

# A Tax-Advantaged Life Insurance and Retirement Plan For Tony Callahan



Presented By: \_\_\_\_\_

[Licensed user's name appears here]

# A Tax-Advantaged Life Insurance and Retirement Plan

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Insured: Tony Callahan

## Preface

In the accompanying presentation, you will see the financial data from an illustration of a cash value life insurance policy.

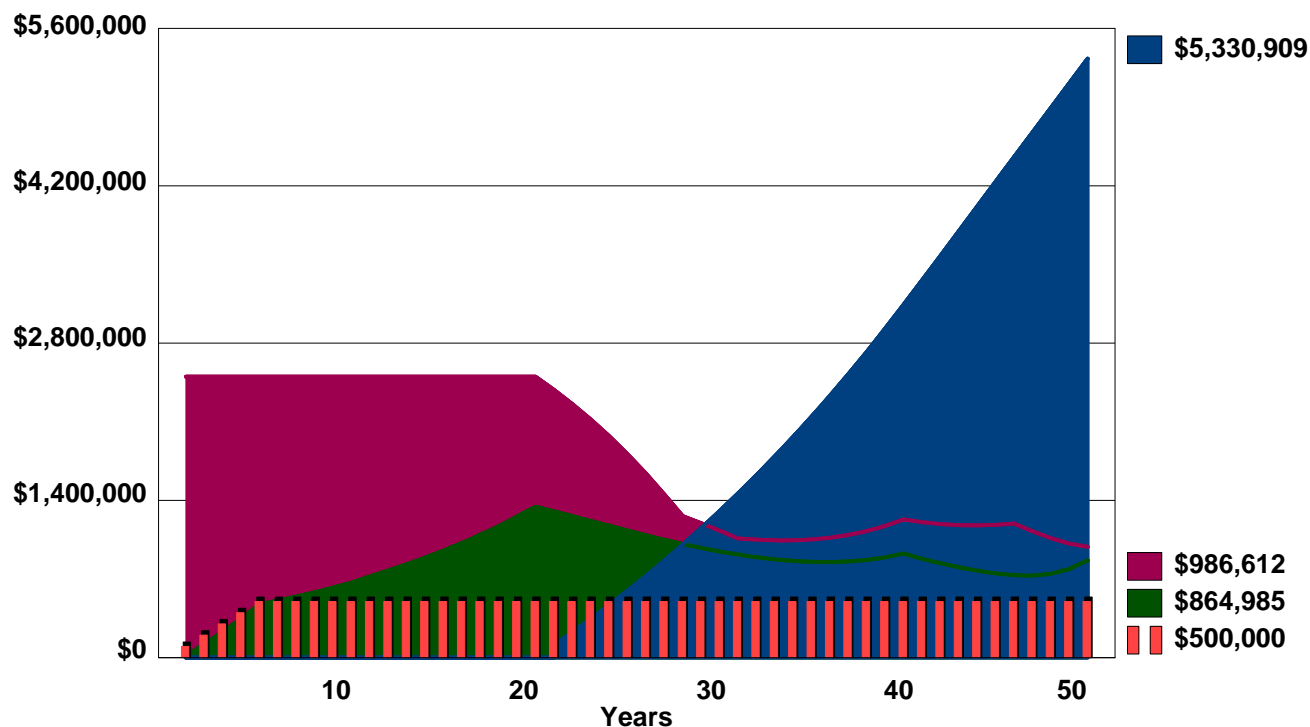
To help you make an informed decision about acquiring the policy, the illustration includes information about premiums, cash values and death benefits plus scheduled policy loan proceeds.

Cash value life insurance contains the following features:

1. Accumulating cash values;
2. Income tax deferred growth of cash values;
3. Competitive current interest rate;

4. Income tax free access to cash values via policy loans;
5. Income tax free death benefits;
6. Probate free death benefits;
7. Privacy of all transactions.

Favorable income tax consequences combine with significant policy values and benefits to produce a life insurance solution that has a considerable amount of financial leverage.



**At Year 50**

Cumulative Policy Premiums	\$500,000
Cumulative Policy Loans	\$5,330,909
Cash Value	\$864,985
Death Benefit	\$986,612

This graphic assumes the non-guaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable.

# A Tax-Advantaged Life Insurance and Retirement Plan

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## Illustration of Values of Indexed Universal Life

		Income Tax Rate 45.00%	Indexed UL Interest Rate 7.50%	Initial Payment 100,000	Initial Death Benefit 2,500,000	
Year	Age	(1) Policy Premium	(2) Retirement Income Net Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
1	45	100,000	0	89,289	16,614	2,500,000
2	46	100,000	0	185,029	119,604	2,500,000
3	47	100,000	0	287,820	229,670	2,500,000
4	48	100,000	0	398,301	347,426	2,500,000
5	49	100,000	0	517,030	473,430	2,500,000
6	50	0	0	542,995	506,670	2,500,000
7	51	0	0	571,391	542,316	2,500,000
8	52	0	0	602,479	580,679	2,500,000
9	53	0	0	636,579	622,054	2,500,000
10	54	0	0	674,061	666,811	2,500,000
11	55	0	0	722,355	722,355	2,500,000
12	56	0	0	774,064	774,064	2,500,000
13	57	0	0	829,418	829,418	2,500,000
14	58	0	0	888,678	888,678	2,500,000
15	59	0	0	952,132	952,132	2,500,000
16	60	0	0	1,020,013	1,020,013	2,500,000
17	61	0	0	1,092,664	1,092,664	2,500,000
18	62	0	0	1,170,445	1,170,445	2,500,000
19	63	0	0	1,253,748	1,253,748	2,500,000
20	64	0	0	1,343,013	1,343,013	2,500,000
21	65	0	110,853	1,301,122	1,301,122	2,383,604
22	66	0	114,882	1,258,581	1,258,581	2,257,158
23	67	0	119,032	1,215,642	1,215,642	2,120,033
24	68	0	123,306	1,172,618	1,172,618	1,971,563
25	69	0	127,709	1,129,928	1,129,928	1,811,046
26	70	0	132,244	1,088,092	1,088,092	1,637,743
27	71	0	136,914	1,047,871	1,047,871	1,450,870
28	72	0	141,725	1,010,103	1,010,103	1,258,758
29	73	0	146,681	975,835	975,835	1,195,685
30	74	0	151,784	945,030	945,030	1,130,158
		500,000	1,305,130			

