

#1. Term Insurance and an Equity Account vs. Indexed Universal Life

For: Tom Robinson



Dealing With "Termmites"

Presented By: _____

[Licensed user's name appears here]

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

Preface

A decision to acquire additional life insurance can represent one of several significant phases in your overall financial planning.

An important part of this decision will involve your selection of the appropriate life insurance policy.

There are several important factors to consider which include:

1. The time frame for the insurance need;
2. Your available cash flow;
3. Your alternative uses for the cash flow;
4. The income tax considerations.

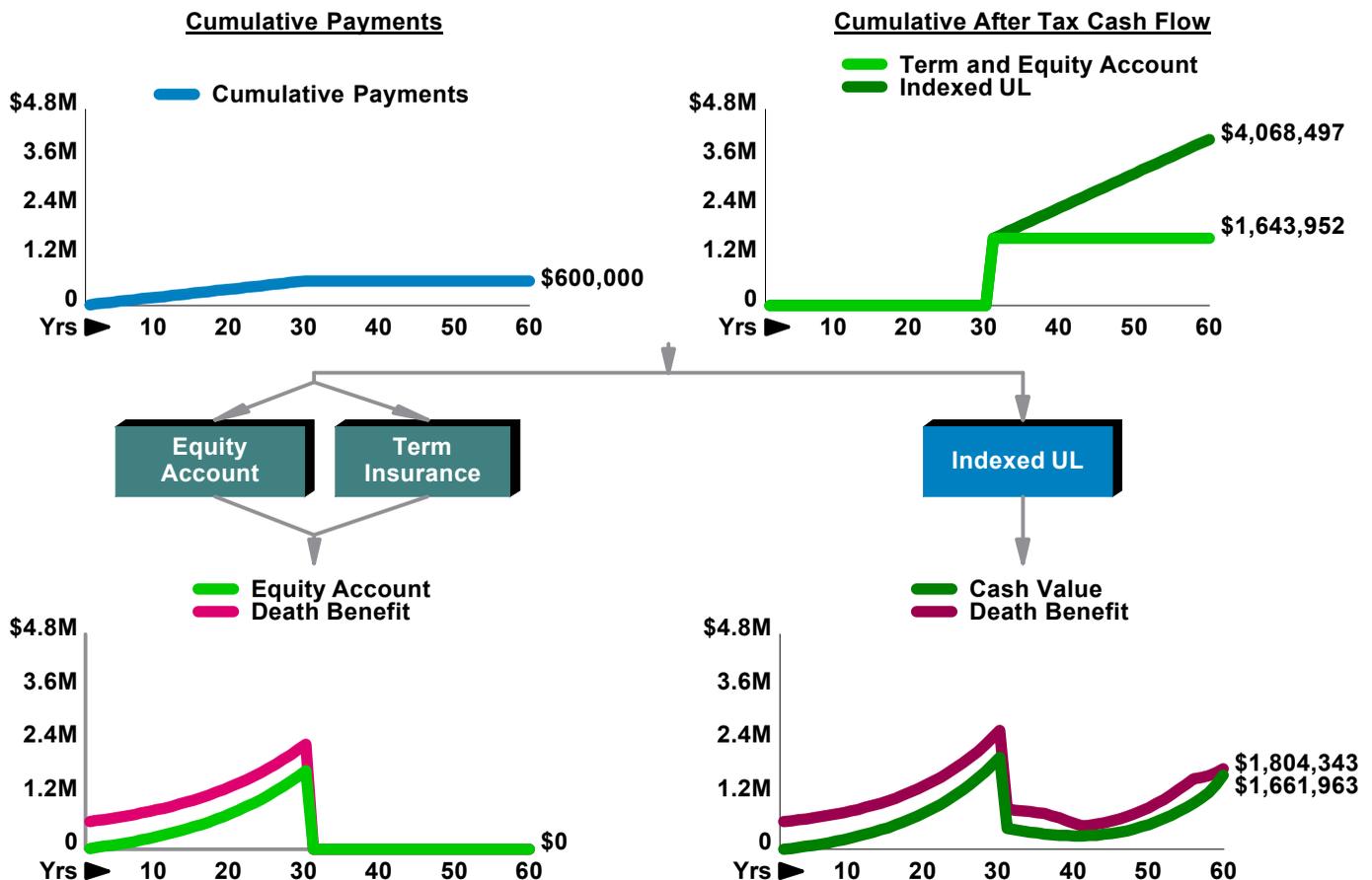
An integrated analysis of these points creates useful information that helps guide your purchasing evaluation. The precision of the conclusions, however, is contingent upon the accuracy of the data utilized. You should be positive that all premises and

conditions accurately reflect your goals and expectations.

