

Preface

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

The primary benefit of a life insurance premium financing strategy is to obtain a significant amount of life insurance coverage at a reduced cash flow cost, and virtually any cash value life insurance policy can be funded in this manner. An irrevocable life insurance trust ("ILIT") is typically the policy owner and borrower.

The loan structure, loan interest, fees, collateral requirements, and personal guarantees associated with this technique will be determined by the lender.

Since the policy is typically owned by an ILIT, a secondary benefit of a premium financing strategy is the avoidance, or at least mitigation, of gift taxes. This is because the loan interest associated with premium financing is typically lower than the policy premium particularly during the early years of the arrangement.

A third benefit involves the avoidance of estate taxes on the policy net death benefit retained by the ILIT.

There are several risks associated with premium financing, some of which are outlined below:

Lender risk:

- Is the loan a term loan that is due in fewer years than illustrated? If so, the borrower will likely be subject to new loan conditions.
- If the loan is not a term loan, does the lender have the right to demand full satisfaction of the loan at any time? An unlimited right to demand full satisfaction of the loan provides very little security for the borrower.

Collateral risk:

- The lender may limit the form of acceptable collateral requiring only liquid assets be provided.
- Additional collateral may be required based on a change in the loan requirements of the lender.
- The policy cash values shown on pages that follow are not guaranteed and may be higher or lower than illustrated. Additional collateral may be required if the actual policy cash values turn out to be lower than illustrated.
- A personal guarantee may be required.

Interest rate risk:

- In some premium financing transactions, the loan interest is a variable rate which resets annually.
- If the loan interest is a fixed rate, how long is it fixed? Is this an acceptable condition?

Tax risk:

- Does a personal guarantee interfere with the estate tax free nature of policy death benefit?
- If the loan requires a personal guarantee, will such guarantee be deemed a gift to the ILIT?

Exit strategies:

1. With long-lived insureds, repayment of loans associated with premium financing must be considered, and careful planning should be contemplated in advance to insure a source of funds for this purpose. In some cases, the policy death benefit may be sufficient.
2. Alternatively, a loan to the ILIT from an interested family member may be appropriate. In some cases, the sale of the policy to a third party may provide funds to repay outstanding loans.

Conclusion:

Based on creditworthiness of the borrower, the terms of the lender, and the life insurance company involved, the actual terms of a premium financing arrangement will be different. It is important that the right combination of these three issues be carefully evaluated.

Important note:

In all cases, be sure to consult with your own legal and tax advisers before entering into this or any other arrangement involving tax, legal, and economic considerations. The approval of these advisers must be secured regarding the implementation or modification of any planning technique as well as the applicability and consequences of new cases, rulings, or legislation upon existing or impending plans.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Illustration of Policy Values Funding the Plan

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

		Indexed Survivor UL Interest Rate 6.95%	Initial Premium 1,937,112	Initial Policy Death Benefit 58,000,000		
Year	M/F Ages	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Year End Death Benefit
1	55/47	1,937,112	0	1,649,003	1,649,003	58,000,000
2	56/48	1,937,112	0	3,412,270	3,412,270	58,000,000
3	57/49	1,937,112	0	5,297,928	5,297,928	58,000,000
4	58/50	1,937,112	0	7,314,655	7,314,655	58,000,000
5	59/51	1,937,112	0	9,471,549	9,471,549	58,000,000
6	60/52	0	0	9,830,561	9,830,561	58,000,000
7	61/53	0	0	10,214,091	10,214,091	58,000,000
8	62/54	0	0	10,623,731	10,623,731	58,000,000
9	63/55	0	0	11,061,168	11,061,168	58,000,000
10	64/56	0	0	11,528,200	11,528,200	58,000,000
11	65/57	0	9,685,560	12,097,703	1,927,865	47,830,162
12	66/58	0	0	12,708,940	2,030,610	47,321,670
13	67/59	0	0	13,663,673	2,451,427	46,787,754
14	68/60	0	0	14,688,691	2,915,832	46,227,141
15	69/61	0	0	15,789,007	3,427,505	45,638,498
16	70/62	0	0	16,969,769	3,990,192	45,020,423
17	71/63	0	0	18,236,185	4,607,630	44,371,444
18	72/64	0	0	19,593,876	5,283,893	43,690,017
19	73/65	0	0	21,048,672	6,023,189	42,974,517
20	74/66	0	0	22,606,613	6,829,857	42,223,243
21	75/67	0	0	24,273,737	7,708,143	41,434,406
22	76/68	0	0	26,056,391	8,662,517	40,606,126
23	77/69	0	0	27,961,345	9,697,777	39,736,432
24	78/70	0	0	29,995,425	10,818,679	38,823,254
25	79/71	0	0	32,166,888	12,031,304	37,864,416
26	80/72	0	0	34,486,262	13,343,899	36,857,637
27	81/73	0	0	36,963,990	14,764,509	35,800,519
28	82/74	0	0	39,613,700	16,304,245	34,690,545
29	83/75	0	0	42,450,609	17,975,682	33,525,072
30	84/76	0	0	45,493,833	19,795,159	32,301,326
		9,685,560	9,685,560			

