

401(k) Look-Alike

For: Tony Jamison



Presented By: _____

[Licensed user's name appears here]

Preface

Background

This arrangement is a financial technique used by executives who want either to reduce current taxable compensation or forego scheduled increases in compensation in exchange for tax free income in the future. The arrangement involves the purchase of a cash value life insurance policy, the owner of which is the executive.

Funding

Using the funds resulting from the executive's compensation adjustment, the employer makes loans to the executive, who purchases a policy insuring the life of the executive or the executive and his or her spouse. Frequently, the employer will add matching or partially matching dollars to the funding pool. The arrangement is designed to be in compliance with the Final Split Dollar Regulations issued in September 2003 (68 FR 54336).

Promissory Notes: The loans associated with the arrangement are evidenced by a series of promissory notes between the employer and the executive, and the life insurance policy is assigned as collateral security for the loans. The loans are term loans, i.e., they are due at the end of a 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: If the loan interest rate increases, the executive could be allowed to accrue the additional loan interest. 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.¹

As an additional benefit in some arrangements, the employer may choose to offset the executive's loan interest payments by way of a bonus.

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 is equal to or exceeds the Applicable Federal Rate, no further 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 could be allowed to accrue the additional loan interest. 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 the AFR dips and recast the series of promissory notes into a new note at the reduced rate.
4. Consolidate all loans at the inception of the plan: In this case, the loaned funds in excess of the amount needed to pay the policy's initial premium should be reserved by the executive to pay the remaining stream of premiums. The employer may wish to consider requiring some form of custodianship for the reserved funds to be certain they are used for the intended purpose.

¹ If 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)

AFRs in effect for May 2019

Long-term loans (over 9 years): 2.74%

Mid-term loans (over 3 years; not over 9): 2.37%

Short-term loans (3 years or less): 2.39%

Demand loan (blended annual rate): 2.03%

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 ways listed below. A check mark indicates the method illustrated in the accompanying material.

1. The executive uses personal funds to repay the loans from the employer. This produces favorable results for the employer as it is repaid loans that were originally established due to the executive's compensation adjustments. In this case, the executive's benefits occur solely from the life insurance policy values.
2. The executive borrows against the policy or surrenders a portion of policy values to repay the loans from the employer. This also produces favorable results for the employer as it is repaid loans that were originally established due to the executive's compensation adjustments. In this case, the executive's benefits occur solely from the life insurance policy values.
3. The employer provides a bonus that may be used to repay the loan. When this occurs, the executive typically borrows against the policy or surrenders a portion of policy values to offset the income tax on the bonus used to repay the loan. This strategy should be viewed equitably by the executive since, in addition to the remaining life insurance values, the bonus repays the cumulative amount of previous compensation adjustments. If a severance agreement is part of the arrangement, the severance commitment is generally considered to be fulfilled due to the bonus payment.

4. The employer provides a bonus that may be used to repay the loan and bonuses an additional amount that may be used to offset some or all of the resulting income tax. This strategy should be viewed very equitably by the executive since, in addition to the remaining policy values, he/she is paid a bonus equal to the cumulative amount of previous compensation adjustments plus the income 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. Such policy cash values are usually accessed via policy loans, withdrawals, or a combination of each. If the loans from the employer are repaid, the executive has unencumbered access to all the policy cash values.

Death Benefits for the Executive's 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 death taxes.

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 arrangement unless the employer is bound by the agreement between the parties to forgive the loan,

Preface (continued)

waive payments, etc.

Policy loans reduce cash values and death benefits, and the lapse of a policy with such 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 replacement 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, be certain to consult with your own legal and tax advisers on these issues.