The accompanying analysis contrasts a cash value policy to a term insurance alternative. Any difference in premiums between the two choices has been evaluated regarding time/use of money.

The study produces information which should form a basis from which you and your advisors can draw informed conclusions.

Based upon the results of the analysis, we recommend funding your life insurance requirement with the cash value policy illustrated rather than a term life insurance policy.



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.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

Comparison

		Equity Account Growth 7.00%	Equity Account Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 35.00%	Indexed UL Interest Rate 7.00%	Initial Death Benefit 601,839				
		Payment Allocation			600,000 Scheduled Term Insurance Along with an Equity Account*			Indexed UL			
Year	Male Age	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Equity Account (1) - (2)	(4) After Tax Cash Flow from the Account	(5) Year End Equity Account Value	(6) Scheduled Term Death Benefit	(7) Combined Death Benefit (5) + (6)	(8) After Tax Policy Loan Proceeds	(9) Year End Cash Value**	(10) Death Benefit
1	35	20,000	525	19,475	0	20,861	600,000	620,861	0	4,897	620,042
2	36	20,000	525	19,475	0	43,168	600,000	643,168	0	24,525	639,544
3	37	20,000	525	19,475	0	66,985	600,000	666,985	0	45,538	660,425
4	38	20,000	525	19,475	0	92,386	600,000	692,386	0	68,021	682,775
5	39	20,000	525	19,475	0	119,451	600,000	719,451	0	92,096	706,706
6	40	20,000	525	19,475	0	148,269	600,000	748,269	0	117,861	732,327
7	41	20,000	525	19,475	0	178,933	600,000	778,933	0	147,813	759,757
8	42	20,000	525	19,475	0	211,547	600,000	811,547	0	179,708	789,125
9	43	20,000	525	19,475	0	246,222	600,000	846,222	0	213,686	820,574
10	44	20,000	525	19,475	0	283,076	600,000	883,076	0	249,899	854,260
11	45	20,000	525	19,475	0	322,235	600,000	922,235	0	292,398	894,237
12	46	20,000	525	19,475	0	363,836	600,000	963,836	0	335,535	937,374
13	47	20,000	525	19,475	0	408,024	600,000	1,008,024	0	382,071	983,910
14	48	20,000	525	19,475	0	454,952	600,000	1,054,952	0	432,279	1,034,118
15	49	20,000	525	19,475	0	504,785	600,000	1,104,785	0	486,443	1,088,282
16	50	20,000	525	19,475	0	557,699	600,000	1,157,699	0	544,864	1,146,703
17	51	20,000	525	19,475	0	613,881	600,000	1,213,881	0	607,873	1,209,712
18	52	20,000	525	19,475	0	673,528	600,000	1,273,528	0	675,829	1,277,668
19	53	20,000	525	19,475	0	736,852	600,000	1,336,852	0	749,107	1,350,946
20	54	20,000	525	19,475	0	804,077	600,000	1,404,077	0	828,125	1,429,964
21	55	20,000	525	19,475	0	875,440	600,000	1,475,440	0	913,323	1,515,162
22	56	20,000	525	19,475	0	951,195	600,000	1,551,195	0	1,005,170	1,607,009
23	57	20,000	525	19,475	0	1,031,609	600,000	1,631,609	0	1,104,166	1,706,005
24	58	20,000	525	19,475	0	1,116,968	600,000	1,716,968	0	1,210,847	1,812,686
25	59	20,000	525	19,475	0	1,207,576	600,000	1,807,576	0	1,325,792	1,927,631
26	60	20,000	525	19,475	0	1,303,754	600,000	1,903,754	0	1,449,613	2,051,452
27	61	20,000	525	19,475	0	1,405,842	600,000	2,005,842	0	1,582,959	2,184,798
28	62	20,000	525	19,475	0	1,514,205	600,000	2,114,205	0	1,726,563	2,328,402
29	63	20,000	525	19,475	0	1,629,226	600,000	2,229,226	0	1,881,204	2,483,043
30	64	20,000	525	19,475	0	1,751,315	600,000	2,351,315	0	2,047,728	2,649,567
		600,000	15,750	584,250	0				0		

Management fees reflected in column (5): 1.00%

30 Year Summary

	Term/Equity Account	Indexed UL
After Tax Payments	600,000	600,000
After Tax Cash Flow	0	0
Living Values	1,751,315	2,047,728
Death Benefit	2,351,315	2,649,567

*See the accompanying reports entitled "Equity Account Details" and "Portfolio Turnover Details" for year-by-year equity calculation and turnover details.

