



Controlled Executive Bonus

Below is the Workbook Main Window of the **InsMark Illustration System (IIS)** used for Blog #218.

Client Workbook Edit Tools Options Help Agent List

Export Workbook... Bob's Blog

Workbook Main Window

Proposals for the workbook: Blog #218

| Proposal Description | Sales Concept | Policy Data (if applicable) | | | |
|----------------------|------------------------|-----------------------------|-----------------|---------------|-----------------|
| | | Policy Notation | Initial Premium | Death Benefit | Name of Product |
| Proposal 1 | Illustration of Values | Blog #218 | \$200,000 | \$3,000,000 | Indexed UL |
| Proposal 2 | Exec. Security Plan | Blog #218 | \$200,000 | \$3,000,000 | Indexed UL |

Proposal: New... Copy Edit Delete Preview

After downloading **Blog #218.iii** from Blog #218, it is easy to enter customized data. Just follow my prompts.

First, prepare the carrier illustration you want to fund the Controlled Executive Bonus and import that data into IIS. If you use withdrawals for retirement cash flow, they will be tax-sensed if they exceed the premium totals. Withdrawals to basis, loans after that are typically OK to use. With IUL, I tend to use all loans due to the arbitrage possibilities.

Illustration of Values resides on the Personal Insurance tab of IIS. (Use this selection only if you want the pretax equivalent rate of return illustrated for the policy you have selected to fund the Controlled Executive Bonus Strategy; Otherwise, ignore this step.)

Executive Security Plan resides on the Executive Benefits tab of IIS.

Basic Data tab: Enter years to illustrate, tax brackets, and the name of the business.

Cash Flow tab: Accept the default or, if different, change it to this:

Retirement Income

Plan Details tab:

On the left, choose the type of business and status of the covered executive.

On the upper right, select Bonus Method. (I almost always select gross-up bonus to eliminate all executive costs.)

If you are presenting the Controlled Executive Bonus, click this box on the lower right:

Schedule... the repayment schedule for the bonus.

This procedure takes you to an array that coordinates with your source data, where you can experiment with different bonus repayment percentages. Anytime you want to see the overall effect of your selections, go to the Report Selections tab and examine these two reports:

Illustration of Plan Costs and Benefits

Repayment of the Bonus

The repayment schedule is not something you want to put in cement, other than for the initial presentation to an interested employer. That selection belongs to the employer and, ultimately, what the covered executive accepts.

Note: If you highlight both reports on the Report Selections tab and click on **Quick Preview**, you can review them without sorting through or printing all the available illustrations.

Finally, enter "Controlled Executive Bonus" as the Proposal Heading on the bottom of the **Plan Details** tab.

Stay safe and well,

Bob Ritter

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Contact: Ben Nevejans, President of [LifePro Financial Services](#) in San Diego, CA.

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