



# ENSHIELD® Case Study: A Typical Example

## Corporation: Typical Example

- A Total Corporate Accounts Receivable Balance of \$300,000

## Client: Program Participant (age 45)<sup>1</sup>

- A Global One Financial, Inc. (G1) Loan is received by the corporation based on his A/R of \$300,000
- Program Participant uses the loan to fund ENSHIELD®
- The ENSHIELD® loan funds a \$150,000 per year premium for 2 years into a Life Insurance Policy (non-MEC):

The objective is to access the cash value of the policy to provide a tax-advantaged supplemental retirement distribution stream, a level of asset protection, and death benefit protection for estate planning and business transfer purposes.

- The loan is secured with Program Participant's A/R, and his life insurance policy will serve as collateral for G1.

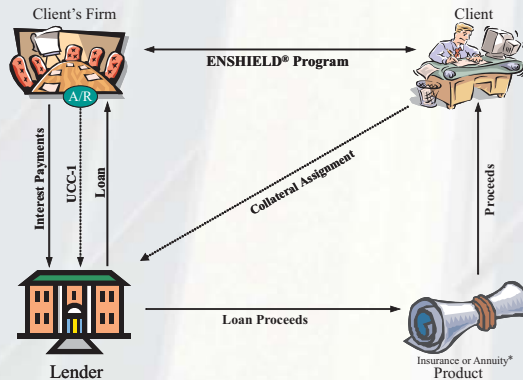
## Policy Summary: Program Participant<sup>2</sup>

Total Policy Premiums:	<b>\$300,000</b>
Year 1 Net Death Benefit: (Reduced at year 8 to \$750,000 to accelerate Cash Value accumulation)	<b>\$2,827,000</b>
Annual Program Interest Cost:	<b>\$20,010</b>
Age to Begin Distributions:	<b>65</b>
Annual Distribution from cash value for 20 years: (tax-advantaged if UL)	<b>\$66,000</b>
Total Program Interest Cost:	<b>\$400,200</b>
Total Distributions From Cash Value: (tax-advantaged if UL)	<b>\$1,320,000</b>

## Case Summary: Program Participant<sup>3</sup>

- If Program Participant had done nothing, he would have had \$180,000 at retirement (\$300,000 A/R less \$120,000 in taxes, assuming a combined federal and state tax rate of 40%).
- By using ENSHIELD®, he is able to place his A/R onto a compound growth curve, making it a potentially more productive asset.
- Instead of having \$180,000 after-tax dollars at retirement, he could now have tax-advantaged access to cash value from the policy of \$66,000 for 20 years (assuming that the policy is a non-MEC, and that withdrawals to basis and then loans are taken).
- Additionally, the ENSHIELD® Program potentially provided several layers of asset protection for Program Participant during his working career.
- Assumes \$300,000 loan principal repayment at age 65 from (i) collection of \$300,000 accounts receivable (approximately \$180,000 after tax) and (ii) program distributions following retirement or other client assets. If this amount was withdrawn from the policy at age 65 to repay the loan, the hypothetical annual distribution from cash value would be significantly lower.

## Basic Mechanics of a Typical Example



\* Benefits, risks, limitations, and expenses associated with the ENSHIELD® Program may vary greatly depending on the insurance or annuity product utilized. Please consult your ENSHIELD® advisor for product-specific information.

<sup>1</sup>This example is fictitious in nature.

<sup>2</sup>This assumes that the policy remains in force until death: should the policy lapse prior to death of the insured the potential exists for negative tax consequences.

<sup>3</sup>This example is fictitious in nature and assumes a 45 year old non-smoker, preferred male insured, an annual loan interest rate of 6.67%, a policy crediting rate of 6%, current insurance charges, withdrawals to basis followed by loans, and no policy lapse prior to the death of the insured. The annual loan interest and the policy crediting rates used in this example are not guaranteed, and actual interest rates charged on the loan may be higher or lower than the rate credited on the policy. Actual results will vary.