

# Indexed Universal Life vs. Term Insurance and a Side Fund

Comparison Page: 1  
Date: [Current date appears here]

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

For: George Baker

Male  
Age  
45  
Side Fund  
Yield  
7.50%  
Income  
Tax Rate  
40.00%  
Indexed UL  
Interest Rate  
7.50%  
Initial  
Death Benefit  
500,000

Year	Payment Allocation			500,000 Scheduled Term Insurance Along with a Side Fund				Indexed UL			
	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Side Fund (1) - (2)	(4) After Tax Cash Flow from the Account	(5) Side Fund Values	(6) Scheduled Term Death Benefit	(7) Combined Death Benefit (5) + (6)	(8) After Tax Policy Cash Flow	(9) Year End Accum Value*	(10) Year End Cash Value*	(11) Death Benefit
1	20,000	600	19,400	0	20,117	500,000	520,117	0	20,144	13,144	520,144
2	20,000	600	19,400	0	40,976	500,000	540,976	0	41,890	27,890	541,890
3	20,000	600	19,400	0	62,606	500,000	562,606	0	65,264	50,364	565,264
4	20,000	600	19,400	0	85,035	500,000	585,035	0	90,383	75,483	590,383
5	20,000	600	19,400	0	108,293	500,000	608,293	0	117,375	102,475	617,375
6	20,000	600	19,400	0	132,410	500,000	632,410	0	146,383	132,228	646,383
7	20,000	600	19,400	0	157,417	500,000	657,417	0	177,526	164,265	677,526
8	20,000	600	19,400	0	183,348	500,000	683,348	0	210,961	198,743	710,961
9	20,000	600	19,400	0	210,237	500,000	710,237	0	246,847	235,821	746,847
10	20,000	600	19,400	0	238,120	500,000	738,120	0	285,356	275,671	785,356
11	20,000	600	19,400	0	267,032	500,000	767,032	0	326,678	318,483	826,678
12	20,000	600	19,400	0	297,012	500,000	797,012	0	371,015	364,459	871,015
13	20,000	600	19,400	0	328,099	500,000	828,099	0	418,570	413,802	918,570
14	20,000	600	19,400	0	360,335	500,000	860,335	0	469,576	466,745	969,576
15	20,000	600	19,400	0	393,762	500,000	893,762	0	524,279	524,279	1,024,279
16	20,000	600	19,400	0	428,423	500,000	928,423	0	582,925	582,925	1,082,925
17	20,000	600	19,400	0	464,364	500,000	964,364	0	645,798	645,798	1,145,798
18	20,000	600	19,400	0	501,633	500,000	1,001,633	0	713,194	713,194	1,213,194
19	20,000	600	19,400	0	540,279	500,000	1,040,279	0	785,420	785,420	1,285,420
20	20,000	600	19,400	0	580,352	500,000	1,080,352	0	862,807	862,807	1,362,807
	400,000	12,000	388,000	0				0			

### 20 Year Summary

Management fees reflected in column (5): 0.75%

\*This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

	Term/Side Fund	Indexed UL
After Tax Payments	400,000	400,000
After Tax Cash Flow	0	0
Living Values	580,352	862,807
Death Benefit	1,080,352	1,362,807

# Indexed Universal Life vs. Term Insurance and a Side Fund

Comparison Page: 2  
Date: [Current date appears here]

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

For: George Baker

Male  
Age  
45  
Side Fund  
Yield  
7.50%  
Income  
Tax Rate  
40.00%  
Indexed UL  
Interest Rate  
7.50%  
Initial  
Death Benefit  
500,000

