

Exceptional Split Dollar

For: Coach Lee Sorensen



Presented By: _____

[Licensed User's Name Appears Here]

Preface

Major University

This executive fringe benefit involves a series of employer-sponsored loans to a valued executive for the purpose of purchasing a cash value life insurance policy.

Promissory Notes: The loans that are associated with this form of split dollar are evidenced by a series of promissory notes between the employer and the executive, and the life insurance policy is assigned as security for the loans. The loans are typically term loans, i.e., they are due at the end of specific period of years; however, the promissory note calls for the acceleration of repayment should the executive die prior to the date of scheduled loan repayments.

Loan Interest: The interest rate for each loan must bear interest equal to or greater than the Applicable Federal Rate (AFR) established under IRC Sections 7872(f)(2)(A) and 1274(d) at the inception of the loan. As an additional benefit, the employer may choose to offset the executive's loan interest payments by way of a second bonus¹. Alternatively, loan interest may be accrued.

If no interest or an inadequate rate of interest is charged on a loan, the IRS recharacterizes the loan into an "arms-length" transaction and imputes an interest rate that is deemed to have been received by the lender and paid by the borrower.

The AFR is determined by the length of the loan transaction, i.e., either the demand loan (blended annual rate), the short-term rate (3 years or less), the mid-term rate (over 3 years but not over 9 years), or the long-term rate (over 9 years).

So long as the loan interest rate paid is equal to or exceeds the Applicable Federal Rate, no interest is imputed by the IRS on the transaction.

The loan interest rate for each new loan will likely be different, and each such loan must bear interest equal to or greater than the selected AFR in effect during the month the new loan is executed. Each new loan should be evidenced by its own promissory note.

There are four ways to deal with unknown future loan interest rates:

1. If a bonus¹ is paid to the executive to offset the loan interest, accept the risk: Changing interest rates may increase or decrease the amount of the bonus; however, the loan interest paid to the employer by the executive should provide a significant offset.
2. If the loan interest rate increases, the executive can be allowed to accrue the additional interest. Alternatively, the executive could also withdraw funds from his or her share of the policy values to make up the difference in the loan interest due.
3. Renegotiate the loans: Wait until a time when AFR dips and recast the series of promissory notes into a new note at the reduced rate.
4. Consolidate all loans to the executive at the inception of the plan. Although the loan involves a one-time transfer of funds from the employer to the executive, the life insurance policy in the accompanying material bears multiple scheduled premiums due to the more favorable taxation of policies not funded with a single premium. The funds in excess of the dollars needed to pay the policy's initial premium are reserved by the executive in a Premium Reserve Account (PRA) and used to pay the stream of multiple premiums required for the most favorable taxation of policy values. The employer may want to require some form of custodianship for the reserved funds to be certain they are used for the intended purpose.

AFRs in effect for June 2018

- Long-term loans (over 9 years): 3.05%
- Mid-term loans (over 3 years; not over 9): 2.86%
- Short-term loans (3 years or less): 2.34%
- Demand loan (blended annual rate): 1.09%

¹If a bonus is used to assist with loan interest payments (or repayment of the employer's loans), care must be taken so as not to have the employer directly or indirectly make the loan interest payments (or loan repayments) on behalf of the executive. The purpose of this is to comply with the prohibition against the employer making such payments as provided in the split dollar final regulations issued in 2003 (TD 9092, 9/11/03 and Rev. Rul. 2003-105).

Preface (continued)

Repayment of Loans from the Employer

In the event of the executive's death, the employer's loans are repaid from the life insurance policy's death benefit; otherwise, loan repayment is handled in one of the following ways. A check mark indicates the method illustrated in the accompanying material.

- 1. The executive uses personal funds to repay the loans from the employer.
- 2. The executive borrows against the policy or surrenders a portion of policy values to repay the loans from the employer.
- 3. The employer bonuses an amount to the executive to offset the repayment of the loans.
- 4. The employer grosses up bonuses to the executive to offset both the repayment of the loans and the tax on the bonus.

Living Benefits for the Executive

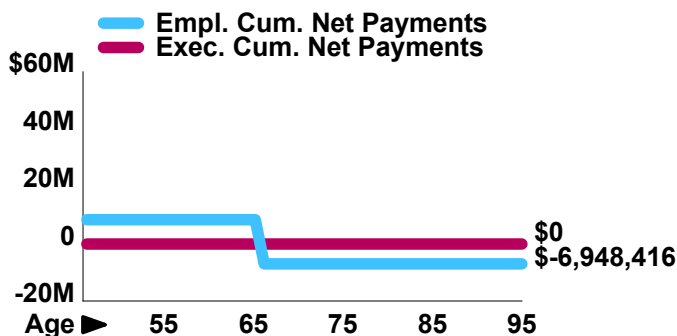
The executive may, if the parties agree, have direct access to policy cash values in excess of the amount required to collateralize the loans from the employer.

If the loans have been repaid, the executive has free access to the cash values. The cash values can be accessed via: 1) policy loans or 2) policy withdrawals or 3) a combination of loans and withdrawals.

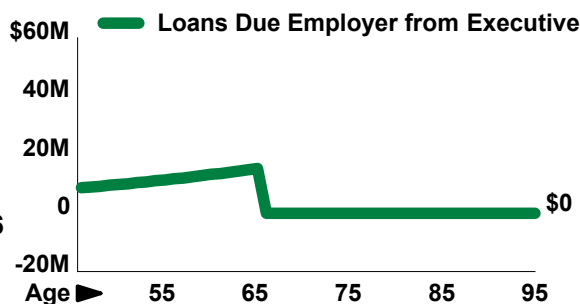
Death Benefits for Beneficiaries

Income tax free death benefits from the executive's share of the life insurance policy's death benefit can produce income streams for the executive's family or liquidity to help offset wealth transfer taxes.

