

Protecting Retirement Dollars

For: Ron Grove



Presented By: _____

[Licensed user's name appears here]

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

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 involves the comparison of the life insurance policy to alternative investment possibilities.

To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to these alternatives:

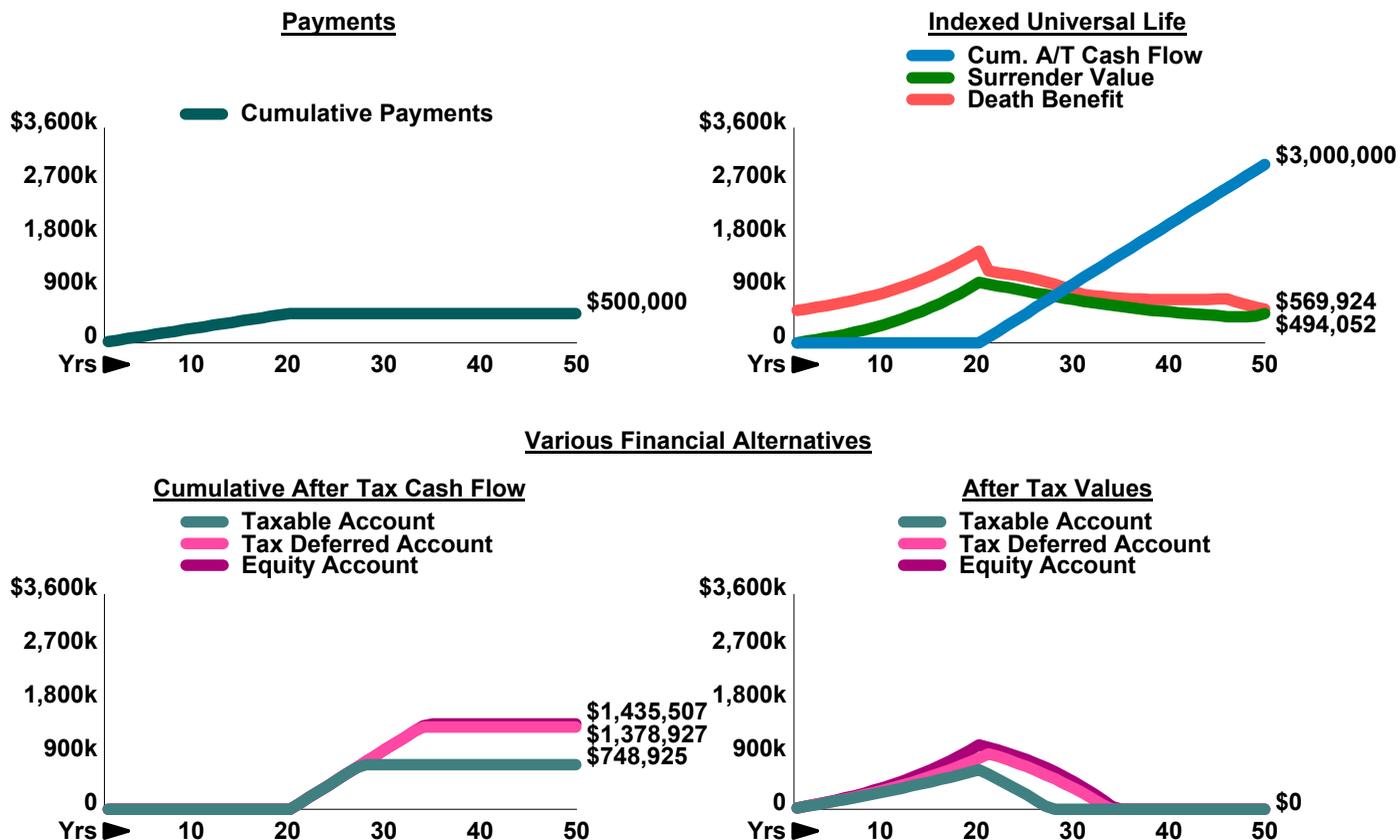
Taxable Account;
Tax Deferred Account;
Equity Account.

The study offers information from which you and your advisers can draw informed conclusions about the suitability of either plan.

Following are major features of the life insurance policy for you to consider as part of your overall assessment:

1. Income tax free death benefits;
2. Probate free death benefits;
3. Accumulating cash values;
4. Income tax deferred growth of cash values;
5. Competitive current interest rate;
6. Tax free access to cash values via policy loans;
7. Privacy of all transactions;
8. Advance of death benefits in certain adverse health circumstances -- as defined in the policy contract.

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.



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.

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Comparison of Values

Taxable Account Yield 7.00%
 Tax Deferred Account Yield 7.00%
 Equity Account Growth 7.00%
 Equity Account Dividend 2.00%
 Dividend Tax Rate 25.00%
 Income Tax Rate 40.00% for 20 Years 20.00% Thereafter
 Indexed UL Interest Rate 7.00%
 Initial Death Benefit 527,035

