



The following illustration is a properly structured life insurance policy to provide insight into how the ultra-wealthy create multi-generational wealth.

The premiums paid into the policy for the first 7 years are \$40,000 annually but the premiums can be \$4,000, \$40,000, \$4M or whatever premium amounts needed for your financial strategy.

Contract Premium + Riders	Cash from - Policy	Cash = Outlay	Annual Dividend	Cash Value	Death Benefit
40,000	0	40,000	129	24,805	1,396,941
40,000	0	40,000	129	63,220	1,500,022
40,000	0	40,000	129	102,350	1,600,284
40,000	0	40,000	313	142,389	1,697,991
40,000	35,000	5,000	1,674	148,040	1,758,475
40,000	-9,700	49,700	3,058	200,890	1,866,659
40,000	-9,700	49,700	4,503	257,637	1,977,796
16,000	-9,700	25,700	6,537	293,005	2,005,467
16,000	-9,647	25,647	6,706	329,160	2,038,364
16,000	35,000	-19,000	6,830	320,925	2,025,079
328,000	31,253	296,747	30,009		
16,000	-9,700	25,700	7,757	358,997	2,057,459
16,000	-9,700	25,700	8,493	398,527	2,092,440
16,000	-9,700	25,700	9,287	439,599	2,129,538
16,000	-9,647	25,647	10,045	483,477	2,168,702
16,000	35,000	-19,000	10,896	482,536	2,163,388
16,000	-9,700	25,700	11,688	527,936	2,204,784
16,000	-9,700	25,700	12,579	576,409	2,248,082
16,000	-9,700	25,700	13,440	626,703	2,293,350
16,000	-9,647	25,647	14,357	678,854	2,340,446
16,000	35,000	-19,000	15,316	687,787	2,342,954
488,000	23,758	464,242	143,866		
16,000	-9,700	25,700	16,144	743,266	2,391,871
16,000	-9,700	25,700	16,758	800,401	2,441,998
16,000	-9,700	25,700	17,398	860,523	2,492,991
16,000	-9,647	25,647	18,122	922,395	2,544,885
16,000	35,000	-19,000	18,863	939,631	2,551,312
16,000	-9,700	25,700	19,658	1,003,460	2,603,458
16,000	-9,700	25,700	20,434	1,070,562	2,656,634
16,000	-9,700	25,700	21,228	1,139,710	2,710,792
16,000	-9,647	25,647	22,038	1,212,214	2,765,874
16,000	35,000	-19,000	22,944	1,240,458	2,775,488
648,000	16,263	631,737	337,452		
16,000	-9,700	25,700	25,477	1,318,542	2,832,470
16,000	-9,700	25,700	27,306	1,399,761	2,892,918
16,000	-9,700	25,700	29,262	1,484,274	2,956,136
16,000	-9,647	25,647	31,319	1,572,175	3,022,167
16,000	0	16,000	33,489	1,654,903	3,081,094
728,000	-22,484	750,484	484,306		



Of the \$40,000 annual premium \$16,000 is for the **Beath Benefit** and \$24,000 is for the **Paid-Up Rider** that is money you have in the bank, stocks, 401(k). etc. The \$40,000 annual premium drops to \$16,000 in years 8 thru 65 because it is the most efficient way to structure the policy.

We created a scenario for this example starting in year 5 a \$35,000 policy loan is utilized for a household expense such as a vehicle or a business expense such as a capital expense. This loan could have started in year 2 and could be for various amounts depending on what is financed and then every 5 years or the time frame you choose until year 60.

Policy loans can be for any length that you choose. For example, a traditional car loan is 4 or 5 years or a policy loan can be used for a house or business using traditional mortgage loans of 15 or 30 years.

While solving your finance needs during your lifetime you are creating future INCOME TAX-FREE PASSIVE INCOME.

In this example at age 66 no more premiums are due and a \$100,000 INCOME TAX-FREE policy loan is taken for 20 years and the loan does not need to be repaid because the policy has become so efficient.

Let's say the person started a new policy every 8th year with the **Paid-Up Rider** throughout his life. how much more passive income would be created?

<u>Contract Premium + Riders</u>	<u>Cash from - Policy</u>	<u>Cash = Outlay</u>	<u>Annual Dividend</u>	<u>Cash Value</u>	<u>Death Benefit</u>
0	100,000	-100,000	35,473	1,625,649	2,859,579*
0	100,000	-100,000	37,985	1,595,836	2,814,821
0	100,000	-100,000	40,523	1,565,333	2,768,357
0	100,000	-100,000	43,192	1,534,139	2,720,002
0	100,000	-100,000	46,009	1,502,227	2,669,645
0	100,000	-100,000	48,010	1,468,506	2,616,209
0	100,000	-100,000	50,267	1,432,881	2,559,152
0	100,000	-100,000	52,705	1,395,173	2,498,490
0	100,000	-100,000	55,403	1,355,225	2,434,258
0	100,000	-100,000	58,281	1,312,923	2,366,432
<u>728,000</u>	<u>977,516</u>	<u>-249,516</u>	<u>952,153</u>		
0	100,000	-100,000	61,295	1,268,025	2,294,884
0	100,000	-100,000	64,486	1,220,493	2,219,495
0	100,000	-100,000	67,754	1,170,108	2,140,044
0	100,000	-100,000	71,211	1,116,787	2,056,370
0	100,000	-100,000	74,829	1,060,247	1,968,306
0	100,000	-100,000	79,129	1,000,620	1,876,187
0	100,000	-100,000	83,760	937,707	1,780,124
0	100,000	-100,000	88,579	871,225	1,679,955
0	100,000	-100,000	93,640	800,829	1,575,518
0	100,000	-100,000	99,047	726,020	1,466,758

Contact us at Admin@Tivaldi.com to schedule a consultation