**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.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

Comparison

		Equity Account Growth 7.00%	Equity Account Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 35.00%	Indexed UL Interest Rate 7.00%	Initial Death Benefit 601,839				
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31	65	0	0	0	1,643,952	0	0	0	1,643,952	460,887	898,295
32	66	0	0	0	0	0	0	0	83,605	435,272	879,020
33	67	0	0	0	0	0	0	0	83,605	410,786	859,675
34	68	0	0	0	0	0	0	0	83,605	387,733	840,393
35	69	0	0	0	0	0	0	0	83,605	366,444	821,316
36	70	0	0	0	0	0	0	0	83,605	347,301	802,614
37	71	0	0	0	0	0	0	0	83,605	331,051	752,428
38	72	0	0	0	0	0	0	0	83,605	318,198	698,997
39	73	0	0	0	0	0	0	0	83,605	309,267	642,073
40	74	0	0	0	0	0	0	0	83,605	304,850	581,395
41	75	0	0	0	0	0	0	0	83,605	305,108	516,157
42	76	0	0	0	0	0	0	0	83,605	309,703	535,161
43	77	0	0	0	0	0	0	0	83,605	319,088	559,903
44	78	0	0	0	0	0	0	0	83,605	333,765	590,946
45	79	0	0	0	0	0	0	0	83,605	354,225	628,843
46	80	0	0	0	0	0	0	0	83,605	380,873	674,058
47	81	0	0	0	0	0	0	0	83,605	414,087	727,028
48	82	0	0	0	0	0	0	0	83,605	454,280	788,232
49	83	0	0	0	0	0	0	0	83,605	501,832	858,113
50	84	0	0	0	0	0	0	0	83,605	556,737	936,712
51	85	0	0	0	0	0	0	0	83,605	618,507	1,023,567
52	86	0	0	0	0	0	0	0	83,605	687,348	1,118,946
53	87	0	0	0	0	0	0	0	83,605	762,876	1,222,501
54	88	0	0	0	0	0	0	0	83,605	844,459	1,333,627
55	89	0	0	0	0	0	0	0	83,605	931,345	1,451,593
56	90	0	0	0	0	0	0	0	83,605	1,022,684	1,575,572
57	91	0	0	0	0	0	0	0	83,605	1,133,996	1,604,341
58	92	0	0	0	0	0	0	0	83,605	1,271,571	1,647,027
59	93	0	0	0	0	0	0	0	83,605	1,443,909	1,710,660
60	94	0	0	0	0	0	0	0	83,605	1,661,963	1,804,343
		600,000	15,750	584,250	1,643,952				4,068,497		

Management fees reflected in column (5): 1.00%

60 Year Summary

	Term/Equity Account	Indexed UL
After Tax Payments	600,000	600,000
After Tax Cash Flow	1,643,952	4,068,497
Living Values	0	1,661,963
Death Benefit	0	1,804,343

*See the accompanying reports entitled "Equity Account Details" and "Portfolio Turnover Details" for year-by-year equity calculation and turnover details.