Year	Payment Allocation			500,000 Scheduled Term Insurance Along with a Side Fund				Indexed UL			
	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Side Fund (1) - (2)	(4) After Tax Cash Flow from the Account	(5) Side Fund Values	(6) Scheduled Term Death Benefit	(7) Combined Death Benefit (5) + (6)	(8) After Tax Policy Cash Flow	(9) Year End Accum Value*	(10) Year End Cash Value*	(11) Death Benefit
21	0	0	0	60,000	539,572	0	539,572	60,000	859,671	859,671	1,302,782
22	0	0	0	60,000	497,287	0	497,287	60,000	856,539	856,539	1,242,757
23	0	0	0	60,000	453,439	0	453,439	60,000	853,529	853,529	1,182,732
24	0	0	0	60,000	407,972	0	407,972	60,000	850,800	850,800	1,122,707
25	0	0	0	60,000	360,825	0	360,825	60,000	848,539	848,539	1,062,682
26	0	0	0	60,000	311,937	0	311,937	60,000	846,990	846,990	1,002,657
27	0	0	0	60,000	261,242	0	261,242	60,000	846,869	846,869	965,230
28	0	0	0	60,000	208,676	0	208,676	60,000	846,719	846,719	954,270
29	0	0	0	60,000	154,168	0	154,168	60,000	846,641	846,641	941,062
30	0	0	0	60,000	97,646	0	97,646	60,000	846,778	846,778	925,528
31	0	0	0	60,000	39,036	0	39,036	60,000	847,329	847,328	907,621
32	0	0	0	39,036	0	0	0	60,000	847,501	847,501	912,058
33	0	0	0	0	0	0	0	60,000	847,200	847,200	916,252
34	0	0	0	0	0	0	0	60,000	846,311	846,311	920,101
35	0	0	0	0	0	0	0	60,000	844,701	844,701	923,479
36	0	0	0	0	0	0	0	60,000	842,213	842,213	926,239
37	0	0	0	0	0	0	0	60,000	838,658	838,658	928,201
38	0	0	0	0	0	0	0	60,000	833,818	833,818	929,155
39	0	0	0	0	0	0	0	60,000	827,434	827,434	928,851
40	0	0	0	0	0	0	0	60,000	819,204	819,204	926,992
	400,000	12,000	388,000	699,036				1,200,000			

### 40 Year Summary

Management fees reflected in column (5): 0.75%

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	Term/Side Fund	Indexed UL
After Tax Payments	400,000	400,000
After Tax Cash Flow	699,036	1,200,000
Living Values	0	819,204
Death Benefit	0	926,992

# Indexed Universal Life vs. Term Insurance and a Side Fund

Comparison Page: 3  
Date: [Current date appears here]

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

For: George Baker

Male  
Age 45  
Side Fund Yield 7.50%  
Income Tax Rate 40.00%  
Indexed UL Interest Rate 7.50%  
Initial Death Benefit 500,000

Year	Payment Allocation			500,000 Scheduled Term Insurance Along with a Side Fund				Indexed UL			
	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Side Fund (1) - (2)	(4) After Tax Cash Flow from the Account	(5) Side Fund Values	(6) Scheduled Term Death Benefit	(7) Combined Death Benefit (5) + (6)	(8) After Tax Policy Cash Flow	(9) Year End Accum Value*	(10) Year End Cash Value*	(11) Death Benefit
41	0	0	0	0	0	0	0	60,000	808,774	808,774	923,231
42	0	0	0	0	0	0	0	60,000	795,735	795,735	917,160
43	0	0	0	0	0	0	0	60,000	779,601	779,601	908,298
44	0	0	0	0	0	0	0	60,000	759,816	759,816	896,087
45	0	0	0	0	0	0	0	60,000	735,732	735,732	879,875
46	0	0	0	0	0	0	0	60,000	706,593	706,593	858,901
47	0	0	0	0	0	0	0	60,000	677,002	677,002	805,824
48	0	0	0	0	0	0	0	60,000	648,223	648,223	750,462
49	0	0	0	0	0	0	0	60,000	621,718	621,718	693,931
50	0	0	0	0	0	0	0	60,000	599,295	599,295	637,607

400,000      12,000      388,000      699,036

1,800,000

### 50 Year Summary

Management fees reflected in column (5): 0.75%

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	Term/Side Fund	Indexed UL
After Tax Payments	400,000	400,000
After Tax Cash Flow	699,036	1,800,000
Living Values	0	599,295
Death Benefit	0	637,607

**Indexed Universal Life**  
**vs.**  
**Term Insurance and a Side Fund**

MV Page: 1  
Date: [Current date appears here]

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

For: George Baker

Male	Side Fund	Income	Indexed UL	Initial
Age	Yield	Tax Rate	Interest Rate	Death Benefit
45	7.50%	40.00%	7.50%	500,000

**Matching Values**

**Gross Interest Rate Required on  
a Side Fund  
to Match Indexed Universal Life Policy Values over 50 Years  
After Applying the Term Payment Illustrated**

	<b>Gross Interest Rate Required</b>
<hr/>	
To match Accumulation Value of: \$599,295	13.29%
To match Cash Value of: \$599,295	13.29%

**Income Tax Considerations**

1. Side Fund: Interest is taxed as earned.
2. Indexed Universal Life:
  - a. Death Benefit including 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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# Indexed Universal Life vs. Term Insurance and a Side Fund

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

For: George Baker

## 50th Year Summary Analysis

### Term Insurance and a Side Fund

### Indexed Universal Life

