

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
5.50%
Income
Tax Rate
40.00%
Indexed UL
Interest Rate
5.50%
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	19,928	500,000	519,928	0	19,758	12,758	519,758
2	20,000	600	19,400	0	40,397	500,000	540,397	0	40,693	26,693	540,693
3	20,000	600	19,400	0	61,424	500,000	561,424	0	62,773	47,873	562,773
4	20,000	600	19,400	0	83,022	500,000	583,022	0	86,055	71,155	586,055
5	20,000	600	19,400	0	105,207	500,000	605,207	0	110,598	95,698	610,598
6	20,000	600	19,400	0	127,996	500,000	627,996	0	136,472	122,317	636,472
7	20,000	600	19,400	0	151,405	500,000	651,405	0	163,714	150,453	663,714
8	20,000	600	19,400	0	175,451	500,000	675,451	0	192,394	180,176	692,394
9	20,000	600	19,400	0	200,150	500,000	700,150	0	222,573	211,547	722,573
10	20,000	600	19,400	0	225,521	500,000	725,521	0	254,317	244,632	754,317
11	20,000	600	19,400	0	251,583	500,000	751,583	0	287,701	279,506	787,701
12	20,000	600	19,400	0	278,353	500,000	778,353	0	322,799	316,243	822,799
13	20,000	600	19,400	0	305,851	500,000	805,851	0	359,677	354,909	859,677
14	20,000	600	19,400	0	334,097	500,000	834,097	0	398,418	395,587	898,418
15	20,000	600	19,400	0	363,111	500,000	863,111	0	439,103	439,103	939,103
16	20,000	600	19,400	0	392,914	500,000	892,914	0	481,800	481,800	981,800
17	20,000	600	19,400	0	423,528	500,000	923,528	0	526,598	526,598	1,026,598
18	20,000	600	19,400	0	454,975	500,000	954,975	0	573,581	573,581	1,073,581
19	20,000	600	19,400	0	487,277	500,000	987,277	0	622,826	622,826	1,122,826
20	20,000	600	19,400	0	520,457	500,000	1,020,457	0	674,412	674,412	1,174,412
	400,000	12,000	388,000	0				0			

20 Year Summary

Management fees reflected in column (5): 0.55%

*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	520,457	674,412
Death Benefit	1,020,457	1,174,412

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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	32,000	501,742	0	501,742	32,000	673,490	673,490	1,142,387
22	0	0	0	32,000	482,518	0	482,518	32,000	672,313	672,313	1,110,362
23	0	0	0	32,000	462,771	0	462,771	32,000	670,892	670,892	1,078,337
24	0	0	0	32,000	442,486	0	442,486	32,000	669,254	669,254	1,046,312
25	0	0	0	32,000	421,651	0	421,651	32,000	667,418	667,418	1,014,287
26	0	0	0	32,000	400,248	0	400,248	32,000	665,425	665,425	982,262
27	0	0	0	32,000	378,264	0	378,264	32,000	663,331	663,331	950,237
28	0	0	0	32,000	355,681	0	355,681	32,000	661,207	661,207	918,212
29	0	0	0	32,000	332,484	0	332,484	32,000	659,145	659,145	886,187
30	0	0	0	32,000	308,657	0	308,657	32,000	657,261	657,261	854,162
31	0	0	0	32,000	284,181	0	284,181	32,000	655,710	655,710	822,137
32	0	0	0	32,000	259,040	0	259,040	32,000	654,684	654,684	790,112
33	0	0	0	32,000	233,215	0	233,215	32,000	654,333	654,333	756,192
34	0	0	0	32,000	206,687	0	206,687	32,000	655,034	655,034	720,237
35	0	0	0	32,000	179,438	0	179,438	32,000	657,889	657,889	696,182
36	0	0	0	32,000	151,448	0	151,448	32,000	660,409	660,409	700,849
37	0	0	0	32,000	122,697	0	122,697	32,000	662,515	662,515	705,201
38	0	0	0	32,000	93,164	0	93,164	32,000	664,114	664,114	709,149
39	0	0	0	32,000	62,827	0	62,827	32,000	665,098	665,098	712,589
40	0	0	0	32,000	31,666	0	31,666	32,000	665,344	665,344	715,398
	400,000	12,000	388,000	640,000				640,000			

40 Year Summary

Management fees reflected in column (5): 0.55%

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	Term/Side Fund	Indexed UL
After Tax Payments	400,000	400,000
After Tax Cash Flow	640,000	640,000
Living Values	31,666	665,344
Death Benefit	31,666	715,398

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Side Fund
Yield
5.50%
Income
Tax Rate
40.00%
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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	31,666	0	0	0		32,000	664,709	664,709	717,434
42	0	0	0	0	0	0	0		32,000	663,028	663,028	718,534
43	0	0	0	0	0	0	0		32,000	660,109	660,109	718,507
44	0	0	0	0	0	0	0		32,000	655,736	655,736	717,134
45	0	0	0	0	0	0	0		32,000	649,659	649,659	714,166
46	0	0	0	0	0	0	0		32,000	641,589	641,589	709,310
47	0	0	0	0	0	0	0		32,000	633,600	633,600	690,525
48	0	0	0	0	0	0	0		32,000	626,233	626,233	671,145
49	0	0	0	0	0	0	0		32,000	620,090	620,090	651,632
50	0	0	0	0	0	0	0		32,000	615,900	615,900	632,543

400,000 12,000 388,000 671,666

960,000

50 Year Summary

Management fees reflected in column (5): 0.55%

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	Term/Side Fund	Indexed UL
After Tax Payments	400,000	400,000
After Tax Cash Flow	671,666	960,000
Living Values	0	615,900
Death Benefit	0	632,543

Indexed Universal Life vs. Term Insurance and a Side Fund

MV Page: 1

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

For: George Baker

Date: [Current date appears here]

Male	Side Fund	Income	Indexed UL	Initial
Age	Yield	Tax Rate	Interest Rate	Death Benefit
45	5.50%	40.00%	5.50%	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

	Gross Interest Rate Required
To match Accumulation Value of: \$615,900	9.19%
To match Cash Value of: \$615,900	9.19%

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