**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.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

Equity Account Details

		Equity Account Growth 7.00%	Equity Account Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 35.00%	Composite Capital Gains Tax Rate* 28.50%	Turnover Assumption 15.00%				
Yr	Age	(1) Beginning of Year Account Value	(2) Annual Deposit	(3) Sale of Equities	(4) Capital Growth	(5) After Tax Reinvested Dividends	(6) Year End Value of Account Before Turnover	(7)** Year End Value of Account After Turnover	(8) After Tax Dividend Cash Flow	(9) After Tax Cash Flow from Equity Sales	(10) Combined After Tax Cash Flow
1	35	0	19,475	0	1,363	292	21,130	20,861	0	0	0
2	36	20,861	19,475	0	2,824	605	43,765	43,168	0	0	0
3	37	43,168	19,475	0	4,385	940	67,968	66,985	0	0	0
4	38	66,985	19,475	0	6,052	1,297	93,809	92,386	0	0	0
5	39	92,386	19,475	0	7,830	1,678	121,369	119,451	0	0	0
6	40	119,451	19,475	0	9,725	2,084	150,735	148,269	0	0	0
7	41	148,269	19,475	0	11,742	2,516	182,002	178,933	0	0	0
8	42	178,933	19,475	0	13,889	2,976	215,273	211,547	0	0	0
9	43	211,547	19,475	0	16,172	3,465	250,659	246,222	0	0	0
10	44	246,222	19,475	0	18,599	3,985	288,281	283,076	0	0	0
11	45	283,076	19,475	0	21,179	4,538	328,268	322,235	0	0	0
12	46	322,235	19,475	0	23,920	5,126	370,756	363,836	0	0	0
13	47	363,836	19,475	0	26,832	5,750	415,893	408,024	0	0	0
14	48	408,024	19,475	0	29,925	6,412	463,836	454,952	0	0	0
15	49	454,952	19,475	0	33,210	7,116	514,753	504,785	0	0	0
16	50	504,785	19,475	0	36,698	7,864	568,822	557,699	0	0	0
17	51	557,699	19,475	0	40,402	8,658	626,234	613,881	0	0	0
18	52	613,881	19,475	0	44,335	9,500	687,191	673,528	0	0	0
19	53	673,528	19,475	0	48,510	10,395	751,908	736,852	0	0	0
20	54	736,852	19,475	0	52,943	11,345	820,615	804,077	0	0	0
21	55	804,077	19,475	0	57,649	12,353	893,554	875,440	0	0	0
22	56	875,440	19,475	0	62,644	13,424	970,983	951,195	0	0	0
23	57	951,195	19,475	0	67,947	14,560	1,053,177	1,031,609	0	0	0
24	58	1,031,609	19,475	0	73,576	15,766	1,140,426	1,116,968	0	0	0
25	59	1,116,968	19,475	0	79,551	17,047	1,233,041	1,207,576	0	0	0
26	60	1,207,576	19,475	0	85,894	18,406	1,331,351	1,303,754	0	0	0
27	61	1,303,754	19,475	0	92,626	19,848	1,435,703	1,405,842	0	0	0
28	62	1,405,842	19,475	0	99,772	21,380	1,546,469	1,514,205	0	0	0
29	63	1,514,205	19,475	0	107,358	23,005	1,664,043	1,629,226	0	0	0
30	64	1,629,226	19,475	0	115,409	24,731	1,788,841	1,751,315	0	0	0
			584,250	0	1,292,961	277,062			0	0	0

*The composite capital gains tax rate includes 35.00% short-term gains subject to ordinary income tax and 65.00% long-term gains subject to capital gains tax. The individual tax rates used to create the composite tax rate are:

Capital Gains Tax: 25.00%
Income Tax: 35.00%

**Column (7) is reduced by a 1.00% management fee.

(To review turnover calculations, see the Portfolio Turnover Details report.)

Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

Equity Account Details

Equity Account Growth 7.00% Equity Account Dividend 2.00% Dividend Tax Rate 25.00% Income Tax Rate 35.00% Composite Capital Gains Tax Rate* 28.50% Turnover Assumption 15.00%

Yr	Age	(1) Beginning of Year Account Value	(2) Annual Deposit	(3) Sale of Equities	(4) Capital Growth	(5) After Tax Reinvested Dividends	(6) Year End Value of Account Before Turnover	(7)** Year End Value of Account After Turnover	(8) After Tax Dividend Cash Flow	(9) After Tax Cash Flow from Equity Sales	(10) Combined After Tax Cash Flow
31	65	1,751,315	0	1,751,315	0	0	0	0	0	1,643,952	1,643,952
32	66	0	0	0	0	0	0	0	0	0	0
33	67	0	0	0	0	0	0	0	0	0	0
34	68	0	0	0	0	0	0	0	0	0	0
35	69	0	0	0	0	0	0	0	0	0	0
36	70	0	0	0	0	0	0	0	0	0	0
37	71	0	0	0	0	0	0	0	0	0	0
38	72	0	0	0	0	0	0	0	0	0	0
39	73	0	0	0	0	0	0	0	0	0	0
40	74	0	0	0	0	0	0	0	0	0	0
41	75	0	0	0	0	0	0	0	0	0	0
42	76	0	0	0	0	0	0	0	0	0	0
43	77	0	0	0	0	0	0	0	0	0	0
44	78	0	0	0	0	0	0	0	0	0	0
45	79	0	0	0	0	0	0	0	0	0	0
46	80	0	0	0	0	0	0	0	0	0	0
47	81	0	0	0	0	0	0	0	0	0	0
48	82	0	0	0	0	0	0	0	0	0	0
49	83	0	0	0	0	0	0	0	0	0	0
50	84	0	0	0	0	0	0	0	0	0	0
51	85	0	0	0	0	0	0	0	0	0	0
52	86	0	0	0	0	0	0	0	0	0	0
53	87	0	0	0	0	0	0	0	0	0	0
54	88	0	0	0	0	0	0	0	0	0	0
55	89	0	0	0	0	0	0	0	0	0	0
56	90	0	0	0	0	0	0	0	0	0	0
57	91	0	0	0	0	0	0	0	0	0	0
58	92	0	0	0	0	0	0	0	0	0	0
59	93	0	0	0	0	0	0	0	0	0	0
60	94	0	0	0	0	0	0	0	0	0	0
			584,250	1,751,315	1,292,961	277,062			0	1,643,952	1,643,952

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**Column (7) is reduced by a 1.00% management fee.