After Tax Values of Identical Allocation to Various Financial Alternatives

Indexed UL

Yr	Male Age	After Tax Values of Identical Allocation to Various Financial Alternatives						Indexed UL				
		(1) Life Insurance Premium	(2a) After Tax Cash Flow from Taxable Account	(2b) Taxable Account	(3a) After Tax Cash Flow from Tax Deferred Account	(3b) Tax Deferred Account	(4a) After Tax Cash Flow from Equity Account	(4b) Equity Account	(5a) After Tax Policy Loan Proceeds	(5b) Year End Accum Value*	(5c) Year End Surrender Value*	(5d) Death Benefit
1	45	25,000	0	25,649	0	26,050	0	26,718	0	22,374	7,053	549,409
2	46	25,000	0	51,963	0	53,224	0	55,272	0	46,324	31,219	573,359
3	47	25,000	0	78,960	0	81,599	0	85,789	0	71,974	57,095	599,009
4	48	25,000	0	106,658	0	111,261	0	118,403	0	99,455	84,814	626,490
5	49	25,000	0	135,075	0	142,300	0	153,258	0	128,889	114,490	655,924
6	50	25,000	0	164,229	0	174,811	0	190,509	0	160,408	146,257	687,443
7	51	25,000	0	194,139	0	208,898	0	230,321	0	194,158	182,837	721,193
8	52	25,000	0	224,826	0	244,671	0	272,868	0	230,297	221,807	757,332
9	53	25,000	0	256,309	0	282,248	0	318,339	0	269,000	263,340	796,035
10	54	25,000	0	288,609	0	321,755	0	366,935	0	310,453	307,623	837,488
11	55	25,000	0	321,747	0	363,328	0	418,870	0	359,689	359,689	886,724
12	56	25,000	0	355,745	0	407,111	0	474,375	0	412,769	412,769	939,804
13	57	25,000	0	390,625	0	453,258	0	533,695	0	469,978	469,978	997,013
14	58	25,000	0	426,411	0	501,936	0	597,091	0	531,635	531,635	1,058,670
15	59	25,000	0	463,125	0	553,322	0	664,843	0	598,082	598,082	1,125,117
16	60	25,000	0	500,792	0	607,604	0	737,253	0	669,683	669,683	1,196,718
17	61	25,000	0	539,436	0	664,986	0	814,639	0	746,845	746,845	1,273,880
18	62	25,000	0	579,083	0	725,685	0	897,344	0	829,999	829,999	1,357,034
19	63	25,000	0	619,759	0	789,933	0	985,732	0	919,606	919,606	1,446,641
20	64	25,000	0	661,490	0	857,978	0	1,080,194	0	1,016,168	1,016,168	1,543,203
21	65	0	100,000	583,922	100,000	931,715	100,000	1,038,826	100,000	1,094,352	987,590	1,206,461
22	66	0	100,000	503,255	100,000	882,935	100,000	993,691	100,000	1,177,593	958,731	1,182,474
23	67	0	100,000	419,365	100,000	830,741	100,000	944,536	100,000	1,266,217	929,650	1,157,569
24	68	0	100,000	332,123	100,000	774,893	100,000	891,087	100,000	1,360,586	900,429	1,131,729
25	69	0	100,000	241,397	100,000	715,135	100,000	833,049	100,000	1,460,990	871,063	1,104,821
26	70	0	100,000	147,045	100,000	651,194	100,000	770,105	100,000	1,567,791	841,606	1,076,775
27	71	0	100,000	48,925	100,000	582,778	100,000	701,912	100,000	1,681,674	812,418	1,031,036
28	72	0	48,925	0	100,000	509,813	100,000	628,102	100,000	1,803,234	783,753	982,109
29	73	0	0	0	100,000	432,763	100,000	548,277	100,000	1,933,076	755,859	929,836
30	74	0	0	0	100,000	351,397	100,000	462,009	100,000	2,071,850	729,010	874,040
		500,000		748,925		1,000,000		1,000,000		1,000,000		1,000,000

See the accompanying reports for year-by-year details:
 Details of the Equity Account
 Tax Deferred Account

Management fees reflected in columns (2b) & (4b):
 Txbi = 1.50%, EQ = 1.50%

Tax Deferred Account is assessed:
 Income tax each year. Column (3b) values are after tax.

Note: Tax Deferred Account values do not reflect surrender charges or market rate adjustments, if any.

*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.

This is an illustration, not a contract.

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Comparison of Values

Taxable Account Yield 7.00%	Tax Deferred Account Yield 7.00%	Equity Account Growth 7.00%	Equity Account Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 40.00% for 20 Years 20.00% Thereafter	Indexed UL Interest Rate 7.00%	Initial Death Benefit 527,035
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		After Tax Values of Identical Allocation to Various Financial Alternatives						Indexed UL				
Yr	Male Age	(1) Life Insurance Premium	(2a) After Tax Cash Flow from Taxable Account	(2b) Taxable Account	(3a) After Tax Cash Flow from Tax Deferred Account	(3b) Tax Deferred Account	(4a) After Tax Cash Flow from Equity Account	(4b) Equity Account	(5a) After Tax Policy Loan Proceeds	(5b) Year End Accum Value*	(5c) Year End Surrender Value*	(5d) Death Benefit
31	75	0	0	0	100,000	265,475	100,000	368,838	100,000	2,220,033	703,289	814,291
32	76	0	0	0	100,000	174,741	100,000	268,270	100,000	2,377,675	678,332	797,216
33	77	0	0	0	100,000	78,927	100,000	159,769	100,000	2,545,371	654,299	781,567
34	78	0	0	0	78,927	0	100,000	42,763	100,000	2,723,757	631,370	767,557
35	79	0	0	0	0	0	35,507	0	100,000	2,913,470	609,701	755,375
36	80	0	0	0	0	0	0	0	100,000	3,115,153	589,435	745,192
37	81	0	0	0	0	0	0	0	100,000	3,329,381	570,614	737,083
38	82	0	0	0	0	0	0	0	100,000	3,556,744	553,277	731,114
39	83	0	0	0	0	0	0	0	100,000	3,797,883	537,481	727,375
40	84	0	0	0	0	0	0	0	100,000	4,053,255	523,071	725,734
41	85	0	0	0	0	0	0	0	100,000	4,323,075	509,620	725,773
42	86	0	0	0	0	0	0	0	100,000	4,607,920	497,031	727,427
43	87	0	0	0	0	0	0	0	100,000	4,908,138	484,941	730,348
44	88	0	0	0	0	0	0	0	100,000	5,223,961	472,843	734,041
45	89	0	0	0	0	0	0	0	100,000	5,555,592	460,156	737,936
46	90	0	0	0	0	0	0	0	100,000	5,903,136	446,166	741,323
47	91	0	0	0	0	0	0	0	100,000	6,275,363	438,783	689,797
48	92	0	0	0	0	0	0	0	100,000	6,676,423	441,253	641,545
49	93	0	0	0	0	0	0	0	100,000	7,111,526	457,835	600,065
50	94	0	0	0	0	0	0	0	100,000	7,587,190	494,052	569,924
		500,000	748,925		1,378,927		1,435,507		3,000,000			

Note: Tax Deferred Account values do not reflect surrender charges or market rate adjustments, if any.

*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.

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See the accompanying reports for year-by-year details:
 Details of the Equity Account
 Tax Deferred Account

Management fees reflected in columns (2b) & (4b):
 Txbi = 1.50%, EQ = 1.50%

Tax Deferred Account is assessed:
 Income tax each year. Column (3b) values are after tax.