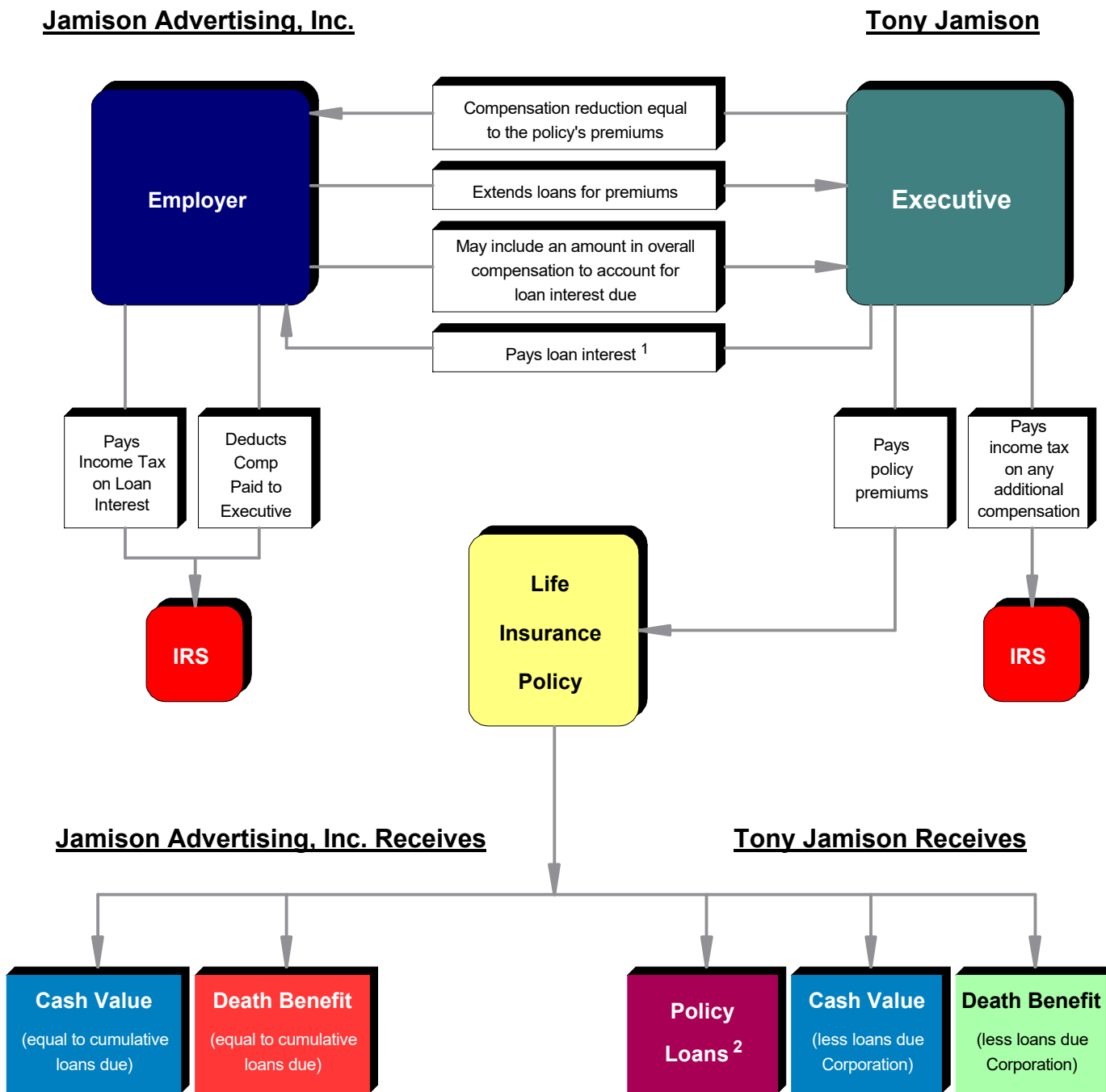
401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Employer: Jamison Advertising, Inc.

Who Pays What - Who Receives What 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 repayment and retirement income.

401(k) Look-Alike Using Indexed Universal Life

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

Insured: Tony Jamison

Illustration of Policy Values Funding the Plan

Employer: Jamison Advertising, Inc.