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Illustration of Policy Values Funding the Plan

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

		Indexed Survivor UL Interest Rate 6.95%	Initial Premium 1,937,112	Initial Policy Death Benefit 58,000,000		
Year	M/F Ages	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Year End Death Benefit
31	85/77	0	0	48,767,379	21,783,771	31,016,392
32	86/78	0	0	52,305,273	23,972,485	29,667,212
33	87/79	0	0	56,151,519	26,402,091	29,209,667
34	88/80	0	0	60,335,810	29,098,911	32,115,701
35	89/81	0	0	64,814,696	32,015,952	35,256,687
36	90/82	0	0	69,604,587	35,165,905	38,646,135
37	91/83	0	0	74,723,073	38,562,457	42,298,611
38	92/84	0	0	80,187,437	42,218,791	46,228,163
39	93/85	0	0	86,014,847	46,147,769	50,448,511
40	94/86	0	0	92,223,599	50,363,167	54,974,347

9,685,560

9,685,560

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Analysis of Bank Loan

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

Loan Interest
Payment Method
Gifted in all Years

Year	M/F Ages	(1) Loan from Bank to Trust for Policy Premium	(2) Net Loan Policy Proceeds Used to Reduce Loan	(3) Loan Balance Subject to Interest	(4) Assumed Bank Loan Interest Rate	(5) Loan Interest Due from Trust to Bank	(6) Gift to Trust for Loan Interest	(7) Cumulative Loan Due Bank (3)+(5)-(6)
1	55/47	1,937,112	0	1,937,112	4.10%	79,422	79,422	1,937,112
2	56/48	1,937,112	0	3,874,224	4.20%	162,717	162,717	3,874,224
3	57/49	1,937,112	0	5,811,336	4.30%	249,887	249,887	5,811,336
4	58/50	1,937,112	0	7,748,448	4.40%	340,932	340,932	7,748,448
5	59/51	1,937,112	0	9,685,560	4.50%	435,850	435,850	9,685,560
6	60/52	0	0	9,685,560	4.60%	445,536	445,536	9,685,560
7	61/53	0	0	9,685,560	4.70%	455,221	455,221	9,685,560
8	62/54	0	0	9,685,560	4.80%	464,907	464,907	9,685,560
9	63/55	0	0	9,685,560	4.90%	474,592	474,592	9,685,560
10	64/56	0	0	9,685,560	5.00%	484,278	484,278	9,685,560
11	65/57	0	9,685,560	0	0.00%	0	0	0
12	66/58	0	0	0	0.00%	0	0	0
13	67/59	0	0	0	0.00%	0	0	0
14	68/60	0	0	0	0.00%	0	0	0
15	69/61	0	0	0	0.00%	0	0	0
16	70/62	0	0	0	0.00%	0	0	0
17	71/63	0	0	0	0.00%	0	0	0
18	72/64	0	0	0	0.00%	0	0	0
19	73/65	0	0	0	0.00%	0	0	0
20	74/66	0	0	0	0.00%	0	0	0
21	75/67	0	0	0	0.00%	0	0	0
22	76/68	0	0	0	0.00%	0	0	0
23	77/69	0	0	0	0.00%	0	0	0
24	78/70	0	0	0	0.00%	0	0	0
25	79/71	0	0	0	0.00%	0	0	0
26	80/72	0	0	0	0.00%	0	0	0
27	81/73	0	0	0	0.00%	0	0	0
28	82/74	0	0	0	0.00%	0	0	0
29	83/75	0	0	0	0.00%	0	0	0
30	84/76	0	0	0	0.00%	0	0	0
		9,685,560	9,685,560			3,593,342	3,593,342	