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

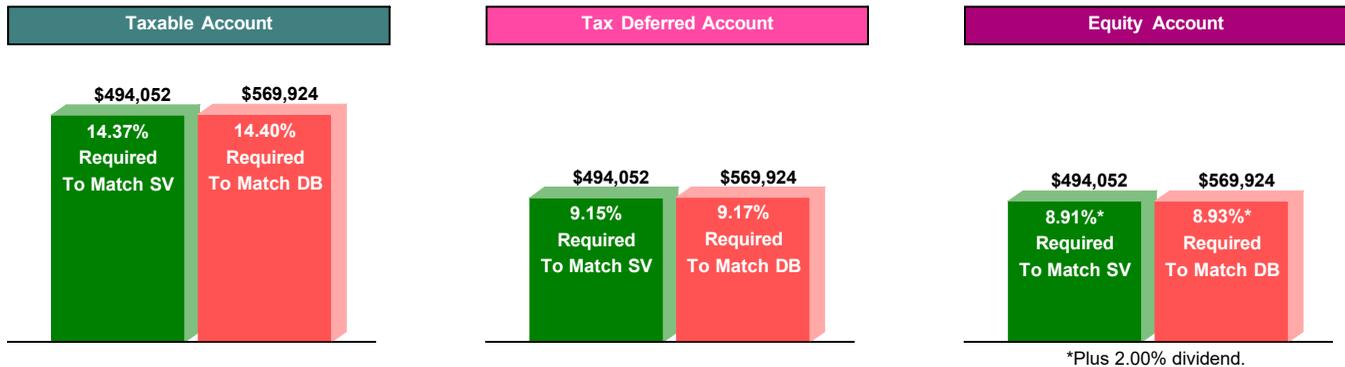
Matching Values

Taxable Account Yield	Tax Deferred Account Yield	Equity Account Growth	Equity Account Dividend	Dividend Tax Rate	Income Tax Rate	Indexed UL Interest Rate	Initial Death Benefit
7.00%	7.00%	7.00%	2.00%	25.00%	40.00% for 20 Years 20.00% Thereafter	7.00%	527,035

Yield/Growth Required by Various Investments in Addition to the Dividend Illustrated for the Equity Account to Match Indexed UL Policy Values over 50 years

Investment	Yield/Growth	Indexed UL
Taxable Account	14.37%	Surrender Value \$494,052 Death Benefit \$569,924
Taxable Account	14.40%	
Tax Deferred Account	9.15%	Surrender Value \$494,052 Death Benefit \$569,924
Tax Deferred Account	9.17%	
Equity Account	8.91%*	Surrender Value \$494,052 Death Benefit \$569,924
Equity Account	8.93%*	

*Plus 2.00% dividend.



Income Tax Considerations

1. Taxable Account: Interest is taxed as earned.
2. Tax Deferred Account: Interest is tax deferred.
(Values assume tax is assessed in year shown only)
3. Equity Account: Capital gains tax calculations are taxed based on a ratio of asset value to remaining cost basis in any given year.
4. 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. Various Financial Alternatives

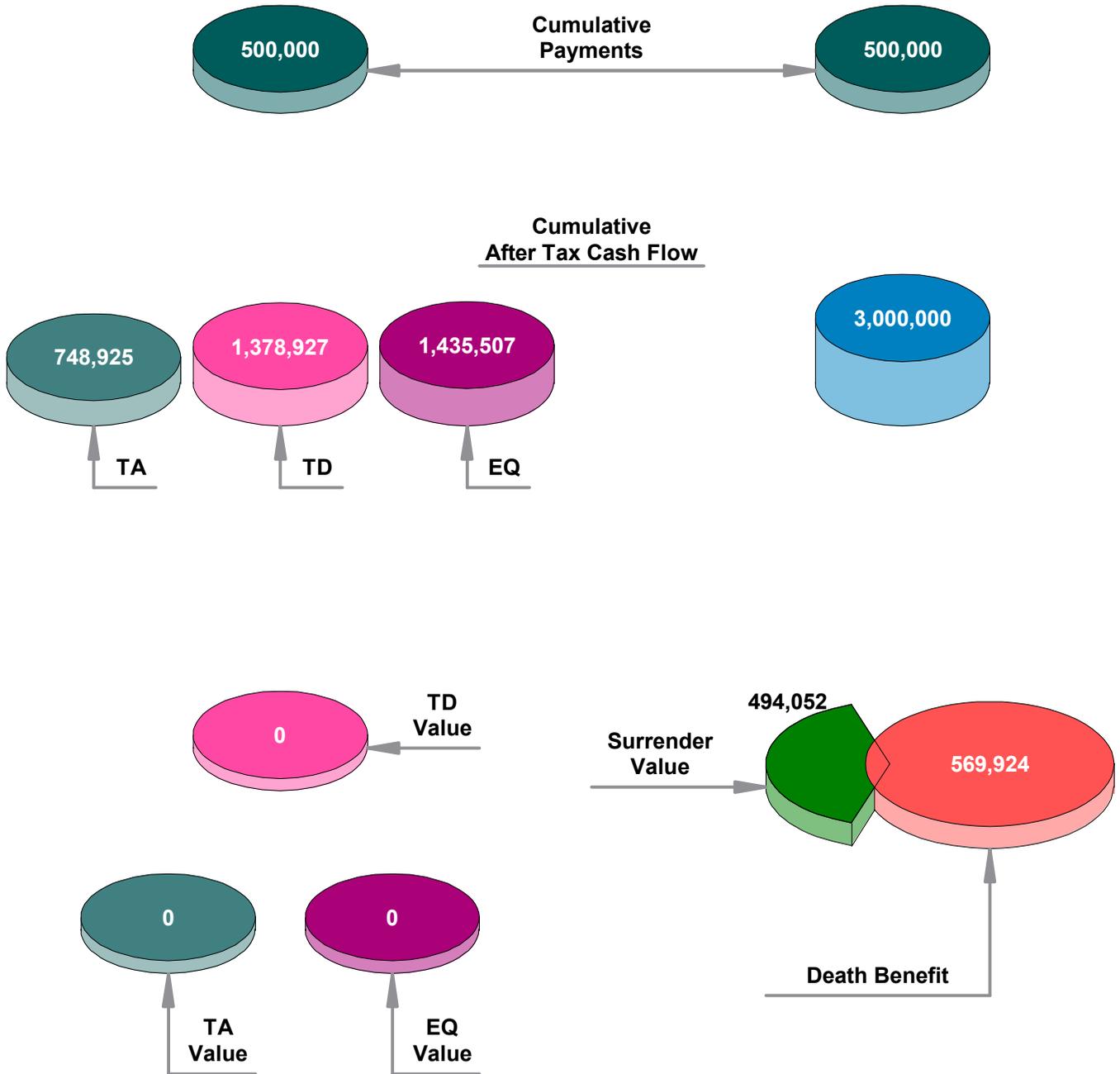
Presented By: [Licensed user's name appears here]