\*This is an example of an InsMark supplemental illustration for universal life. In actual presentations, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company which contains important details, guarantees, and caveats.

### 30 Year Summary

Cum. Payments	500,000
Cum. Policy Loan Proceeds	1,305,130
Cash Value	945,030
Death Benefit	1,130,158

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## Illustration of Values of Indexed Universal Life

		Income Tax Rate 45.00%	Indexed UL Interest Rate 7.50%	Initial Payment 100,000	Initial Death Benefit 2,500,000		
Year	Age	(1) Policy Premium	(2) Retirement Income Net Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit	
31	75	0	157,041	917,930	917,930	1,061,303	
32	76	0	162,456	894,503	894,503	1,050,108	
33	77	0	168,033	875,378	875,378	1,044,392	
34	78	0	173,778	861,232	861,232	1,044,924	
35	79	0	179,694	852,793	852,793	1,052,529	
36	80	0	185,789	850,844	850,844	1,068,091	
37	81	0	192,066	856,284	856,284	1,092,622	
38	82	0	198,531	870,028	870,028	1,127,152	
39	83	0	205,191	893,046	893,046	1,172,774	
40	84	0	212,050	926,342	926,342	1,230,621	
41	85	0	219,115	880,252	880,252	1,206,629	
42	86	0	219,115	839,559	839,559	1,189,523	
43	87	0	219,115	804,487	804,487	1,179,600	
44	88	0	219,115	775,148	775,148	1,177,042	
45	89	0	219,115	751,504	751,504	1,181,876	
46	90	0	219,115	733,281	733,281	1,193,885	
47	91	0	219,115	730,172	730,172	1,124,691	
48	92	0	219,115	746,730	746,730	1,063,718	
49	93	0	219,115	789,010	789,010	1,015,602	
50	94	0	219,115	864,985	864,985	986,612	
		<b>500,000</b>	<b>5,330,909</b>				

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### 50 Year Summary

Cum. Payments	500,000
Cum. Policy Loan Proceeds	5,330,909
Cash Value	864,985
Death Benefit	986,612



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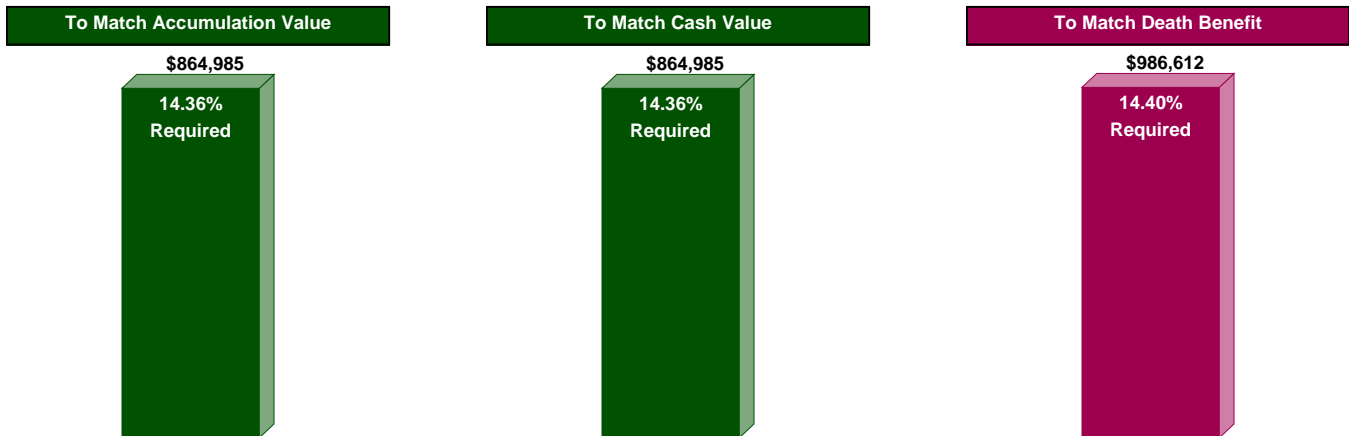
Insured: Tony Callahan

## Matching Policy Values

Age	Income Tax Rate	Indexed UL Interest Rate	Initial Payment	Initial Death Benefit
45	45.00%	7.50%	100,000	2,500,000

### Gross Interest Rate Required on a Hypothetical Taxable Investment to Match Indexed Universal Life Policy Values over 50 Years.

	Hypothetical Taxable Alternative
To match Accumulation Value of: \$864,985	14.36%
To match Cash Value of: \$864,985	14.36%
To match Death Benefit of: \$986,612	14.40%



### Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.
2. Indexed Universal Life:
  - a. Death Benefit including available cash value component is income tax free.
  - b. Loans are income tax free as long as the policy is kept in force.
  - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
  - d. Cash values shown assume most favorable combination of b and/or c.

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