		Male Age 45	Indexed UL Interest Rate 6.90%	Initial Premium 100,000	Initial Death Benefit 2,108,137					
Year	Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit				
1	45	100,000	0	91,713	30,430	2,199,850				
2	46	100,000	0	190,004	129,585	2,298,141				
3	47	100,000	0	295,197	235,684	2,403,334				
4	48	100,000	0	408,152	349,588	2,516,289				
5	49	100,000	0	529,687	472,093	2,637,824				
6	50	100,000	0	660,618	604,015	2,768,755				
7	51	100,000	0	801,752	746,161	2,909,889				
8	52	0	0	854,595	808,279	2,962,732				
9	53	0	0	911,370	874,309	3,019,507				
10	54	0	0	972,367	944,582	3,080,504				
11	55	0	0	1,037,916	1,019,386	3,146,053				
12	56	0	0	1,108,363	1,099,108	3,216,500				
13	57	0	0	1,189,243	1,189,243	3,297,380				
14	58	0	0	1,276,369	1,276,369	3,384,506				
15	59	0	0	1,370,318	1,370,318	3,478,455				
16	60	0	0	1,471,319	1,471,319	3,579,456				
17	61	0	0	1,580,079	1,580,079	3,688,216				
18	62	0	0	1,697,365	1,697,365	3,805,502				
19	63	0	0	1,823,958	1,823,958	3,932,095				
20	64	0	0	1,960,429	1,960,429	4,068,566				
21	65	0	1,350,292	2,099,507	681,701	1,101,602				
22	66	0	100,000	2,247,531	653,834	1,080,865				
23	67	0	100,000	2,405,069	626,687	1,059,600				
24	68	0	100,000	2,572,719	600,418	1,037,780				
25	69	0	100,000	2,751,123	575,207	1,015,387				
26	70	0	100,000	2,940,967	551,255	992,400				
27	71	0	100,000	3,143,412	529,215	937,858				
28	72	0	100,000	3,359,433	509,526	879,063				
29	73	0	100,000	3,590,117	492,714	815,825				
30	74	0	100,000	3,836,682	479,409	747,977				
		700,000	2,250,292							

30 Year Summary

Cum. Policy Premiums	700,000
Cum. Net Policy Loan Proceeds	2,250,292
Cash Value	479,409
Death Benefit	747,977

*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.

401(k) Look-Alike Using Indexed Universal Life

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

Insured: Tony Jamison

Illustration of Policy Values Funding the Plan

Employer: Jamison Advertising, Inc.

		Male Age 45	Indexed UL Interest Rate 6.90%	Initial Premium 100,000	Initial Death Benefit 2,108,137		
Year	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	100,000	4,100,509	470,372	675,398	
32	76	0	100,000	4,381,733	465,090	684,177	
33	77	0	100,000	4,681,486	464,010	698,085	
34	78	0	100,000	5,000,954	467,605	717,652	
35	79	0	100,000	5,341,400	476,384	743,454	
36	80	0	100,000	5,704,134	490,866	776,073	
37	81	0	100,000	6,090,413	511,483	816,003	
38	82	0	100,000	6,501,642	538,765	863,847	
39	83	0	100,000	6,939,259	573,238	920,201	
40	84	0	100,000	7,404,671	615,349	985,582	
41	85	0	100,000	7,898,784	664,996	1,059,935	
42	86	0	100,000	8,422,933	722,455	1,143,602	
43	87	0	100,000	8,978,207	787,705	1,236,616	
44	88	0	100,000	9,565,194	860,167	1,338,427	
45	89	0	100,000	10,184,487	939,209	1,448,434	
46	90	0	100,000	10,836,263	1,023,721	1,565,535	
47	91	0	100,000	11,533,845	1,125,676	1,587,030	
48	92	0	100,000	12,284,207	1,250,630	1,619,156	
49	93	0	100,000	13,096,597	1,406,341	1,668,272	
50	94	0	100,000	13,982,702	1,602,933	1,742,760	
51	95	0	100,000	14,956,512	1,852,755	1,852,755	
52	96	0	100,000	15,999,726	2,135,780	2,135,780	
53	97	0	100,000	17,117,457	2,455,314	2,455,314	
54	98	0	100,000	18,315,206	2,814,956	2,814,956	
55	99	0	100,000	19,598,888	3,218,625	3,218,625	
		700,000	4,750,292				