Insured: Ron Grove

A Look at Year 50

Various Financial Alternatives

Indexed Universal Life



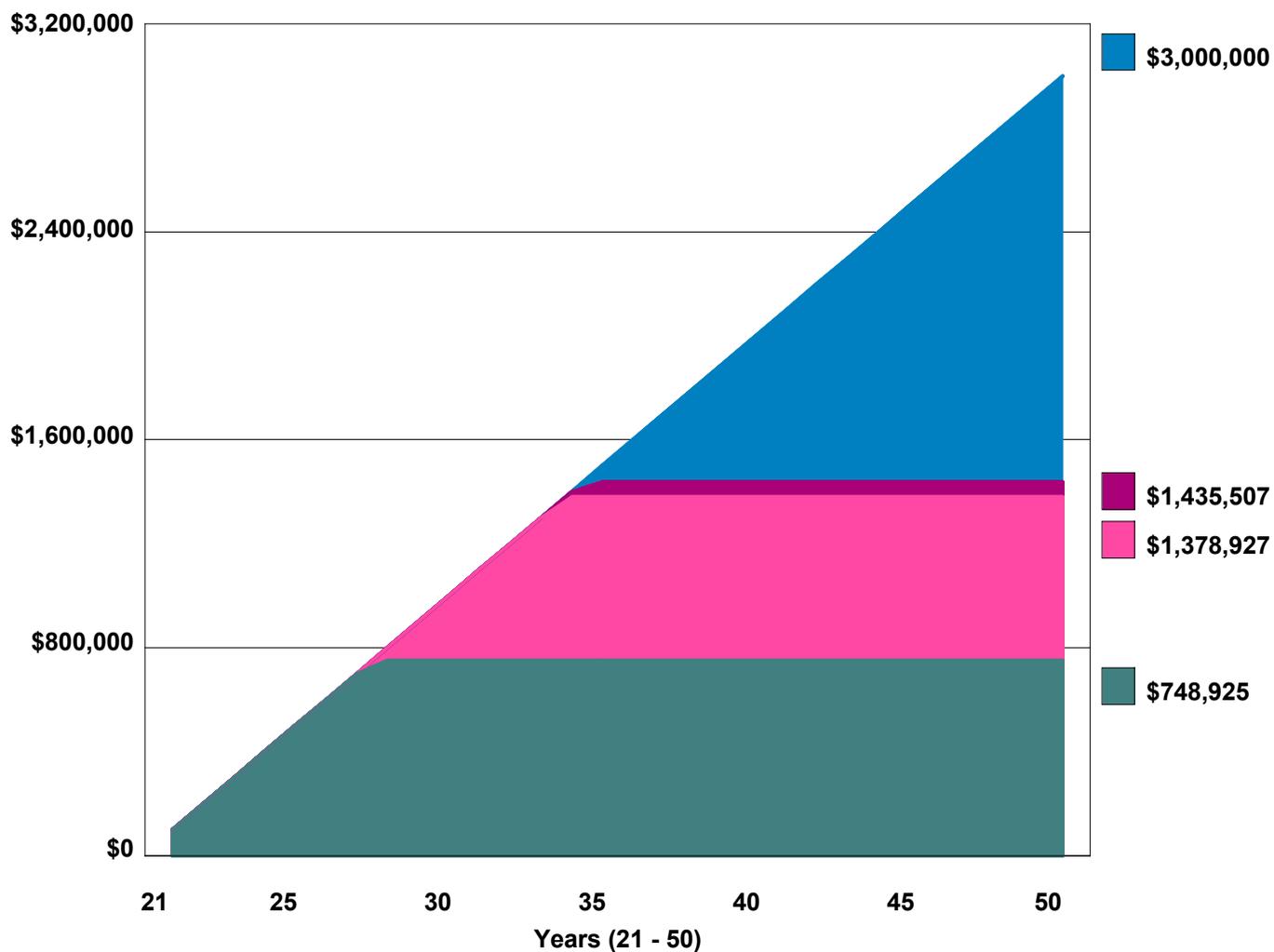
TA - Taxable Account
TD - Tax Deferred Account
EQ - Equity Account

Indexed Universal Life vs. Various Financial Alternatives

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Cash Flow Comparison of Years 21 - 50



