



INVERTED ASSET COST ANALYZER

TRIQUEST AGENT QUICK START GUIDE

Purpose: Help a client see how the cost structure of a growing equity account can move differently over time from the internal cost relationship of an efficiently funded IUL.

Why Use This Tool?

Clients often compare financial strategies primarily by rate of return. This presentation adds another important question: **What does it cost to own the strategy over time?**

An equity account commonly carries costs tied to the amount of money being managed. As the account grows, a percentage-based management fee - together with modeled annual tax drag - can create a larger annual dollar cost.

An efficiently funded IUL can have a different pattern. Early policy costs can be high relative to the still-developing cash value. As the policy matures and cash value develops, annual policy charges can become a much smaller percentage of accumulated policy value.

The presentation makes that changing relationship visible: equity cost expands with asset value while the IUL internal cost relationship can contract as the policy matures.

Quick Start - 5 Steps

1. Enter the Starting Account Value

Begin with the client's comparison amount. The default is **\$1,000,000**. This establishes the equity starting value and proportionally scales the illustration-derived IUL cost curve.

2. Set the Equity Assumptions

Enter the **Gross Annual Return**, **Management Fee**, and **Annual Tax Drag**. The default presentation uses 7.00% gross return, 2.00% management fee, and 1.00% modeled annual tax drag. The displayed equity cost rate is therefore 3.00%.

3. Leave the IUL Cost Curve in Context

The IUL side uses the illustration-derived 30-year expense data built into the presentation model. No new carrier illustration is required for this conceptual presentation. The IUL curve automatically scales with the selected Starting Account Value.

4. Move Through Time

The app opens with a **15-year presentation period**. Start at Year 1 and move the timeline forward. Let the client watch the annual dollar costs, percentages, account values, and cumulative costs change.

5. Compare Annual and Cumulative Cost

Focus on the **Equity Cost Rate**, **IUL Internal Cost %**, **Annual Cost**, and **Cumulative Cost**. The objective is to compare cost of ownership over time - not merely one fee in one year.



How to Present It to a Client

A simple opening:

"Most people assume life insurance gets more expensive as they get older. But an efficiently funded permanent policy has another dynamic occurring at the same time: cash value is developing and the relationship between policy charges and accumulated value can change. Let's compare that with an investment account that charges a percentage of the assets every year."

Start at Year 1. Point out that the IUL initially has a substantially higher internal cost percentage. Do not hide it. Showing the early disadvantage makes the later comparison more credible.

Then move the timeline forward and ask the client to watch what happens as the values grow. On the equity side, the account becomes larger while the modeled asset-based cost continues to apply to the growing balance. On the IUL side, the policy matures and the relationship between annual policy charges and accumulated policy value changes.

The better question is not simply, "Which one has the lower fee today?" It is: "What does the cost of owning each strategy look like over time?"

What the Triangles Mean

YELLOW - EQUITY

Cost Expands as Asset Value Grows

The upright triangle represents increasing dollar exposure to an asset-based cost as the account becomes larger.

GREEN - INDEX UL / IUL

Cost Contracts as Policy Matures

The inverted triangle represents the changing relationship between annual policy charges and accumulated policy value.

The triangles are presentation visuals. The dollar amounts, percentages, account values, and cumulative-cost figures displayed by the calculator are the measurements to discuss with the client.

Why the Dollar Cost Matters

A percentage can sound small while the dollar cost becomes substantial as the asset grows.

Account Value	2% Management Fee
\$1,000,000	\$20,000 per year
\$3,000,000	\$60,000 per year

The percentage did not increase. The **dollar cost did**. Taxes can create an additional recurring drag in a taxable account.



Agent Discipline - Keep the Presentation Accurate

- **Do not claim every IUL has low costs.** Product selection, funding level, policy design, actual carrier charges, and policy performance matter.
- **Use reasonable equity assumptions.** Not every client pays a 2% management fee, and tax drag will differ by client and account.
- **Describe the IUL curve accurately.** It is an illustration-derived conceptual cost curve built into this presentation model; it is not a new carrier illustration.
- **Do not present projected values as guarantees.** The calculator is an educational presentation tool.
- **Keep the conversation on cost structure over time.** The tool is not intended to prove that one strategy is universally superior.

The Key Client Takeaway

Costs should be evaluated over time and in relation to the value being accumulated.

An asset-based fee can appear inexpensive as a percentage while becoming increasingly expensive in dollars as wealth grows. An efficiently funded IUL can begin with comparatively high internal costs while developing a very different cost relationship as the policy matures.

Move through time. Compare the annual cost. Compare the cumulative cost. Then let the client see the inversion.

Important: This calculator is a conceptual educational presentation. It is not a carrier illustration, a guarantee of policy performance, investment advice, or tax advice.