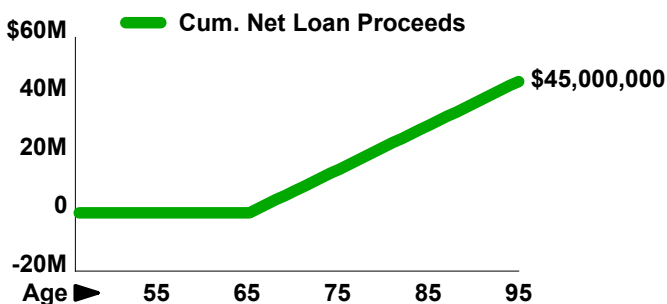
Plan Payments



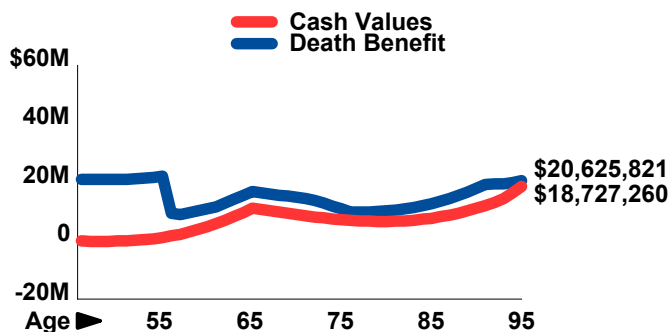
Employer's Loan Receivable



Executive's Cash Flow



Executive's Values



Preface (continued)

Important Notes

A dramatic rise in loan interest rates at the maturity of a demand, short-term or mid-term loan may result in less-than-acceptable loan interest rates when the loan is renewed. When you are dealing with a financial arrangement of many years, long-term loans produce more stable interest rates that can be renegotiated downward should rates decline, but are capped at rates that are known as each loan is made. Due to this you may want to establish your arrangement using long-term loans.

IRC Section 409A should not apply to this form of split dollar unless the employer is bound by the agreement between the parties to forgive the loan, waive payments, etc.

Policy loans reduce cash values and death benefits, and the lapse of a policy with loans could result in negative tax consequences. Be sure to consult with your own legal and tax advisers if you have any questions about this issue.

You should also consult with these advisers before entering into this or any other arrangement involving tax, legal, and economic considerations.

Care must be exercised if a hospital and a doctor employed by that hospital use this form of split dollar due to the Medicare-Medicaid Anti-Kickback Rule and the Stark II Rules. A plan should be able to be designed that complies with these rules; however, if this applies to you, be certain to consult with your legal and tax advisers on these issues.

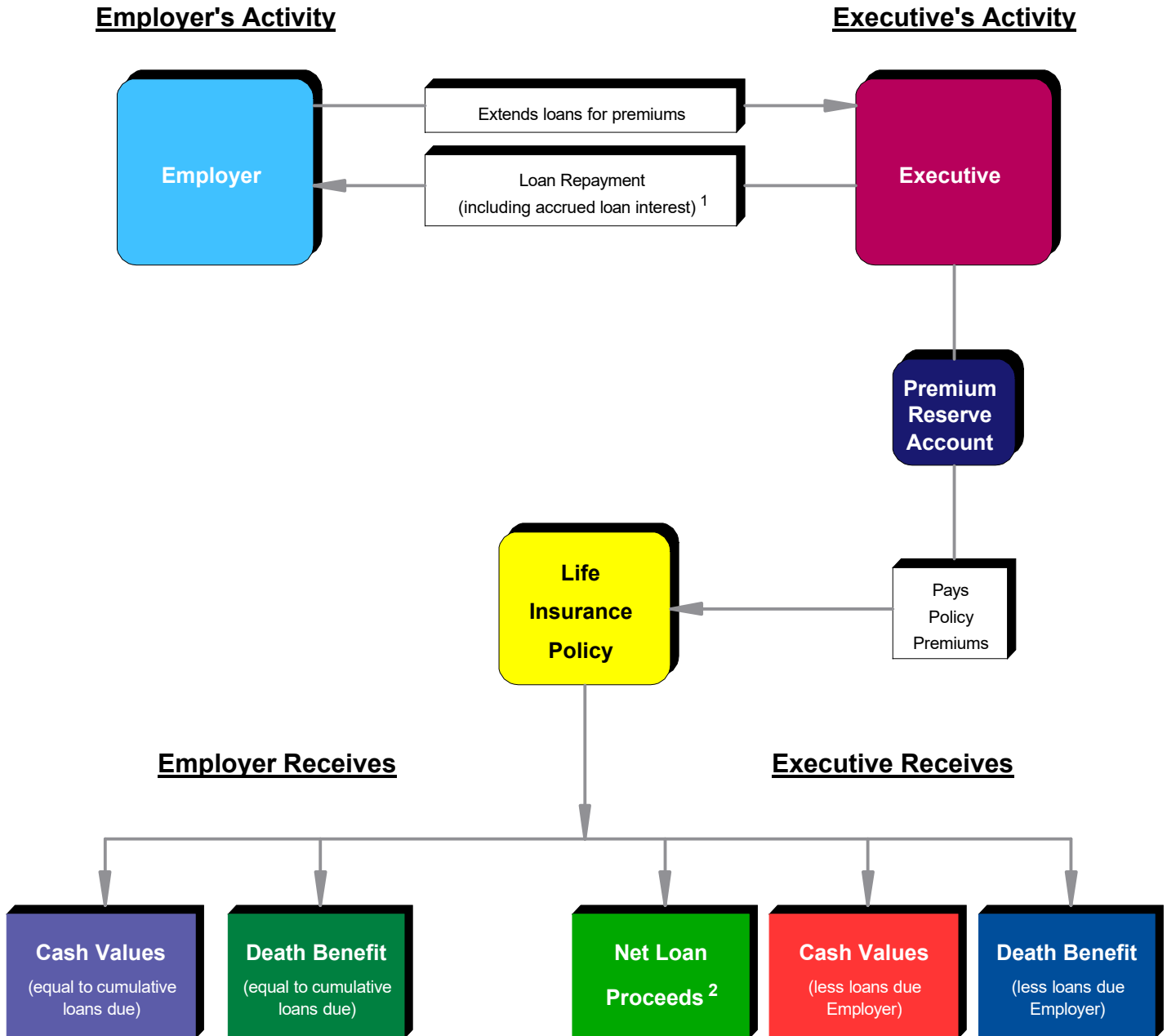
Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Flow Chart



¹ If the loan interest rate on each loan is equal to or greater than the Applicable Federal Rate established under IRC Sections 7872(f)(2)(A) and 1274(d), then no additional loan interest will be imputed to the Executive.