(To review turnover calculations, see the Portfolio Turnover Details report.)

Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

Matching Values at Age 94 (Year 60)

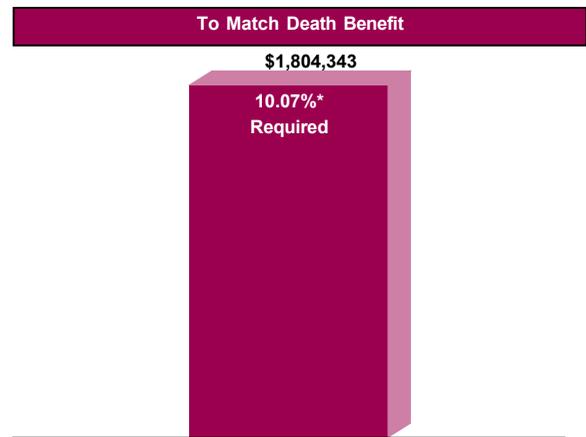
Equity Account Growth	Equity Account Dividend	Dividend Tax Rate	Income Tax Rate	Indexed UL Interest Rate	Initial Death Benefit
7.00%	2.00%	25.00%	35.00%	7.00%	601,839

Growth Required on an Equity Account in Addition to the Dividend Illustrated to Match Indexed Universal Life Policy Values over 60 Years After Applying the Term Payment Illustrated

	Growth Required (Plus 2.00% Dividend)
To Match Cash Value of: \$1,661,963	10.05%
To match Death Benefit of: \$1,804,343	10.07%



*Plus 2.00% dividend.



*Plus 2.00% dividend.

Income Tax Considerations

1. Equity Account: Capital gains tax calculations are taxed based on a ratio of asset value to remaining cost basis in any given year.
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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Term Insurance and an Equity Account vs. Indexed Universal Life

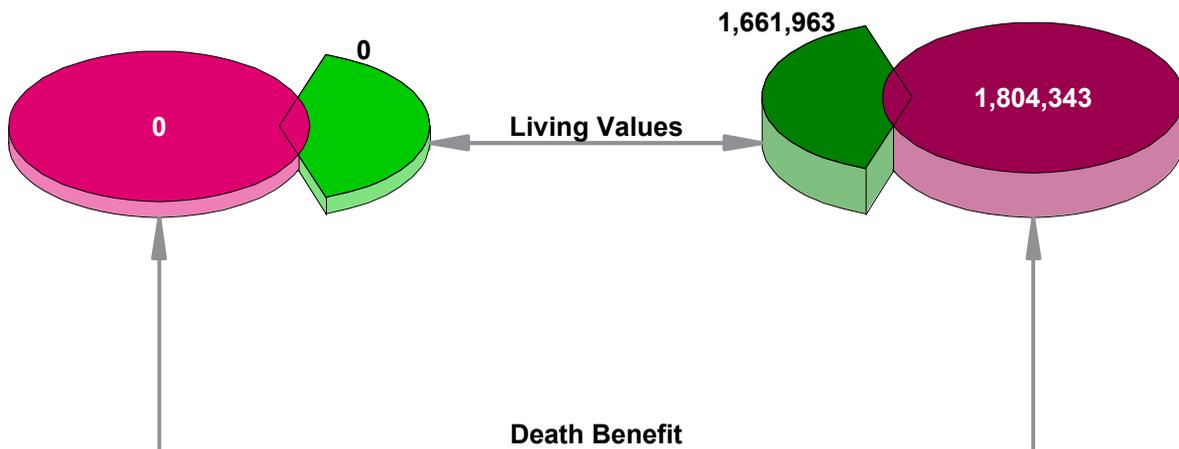
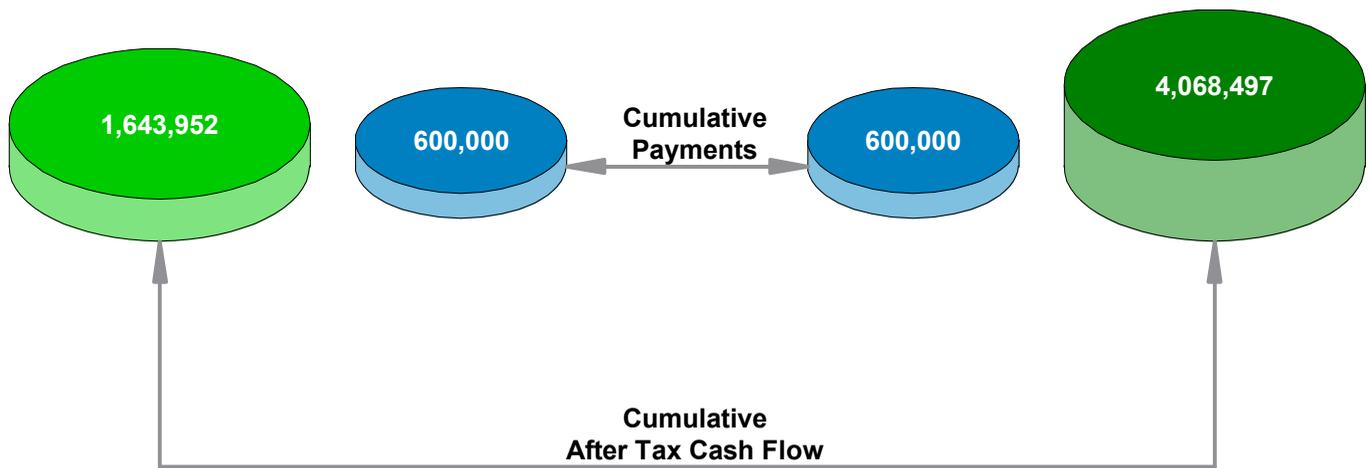
Presented By: [Licensed user's name appears here]