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Analysis of Bank Loan

Borrower and Policy Owner: Hamilton Family Trust
Lender: To be determined

		Loan Interest Payment Method Gifted in all Years						
Year	M/F Ages	(1) Loan from Bank to Trust for Policy Premium	(2) Net Loan Policy Proceeds Used to Reduce Loan	(3) Loan Balance Subject to Interest	(4) Assumed Bank Loan Interest Rate	(5) Loan Interest Due from Trust to Bank	(6) Gift to Trust for Loan Interest	(7) Cumulative Loan Due Bank (3)+(5)-(6)
31	85/77	0	0	0	0.00%	0	0	0
32	86/78	0	0	0	0.00%	0	0	0
33	87/79	0	0	0	0.00%	0	0	0
34	88/80	0	0	0	0.00%	0	0	0
35	89/81	0	0	0	0.00%	0	0	0
36	90/82	0	0	0	0.00%	0	0	0
37	91/83	0	0	0	0.00%	0	0	0
38	92/84	0	0	0	0.00%	0	0	0
39	93/85	0	0	0	0.00%	0	0	0
40	94/86	0	0	0	0.00%	0	0	0
		9,685,560	9,685,560			3,593,342	3,593,342	

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Summary

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

Indexed Survivor UL
Interest Rate
6.95%

Initial Policy
Death Benefit
58,000,000

		Gift and Loan Summary					Analysis of the Collateral				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					Net Policy Loan Proceeds Used to Reduce Loan	Cumulative Loan Due Bank	Year End Policy Death Benefit	Year End Net Policy Death Benefit (6) - (5)	Year End Policy Accum Value*	Year End Policy Cash Value*	Additional Collateral Required
Yr	M/F Ages	Policy Premium	Gift to Trust for Loan Interest	Loan from Bank to Trust for Premium							
1	55/47	1,937,112	79,422	1,937,112	0	1,937,112	58,000,000	56,062,888	1,649,003	1,649,003	432,164
2	56/48	1,937,112	162,717	1,937,112	0	3,874,224	58,000,000	54,125,776	3,412,270	3,412,270	692,931
3	57/49	1,937,112	249,887	1,937,112	0	5,811,336	58,000,000	52,188,664	5,297,928	5,297,928	770,112
4	58/50	1,937,112	340,932	1,937,112	0	7,748,448	58,000,000	50,251,552	7,314,655	7,314,655	650,690
5	59/51	1,937,112	435,850	1,937,112	0	9,685,560	58,000,000	48,314,440	9,471,549	9,471,549	321,017
6	60/52	0	445,536	0	0	9,685,560	58,000,000	48,314,440	9,830,561	9,830,561	0
7	61/53	0	455,221	0	0	9,685,560	58,000,000	48,314,440	10,214,091	10,214,091	0
8	62/54	0	464,907	0	0	9,685,560	58,000,000	48,314,440	10,623,731	10,623,731	0
9	63/55	0	474,592	0	0	9,685,560	58,000,000	48,314,440	11,061,168	11,061,168	0
10	64/56	0	484,278	0	0	9,685,560	58,000,000	48,314,440	11,528,200	11,528,200	0
11	65/57	0	0	0	9,685,560	0	47,830,162	47,830,162	12,097,703	1,927,865	0
12	66/58	0	0	0	0	0	47,321,670	47,321,670	12,708,940	2,030,610	0
13	67/59	0	0	0	0	0	46,787,754	46,787,754	13,663,673	2,451,427	0
14	68/60	0	0	0	0	0	46,227,141	46,227,141	14,688,691	2,915,832	0
15	69/61	0	0	0	0	0	45,638,498	45,638,498	15,789,007	3,427,505	0
16	70/62	0	0	0	0	0	45,020,423	45,020,423	16,969,769	3,990,192	0
17	71/63	0	0	0	0	0	44,371,444	44,371,444	18,236,185	4,607,630	0
18	72/64	0	0	0	0	0	43,690,017	43,690,017	19,593,876	5,283,893	0
19	73/65	0	0	0	0	0	42,974,517	42,974,517	21,048,672	6,023,189	0
20	74/66	0	0	0	0	0	42,223,243	42,223,243	22,606,613	6,829,857	0
21	75/67	0	0	0	0	0	41,434,406	41,434,406	24,273,737	7,708,143	0
22	76/68	0	0	0	0	0	40,606,126	40,606,126	26,056,391	8,662,517	0
23	77/69	0	0	0	0	0	39,736,432	39,736,432	27,961,345	9,697,777	0
24	78/70	0	0	0	0	0	38,823,254	38,823,254	29,995,425	10,818,679	0
25	79/71	0	0	0	0	0	37,864,416	37,864,416	32,166,888	12,031,304	0
26	80/72	0	0	0	0	0	36,857,637	36,857,637	34,486,262	13,343,899	0
27	81/73	0	0	0	0	0	35,800,519	35,800,519	36,963,990	14,764,509	0
28	82/74	0	0	0	0	0	34,690,545	34,690,545	39,613,700	16,304,245	0
29	83/75	0	0	0	0	0	33,525,072	33,525,072	42,450,609	17,975,682	0
30	84/76	0	0	0	0	0	32,301,326	32,301,326	45,493,833	19,795,159	0
		9,685,560	3,593,342	9,685,560	9,685,560						