55 Year Summary

Cum. Policy Premiums	700,000
Cum. Net Policy Loan Proceeds	4,750,292
Cash Value	3,218,625
Death Benefit	3,218,625

*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.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Employer: Jamison Advertising, Inc.

Summary

		Male Age 45	Employer's Tax Bracket 21.00%	Executive's Tax Bracket 45.00%	Indexed UL Interest Rate 6.90%	Initial Death Benefit 2,108,137	Assumed Applicable Federal Rate*				
		Jamison Advertising, Inc.				Tony Jamison					
Year	Age	(1) Net Payment**	(2) Annual Loan to Executive	(3) Cumulative Loan to Executive** Including Accrued Loan Interest	(4) Employer's Cumulative Charge to Earnings****	(5) Net Payment**	(6) Net Policy Loan Proceeds Available for Retirement Income	(7) Year End Policy Accum Value****	(8) Year End Policy Cash Value****	(9) Year End Policy Cash Value**** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
1	45	21,575	100,000	102,740	-81,165	55,000	0	91,713	30,430	0	2,097,110
2	46	22,196	100,000	208,437	-164,666	55,000	0	190,004	129,585	0	2,089,704
3	47	22,859	100,000	317,289	-250,659	55,000	0	295,197	235,684	0	2,086,045
4	48	23,576	100,000	429,557	-339,351	55,000	0	408,152	349,588	0	2,086,732
5	49	24,347	100,000	545,497	-430,944	55,000	0	529,687	472,093	0	2,092,327
6	50	25,162	100,000	665,314	-525,599	55,000	0	660,618	604,015	0	2,103,441
7	51	26,047	100,000	789,345	-623,583	55,000	0	801,752	746,161	0	2,120,544
8	52	5,304	0	814,604	-643,538	0	0	854,595	808,279	0	2,148,128
9	53	5,594	0	841,242	-664,582	0	0	911,370	874,309	33,067	2,178,265
10	54	5,900	0	869,339	-686,779	0	0	972,367	944,582	75,243	2,211,165
11	55	6,207	0	898,897	-710,130	0	0	1,037,916	1,019,386	120,489	2,247,156
12	56	6,550	0	930,089	-734,772	0	0	1,108,363	1,099,108	169,019	2,286,411
13	57	6,914	0	963,014	-760,783	0	0	1,189,243	1,189,243	226,229	2,334,366
14	58	7,280	0	997,683	-788,172	0	0	1,276,369	1,276,369	278,686	2,386,823
15	59	7,689	0	1,034,298	-817,098	0	0	1,370,318	1,370,318	336,020	2,444,157
16	60	8,102	0	1,072,877	-847,575	0	0	1,471,319	1,471,319	398,442	2,506,579
17	61	8,561	0	1,113,646	-879,783	0	0	1,580,079	1,580,079	466,433	2,574,570
18	62	9,051	0	1,156,744	-913,830	0	0	1,697,365	1,697,365	540,621	2,648,758
19	63	9,547	0	1,202,204	-949,743	0	0	1,823,958	1,823,958	621,754	2,729,891
20	64	10,098	0	1,250,292	-987,733	0	0	1,960,429	1,960,429	710,137	2,818,274
21	65	-1,250,292	0	0	-987,733	0	100,000	2,099,507	681,701	681,701	1,101,602
22	66	0	0	0	-987,733	0	100,000	2,247,531	653,834	653,834	1,080,865
23	67	0	0	0	-987,733	0	100,000	2,405,069	626,687	626,687	1,059,600
24	68	0	0	0	-987,733	0	100,000	2,572,719	600,418	600,418	1,037,780
25	69	0	0	0	-987,733	0	100,000	2,751,123	575,207	575,207	1,015,387
26	70	0	0	0	-987,733	0	100,000	2,940,967	551,255	551,255	992,400
27	71	0	0	0	-987,733	0	100,000	3,143,412	529,215	529,215	937,858
28	72	0	0	0	-987,733	0	100,000	3,359,433	509,526	509,526	879,063
29	73	0	0	0	-987,733	0	100,000	3,590,117	492,714	492,714	815,825
30	74	0	0	0	-987,733	0	100,000	3,836,682	479,409	479,409	747,977
		-987,733	700,000			385,000	1,000,000				