Insured: Tom Robinson

A Look at Year 60

Term Insurance and an Equity Account

Indexed Universal Life

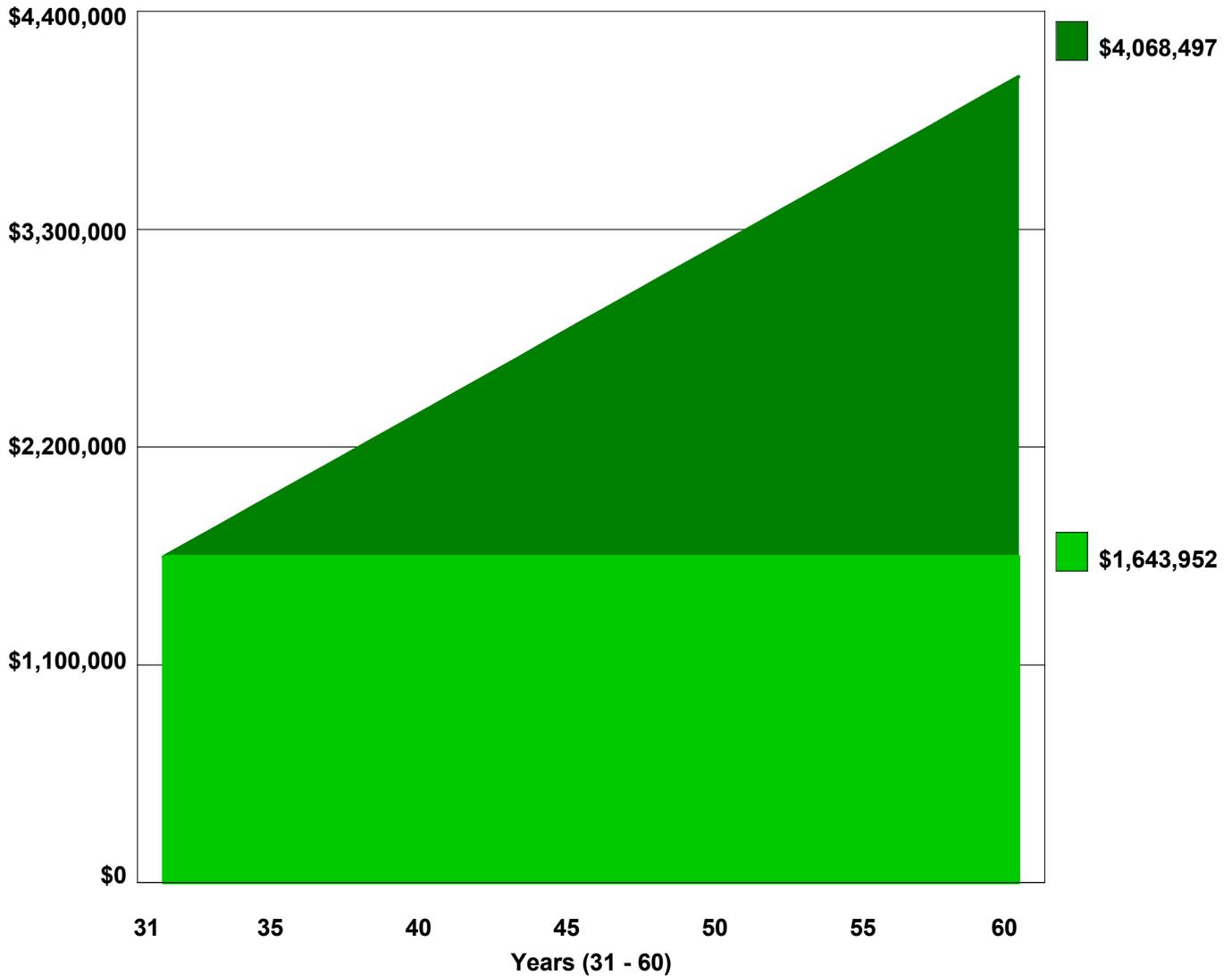


Term Insurance and an Equity Account vs. Indexed Universal Life