30 Year Analysis

	Living Values	Death Benefit
Indexed Survivor UL	19,795,159	32,301,326
Less Loan Repayment Due:	0	0
Equals Value to Policy Owner:	19,795,159	32,301,326

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Summary

Borrower and Policy Owner: Hamilton Family Trust
Lender: To be determined

Gift and Loan Summary						Analysis of the Collateral				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Policy Premium	Gift to Trust for Loan Interest	Loan from Bank to Trust for Premium	Net Policy Loan Proceeds Used to Reduce Loan	Cumulative Loan Due Bank	Year End Policy Death Benefit	Year End Net Policy Death Benefit (6) - (5)	Year End Policy Accum Value*	Year End Policy Cash Value*	Additional Collateral Required	
0	0	0	0	0	31,016,392	31,016,392	48,767,379	21,783,771	0	
0	0	0	0	0	29,667,212	29,667,212	52,305,273	23,972,485	0	
0	0	0	0	0	29,209,667	29,209,667	56,151,519	26,402,091	0	
0	0	0	0	0	32,115,701	32,115,701	60,335,810	29,098,911	0	
0	0	0	0	0	35,256,687	35,256,687	64,814,696	32,015,952	0	
0	0	0	0	0	38,646,135	38,646,135	69,604,587	35,165,905	0	
0	0	0	0	0	42,298,611	42,298,611	74,723,073	38,562,457	0	
0	0	0	0	0	46,228,163	46,228,163	80,187,437	42,218,791	0	
0	0	0	0	0	50,448,511	50,448,511	86,014,847	46,147,769	0	
0	0	0	0	0	54,974,347	54,974,347	92,223,599	50,363,167	0	
9,685,560	3,593,342	9,685,560	9,685,560							

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

40 Year Analysis

	Living Values	Death Benefit
Indexed Survivor UL	50,363,167	54,974,347
Less Loan Repayment Due:	0	0
Equals Value to Policy Owner:	50,363,167	54,974,347