² For loan interest due the employer, loan repayment, and retirement income for the executive.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Illustration of Policy Values Funding the Plan

Indexed UL Interest Rate 7.00%
 Initial Premium 1,000,000
 Initial Policy Death Benefit 21,081,365

Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
1	45	1,000,000	0	879,785	879,785	21,961,150
2	46	1,000,000	0	1,823,392	1,823,392	22,904,757
3	47	1,000,000	0	2,833,976	2,833,976	23,915,341
4	48	1,000,000	0	3,920,068	3,920,068	25,001,433
5	49	1,000,000	0	5,089,747	5,089,747	26,171,112
6	50	1,000,000	0	6,351,114	6,351,114	27,432,479
7	51	1,000,000	0	7,712,155	7,712,155	28,793,520
8	52	1,000,000	0	9,180,855	9,180,855	30,262,220
9	53	1,000,000	0	10,765,182	10,765,182	31,846,547
10	54	1,000,000	0	12,517,425	12,517,425	33,598,790
11	55	0	0	13,408,483	13,408,483	21,081,365
12	56	0	0	14,372,871	14,372,871	21,081,365
13	57	0	0	15,507,555	15,507,555	22,020,728
14	58	0	0	16,735,844	16,735,844	23,095,465
15	59	0	0	18,063,454	18,063,454	24,205,029
16	60	0	0	19,497,833	19,497,833	25,347,183
17	61	0	0	21,046,871	21,046,871	26,939,995
18	62	0	0	22,720,287	22,720,287	28,627,562
19	63	0	0	24,528,486	24,528,486	30,415,323
20	64	0	0	26,482,036	26,482,036	32,308,084
21	65	0	16,883,748	28,386,709	10,658,773	16,336,115
22	66	0	1,500,000	30,412,733	10,223,401	16,001,820
23	67	0	1,500,000	32,567,774	9,793,975	15,656,175
24	68	0	1,500,000	34,859,895	9,372,406	15,298,588
25	69	0	1,500,000	37,297,765	8,960,902	14,928,544
26	70	0	1,500,000	39,890,612	8,561,906	14,545,497
27	71	0	1,500,000	42,654,141	8,184,000	13,729,038
28	72	0	1,500,000	45,601,516	7,832,868	12,849,034
29	73	0	1,500,000	48,747,443	7,515,362	11,902,631
30	74	0	1,500,000	52,108,402	7,239,717	10,887,305
		10,000,000	30,383,748			

30 Year Summary

Cum. Payments	10,000,000
Cum. Net Policy Loan Proceeds	30,383,748
Cash Value	7,239,717
Death Benefit	10,887,305

*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.

Loan-Based Split Dollar Funded With Indexed Universal Life

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Major University

Illustration of Policy Values Funding the Plan

Indexed UL Interest Rate 7.00% Initial Premium 1,000,000 Initial Policy Death Benefit 21,081,365

Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
31	75	0	1,500,000	55,703,065	7,015,945	9,801,099
32	76	0	1,500,000	59,533,217	6,836,741	9,813,402
33	77	0	1,500,000	63,614,115	6,707,816	9,888,522
34	78	0	1,500,000	67,961,803	6,635,189	10,033,279
35	79	0	1,500,000	72,593,337	6,625,392	10,255,059
36	80	0	1,500,000	77,526,381	6,685,039	10,561,358
37	81	0	1,500,000	82,777,942	6,819,532	10,958,430
38	82	0	1,500,000	88,366,955	7,035,626	11,453,973
39	83	0	1,500,000	94,312,854	7,339,958	12,055,601
40	84	0	1,500,000	100,634,614	7,738,073	12,769,803
41	85	0	1,500,000	107,344,408	8,228,040	13,595,260
42	86	0	1,500,000	114,460,205	8,813,018	14,536,029
43	87	0	1,500,000	121,996,638	9,492,093	15,591,925
44	88	0	1,500,000	129,961,503	10,256,730	16,754,805
45	89	0	1,500,000	138,362,632	11,097,620	18,015,752
46	90	0	1,500,000	147,202,184	11,998,922	19,359,031
47	91	0	1,500,000	156,660,965	13,122,540	19,388,979
48	92	0	1,500,000	166,833,631	14,543,285	19,548,294
49	93	0	1,500,000	177,845,737	16,365,873	19,922,788
50	94	0	1,500,000	189,856,117	18,727,260	20,625,821

10,000,000 60,383,748

50 Year Summary

Cum. Payments	10,000,000
Cum. Net Policy Loan Proceeds	60,383,748
Cash Value	18,727,260
Death Benefit	20,625,821

*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.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Premium Reserve Account (PRA) Analysis

PRA's Assumed
Hypothetical Portfolio Net Yield
4.00%

Funding of the Life Insurance Policy						
Year	Male Age	(1) Executive's Allocation to the Premium Reserve Account	(2) Withdrawal from the Premium Reserve Account for Premium	(3) Account Balance After Withdrawal	(4) Annualized Net Yield Assumed	(5) Year End Balance in Premium Reserve Account* (3) + (4)
1	45	8,435,332	1,000,000	7,435,332	297,413	7,732,745
2	46	0	1,000,000	6,732,745	269,310	7,002,055
3	47	0	1,000,000	6,002,055	240,082	6,242,137
4	48	0	1,000,000	5,242,137	209,685	5,451,823
5	49	0	1,000,000	4,451,823	178,073	4,629,896
6	50	0	1,000,000	3,629,896	145,196	3,775,092
7	51	0	1,000,000	2,775,092	111,004	2,886,095
8	52	0	1,000,000	1,886,095	75,444	1,961,539
9	53	0	1,000,000	961,539	38,462	1,000,001
10	54	0	1,000,000	1	0	1

8,435,332

10,000,000

1,564,669

*Column (5) is the source of the values in Column (5) on the page entitled Summary.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Summary

