Inverted Asset Cost Analyzer

AGENT QUICK START GUIDE

Equity Cost vs. IUL Internal Cost Relationship

A practical advisor education guide for showing how the cost structure of a growing equity account can move differently over time from the internal cost relationship of an efficiently funded indexed universal life policy.

Move through time. Compare the cost. See the inversion.

Training use | Cost of ownership | Equity account | Index UL / IUL

Agent Quick Start Guide | Conceptual education tool

How to Use This Manual

Use this guide in the same order you would use the application with a client: establish the facts, build the case, explain the result, validate the calculations when needed, and document the presentation.

Field / Feature	What it means / how to use it
1. Enter the Starting Account Value	Set the client comparison amount. The default is $1,000,000 and proportionally scales the illustration-derived IUL cost curve.
2. Set the Equity Assumptions	Enter gross annual return, management fee, and modeled annual tax drag. The default presentation uses 7.00%, 2.00%, and 1.00% respectively.
3. Keep the IUL Cost Curve in Context	Use the built-in illustration-derived 30-year expense data as a conceptual cost curve; no new carrier illustration is required for this presentation.
4. Move Through Time	Start at Year 1 and advance the 15-year default timeline so the client can see annual dollar costs, percentages, account values, and cumulative costs change.
5. Compare Annual & Cumulative Cost	Focus on Equity Cost Rate, IUL Internal Cost %, Annual Cost, and Cumulative Cost to explain cost of ownership over time rather than a single fee in a single year.

TriQuest USA

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	GREEN - INDEX UL / IUL
Cost Expands as Asset Value Grows	**Cost Contracts as Policy Matures**
The upright triangle represents increasing dollar exposure to an asset-based cost as the account becomes larger.	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.

TriQuest USA

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.