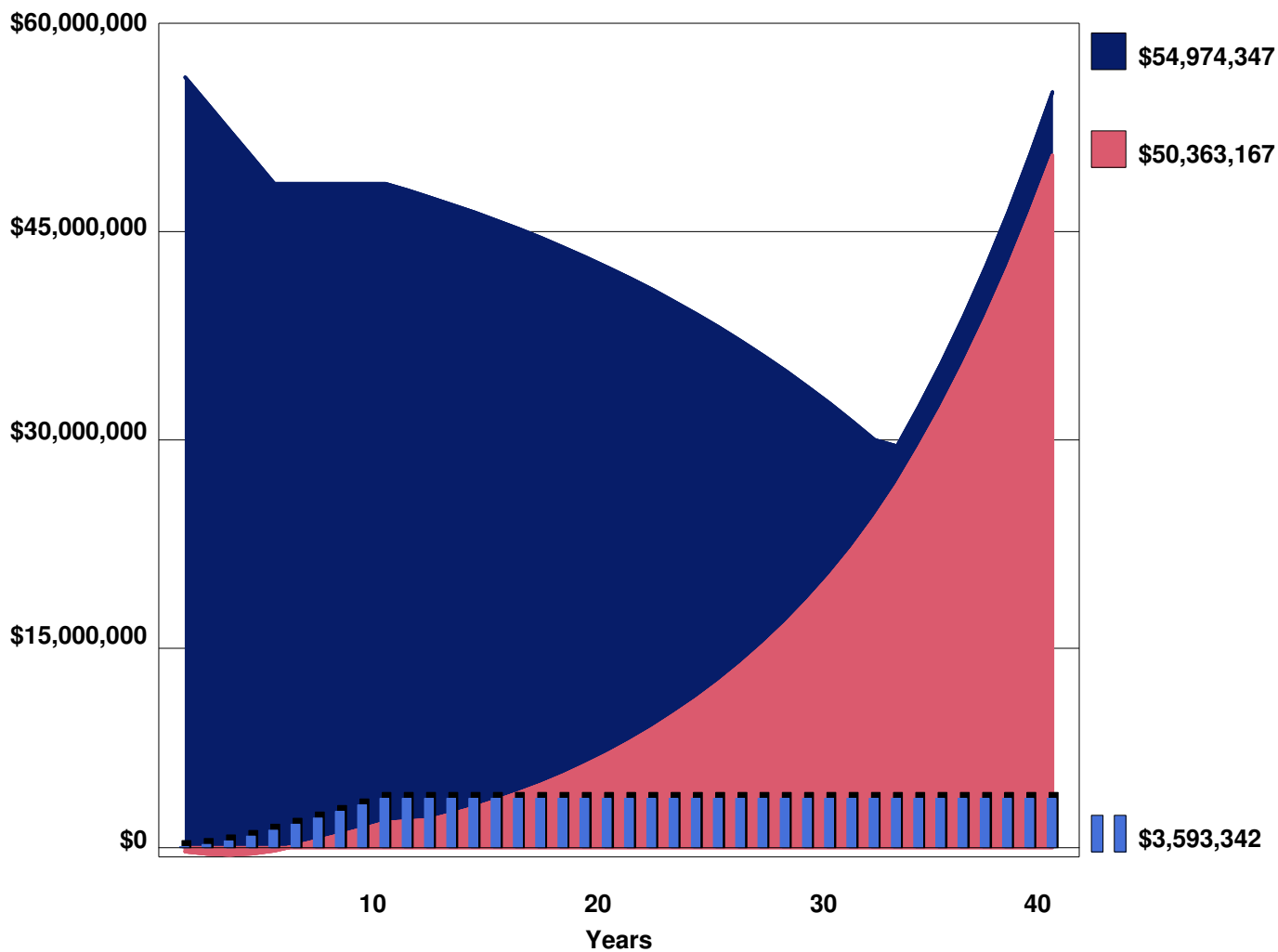
Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Trust's 40 Year Graphic Analysis

Borrower and Policy Owner: Hamilton Family Trust
Lender: To be determined



At Year 40		
Cumulative Gifts for Loan Interest		\$3,593,342
Trust's Cash Value Less Loan Due Bank ¹		\$50,363,167
Trust's Estate Tax Free Death Benefit Less Loan Due Bank ¹		\$54,974,347

¹ The cumulative loan due bank of \$9,685,560 is assumed paid off at the beginning of year 11 from policy loans.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Rate of Return (ROR) Analysis