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

Executive's 30 Year Summary

**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.

	Living Values †	Death Benefit
Indexed Universal Life:	479,409	747,977
Less Loan Due Employer:	0	0
Equals Executive's Net Value:	479,409	747,977
Plus Cum. After Tax Cash Flow:	1,000,000	1,000,000
Equals Executive's Net Value:	1,479,409	1,747,977

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

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Summary

Employer: Jamison Advertising, Inc.

		Male Age 45	Employer's Tax Bracket 21.00%	Executive's Tax Bracket 45.00%	Indexed UL Interest Rate 6.90%	Initial Death Benefit 2,108,137	Assumed Applicable Federal Rate*				
Jamison Advertising, Inc.				Tony Jamison							
Year	Age	(1) Net Payment**	(2) Annual Loan to Executive	(3) Cumulative Loan to Executive** Including Accrued Loan Interest	(4) Employer's Cumulative Charge to Earnings****	(5) Net Payment**	(6) Net Policy Loan Proceeds Available for Retirement Income	(7) Year End Policy Accum Value****	(8) Year End Policy Cash Value****	(9) Year End Policy Cash Value**** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
31	75	0	0	0	-987,733	0	100,000	4,100,509	470,372	470,372	675,398
32	76	0	0	0	-987,733	0	100,000	4,381,733	465,090	465,090	684,177
33	77	0	0	0	-987,733	0	100,000	4,681,486	464,010	464,010	698,085
34	78	0	0	0	-987,733	0	100,000	5,000,954	467,605	467,605	717,652
35	79	0	0	0	-987,733	0	100,000	5,341,400	476,384	476,384	743,454
36	80	0	0	0	-987,733	0	100,000	5,704,134	490,866	490,866	776,073
37	81	0	0	0	-987,733	0	100,000	6,090,413	511,483	511,483	816,003
38	82	0	0	0	-987,733	0	100,000	6,501,642	538,765	538,765	863,847
39	83	0	0	0	-987,733	0	100,000	6,939,259	573,238	573,238	920,201
40	84	0	0	0	-987,733	0	100,000	7,404,671	615,349	615,349	985,582
41	85	0	0	0	-987,733	0	100,000	7,898,784	664,996	664,996	1,059,935
42	86	0	0	0	-987,733	0	100,000	8,422,933	722,455	722,455	1,143,602
43	87	0	0	0	-987,733	0	100,000	8,978,207	787,705	787,705	1,236,616
44	88	0	0	0	-987,733	0	100,000	9,565,194	860,167	860,167	1,338,427
45	89	0	0	0	-987,733	0	100,000	10,184,487	939,209	939,209	1,448,434
46	90	0	0	0	-987,733	0	100,000	10,836,263	1,023,721	1,023,721	1,565,535
47	91	0	0	0	-987,733	0	100,000	11,533,845	1,125,676	1,125,676	1,587,030
48	92	0	0	0	-987,733	0	100,000	12,284,207	1,250,630	1,250,630	1,619,156
49	93	0	0	0	-987,733	0	100,000	13,096,597	1,406,341	1,406,341	1,668,272
50	94	0	0	0	-987,733	0	100,000	13,982,702	1,602,933	1,602,933	1,742,760
51	95	0	0	0	-987,733	0	100,000	14,956,512	1,852,755	1,852,755	1,852,755
52	96	0	0	0	-987,733	0	100,000	15,999,726	2,135,780	2,135,780	2,135,780
53	97	0	0	0	-987,733	0	100,000	17,117,457	2,455,314	2,455,314	2,455,314
54	98	0	0	0	-987,733	0	100,000	18,315,206	2,814,956	2,814,956	2,814,956
55	99	0	0	0	-987,733	0	100,000	19,598,888	3,218,625	3,218,625	3,218,625
		-987,733	700,000			385,000	3,500,000				

