SIMPLICITY GROUP

# Amplify Your Practice. Amplify Their Future.

90% of US households earning more than $200,000 per year are under-saving for retirement to preserve their current quality of life.[1] These clients more likely need to save 30–35% to maintain their lifestyle in retirement, well above the average 3-5%.[2] Kai-Zen® is a turnkey LIRP strategy that uses both an IUL and leverage to address this shortfall for high-earning clients.

## Increasing the Capital* at Work Is Critical

Research shows financial success is not driven primarily by returns, which account for only 26% of the outcome. Rather, **74% of financial success is due to the amount of capital* at work.**[3]

## How Kai-Zen® Can Help

This strategy uses an Indexed Universal Life (IUL) policy that offers both upside growth potential and principal protection with a **0% floor**, tracking to market indexes without the risk of market loss.

It uses **3-to-1 leverage**, where a lender and your client both contribute, enabling larger policies with significant death benefits and access to living benefits. It allows your client to tap into cash values later in life. Cash values your client can access once the loan is repaid in year 15.

## Your Client

Your client makes 5 payments

## The Lender

The lender funds the policy for a full decade, assuming all payments after year five.

## Why Kai-Zen® is Different

### Frictionless Financing

- No credit checks
- No personal guarantees
- No loan documents to sign
- No out-of-pocket interest expenses

### Comprehensive Security

- Higher death benefits
- Living benefit riders
- Chronic illness riders
- Terminal illness riders

### Accelerated and Tax-Free Growth

- More capital at work*
- Tax-efficient growth
- Tax-free distributions
- Zero market loss

## Why Sell Kai-Zen®

- Competitive differentiation in your practice
- New business from an underserved client base
- Superior earning potential with Kai-Zen®

*Capital represents the combination of insurance premiums paid by you and the lender's loan to the policy.

## Target Markets

**High-Income Professionals** — Targets individuals aged 35–60 earning $200k+ who need to supplement retirement income to maintain their desired lifestyle.

**Business Owners** — Protects the business using Key-Person or Buy-Sell agreements while only requiring five annual payments.

**Executive Recruiting and Retention** — Helps corporations recruit and retain top talent with a solution that has less administration.

**Affluent Retirees** — Utilizes leverage to enhance legacy gifts for children or grandchildren, building cash value for future milestones like education or home purchases.

## Case Study

Consider two individuals, both 45 years old, contributing $50,000 per year for five years ($250,000 total).

| | | |
|---|---|---|
| **Total Contributions** | $250,000 | **$250,000** |
| **Strategy** | Traditional IUL | **Kai-Zen®** |
| **Potential Income at Age 67** | $70,000/year | **$113,000/year** |
| **Total Potential Distributions** | $1,680,000 | **$2,712,000** |
| **Death Benefit at Age 90** | $480,723 | **$1,258,635** |

This hypothetical comparison is based on a 45-year-old male contributing $50,000 annually for five years. All values, including the potential $113,000 annual retirement income and the age 90 death benefit, are non-guaranteed and illustrated at a 6.65% growth rate. While the strategy uses 3-to-1 leverage to increase capital at work, actual performance depends on market index tracking and loan interest costs, which currently include a 5.00% annual charge. Policy loans and withdrawals reduce the death benefit and may cause a lapse or taxable event if the policy's cash value is insufficient to cover monthly deductions and interest. Full illustrations are availble upon request.

## Kai-Zen's Proven Track Record

- Over a decade of successful strategy execution.
- 5,000+ Clients protected and served since 2013.
- $1.5 Billion in premiums paid generated to date.
- Simplicity's Marketshare in the entire Leveraged Life market is 25%.
- Proprietary and exclusive to Simplicity.
- Only solution on the market with third-party validation on it's claims.

**Talk to your Simplicity Representative to learn more about putting Kai-Zen® to work in your practice.**

Sources:
[1] United States Census Bureau, Smart Asset, and Financial Samurai https://www.statista.com/statistics/203183/percentage-distribution-of-household-income-in-the-us/
[2] Bureau of Economic Analysis, U.S. Department of Commerce, and T. Rowe Price Insights; https://www.bea.gov/data/income-saving/personal-saving-rate
[3] Retirement Success: A surprising look into the factors that drive positive outcomes; David Blanchett & Jason Grantz