Employer's Tax Bracket 0.00%	Executive's Tax Bracket 40.00%	Indexed UL Interest Rate 7.00%	Initial Policy Death Benefit 21,081,365	Assumed Long-Term AFR for All Years Illustrated 3.05%	Promissory Note Interest Rate 3.05%	Years of Premium Reserve Account (PRA) 10
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Yr	Male Age	Employer				Executive						
		(1) Net Payment*	(2) Cumulative Net Payments	(3) Amount Due as a Loan Receivable Including Accrued Loan Interest	(4) Cumulative Charge to Earnings** (2) - (3)	(5) Net Payment*	(6) Year End Balance in the Premium Reserve Account (PRA)	(7) Net Policy Loan Proceeds Available for Retirement Income	(8) Year End Policy Accum Value***	(9) Year End Policy Cash Value***	(10) Year End PRA and Cash Value*** Net of Loan Due Employer (9)+(6)-(3)	(11) Year End PRA and Policy Death Benefit Net of Loan Due Employer
1	45	8,435,332	8,435,332	8,692,610	-257,278	0	7,732,745	0	879,785	879,785	-80,080	21,001,285
2	46	0	8,435,332	8,957,735	-522,403	0	7,002,055	0	1,823,392	1,823,392	-132,288	20,949,077
3	47	0	8,435,332	9,230,946	-795,614	0	6,242,137	0	2,833,976	2,833,976	-154,833	20,926,532
4	48	0	8,435,332	9,512,490	-1,077,158	0	5,451,823	0	3,920,068	3,920,068	-140,599	20,940,766
5	49	0	8,435,332	9,802,621	-1,367,289	0	4,629,896	0	5,089,747	5,089,747	-82,978	20,998,387
6	50	0	8,435,332	10,101,601	-1,666,269	0	3,775,092	0	6,351,114	6,351,114	24,605	21,105,970
7	51	0	8,435,332	10,409,700	-1,974,368	0	2,886,095	0	7,712,155	7,712,155	188,550	21,269,915
8	52	0	8,435,332	10,727,196	-2,291,864	0	1,961,539	0	9,180,855	9,180,855	415,198	21,496,563
9	53	0	8,435,332	11,054,375	-2,619,043	0	1,000,001	0	10,765,182	10,765,182	710,808	21,792,173
10	54	0	8,435,332	11,391,533	-2,956,201	0	1	0	12,517,425	12,517,425	1,125,893	22,207,258
11	55	0	8,435,332	11,738,975	-3,303,643	0	0	0	13,408,483	13,408,483	1,669,508	9,342,390
12	56	0	8,435,332	12,097,014	-3,661,682	0	0	0	14,372,871	14,372,871	2,275,857	8,984,351
13	57	0	8,435,332	12,465,973	-4,030,641	0	0	0	15,507,555	15,507,555	3,041,582	9,554,755
14	58	0	8,435,332	12,846,185	-4,410,853	0	0	0	16,735,844	16,735,844	3,889,659	10,249,280
15	59	0	8,435,332	13,237,994	-4,802,662	0	0	0	18,063,454	18,063,454	4,825,460	10,967,035
16	60	0	8,435,332	13,641,753	-5,206,421	0	0	0	19,497,833	19,497,833	5,856,080	11,705,430
17	61	0	8,435,332	14,057,826	-5,622,494	0	0	0	21,046,871	21,046,871	6,989,045	12,882,169
18	62	0	8,435,332	14,486,590	-6,051,258	0	0	0	22,720,287	22,720,287	8,233,697	14,140,972
19	63	0	8,435,332	14,928,431	-6,493,099	0	0	0	24,528,486	24,528,486	9,600,055	15,486,892
20	64	0	8,435,332	15,383,748	-6,948,416	0	0	0	26,482,036	26,482,036	11,098,288	16,924,336
21	65	-15,383,748	-6,948,416	0	-6,948,416	0	0	1,500,000	28,386,709	10,658,773	10,658,773	16,336,115
22	66	0	-6,948,416	0	-6,948,416	0	0	1,500,000	30,412,733	10,223,401	10,223,401	16,001,820
23	67	0	-6,948,416	0	-6,948,416	0	0	1,500,000	32,567,774	9,793,975	9,793,975	15,656,175
24	68	0	-6,948,416	0	-6,948,416	0	0	1,500,000	34,859,895	9,372,406	9,372,406	15,298,588
25	69	0	-6,948,416	0	-6,948,416	0	0	1,500,000	37,297,765	8,960,902	8,960,902	14,928,544
26	70	0	-6,948,416	0	-6,948,416	0	0	1,500,000	39,890,612	8,561,906	8,561,906	14,545,497
27	71	0	-6,948,416	0	-6,948,416	0	0	1,500,000	42,654,141	8,184,000	8,184,000	13,729,038
28	72	0	-6,948,416	0	-6,948,416	0	0	1,500,000	45,601,516	7,832,868	7,832,868	12,849,034
29	73	0	-6,948,416	0	-6,948,416	0	0	1,500,000	48,747,443	7,515,362	7,515,362	11,902,631
30	74	0	-6,948,416	0	-6,948,416	0	0	1,500,000	52,108,402	7,239,717	7,239,717	10,887,305
		-6,948,416				0		15,000,000				

Executive's 30 Year Summary

	Living Values [†]	Death Benefit
Indexed Universal Life:	7,239,717	10,887,305
Less Loan Repayment Due Employer:	0	0
Equals Executive's Net Value:	7,239,717	10,887,305
Plus Cumulative After Tax Cash Flow:	15,000,000	15,000,000
Equals Executive's Total Net Value:	22,239,717	25,887,305

†Cash value less employer's loans plus cum. net policy loans.