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

Executive's 55 Year Summary

**See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

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	Living Values †	Death Benefit
Indexed Universal Life:	3,218,625	3,218,625
Less Loan Due Employer:	0	0
Equals Executive's Net Value:	3,218,625	3,218,625
Plus Cum. After Tax Cash Flow:	3,500,000	3,500,000
Equals Executive's Net Value:	6,718,625	6,718,625

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

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

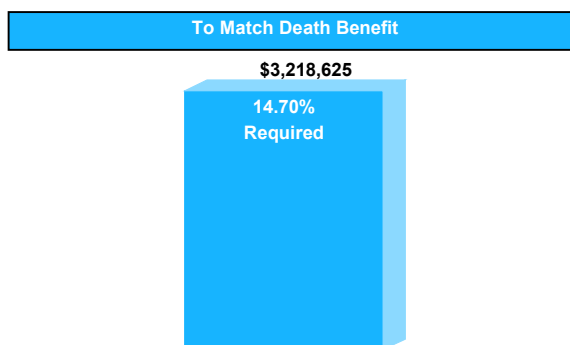
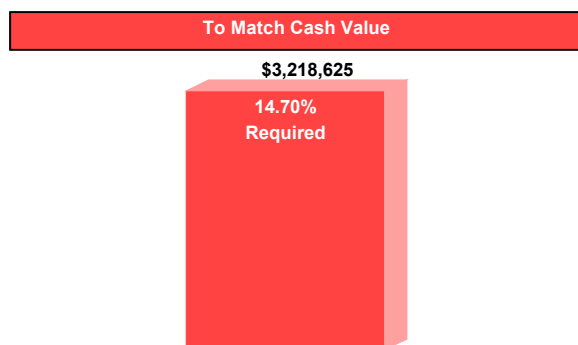
Employer: Jamison Advertising, Inc.

Matching Values at Age 99 (Year 55)

Male	Executive's	Indexed UL
Age	Tax Bracket	Interest Rate
45	45.00%	6.90%

Gross Interest Rate Required on a Hypothetical Taxable Investment to Match Indexed Universal Life Policy Values Over 55 Years (Executive's After Tax Cost of the Plan Used as the Hypothetical Investment)

	Hypothetical Taxable Alternative
To match Cash Value of: \$3,218,625	14.70%
To match Death Benefit of: \$3,218,625	14.70%



Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.
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(A)) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

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.