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Cash Flow Comparison of Years 31 - 60



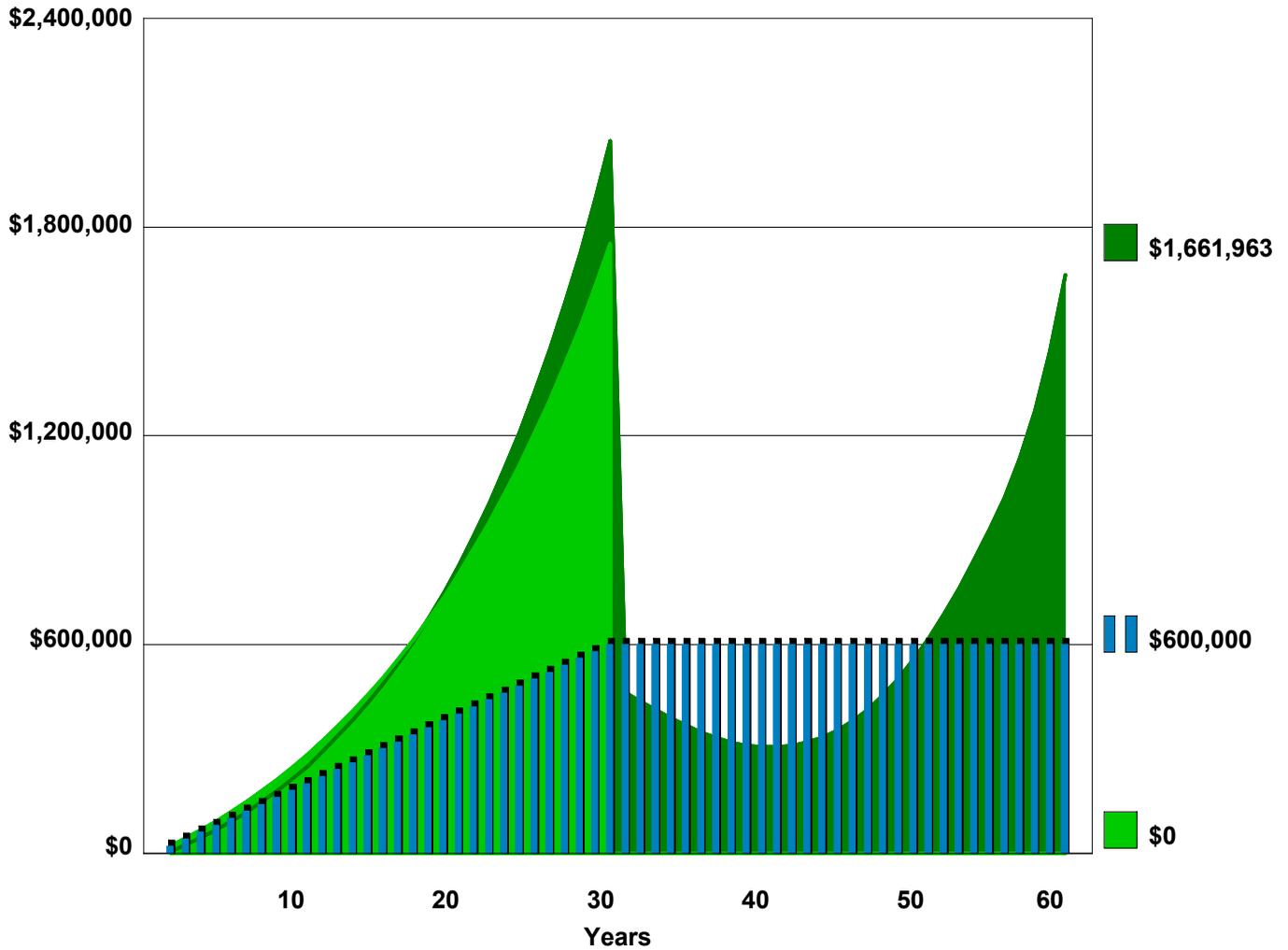
At Year 60
Cumulative After Tax Cash Flow - Equity Account ■ \$1,643,952
Cumulative After Tax Policy Cash Flow - Indexed UL ■ \$4,068,497