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

		Indexed Survivor UL Interest Rate 6.95%	Initial Policy Death Benefit 58,000,000	Trust Grantor's Income Tax Tax Bracket 48.00%	Trust Grantor's Estate Tax Tax Bracket 40.00%	Loan Interest Payment Method Gifted in all Years			
		(1) Loan Interest Paid by Trust	(2) Cumulative Cash Flow Required from Trust	Trust's Year End Cash Value			Trust's Year End Death Benefit		
Year	M/F Ages			(3) Net Policy Cash Value*	(4) Pre-Tax** Equivalent ROR of Net Policy Cash Value	(5) Net ROR of Net Policy Cash Value	(6) Net Policy Death Benefit*	(7) Pre-Tax** Equivalent ROR of Net Policy Death Benefit	(8) Net ROR of Net Policy Death Benefit
1	55/47	79,422	79,422	0	n/a	n/a	56,062,888	587,405.11%	70,488.61%
2	56/48	162,717	242,139	0	n/a	n/a	54,125,776	20,084.32%	2,410.12%
3	57/49	249,887	492,026	0	n/a	n/a	52,188,664	5,792.21%	695.06%
4	58/50	340,932	832,958	0	n/a	n/a	50,251,552	2,839.39%	340.73%
5	59/51	435,850	1,268,808	0	n/a	n/a	48,314,440	1,730.48%	207.66%
6	60/52	445,536	1,714,344	145,001	-75.01%	-75.01%	48,314,440	1,199.91%	143.99%
7	61/53	455,221	2,169,565	528,531	-43.80%	-43.80%	48,314,440	892.37%	107.08%
8	62/54	464,907	2,634,472	938,171	-29.15%	-29.15%	48,314,440	695.78%	83.49%
9	63/55	474,592	3,109,064	1,375,608	-20.74%	-20.74%	48,314,440	561.28%	67.35%
10	64/56	484,278	3,593,342	1,842,640	-15.36%	-15.36%	48,314,440	464.54%	55.74%
11	65/57	0	3,593,342	1,927,865	-11.43%	-11.43%	47,830,162	393.01%	47.16%
12	66/58	0	3,593,342	2,030,610	-8.77%	-8.77%	47,321,670	338.46%	40.62%
13	67/59	0	3,593,342	2,451,427	-5.08%	-5.08%	46,787,754	295.80%	35.50%
14	68/60	0	3,593,342	2,915,832	-2.45%	-2.45%	46,227,141	261.70%	31.40%
15	69/61	0	3,593,342	3,427,505	-0.50%	-0.50%	45,638,498	233.93%	28.07%
16	70/62	0	3,593,342	3,990,192	8.34%	1.00%	45,020,423	210.94%	25.31%
17	71/63	0	3,593,342	4,607,630	18.12%	2.17%	44,371,444	191.62%	22.99%
18	72/64	0	3,593,342	5,283,893	25.93%	3.11%	43,690,017	175.17%	21.02%
19	73/65	0	3,593,342	6,023,189	32.24%	3.87%	42,974,517	161.01%	19.32%
20	74/66	0	3,593,342	6,829,857	37.41%	4.49%	42,223,243	148.68%	17.84%
21	75/67	0	3,593,342	7,708,143	41.67%	5.00%	41,434,406	137.85%	16.54%
22	76/68	0	3,593,342	8,662,517	45.21%	5.43%	40,606,126	128.24%	15.39%
23	77/69	0	3,593,342	9,697,777	48.18%	5.78%	39,736,432	119.65%	14.36%
24	78/70	0	3,593,342	10,818,679	50.67%	6.08%	38,823,254	111.92%	13.43%
25	79/71	0	3,593,342	12,031,304	52.77%	6.33%	37,864,416	104.90%	12.59%
26	80/72	0	3,593,342	13,343,899	54.56%	6.55%	36,857,637	98.49%	11.82%
27	81/73	0	3,593,342	14,764,509	56.09%	6.73%	35,800,519	92.59%	11.11%
28	82/74	0	3,593,342	16,304,245	57.42%	6.89%	34,690,545	87.13%	10.46%
29	83/75	0	3,593,342	17,975,682	58.57%	7.03%	33,525,072	82.04%	9.84%
30	84/76	0	3,593,342	19,795,159	59.59%	7.15%	32,301,326	77.26%	9.27%
		3,593,342							

**Including a factor for a 48.00% income tax bracket and a 40.00% estate tax bracket.

*After deducting the cumulative loan due to the bank.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Rate of Return (ROR) Analysis