At Year 50

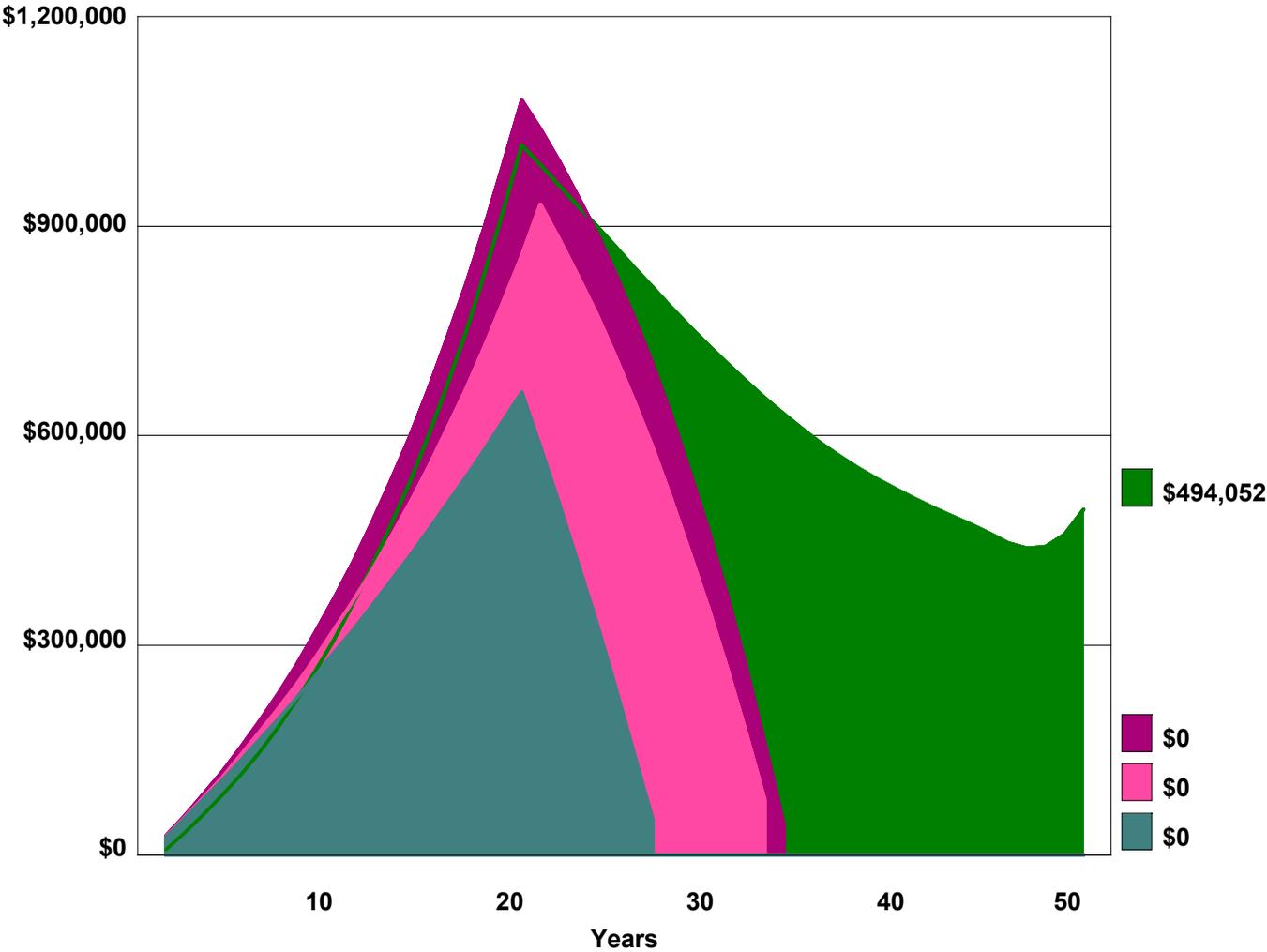
Cumulative After Tax Cash Flow from Taxable Account	\$748,925
Cumulative After Tax Cash Flow from Tax Deferred Account	\$1,378,927
Cumulative After Tax Cash Flow from An Equity Account	\$1,435,507
Cumulative After Tax Policy Loan Proceeds from Indexed UL	\$3,000,000

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

50 Year Comparison of Values



At Year 50

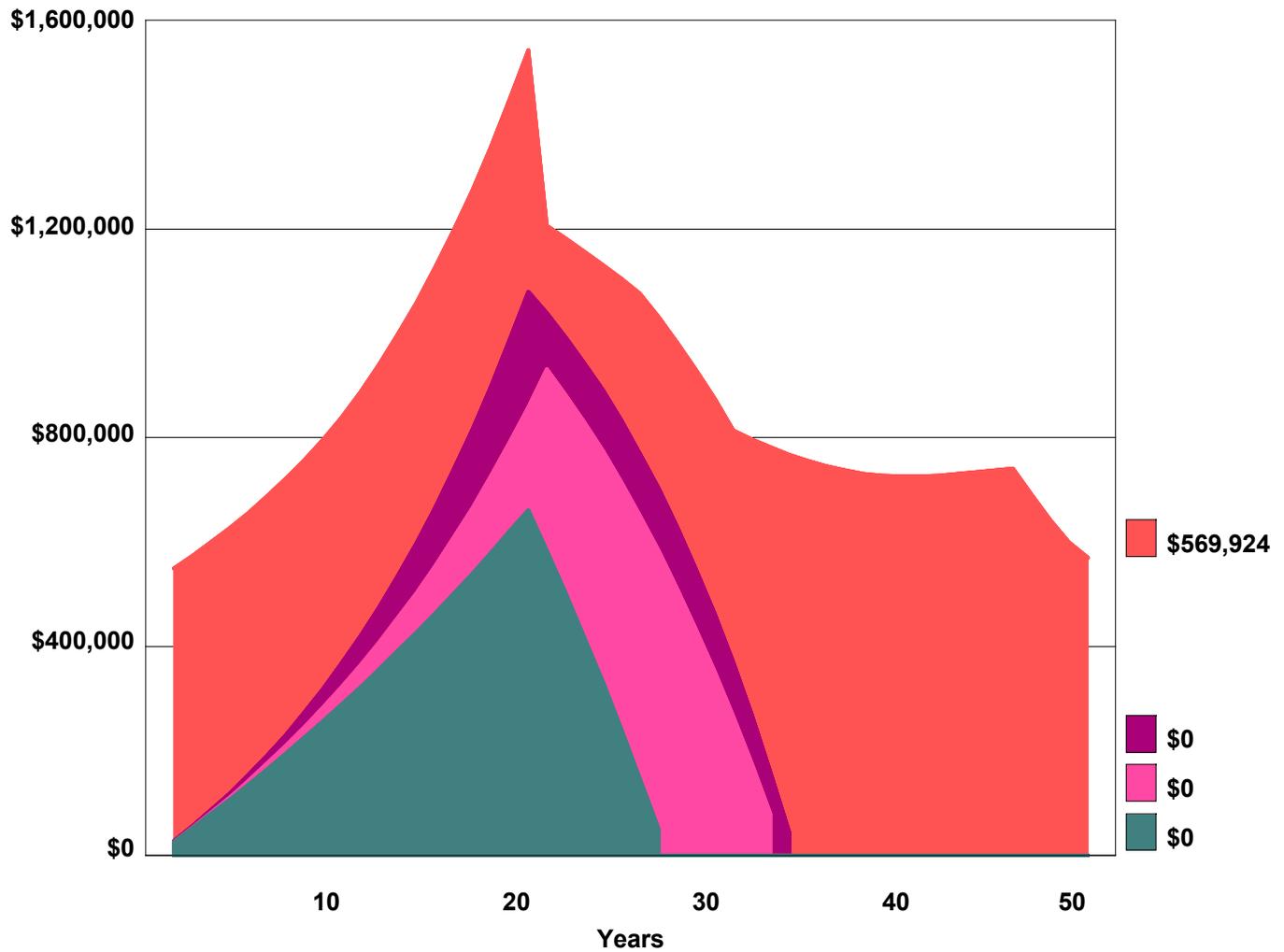
After Tax Values of Taxable Account	\$0
After Tax Values of Tax Deferred Account	\$0
After Tax Values of An Equity Account	\$0
Surrender Value of Indexed UL	\$494,052

