



Below is a view of the Workbook Main Window from the InsMark Illustration System Digital Workbook used for Blog #167 along with a description of its contents.

Client Workbook Edit Tools Options Help

Workbook Main Window

Proposals for the workbook: Blog #167

Proposal Description	Sales Concept	Policy Data (if applicable)			
		Policy Notation	Initial Premium	Death Benefit	Name of Product
1. Roth IRA Only (Erin Age 30)	Roth IRA Calculator	n/a	n/a	n/a	n/a
2a. Roth vs. IUL (Erin Age 30)	Investments vs. Policy	Blog #167	\$5,500	\$730,708	Indexed UL
2b. Roth vs. IUL (Erin max CF)	Investments vs. Policy	Blog #167 (max cash flow...	\$5,500	\$730,708	Indexed UL
3. Solo Roth 401(k) vs. IUL-45	Investments vs. Policy	Blog #167 (Ashley Age 45...	\$18,000	\$499,441	Indexed UL
4. Solo Roth 401(k) vs. IUL-30	Investments vs. Policy	Blog #167 (Erin Age 30) ...	\$18,000	\$2,263,681	Indexed UL

Workbook file name: Blog #167.lli This file can be imported into your InsMark Illustration System to see exactly how data was entered in the prompts to create the life insurance illustrations featured in Blog #167.

Proposal 1. Roth IRA Only (Erin): This proposal is from the Roth IRA Calculator on the InsCalc tab in the InsMark Illustration System. I used it simply as a calculator to determine the maximum possible, level, retirement cash flow from the Roth IRA that would last until age 100. I needed this \$62,939 number to design the IUL loans of \$62,939 illustrated in Proposal 2.

Proposal 2a. Roth vs. IUL: The module in the InsMark Illustration System used for this proposal for a female, age 30, is *Other Investments vs. Your Policy* located on the Personal Insurance tab. We started with source data for \$730,708 of Indexed Universal Life (“IUL”) with a premium of \$5,500 for 20 years, the maximum limit for a Roth IRA contribution up to age 50. In year 21, the illustrated IUL premium is increased to \$6,500 for 20 years, the maximum limit for a Roth IRA contribution starting at age 50. We used a customized investment selection, named it a Roth IRA, and selected “tax exempt” as its tax status. The illustration module compares identical contributions to the Roth IRA and the IUL.

The IUL illustration included \$62,939 in level [participating loans](#) starting at age 70. Level withdrawals from the Roth IRA of \$62,939 were also illustrated starting at age 70. Both the Roth IRA and the IUL lasted until age 100. At that point, the Roth IRA had \$0 residual value; the IUL had \$5,496,230 in residual cash value.

Proposal 2b. Roth vs. IUL (max cash flow): We copied Proposal 2a to Proposal 2b and made one change to the IUL data. We increased [participating loans](#) starting at age 70 to \$116,902, the maximum level amount that could be sustained to age 100 by the IUL. This automatically increases the Roth IRA withdrawals to \$116,902 in order to net the same as the IUL. The Roth IRA is depleted by age 80 with \$0 value thereafter. The loans on the IUL last until age 100 with a residual value of \$608,618. Spendable retirement cash flow from the Roth IRA is \$1,187,114. Spendable retirement cash flow from the IUL is \$3,507,060. That is \$2,319,946 of essentially “free money” created by the use of the IUL with no corresponding increase in funding costs.

Proposal 3. Solo Roth 401(k) vs. IUL-45: This illustration is for Erin’s sister, Ashley, who is age 45. The goal is to reproduce spendable, retirement cash flow for Ashley similar to Erin’s \$116,902. To accomplish this, I max-funded a policy with a death benefit of \$499,441 (increasing for 25 years; level thereafter) with level premiums of \$18,000 for 25 years, the same as Ashley’s Solo Roth 401(k) limit. The IUL supports [participating loans](#) of \$116,382 from age 70 to 100, virtually the same as Erin’s \$116,902. With matching spendable cash flow, the Solo Roth 401(k) is depleted by age 81 with \$0 value thereafter.

Proposal 4. Solo Roth 401(k) vs. IUL-30: This final illustration is for Erin Coppola, age 30, to determine her results if she compares IUL to a Solo Roth 401(k) with an \$18,000 a year contribution like her sister, Ashley. The IUL supports [participating loans](#) of \$399,599 from age 70 to 100. The Solo Roth 401(k) is depleted by age 79.

All the above data was automatically calculated in the illustration module.

Note: Any client that eliminates cash value life insurance as a funding resource for retirement cash flow is effectively saying, *"I am not interested in maximizing my spendable retirement cash flow."*

Important Note: The information in this report 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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