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

60 Year Analysis



At Year 60

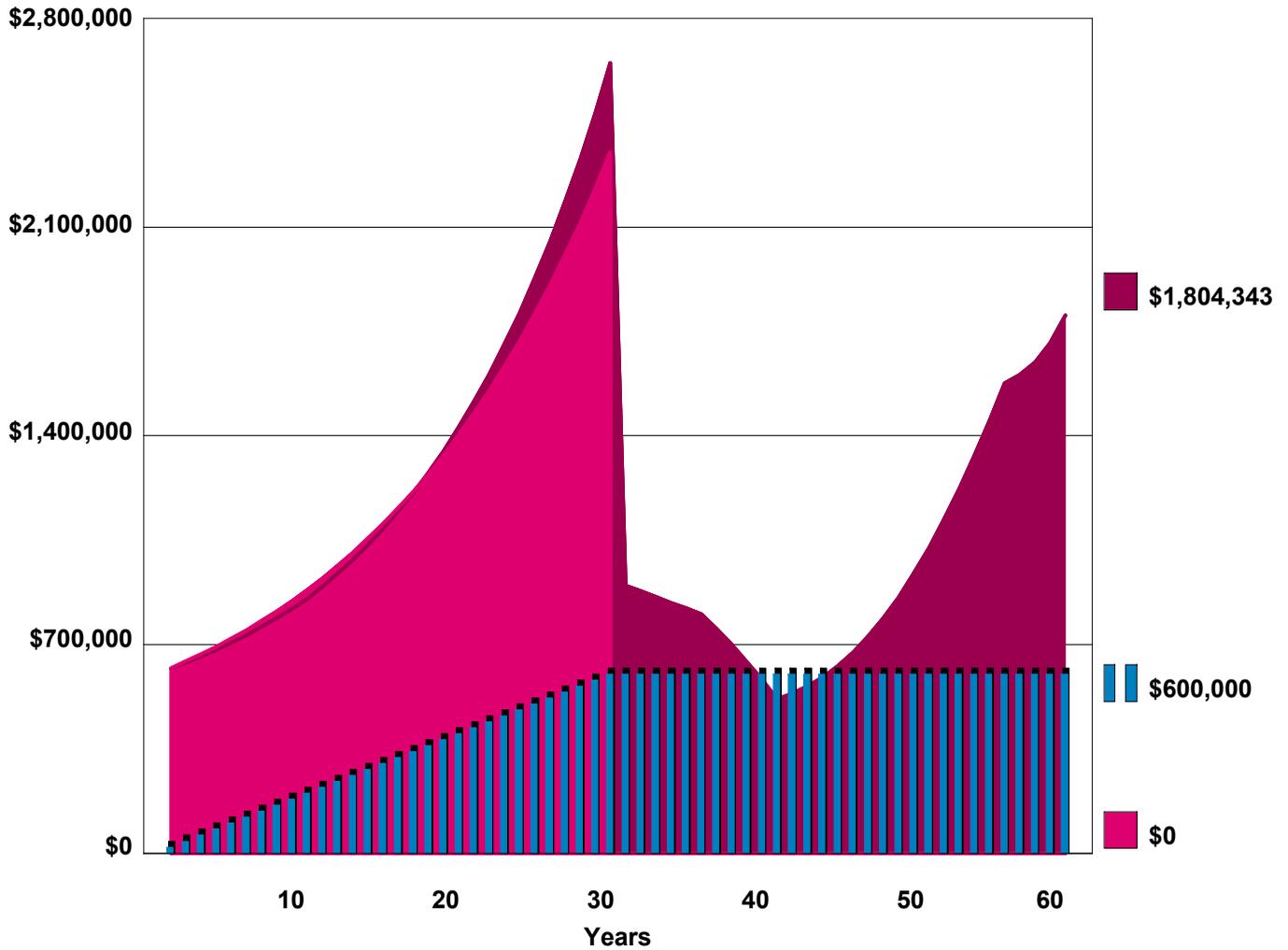
Payments (Cumulative)	\$600,000
Equity Account Values	\$0
Indexed UL Cash Values	\$1,661,963

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Tom Robinson

60 Year Analysis



At Year 60

Payments (Cumulative)	\$600,000
Term Plus Equity Account Death Benefit	\$0
Indexed UL Policy Death Benefit	\$1,804,343