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

50 Year Comparison of Death Benefit



At Year 50

Death Benefit of Taxable Account	\$0
Death Benefit of Tax Deferred Account	\$0
Death Benefit of An Equity Account	\$0
Death Benefit of Indexed UL	\$569,924

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Tax Deferred Account Details

Tax Deferred Account Yield 7.00%
 Income Tax Rate 40.00% for 20 Years 20.00% Thereafter
 Initial Payment 25,000

		Tax Deferred Account				
Year	Male Age	(1) Annual Deposit	(2) After Tax Cash Flow	(3) Gross Yield 7.00%	(4) Tax Deferred Ending Balance	(5) After Tax Values
1	45	25,000	0	1,750	26,750	26,050
2	46	25,000	0	3,623	55,373	53,224
3	47	25,000	0	5,626	85,999	81,599
4	48	25,000	0	7,770	118,769	111,261
5	49	25,000	0	10,064	153,833	142,300
6	50	25,000	0	12,518	191,351	174,811
7	51	25,000	0	15,145	231,496	208,898
8	52	25,000	0	17,955	274,451	244,671
9	53	25,000	0	20,962	320,413	282,248
10	54	25,000	0	24,179	369,592	321,755
11	55	25,000	0	27,621	422,213	363,328
12	56	25,000	0	31,305	478,518	407,111
13	57	25,000	0	35,246	538,764	453,258
14	58	25,000	0	39,463	603,227	501,936
15	59	25,000	0	43,976	672,203	553,322
16	60	25,000	0	48,804	746,007	607,604
17	61	25,000	0	53,970	824,977	664,986
18	62	25,000	0	59,498	909,475	725,685
19	63	25,000	0	65,413	999,888	789,933
20	64	25,000	0	71,742	1,096,630	857,978
21	65	0	100,000	68,014	1,039,644	931,715
22	66	0	100,000	64,025	978,669	882,935
23	67	0	100,000	59,757	913,426	830,741
24	68	0	100,000	55,190	843,616	774,893
25	69	0	100,000	50,303	768,919	715,135
26	70	0	100,000	45,074	688,993	651,194
27	71	0	100,000	39,480	603,473	582,778
28	72	0	100,000	33,794	516,572	509,813
29	73	0	100,000	28,687	438,500	432,763
30	74	0	100,000	23,293	356,056	351,397
		500,000	1,000,000			

Tax Deferred Account values are not guaranteed and may be higher or lower than illustrated.

30 Year Summary

	Tax Deferred Account
After Tax Payments	500,000
After Tax Cash Flow	1,000,000
Living Values	356,056
Death Benefit	351,397

Note: Tax Deferred Account values do not reflect surrender charges or market rate adjustments, if any.

Tax Deferred Account is assessed:
 Income tax each year. Column (5) values are after tax.

Withdrawals are taxable until gain is exhausted. Due to this, any withdrawals reflected in Column (2) have been grossed up so the after tax net is equal to the amount shown.

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Tax Deferred Account Details

Tax Deferred Account Yield 7.00%
 Income Tax Rate 40.00% for 20 Years 20.00% Thereafter
 Initial Payment 25,000

		Tax Deferred Account				
Year	Male Age	(1) Annual Deposit	(2) After Tax Cash Flow	(3) Gross Yield 7.00%	(4) Tax Deferred Ending Balance	(5) After Tax Values
31	75	0	100,000	17,598	268,995	265,475
32	76	0	100,000	11,583	177,058	174,741
33	77	0	100,000	5,232	79,973	78,927
34	78	0	78,927	0	0	0
35	79	0	0	0	0	0
36	80	0	0	0	0	0
37	81	0	0	0	0	0
38	82	0	0	0	0	0
39	83	0	0	0	0	0
40	84	0	0	0	0	0
41	85	0	0	0	0	0
42	86	0	0	0	0	0
43	87	0	0	0	0	0
44	88	0	0	0	0	0
45	89	0	0	0	0	0
46	90	0	0	0	0	0
47	91	0	0	0	0	0
48	92	0	0	0	0	0
49	93	0	0	0	0	0
50	94	0	0	0	0	0
		500,000	1,378,927			

Tax Deferred Account values are not guaranteed and may be higher or lower than illustrated.

50 Year Summary

	Tax Deferred Account
After Tax Payments	500,000
After Tax Cash Flow	1,378,927
Living Values	0
Death Benefit	0

Note: Tax Deferred Account values do not reflect surrender charges or market rate adjustments, if any.

Tax Deferred Account is assessed:
 Income tax each year. Column (5) values are after tax.

Withdrawals are taxable until gain is exhausted. Due to this, any withdrawals reflected in Column (2) have been grossed up so the after tax net is equal to the amount shown.