*See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

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Loan-Based Split Dollar Funded With Indexed Universal Life

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Insured: Coach Lee Sorensen

Major University

Summary

Employer's Tax Bracket 0.00%	Executive's Tax Bracket 40.00%	Indexed UL Interest Rate 7.00%	Initial Policy Death Benefit 21,081,365	Assumed Long-Term AFR for All Years Illustrated 3.05%	Promissory Note Interest Rate 3.05%	Years of Premium Reserve Account (PRA) 10
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Yr	Male Age	Employer				Executive						
		(1) Net Payment*	(2) Cumulative Net Payments	(3) Amount Due as a Loan Receivable Including Accrued Loan Interest	(4) Cumulative Charge to Earnings** (2) - (3)	(5) Net Payment*	(6) Year End Balance in the Premium Reserve Account (PRA)	(7) Net Policy Loan Proceeds Available for Retirement Income	(8) Year End Policy Accum Value***	(9) Year End Policy Cash Value***	(10) Year End PRA and Cash Value*** Net of Loan Due Employer (9)+(6)-(3)	(11) Year End PRA and Policy Death Benefit Net of Loan Due Employer
31	75	0	-6,948,416	0	-6,948,416	0	0	1,500,000	55,703,065	7,015,945	7,015,945	9,801,099
32	76	0	-6,948,416	0	-6,948,416	0	0	1,500,000	59,533,217	6,836,741	6,836,741	9,813,402
33	77	0	-6,948,416	0	-6,948,416	0	0	1,500,000	63,614,115	6,707,816	6,707,816	9,888,522
34	78	0	-6,948,416	0	-6,948,416	0	0	1,500,000	67,961,803	6,635,189	6,635,189	10,033,279
35	79	0	-6,948,416	0	-6,948,416	0	0	1,500,000	72,593,337	6,625,392	6,625,392	10,255,059
36	80	0	-6,948,416	0	-6,948,416	0	0	1,500,000	77,526,381	6,685,039	6,685,039	10,561,358
37	81	0	-6,948,416	0	-6,948,416	0	0	1,500,000	82,777,942	6,819,532	6,819,532	10,958,430
38	82	0	-6,948,416	0	-6,948,416	0	0	1,500,000	88,366,955	7,035,626	7,035,626	11,453,973
39	83	0	-6,948,416	0	-6,948,416	0	0	1,500,000	94,312,854	7,339,958	7,339,958	12,055,601
40	84	0	-6,948,416	0	-6,948,416	0	0	1,500,000	100,634,614	7,738,073	7,738,073	12,769,803
41	85	0	-6,948,416	0	-6,948,416	0	0	1,500,000	107,344,408	8,228,040	8,228,040	13,595,260
42	86	0	-6,948,416	0	-6,948,416	0	0	1,500,000	114,460,205	8,813,018	8,813,018	14,536,029
43	87	0	-6,948,416	0	-6,948,416	0	0	1,500,000	121,996,638	9,492,093	9,492,093	15,591,925
44	88	0	-6,948,416	0	-6,948,416	0	0	1,500,000	129,961,503	10,256,730	10,256,730	16,754,805
45	89	0	-6,948,416	0	-6,948,416	0	0	1,500,000	138,362,632	11,097,620	11,097,620	18,015,752
46	90	0	-6,948,416	0	-6,948,416	0	0	1,500,000	147,202,184	11,998,922	11,998,922	19,359,031
47	91	0	-6,948,416	0	-6,948,416	0	0	1,500,000	156,660,965	13,122,540	13,122,540	19,388,979
48	92	0	-6,948,416	0	-6,948,416	0	0	1,500,000	166,833,631	14,543,285	14,543,285	19,548,294
49	93	0	-6,948,416	0	-6,948,416	0	0	1,500,000	177,845,737	16,365,873	16,365,873	19,922,788
50	94	0	-6,948,416	0	-6,948,416	0	0	1,500,000	189,856,117	18,727,260	18,727,260	20,625,821

-6,948,416

0

45,000,000

Executive's 50 Year Summary

	Living Values [†]	Death Benefit
Indexed Universal Life:	18,727,260	20,625,821
Less Loan Repayment Due Employer:	0	0
Equals Executive's Net Value:	18,727,260	20,625,821
Plus Cumulative After Tax Cash Flow:	45,000,000	45,000,000
Equals Executive's Total Net Value:	63,727,260	65,625,821

†Cash value less employer's loans plus cum. net policy loans.

*See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

***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.

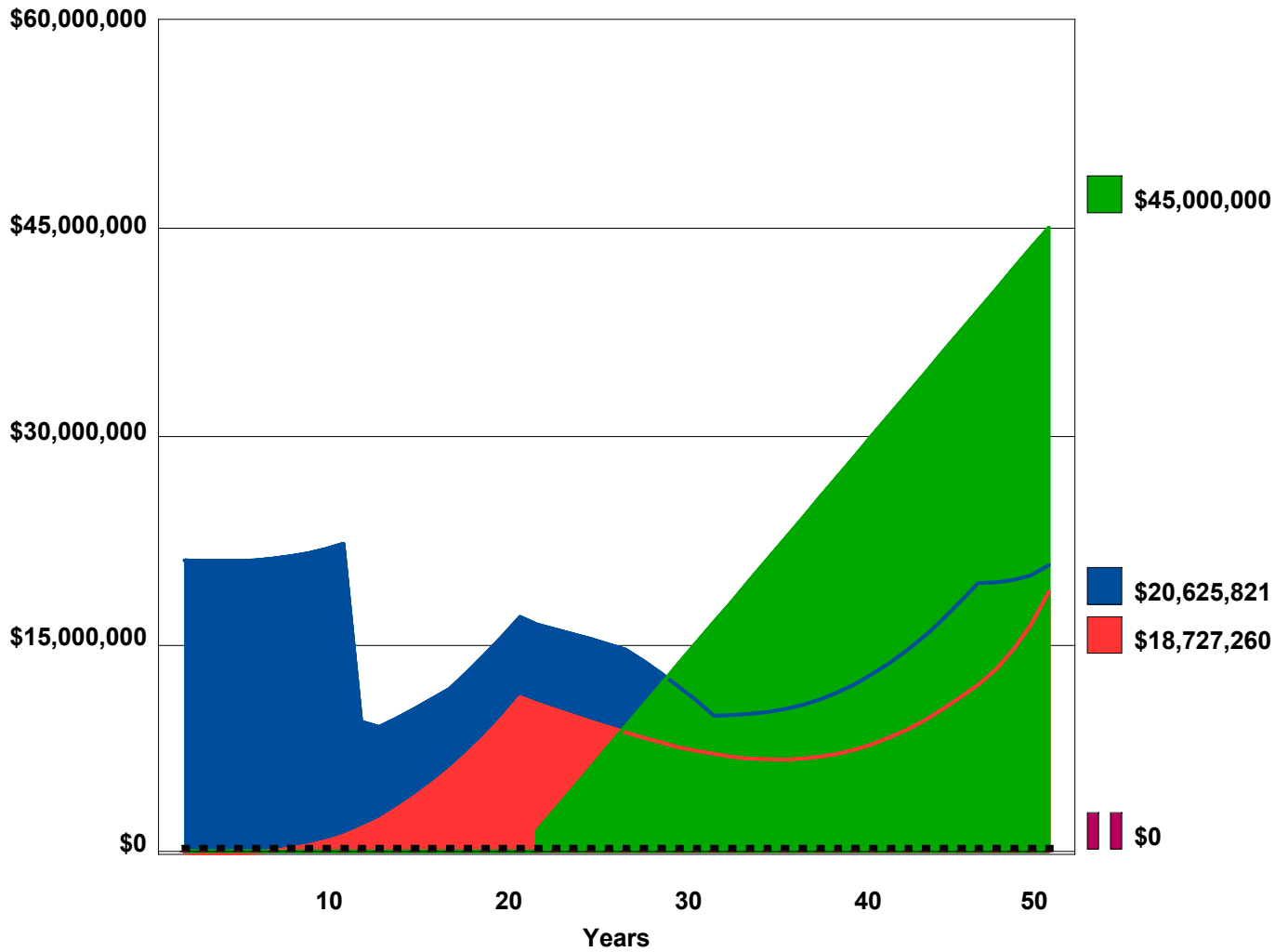
Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Executive's 50 Year Analysis



