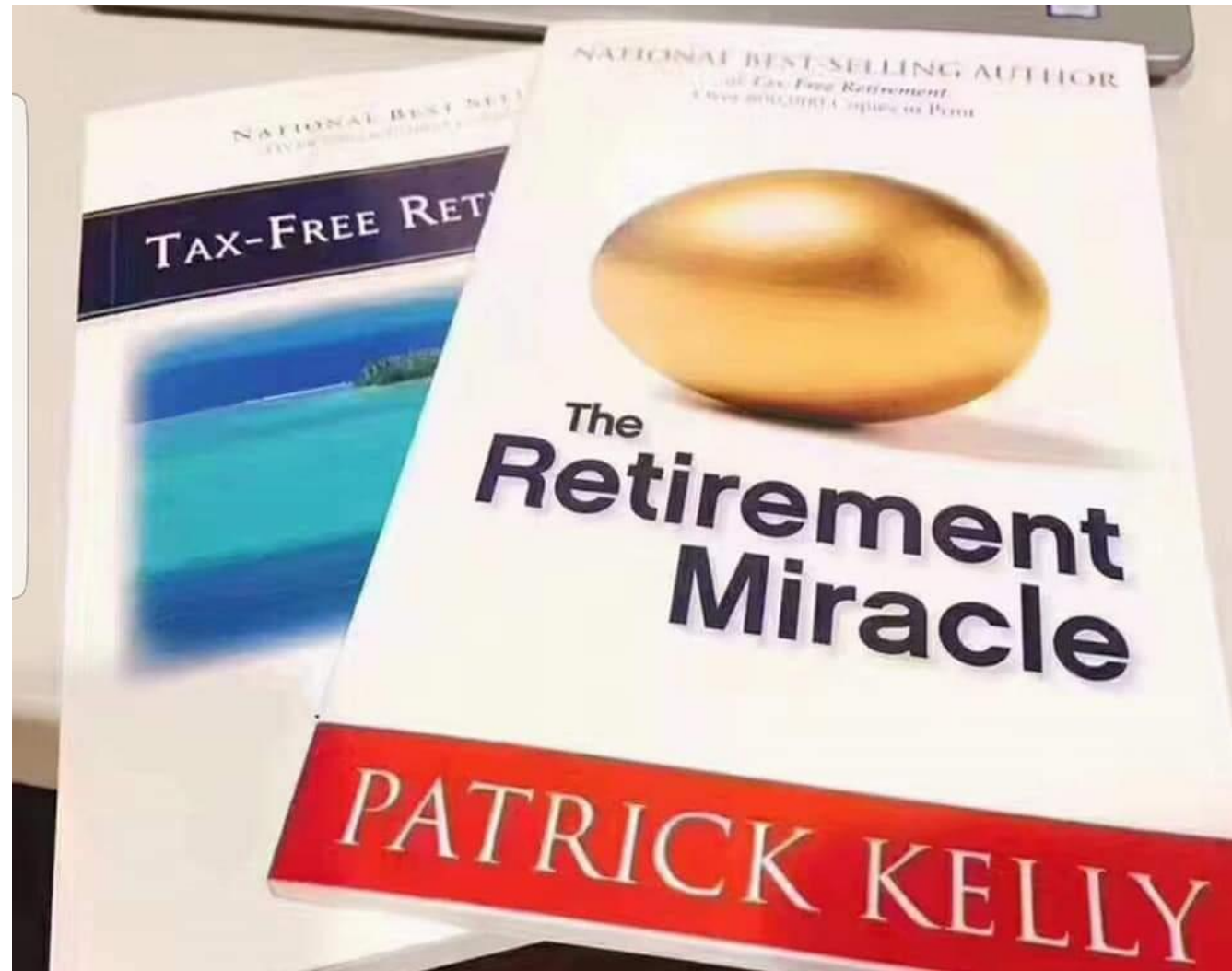
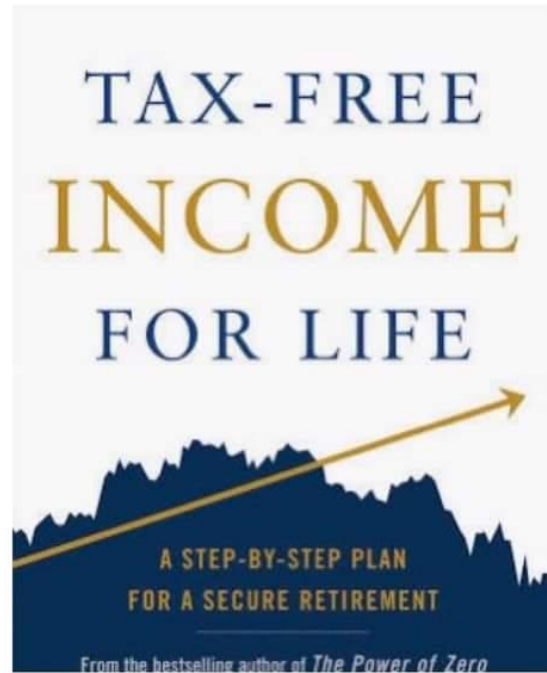
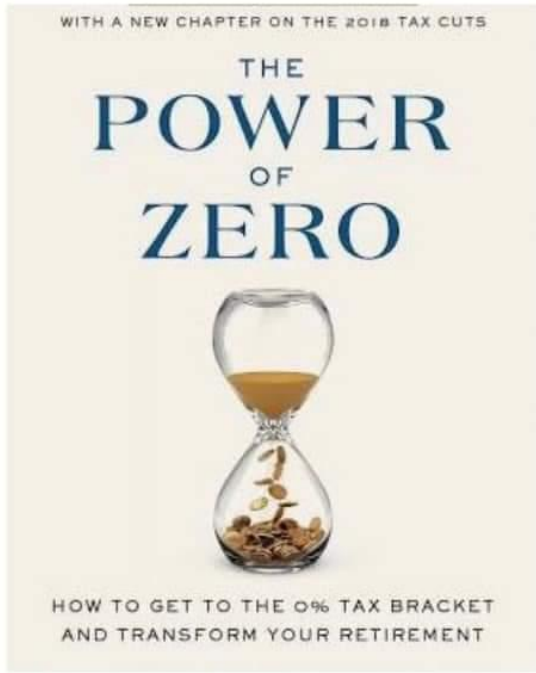
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The Intelligence of Life Insurance Planning

