



Below is a view of the Workbook Main Window in the InsMark Illustration System used for Blog #194.

Window in the

### InsMark Illustration System

Client Workbook Edit Tools Options Help Agent List

Workbook Main Window

Proposals for the workbook: Blog #194 (IUL vs. Equities)

Proposal Description	Sales Concept	Policy Data (if applicable)			
		Policy Notation	Initial Premium	Death Benefit	Name of Product
1. IUL vs. Equity Account	Investments vs. Policy	Blog #194	\$30,000	\$650,000	Indexed UL
2. IUL vs. Solo 401(k)	Investments vs. Policy	Blog #194	\$30,000	\$650,000	Indexed UL

Proposal: New... Copy Edit Delete Preview Print...

**Proposal 1 - IUL vs. Equity Account:** This is a straightforward illustration, and this prompt is key to its effectiveness:

Comparison of Plan Costs

Include Include a comparison of policy charges and fees vs. investment charges and fees.

We need the policy charges and fees:

Note: If you are illustrating whole life, internal charges may not be available to you as they are with IUL.

Other than importing the source data, the Investment Details tab is another key to the comparison. Make sure you enter equity data that your client believes is reasonable. Below is an image of how I filled out this tab for Proposal 1:

Basic Data Investment Details Report Selections

Investment selection  
 Selection: **An Equity Account** Short name: **Equity Account** This box reflects the space on your report.  
 Growth: **7.00** %  Schedule... growth   Same as life policy  Schedule

Taxation of customized investment  
 Tax type:  
 Taxable  
 Tax exempt  
 Tax deferred  Non Ded. IRA  
 Equity account  
 Tax Deductible Retirement Plan (TDRP)

Investment fees  
 Sales charge: **0.00** %  
 Management fee: **0.750** %  
 Guarantee of principal fee: **0.00** % (in the event of death)  
 Annual administrative fee: **\$0**

Tax deferred or TDRP data  
 Premature distribution tax: **0.00** %  
 Surrender Charges   
 Apply surrender charges on distributions

Equity account data  
 Dividends  
 Percent of current value paid out annually as dividend: **2.00** %  
 Dividend tax rate: **25.00** %  
 Use a 2nd rate: **20.00** %  
 Starting at age: **47**

Capital gains data  
 Capital gains tax rate: **25.00** %  
 Use a 2nd rate: **20.00** %  
 Starting at age: **46**  
 Portion of capital gains that is long term: **60.00** %

Portfolio turnover  
 Portfolio turnover rate: **25.00** %  
 Use a 2nd rate: **0.00** %  
 Starting at age: **46**  
 Sales charge on reinvested turnover: **0.00** %

**Proposal 2 - IUL vs. Solo 401(k):** Similar to **Proposal 1**, this prompt is key to the effectiveness of **Proposal 2**:

Comparison of Plan Costs

Include Include a comparison of policy charges and fees vs. investment charges and fees.

We need the policy charges and fees:

Also like Proposal 1, the Investment Details tab is key to the comparison of IUL to the Solo 401(k). Make sure you enter data that your client believes is reasonable. Below is an image of how I filled out this tab for Proposal 2:

Client Workbook Edit Tools Options Help Agent List

Basic Data Investment Details Report Selections

Investment selection  
Selection: Solo 401(k) Short name: Solo 401(k) This box reflects the space on your report.  
 Yield: 7.00 %  Schedule... yield

Deposits to the investment  
 Same as life policy  Schedule

Taxation of customized investment  
Tax type:  
 Taxable  
 Tax exempt  
 Tax deferred  Non Ded. IRA  
 Equity account  
 Tax Deductible Retirement Plan (TDRP)

Investment fees  
 Sales charge: 5.00 %  
 Management fee: 1.250 %  
 Guarantee of principal fee: (in the event of death) 0.00 %  
 Annual administrative fee: \$0

Tax deferred or TDRP data  
 Premature distribution tax: 10.00 %  
 Surrender Charges   
 Apply surrender charges on distributions

Equity account data  
Dividends  
Percent of current value paid out annually as dividend: 2.00 %  
Dividend tax rate: 25.00 %  
 Use a 2nd rate: 20.00 %  
Starting at age: 47

Capital gains data  
Capital gains tax rate: 25.00 %  
 Use a 2nd rate: 20.00 %  
Portion of capital gains that is long term: 60.00 %  
Starting at age: 46

Portfolio turnover  
Portfolio turnover rate: 25.00 %  
 Use a 2nd rate: 0.00 %  
Sales charge on reinvested turnover: 0.00 %  
Starting at age: 46

Solo 401(k) is not one of the default investment options, so I had to customize it by selecting “Customize” from the selections on the drop-down menu (see the red arrow above). I also had to designate its tax structure (see the red circle above by the selection of Tax Deductible Retirement Plan (TDRP)). I used a management fee of 1.25%, 50 basis points higher than the equity account (see the red rectangle around the management fee selection).

**Importing Basic Illustration Data:** The source of the illustration data is 1) via a link from the life insurance company whose basic illustration software you are using; or 2) from a Winflex connection that has links with InsMark; or 3) from your hand-entering data in InsMark’s Source Data Storage. The first two are the most reliable because the data you access has been sourced from the insurance company’s basic illustration.

There are, however, three ways to hand-enter illustration data:

- 1) You enter pertinent data along with year by year numerical values in the arrays in InsMark’s Source Data Storage. This procedure is simple to do for most of the prompts, although entering several years of cash values and increasing death benefits can be tedious (unless you have staff who can do it for you).

**Caution: Be very careful when you hand-enter data. Mistakes are easy to make, and you should have a second set of eyes evaluating your results.**

- 2) Another way to do it is to print a pdf of non-guaranteed values from the basic illustration, convert that pdf to an Excel file ([PDF Converter Elite](#) can do this), and copy the columns of premiums, withdrawals, loans, cash values, and death benefits from Excel into the arrays in InsMark's Source Data Storage.
- 3) InsMark has a video tutorial of a third way to do it using the Acrobat Reader. [Click here](#) to view that video.

**Important Note #1:** The hypothetical life insurance illustrations and alternative investments referred to in this report assume the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. Actual illustrations of life insurance are not valid unless accompanied by a basic illustration from the issuing life insurance company.

**Important Note #2:** 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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