	At Year 50
Executive's Cumulative Net Payments	\$0
Executive's Cumulative Net Loan Proceeds ¹	\$45,000,000
Executive's Cash Value Less Cum. Loan Due Employer	\$18,727,260
Executive's Death Benefit Less Cum. Loan Due Employer	\$20,625,821

¹For retirement income.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Executive's Net Payment Analysis

		Executive's Tax Bracket 40.00%	Assumed Long-Term AFR for All Years Illustrated 3.05%*	Promissory Note Interest Rate 3.05%						
Year	Male Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer for PRA	(3) Withdrawal from the Premium Reserve Account for Premium	(4) Net Policy Proceeds Available for Loan Repayment	(5) Loan Repayment	(6) Loan Interest Accrued	(7) Cumulative Loan Due Employer	(8) Payment Due by Executive (1)-(3)-(4)+(5)	(9) Net Policy Loan Proceeds Available for Retirement Income
1	45	1,000,000	8,435,332	1,000,000	0	0	257,278	8,692,610	0	0
2	46	1,000,000	0	1,000,000	0	0	265,125	8,957,735	0	0
3	47	1,000,000	0	1,000,000	0	0	273,211	9,230,946	0	0
4	48	1,000,000	0	1,000,000	0	0	281,544	9,512,490	0	0
5	49	1,000,000	0	1,000,000	0	0	290,131	9,802,621	0	0
6	50	1,000,000	0	1,000,000	0	0	298,980	10,101,601	0	0
7	51	1,000,000	0	1,000,000	0	0	308,099	10,409,700	0	0
8	52	1,000,000	0	1,000,000	0	0	317,496	10,727,196	0	0
9	53	1,000,000	0	1,000,000	0	0	327,179	11,054,375	0	0
10	54	1,000,000	0	1,000,000	0	0	337,158	11,391,533	0	0
11	55	0	0	0	0	0	347,442	11,738,975	0	0
12	56	0	0	0	0	0	358,039	12,097,014	0	0
13	57	0	0	0	0	0	368,959	12,465,973	0	0
14	58	0	0	0	0	0	380,212	12,846,185	0	0
15	59	0	0	0	0	0	391,809	13,237,994	0	0
16	60	0	0	0	0	0	403,759	13,641,753	0	0
17	61	0	0	0	0	0	416,073	14,057,826	0	0
18	62	0	0	0	0	0	428,764	14,486,590	0	0
19	63	0	0	0	0	0	441,841	14,928,431	0	0
20	64	0	0	0	0	0	455,317	15,383,748	0	0
21	65	0	0	0	15,383,748	15,383,748	0	0	0	1,500,000
22	66	0	0	0	0	0	0	0	0	1,500,000
23	67	0	0	0	0	0	0	0	0	1,500,000
24	68	0	0	0	0	0	0	0	0	1,500,000
25	69	0	0	0	0	0	0	0	0	1,500,000
26	70	0	0	0	0	0	0	0	0	1,500,000
27	71	0	0	0	0	0	0	0	0	1,500,000
28	72	0	0	0	0	0	0	0	0	1,500,000
29	73	0	0	0	0	0	0	0	0	1,500,000
30	74	0	0	0	0	0	0	0	0	1,500,000
		10,000,000	8,435,332	10,000,000	15,383,748	15,383,748	6,948,416		0	15,000,000

*See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Executive's Net Payment Analysis

Executive's Tax Bracket 40.00%
 Assumed Long-Term AFR for All Years Illustrated 3.05%*
 Promissory Note Interest Rate 3.05%

Year	Male Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer for PRA	(3) Withdrawal from the Premium Reserve Account for Premium	(4) Net Policy Loan Proceeds Available for Loan Repayment	(5) Loan Repayment	(6) Loan Interest Accrued	(7) Cumulative Loan Due Employer	(8) Payment Due by Executive (1)-(3)-(4)+(5)	(9) Net Policy Loan Proceeds Available for Retirement Income
31	75	0	0	0	0	0	0	0	0	1,500,000
32	76	0	0	0	0	0	0	0	0	1,500,000
33	77	0	0	0	0	0	0	0	0	1,500,000
34	78	0	0	0	0	0	0	0	0	1,500,000
35	79	0	0	0	0	0	0	0	0	1,500,000
36	80	0	0	0	0	0	0	0	0	1,500,000
37	81	0	0	0	0	0	0	0	0	1,500,000
38	82	0	0	0	0	0	0	0	0	1,500,000
39	83	0	0	0	0	0	0	0	0	1,500,000
40	84	0	0	0	0	0	0	0	0	1,500,000
41	85	0	0	0	0	0	0	0	0	1,500,000
42	86	0	0	0	0	0	0	0	0	1,500,000
43	87	0	0	0	0	0	0	0	0	1,500,000
44	88	0	0	0	0	0	0	0	0	1,500,000
45	89	0	0	0	0	0	0	0	0	1,500,000
46	90	0	0	0	0	0	0	0	0	1,500,000
47	91	0	0	0	0	0	0	0	0	1,500,000
48	92	0	0	0	0	0	0	0	0	1,500,000
49	93	0	0	0	0	0	0	0	0	1,500,000
50	94	0	0	0	0	0	0	0	0	1,500,000
		10,000,000	8,435,332	10,000,000	15,383,748	15,383,748	6,948,416		0	45,000,000