VS.

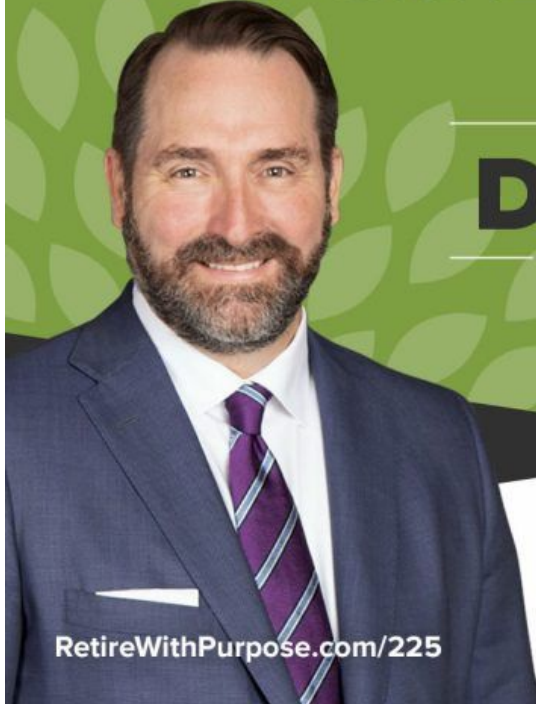
\$5,750,000 Estate

Watch on YouTube




HOW TO CREATE
**TAX-FREE INCOME
FOR LIFE**

WITH
**DAVID
McKNIGHT**



RetireWithPurpose.com/225



HOWARD BAILEY
RETIRE WITH PURPOSE

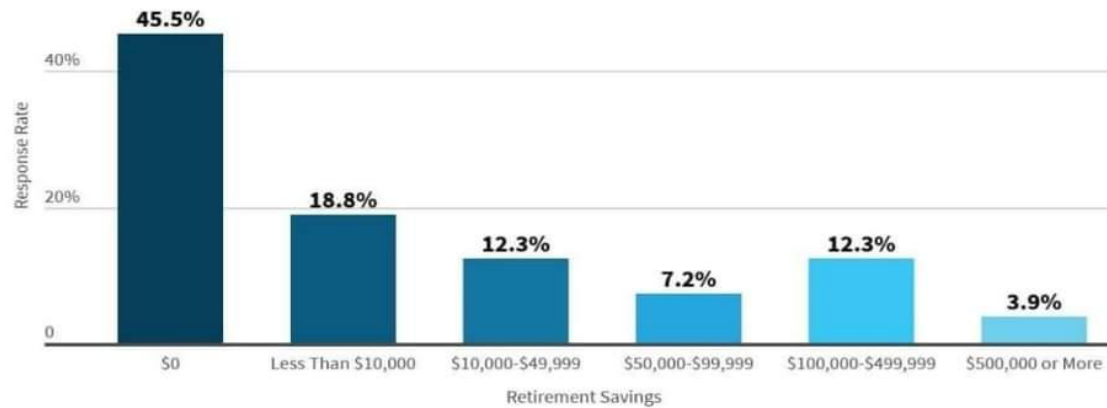


Patrick
Kelly

64% of Americans Will Retire Broke

When asked to estimate how much money they had in retirement savings, close to half of all respondents — 45% — claimed they had no money put aside for retirement, while 19% said they'll retire with less than \$10,000 to their name. If these trends hold, that means 64% of all Americans will essentially retire broke. Twenty percent will retire with anywhere from \$10,000 to \$100,000. As for the remainder, well, let's just say they have more wiggle room with their retirement savings.

How Much Money Do Americans Have Saved For Retirement?



Last updated Sept. 17, 2019