

Strategy for improving incentives for key personnel.

Tri-Zen®

An executive incentive strategy that provides a pre-tax benefit to the employee.

A strategy substantial enough to actually attract and retain top talent while saving you money in the process.



What is Tri-Zen?

Tri-Zen is an incentive strategy that benefits employee and employer in one of the most tax-advantaged manners available today. It helps fund the difference between what we need to do and can do.

It's a strategy that combines the financial protection of life insurance that provides death benefit protection and living benefits. With most of the money required to finance the strategy coming from a lender, Tri-Zen brings substantial new money to the table with 3:1 leverage affording more benefits at a lower cost. Cash value in the policy may be protected from bankruptcy while employee benefits are portable.

What Makes Tri-Zen Different?

- The Tri-Zen strategy combines life insurance and bank financing in a unique way to leverage 3 times the amount of contributions to the trust without creating a liability outside of the policy for either employee or employer.
- Less expensive, better benefits, shorter financing
- Only 5 planned contributions by employer to a trust
- The potential for market growth without the risk of market losses due to a decline in the index
- The life insurance policy serves as sole collateral for the financing, so employees are not required to sign loan documents
- Converts incentive costs from a liability to an ASSET with corresponding improvements in earnings
- The policy is jointly financed by both employer and bank



Tri-Zen® combines the most important aspects of death benefit protection and cash accumulation potential for your executives who want and need to secure their future all in one affordable strategy.

Tri-Zen®

Death Benefit Protection:

A permanent life insurance policy with accelerated benefit riders (net of loan repayment) can provide benefits in the case of:

- Death (and/or living benefit)
- Critical Illness (Cancer, Heart Attack, Stroke, etc.)
- Critical Injury (Coma, Brain Injury, Paralysis, Burns)
- Chronic illness (assistance with daily living, bathing, eating, dressing, transferring, etc.)
- Terminal illness (Illness where death is expected within 12-24 months. Term varies by state.)

Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless there is a need for life insurance.

Cash Accumulation:

- Upside Crediting Potential (Interest Credited Based On Market Index)
- No Loss of Cash Value, 0% Floor (Due To Declines In An Index)
- Potential growth tax-deferred
- Potential tax-free withdrawals
(Access To Cash Value Using Tax-Free Policy Loans And Withdrawals)

Policy loans and withdrawals reduce the cash value and death benefit and may result in a taxable event.

*Receipt of benefits depends on rider and meeting certain qualifications and varies by state. The use of one benefit may reduce or eliminate other policy and rider benefits. Payment of living benefits will reduce the cash value and death benefit. Substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years. It is possible that coverage will expire when either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage. The Tri-Zen Strategy is dependent on the employer making contributions for the first 5 years and not defaulting on the policy, which could result in policy lapse and surrender charges. The employee will not have access to the policy, the cash values, the death benefits or the living benefits until the loan is repaid and the assignment is released. The lender has the right to discontinue funding new premiums, exit the market, or to demand loan repayment based on the terms and conditions signed by the Master Trust. See the Master Trust documents for additional information. Receipt of accelerated benefits may be taxable and may affect eligibility for public assistance programs. This information is not intended as tax advice. Please consult with your tax advisor regarding your own situation. Not all riders are available by all life insurance companies.

For employers, the Tri-Zen strategy offers substantial balance sheet and cost advantages over other incentive strategies while dramatically improving key employee retention.

Applications: Tri-Zen can be an excellent tool to facilitate:

Recruiting and retention of key talent

- Tri-Zen strategy instead of signing bonuses or large cash payments

New contract negotiations

- Tri-Zen instead of pay increases or pay reductions

Organizational consolidation

- Integrating Tri-Zen with your existing plans, especially if plans are underfunded (removes a liability)

Cost reduction programs vs. pay and benefit cuts

- The Tri-Zen strategy saves money through lower administrative fees, potentially lower payroll costs and only five initial payments that are less than half of what conventional solutions would cost.

NIW Companies - Innovators in Wealth Management and Protection Strategies.

Since 2000, NIW has been developing innovative solutions to help high net-worth individuals successfully manage their financial future. NIW adds value by bringing substantial knowledge and expertise when designing solutions that deliver optimal insurance protections and effective retirement planning strategies.

Our team is obsessed with generating the best possible outcomes and delivering service that has earned the confidence and loyalty of our clients and their advisors.

Contact NIW today for details concerning how Tri-Zen can benefit your organization.

NIW is independent of any insurance company that would provide the insurance policy for this strategy



NIW Companies, Inc.

4975 Preston Park Boulevard • Suite 425 • Plano, TX 75093

Phone: 972-755-1582 or 800-294-9940

www.NIWcorp.com