*See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Employer's Net Payment Analysis

		Employer's Tax Bracket 0.00%	Assumed Long-Term AFR for All Years Illustrated 3.05%*	Promissory Note Interest Rate 3.05%						
Year	Male Age	(1) Beginning of Year Loan to Executive	(2) Loan Repayment from Executive	(3) Accrued Loan Interest	(4) Employer's Tax on Accrued Loan Interest	(5) Cumulative Loan to Executive Including Loan Interest	(6) Employer's Net Payment (1) - (2) + (4)	(7) Employer's Annual Charge to Earnings** (4) - (3)	(8) Employer's Cumulative Charge to Earnings**	
1	45	8,435,332	0	257,278	0	8,692,610	8,435,332	-257,278	-257,278	
2	46	0	0	265,125	0	8,957,735	0	-265,125	-522,403	
3	47	0	0	273,211	0	9,230,946	0	-273,211	-795,614	
4	48	0	0	281,544	0	9,512,490	0	-281,544	-1,077,158	
5	49	0	0	290,131	0	9,802,621	0	-290,131	-1,367,289	
6	50	0	0	298,980	0	10,101,601	0	-298,980	-1,666,269	
7	51	0	0	308,099	0	10,409,700	0	-308,099	-1,974,368	
8	52	0	0	317,496	0	10,727,196	0	-317,496	-2,291,864	
9	53	0	0	327,179	0	11,054,375	0	-327,179	-2,619,043	
10	54	0	0	337,158	0	11,391,533	0	-337,158	-2,956,201	
11	55	0	0	347,442	0	11,738,975	0	-347,442	-3,303,643	
12	56	0	0	358,039	0	12,097,014	0	-358,039	-3,661,682	
13	57	0	0	368,959	0	12,465,973	0	-368,959	-4,030,641	
14	58	0	0	380,212	0	12,846,185	0	-380,212	-4,410,853	
15	59	0	0	391,809	0	13,237,994	0	-391,809	-4,802,662	
16	60	0	0	403,759	0	13,641,753	0	-403,759	-5,206,421	
17	61	0	0	416,073	0	14,057,826	0	-416,073	-5,622,494	
18	62	0	0	428,764	0	14,486,590	0	-428,764	-6,051,258	
19	63	0	0	441,841	0	14,928,431	0	-441,841	-6,493,099	
20	64	0	0	455,317	0	15,383,748	0	-455,317	-6,948,416	
21	65	0	15,383,748	0	0	0	-15,383,748	0	-6,948,416	
22	66	0	0	0	0	0	0	0	-6,948,416	
23	67	0	0	0	0	0	0	0	-6,948,416	
24	68	0	0	0	0	0	0	0	-6,948,416	
25	69	0	0	0	0	0	0	0	-6,948,416	
26	70	0	0	0	0	0	0	0	-6,948,416	
27	71	0	0	0	0	0	0	0	-6,948,416	
28	72	0	0	0	0	0	0	0	-6,948,416	
29	73	0	0	0	0	0	0	0	-6,948,416	
30	74	0	0	0	0	0	0	0	-6,948,416	
		8,435,332	15,383,748	6,948,416	0		-6,948,416	-6,948,416		

*See Preface for notes regarding loan interest rates.

**A negative value indicates a credit to earnings.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Employer's Net Payment Analysis

		Employer's Tax Bracket 0.00%	Assumed Long-Term AFR for All Years Illustrated 3.05%*	Promissory Note Interest Rate 3.05%							
Year	Male Age	(1) Beginning of Year Loan to Executive	(2) Loan Repayment from Executive	(3) Accrued Loan Interest	(4) Employer's Tax on Accrued Loan Interest	(5) Cumulative Loan to Executive Including Loan Interest	(6) Employer's Net Payment (1) - (2)+ (4)	(7) Employer's Annual Charge to Earnings** (4) - (3)	(8) Employer's Cumulative Charge to Earnings**		
31	75	0	0	0	0	0	0	0	-6,948,416		
32	76	0	0	0	0	0	0	0	-6,948,416		
33	77	0	0	0	0	0	0	0	-6,948,416		
34	78	0	0	0	0	0	0	0	-6,948,416		
35	79	0	0	0	0	0	0	0	-6,948,416		
36	80	0	0	0	0	0	0	0	-6,948,416		
37	81	0	0	0	0	0	0	0	-6,948,416		
38	82	0	0	0	0	0	0	0	-6,948,416		
39	83	0	0	0	0	0	0	0	-6,948,416		
40	84	0	0	0	0	0	0	0	-6,948,416		
41	85	0	0	0	0	0	0	0	-6,948,416		
42	86	0	0	0	0	0	0	0	-6,948,416		
43	87	0	0	0	0	0	0	0	-6,948,416		
44	88	0	0	0	0	0	0	0	-6,948,416		
45	89	0	0	0	0	0	0	0	-6,948,416		
46	90	0	0	0	0	0	0	0	-6,948,416		
47	91	0	0	0	0	0	0	0	-6,948,416		
48	92	0	0	0	0	0	0	0	-6,948,416		
49	93	0	0	0	0	0	0	0	-6,948,416		
50	94	0	0	0	0	0	0	0	-6,948,416		
		8,435,332	15,383,748	6,948,416	0		-6,948,416	-6,948,416			

*See Preface for notes regarding loan interest rates.