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

		Indexed Survivor UL Interest Rate 6.95%	Initial Policy Death Benefit 58,000,000	Trust Grantor's Income Tax Tax Bracket 48.00%	Trust Grantor's Estate Tax Tax Bracket 40.00%	Loan Interest Payment Method Gifted in all Years			
		(1) Loan Interest Paid by Trust	(2) Cumulative Cash Flow Required from Trust	Trust's Year End Cash Value			Trust's Year End Death Benefit		
Year	M/F Ages			(3) Net Policy Cash Value*	(4) Pre-Tax** Equivalent ROR of Net Policy Cash Value	(5) Net ROR of Net Policy Cash Value	(6) Net Policy Death Benefit*	(7) Pre-Tax** Equivalent ROR of Net Policy Death Benefit	(8) Net ROR of Net Policy Death Benefit
31	85/77	0	3,593,342	21,783,771	60.51%	7.26%	31,016,392	72.75%	8.73%
32	86/78	0	3,593,342	23,972,485	61.36%	7.36%	29,667,212	68.46%	8.22%
33	87/79	0	3,593,342	26,402,091	62.18%	7.46%	29,209,667	65.42%	7.85%
34	88/80	0	3,593,342	29,098,911	62.96%	7.56%	32,115,701	66.02%	7.92%
35	89/81	0	3,593,342	32,015,952	63.64%	7.64%	35,256,687	66.53%	7.98%
36	90/82	0	3,593,342	35,165,905	64.23%	7.71%	38,646,135	66.97%	8.04%
37	91/83	0	3,593,342	38,562,457	64.73%	7.77%	42,298,611	67.33%	8.08%
38	92/84	0	3,593,342	42,218,791	65.16%	7.82%	46,228,163	67.64%	8.12%
39	93/85	0	3,593,342	46,147,769	65.52%	7.86%	50,448,511	67.88%	8.15%
40	94/86	0	3,593,342	50,363,167	65.83%	7.90%	54,974,347	68.08%	8.17%

3,593,342

*After deducting the cumulative loan due to the bank.

**Including a factor for a 48.00% income tax bracket and a 40.00% estate tax bracket.

Rate of Return Calculation Logic

Borrower and Policy Owner: Hamilton Family Trust
Lender: To be determined

There are four key columns on the accompanying Rate of Return Analysis report:

Net Rate of Return of Net Policy Cash Value	Net Rate of Return of Net Policy Death Benefit
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Calculations for the Net Rate of Return column show the interest rate that would have to be earned on the out-of-pocket cash flow included in plan funding in order to match the net cash value and net death benefit of the policy. Such out-of-pocket cash flow can include one or more of the following: 1) Loan origination fee and/or other loan fees when not added to the loan; 2) Cost of letter of credit; 3) Gifts to the trust for premium; 4) Gifts to the trust for loan interest due the lender; and 5) A loan repayment from an outside source. The Net Rate of Return indicated in these columns would be required for the Trust Grantor to produce a similar result for heirs.

Pre-Tax Equivalent Rate of Return of Net Policy Cash Value	Pre-Tax Equivalent Rate of Return of Net Policy Death Benefit
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Calculations for the Pre-Tax Equivalent Rate of Return column show the pre-tax equivalent interest rate that would have to be earned on the out-of-pocket cash flow included in plan funding in order to match the net cash value and net death benefit of the policy. Such out-of-pocket cash flow can include one or more of the following: 1) Loan origination fee and/or other loan fees when not added to the loan; 2) Cost of letter of credit; 3) Gifts to the trust for premium; 4) Gifts to the trust for loan interest due the lender; and 5) A loan repayment from an outside source. This calculation grosses up the Net Rate of Return by a factor that accounts for the Trust Grantor's income and estate tax brackets. The Pre-Tax Rate of Return indicated in these columns would be required for the policy owner to produce a similar result using an alternative taxable account.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Gift Analysis