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Tax Deferred Account

Tax Deferred Account Yield 7.00%
 Income Tax Rate 40.00% for 20 Years, 20.00% Thereafter
 Initial Payment 25,000

Tax Deferred Account											
Year	Male Age	(1) Beginning of Year Value of Account	(2) Annual Deposit to the Account	(3) Beginning of Year Cost Basis	(4) Beginning of Year Before Tax Withdrawal	(5) Gain in Contract Withdrawn	(6) Taxable Portion of Withdrawal Column (5)	(7) After Tax Value of Column (6)	(8) Tax Free Portion of Withdrawal (4) - (5)	(9) Ending Balance	(10) After Tax Cash Flow (7) + (8)
1	45	0	25,000	25,000	0	0	0	0	0	26,750	0
2	46	26,750	25,000	50,000	0	0	0	0	0	55,373	0
3	47	55,373	25,000	75,000	0	0	0	0	0	85,999	0
4	48	85,999	25,000	100,000	0	0	0	0	0	118,769	0
5	49	118,769	25,000	125,000	0	0	0	0	0	153,833	0
6	50	153,833	25,000	150,000	0	0	0	0	0	191,351	0
7	51	191,351	25,000	175,000	0	0	0	0	0	231,496	0
8	52	231,496	25,000	200,000	0	0	0	0	0	274,451	0
9	53	274,451	25,000	225,000	0	0	0	0	0	320,413	0
10	54	320,413	25,000	250,000	0	0	0	0	0	369,592	0
11	55	369,592	25,000	275,000	0	0	0	0	0	422,213	0
12	56	422,213	25,000	300,000	0	0	0	0	0	478,518	0
13	57	478,518	25,000	325,000	0	0	0	0	0	538,764	0
14	58	538,764	25,000	350,000	0	0	0	0	0	603,227	0
15	59	603,227	25,000	375,000	0	0	0	0	0	672,203	0
16	60	672,203	25,000	400,000	0	0	0	0	0	746,007	0
17	61	746,007	25,000	425,000	0	0	0	0	0	824,977	0
18	62	824,977	25,000	450,000	0	0	0	0	0	909,475	0
19	63	909,475	25,000	475,000	0	0	0	0	0	999,888	0
20	64	999,888	25,000	500,000	0	0	0	0	0	1,096,630	0
21	65	1,096,630	0	500,000	125,000	125,000	125,000	100,000	0	1,039,644	100,000
22	66	1,039,644	0	500,000	125,000	125,000	125,000	100,000	0	978,669	100,000
23	67	978,669	0	500,000	125,000	125,000	125,000	100,000	0	913,426	100,000
24	68	913,426	0	500,000	125,000	125,000	125,000	100,000	0	843,616	100,000
25	69	843,616	0	500,000	125,000	125,000	125,000	100,000	0	768,919	100,000
26	70	768,919	0	500,000	125,000	125,000	125,000	100,000	0	688,993	100,000
27	71	688,993	0	500,000	125,000	125,000	125,000	100,000	0	603,473	100,000
28	72	603,473	0	500,000	120,695	103,473	103,473	82,778	17,222	516,572	100,000
29	73	516,572	0	482,778	106,759	33,794	33,794	27,035	72,965	438,500	100,000
30	74	438,500	0	409,813	105,737	28,687	28,687	22,949	77,051	356,056	100,000
			500,000		1,208,191		1,040,954	832,762	167,238		1,000,000

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Tax Deferred Account

Tax Deferred Account Yield 7.00%
 Income Tax Rate 40.00% for 20 Years, 20.00% Thereafter
 Initial Payment 25,000

		Tax Deferred Account									
Year	Male Age	(1) Beginning of Year Value of Account	(2) Annual Deposit to the Account	(3) Beginning of Year Cost Basis	(4) Beginning of Year Before Tax Withdrawal	(5) Gain in Contract Withdrawn	(6) Taxable Portion of Withdrawal Column (5)	(7) After Tax Value of Column (6)	(8) Tax Free Portion of Withdrawal (4) - (5)	(9) Ending Balance	(10) After Tax Cash Flow (7) + (8)
31	75	356,056	0	332,763	104,659	23,293	23,293	18,635	81,365	268,995	100,000
32	76	268,995	0	251,397	103,520	17,598	17,598	14,078	85,922	177,058	100,000
33	77	177,058	0	165,475	102,317	11,583	11,583	9,266	90,734	79,973	100,000
34	78	79,973	0	74,741	79,973	5,232	5,232	4,185	74,741	0	78,927
35	79	0	0	0	0	0	0	0	0	0	0
36	80	0	0	0	0	0	0	0	0	0	0
37	81	0	0	0	0	0	0	0	0	0	0
38	82	0	0	0	0	0	0	0	0	0	0
39	83	0	0	0	0	0	0	0	0	0	0
40	84	0	0	0	0	0	0	0	0	0	0
41	85	0	0	0	0	0	0	0	0	0	0
42	86	0	0	0	0	0	0	0	0	0	0
43	87	0	0	0	0	0	0	0	0	0	0
44	88	0	0	0	0	0	0	0	0	0	0
45	89	0	0	0	0	0	0	0	0	0	0
46	90	0	0	0	0	0	0	0	0	0	0
47	91	0	0	0	0	0	0	0	0	0	0
48	92	0	0	0	0	0	0	0	0	0	0
49	93	0	0	0	0	0	0	0	0	0	0
50	94	0	0	0	0	0	0	0	0	0	0
			500,000		1,598,660		1,098,660	878,926	500,000		1,378,927