**A negative value indicates a credit to earnings.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Promissory Note Analysis

Assumed Long-Term AFR for All Years Illustrated 3.05%**
 Promissory Note Interest Rate 3.05%
 Years of Premium Reserve Account (PRA) 10

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Annual Loan Interest Paid from Non-Policy Values	(3) Annual Loan Interest Paid from Policy Values	(4) Loan Repayments from Non-Policy Values	(5) Loan Repayments from Policy Values	(6) Year End Cum. Loan to Executive Including Accrued Loan Interest	(7) Year End Balance in the Premium Reserve Account (PRA)	(8) Year End PRA and Policy Accum Value* Net of Loan	(9) Year End PRA and Policy Cash Value* Net of Loan	(10) Year End PRA and Policy Death Benefit* Net of Loan
1	45	8,435,332	0	0	0	0	8,692,610	7,732,745	-80,080	-80,080	21,001,285
2	46	0	0	0	0	0	8,957,735	7,002,055	-132,288	-132,288	20,949,077
3	47	0	0	0	0	0	9,230,946	6,242,137	-154,833	-154,833	20,926,532
4	48	0	0	0	0	0	9,512,490	5,451,823	-140,599	-140,599	20,940,766
5	49	0	0	0	0	0	9,802,621	4,629,896	-82,978	-82,978	20,998,387
6	50	0	0	0	0	0	10,101,601	3,775,092	24,605	24,605	21,105,970
7	51	0	0	0	0	0	10,409,700	2,886,095	188,550	188,550	21,269,915
8	52	0	0	0	0	0	10,727,196	1,961,539	415,198	415,198	21,496,563
9	53	0	0	0	0	0	11,054,375	1,000,001	710,808	710,808	21,792,173
10	54	0	0	0	0	0	11,391,533	1	1,125,893	1,125,893	22,207,258
11	55	0	0	0	0	0	11,738,975	0	1,669,508	1,669,508	9,342,390
12	56	0	0	0	0	0	12,097,014	0	2,275,857	2,275,857	8,984,351
13	57	0	0	0	0	0	12,465,973	0	3,041,582	3,041,582	9,554,755
14	58	0	0	0	0	0	12,846,185	0	3,889,659	3,889,659	10,249,280
15	59	0	0	0	0	0	13,237,994	0	4,825,460	4,825,460	10,967,035
16	60	0	0	0	0	0	13,641,753	0	5,856,080	5,856,080	11,705,430
17	61	0	0	0	0	0	14,057,826	0	6,989,045	6,989,045	12,882,169
18	62	0	0	0	0	0	14,486,590	0	8,233,697	8,233,697	14,140,972
19	63	0	0	0	0	0	14,928,431	0	9,600,055	9,600,055	15,486,892
20	64	0	0	0	0	0	15,383,748	0	11,098,288	11,098,288	16,924,336
21	65	0	0	0	0	15,383,748	0	0	28,386,709	10,658,773	16,336,115
22	66	0	0	0	0	0	0	0	30,412,733	10,223,401	16,001,820
23	67	0	0	0	0	0	0	0	32,567,774	9,793,975	15,656,175
24	68	0	0	0	0	0	0	0	34,859,895	9,372,406	15,298,588
25	69	0	0	0	0	0	0	0	37,297,765	8,960,902	14,928,544
26	70	0	0	0	0	0	0	0	39,890,612	8,561,906	14,545,497
27	71	0	0	0	0	0	0	0	42,654,141	8,184,000	13,729,038
28	72	0	0	0	0	0	0	0	45,601,516	7,832,868	12,849,034
29	73	0	0	0	0	0	0	0	48,747,443	7,515,362	11,902,631
30	74	0	0	0	0	0	0	0	52,108,402	7,239,717	10,887,305
		8,435,332	0	0	0	15,383,748					

*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.

**See Preface for notes regarding loan interest rates.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar Funded With Indexed Universal Life

Presented By: [Licensed User's Name Appears Here]

Insured: Coach Lee Sorensen

Major University

Promissory Note Analysis

Assumed Long-Term AFR for All Years Illustrated 3.05%**
 Promissory Note Interest Rate 3.05%
 Years of Premium Reserve Account (PRA) 10

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Annual Loan Interest Paid from Non-Policy Values	(3) Annual Loan Interest Paid from Policy Values	(4) Loan Repayments from Non-Policy Values	(5) Loan Repayments from Policy Values	(6) Year End Cum. Loan to Executive Including Accrued Loan Interest	(7) Year End Balance in the Premium Reserve Account (PRA)	(8) Year End PRA and Policy Accum Value* Net of Loan	(9) Year End PRA and Policy Cash Value* Net of Loan	(10) Year End PRA and Policy Death Benefit* Net of Loan
31	75	0	0	0	0	0	0	0	55,703,065	7,015,945	9,801,099
32	76	0	0	0	0	0	0	0	59,533,217	6,836,741	9,813,402
33	77	0	0	0	0	0	0	0	63,614,115	6,707,816	9,888,522
34	78	0	0	0	0	0	0	0	67,961,803	6,635,189	10,033,279
35	79	0	0	0	0	0	0	0	72,593,337	6,625,392	10,255,059
36	80	0	0	0	0	0	0	0	77,526,381	6,685,039	10,561,358
37	81	0	0	0	0	0	0	0	82,777,942	6,819,532	10,958,430
38	82	0	0	0	0	0	0	0	88,366,955	7,035,626	11,453,973
39	83	0	0	0	0	0	0	0	94,312,854	7,339,958	12,055,601
40	84	0	0	0	0	0	0	0	100,634,614	7,738,073	12,769,803
41	85	0	0	0	0	0	0	0	107,344,408	8,228,040	13,595,260
42	86	0	0	0	0	0	0	0	114,460,205	8,813,018	14,536,029
43	87	0	0	0	0	0	0	0	121,996,638	9,492,093	15,591,925
44	88	0	0	0	0	0	0	0	129,961,503	10,256,730	16,754,805
45	89	0	0	0	0	0	0	0	138,362,632	11,097,620	18,015,752
46	90	0	0	0	0	0	0	0	147,202,184	11,998,922	19,359,031
47	91	0	0	0	0	0	0	0	156,660,965	13,122,540	19,388,979
48	92	0	0	0	0	0	0	0	166,833,631	14,543,285	19,548,294
49	93	0	0	0	0	0	0	0	177,845,737	16,365,873	19,922,788
50	94	0	0	0	0	0	0	0	189,856,117	18,727,260	20,625,821
		8,435,332	0	0	0	15,383,748					

*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.

**See Preface for notes regarding loan interest rates.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.