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

		Annual Gift Exclusions 6		Beginning Lifetime Gift Exemption 10,900,000				
Year	M/F Ages	(1) Lifetime Gift Exemption*	(2) Annual Gift Exclusion Indexed @ 3.00%	(3) Maximum Tax Free Gifts Available (1) + (2)	(4) Gift to Trust for Premium	(5) Gift to Trust for Loan Interest	(6) Total Gift to Trust (4)+(5)	(7) Remaining Tax Free Gifts Available (3) - (6)
1	55/47	10,900,000	84,000	10,984,000	0	79,422	79,422	10,904,578
2	56/48	11,220,000	90,000	11,310,000	0	162,717	162,717	11,147,283
3	57/49	11,487,283	90,000	11,577,283	0	249,887	249,887	11,327,396
4	58/50	11,687,396	96,000	11,783,396	0	340,932	340,932	11,442,464
5	59/51	11,802,464	96,000	11,898,464	0	435,850	435,850	11,462,614
6	60/52	11,822,614	102,000	11,924,614	0	445,536	445,536	11,479,078
7	61/53	11,859,078	102,000	11,961,078	0	455,221	455,221	11,505,857
8	62/54	11,885,857	108,000	11,993,857	0	464,907	464,907	11,528,950
9	63/55	11,948,950	108,000	12,056,950	0	474,592	474,592	11,582,358
10	64/56	11,982,358	114,000	12,096,358	0	484,278	484,278	11,612,080
11	65/57	12,052,080	114,000	12,166,080	0	0	0	12,166,080
12	66/58	12,492,080	120,000	12,612,080	0	0	0	12,612,080
13	67/59	12,932,080	126,000	13,058,080	0	0	0	13,058,080
14	68/60	13,392,080	126,000	13,518,080	0	0	0	13,518,080
15	69/61	13,892,080	132,000	14,024,080	0	0	0	14,024,080
16	70/62	14,372,080	138,000	14,510,080	0	0	0	14,510,080
17	71/63	14,892,080	138,000	15,030,080	0	0	0	15,030,080
18	72/64	15,412,080	144,000	15,556,080	0	0	0	15,556,080
19	73/65	15,952,080	150,000	16,102,080	0	0	0	16,102,080
20	74/66	16,512,080	150,000	16,662,080	0	0	0	16,662,080
21	75/67	17,092,080	156,000	17,248,080	0	0	0	17,248,080
22	76/68	17,672,080	162,000	17,834,080	0	0	0	17,834,080
23	77/69	18,272,080	168,000	18,440,080	0	0	0	18,440,080
24	78/70	18,912,080	174,000	19,086,080	0	0	0	19,086,080
25	79/71	19,552,080	180,000	19,732,080	0	0	0	19,732,080
26	80/72	20,212,080	186,000	20,398,080	0	0	0	20,398,080
27	81/73	20,912,080	186,000	21,098,080	0	0	0	21,098,080
28	82/74	21,612,080	192,000	21,804,080	0	0	0	21,804,080
29	83/75	22,332,080	198,000	22,530,080	0	0	0	22,530,080
30	84/76	23,092,080	204,000	23,296,080	0	0	0	23,296,080
			4,134,000		0	3,593,342	3,593,342	

*Client's Unified Credit Equivalent is indexed for inflation at 3.00%.

Values in Column (3) are based on client input assumptions.

Premium Financing Using Indexed Survivor UL

Presented By: [Licensed user's name appears here]

Insureds: Lee Hamilton/Denise Hamilton

Gift Analysis

Borrower and Policy Owner: Hamilton Family Trust

Lender: To be determined

		Annual Gift Exclusions 6		Beginning Lifetime Gift Exemption 10,900,000				
Year	M/F Ages	(1) Lifetime Gift Exemption*	(2) Annual Gift Exclusion Indexed @ 3.00%	(3) Maximum Tax Free Gifts Available (1) + (2)	(4) Gift to Trust for Premium	(5) Gift to Trust for Loan Interest	(6) Total Gift to Trust (4)+(5)	(7) Remaining Tax Free Gifts Available (3) - (6)
31	85/77	23,852,080	210,000	24,062,080	0	0	0	24,062,080
32	86/78	24,652,080	222,000	24,874,080	0	0	0	24,874,080
33	87/79	25,472,080	228,000	25,700,080	0	0	0	25,700,080
34	88/80	26,312,080	234,000	26,546,080	0	0	0	26,546,080
35	89/81	27,172,080	240,000	27,412,080	0	0	0	27,412,080
36	90/82	28,072,080	246,000	28,318,080	0	0	0	28,318,080
37	91/83	28,992,080	252,000	29,244,080	0	0	0	29,244,080
38	92/84	29,932,080	264,000	30,196,080	0	0	0	30,196,080
39	93/85	30,912,080	270,000	31,182,080	0	0	0	31,182,080
40	94/86	31,912,080	276,000	32,188,080	0	0	0	32,188,080
			6,576,000		0	3,593,342	3,593,342	

*Client's Unified Credit Equivalent is indexed for inflation at 3.00%.

Values in Column (3) are based on client input assumptions.