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Equity Account Details

		Equity Account Growth 7.00%	Equity Account Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 40.00% in yrs 1-20 20.00% thereafter	Composite Capital Gains Tax Rate* 29.50% in yrs 1-20 23.50% thereafter				
Year	Male Age	(1) Beginning of Year Account Value	(2) + Annual Deposit	(3) - Sale of Equities	(4) + Capital Growth	(5) + After Tax Reinvested Dividends	(6)** = Net Year End Value of Account	(7) + After Tax Dividend Cash Flow	(8) + After Tax Cash Flow from Equity Sales	(9) = Combined After Tax Cash Flow
1	45	0	25,000	0	1,750	375	26,718	0	0	0
2	46	26,718	25,000	0	3,620	776	55,272	0	0	0
3	47	55,272	25,000	0	5,619	1,204	85,789	0	0	0
4	48	85,789	25,000	0	7,755	1,662	118,403	0	0	0
5	49	118,403	25,000	0	10,038	2,151	153,258	0	0	0
6	50	153,258	25,000	0	12,478	2,674	190,509	0	0	0
7	51	190,509	25,000	0	15,086	3,233	230,321	0	0	0
8	52	230,321	25,000	0	17,872	3,830	272,868	0	0	0
9	53	272,868	25,000	0	20,851	4,468	318,339	0	0	0
10	54	318,339	25,000	0	24,034	5,150	366,935	0	0	0
11	55	366,935	25,000	0	27,435	5,879	418,870	0	0	0
12	56	418,870	25,000	0	31,071	6,658	474,375	0	0	0
13	57	474,375	25,000	0	34,956	7,491	533,695	0	0	0
14	58	533,695	25,000	0	39,109	8,380	597,091	0	0	0
15	59	597,091	25,000	0	43,546	9,331	664,843	0	0	0
16	60	664,843	25,000	0	48,289	10,348	737,253	0	0	0
17	61	737,253	25,000	0	53,358	11,434	814,639	0	0	0
18	62	814,639	25,000	0	58,775	12,595	897,344	0	0	0
19	63	897,344	25,000	0	64,564	13,835	985,732	0	0	0
20	64	985,732	25,000	0	70,751	15,161	1,080,194	0	0	0
21	65	1,080,194	0	94,544	68,996	0	1,038,826	14,785	85,215	100,000
22	66	1,038,826	0	96,001	65,998	0	993,691	14,142	85,858	100,000
23	67	993,691	0	97,504	62,733	0	944,536	13,443	86,557	100,000
24	68	944,536	0	99,062	59,183	0	891,087	12,682	87,318	100,000
25	69	891,087	0	100,680	55,328	0	833,049	11,856	88,144	100,000
26	70	833,049	0	102,365	51,148	0	770,105	10,960	89,040	100,000
27	71	770,105	0	104,123	46,619	0	701,912	9,990	90,010	100,000
28	72	701,912	0	105,962	41,717	0	628,102	8,939	91,061	100,000
29	73	628,102	0	107,891	36,415	0	548,277	7,803	92,197	100,000
30	74	548,277	0	109,917	30,685	0	462,009	6,575	93,425	100,000
			500,000	1,018,049	1,109,779	126,635		111,175	888,825	1,000,000

*The composite capital gains tax rate includes 30.00% short-term gains subject to ordinary income tax and 70.00% 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: 40.00% in yrs 1-20; 20.00% thereafter

**Column (6) is reduced by a 1.50% management fee.

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

Indexed Universal Life vs. Various Financial Alternatives

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

Insured: Ron Grove

Equity Account Details

		Equity Account Growth 7.00%	Equity Account Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 40.00% in yrs 1-20 20.00% thereafter	Composite Capital Gains Tax Rate* 29.50% in yrs 1-20 23.50% thereafter				
Year	Male Age	(1) Beginning of Year Account Value	(2) Annual Deposit	(3) Sale of Equities	(4) Capital Growth	(5) After Tax Reinvested Dividends	(6)** Net Year End Value of Account	(7) After Tax Dividend Cash Flow	(8) After Tax Cash Flow from Equity Sales	(9) Combined After Tax Cash Flow
31	75	462,009	0	112,051	24,497	0	368,838	5,249	94,751	100,000
32	76	368,838	0	114,301	17,818	0	268,270	3,818	96,182	100,000
33	77	268,270	0	116,679	10,611	0	159,769	2,274	97,726	100,000
34	78	159,769	0	119,195	2,840	0	42,763	609	99,391	100,000
35	79	42,763	0	42,763	0	0	0	0	35,507	35,507
36	80	0	0	0	0	0	0	0	0	0
37	81	0	0	0	0	0	0	0	0	0
38	82	0	0	0	0	0	0	0	0	0
39	83	0	0	0	0	0	0	0	0	0
40	84	0	0	0	0	0	0	0	0	0
41	85	0	0	0	0	0	0	0	0	0
42	86	0	0	0	0	0	0	0	0	0
43	87	0	0	0	0	0	0	0	0	0
44	88	0	0	0	0	0	0	0	0	0
45	89	0	0	0	0	0	0	0	0	0
46	90	0	0	0	0	0	0	0	0	0
47	91	0	0	0	0	0	0	0	0	0
48	92	0	0	0	0	0	0	0	0	0
49	93	0	0	0	0	0	0	0	0	0
50	94	0	0	0	0	0	0	0	0	0
			500,000	1,523,038	1,165,545	126,635		123,125	1,312,382	1,435,507

*The composite capital gains tax rate includes 30.00% short-term gains subject to ordinary income tax and 70.00% 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: 40.00% in yrs 1-20; 20.00% thereafter

**Column (6) is reduced by a 1.50% management fee.

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

Tax Calculations

The tax deferred investment illustrated in the accompanying material reflects after tax values. Since withdrawals are taxable until any gain is exhausted, account values are illustrated on an after tax basis.

With equity accounts, dividends are taxed and the after tax balance is either reinvested or used for scheduled cash flow. Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

A cash value life insurance policy (that is not designed as a modified endowment contract*) is taxed on a first-in-first-out basis which means that withdrawals (also known as partial surrenders) have different taxation. Withdrawals up to cost basis are income-tax free; subsequent withdrawals are taxable. However, contractual loan provision in the policy allow you to access additional cash flow from the policy cash value which is income-tax free so long as the policy stays in force. This feature avoids the problem of taxable withdrawals in excess of cost basis. Interest on such loans can be added to the outstanding loan, and with most life insurance policies, the loan balance is credited with interest earnings at (or near) the level of the loan interest charged resulting in a wash (or near wash) of the loan interest. If the policy is kept in force until death, the policy death benefit, including any internal deferred gain, is income-tax free.

Policy loans reduce policy cash values and death benefits, and the lapse of a loaned policy could result in severe tax ramifications to the policy owner. Be sure to consult a professional tax adviser if you have any questions about this.

*With a life insurance policy that is characterized as a modified endowment contract ("MEC"), both withdrawals and loans are taxed on a gain first basis. In almost all circumstances, it is advisable to avoid purchasing a MEC, and the basic illustration that is provided to you from the issuing life insurance company should indicate if it is a MEC.

Legal and tax information is for general use only and may not be applicable to specific circumstances. Clients should consult their own legal, tax and accounting advisors to assist in the evaluation of any potential transaction or strategy.