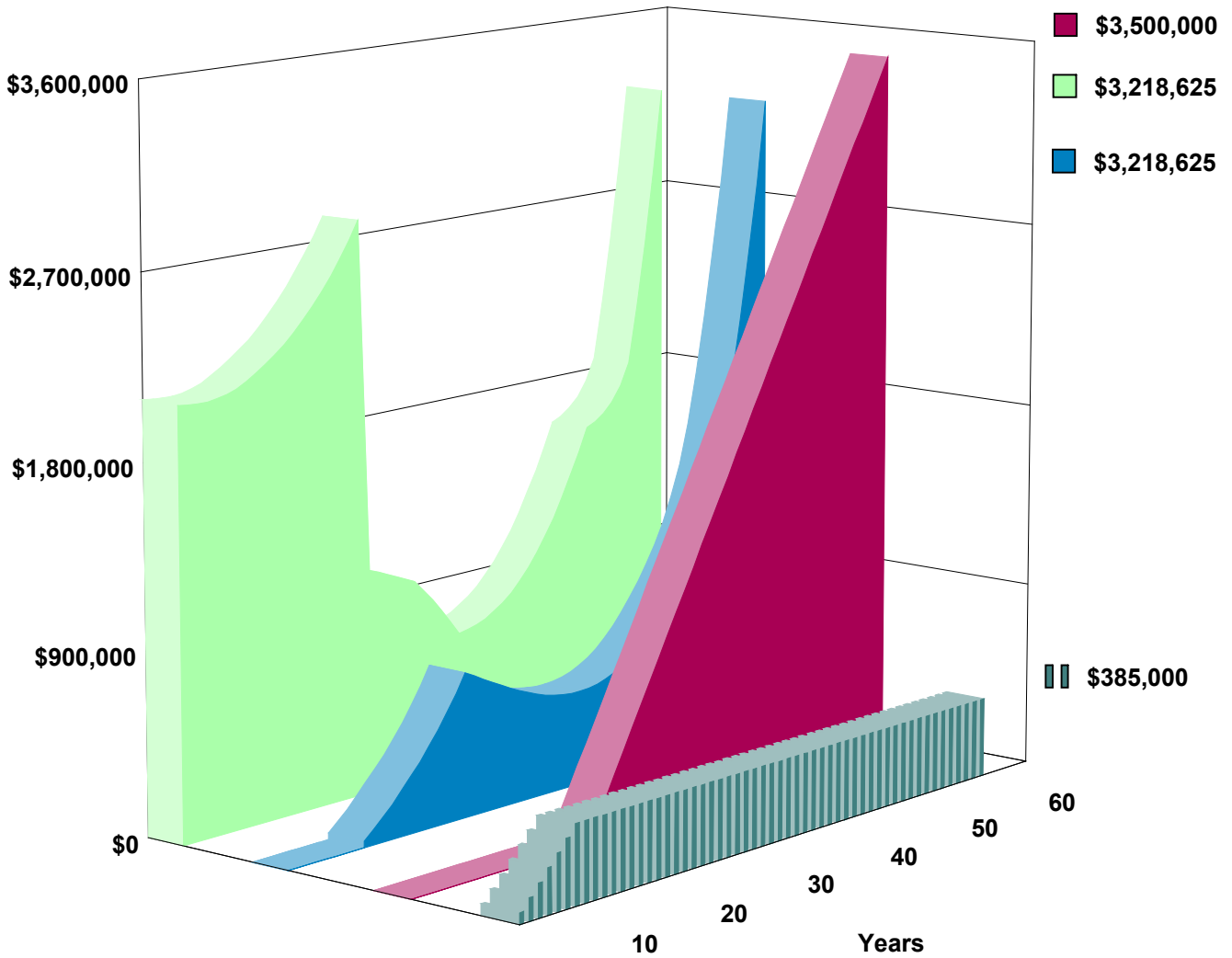
401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Tony Jamison 55 Year Analysis

Employer: Jamison Advertising, Inc.



<u>At Year 55</u>	
Executive's Cumulative Net Payments	\$385,000
Executive's Cumulative Net Loan Proceeds ¹	\$3,500,000
Executive's Cash Value Less Cum. Loan Due Employer	\$3,218,625
Executive's Death Benefit Less Cum. Loan Due Employer	\$3,218,625

¹For retirement income.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Employer's Net Payment Analysis

Employer: Jamison Advertising, Inc.

Male Age 45
 Employer's Tax Bracket 21.00%
 Assumed Applicable Federal Rate*

Yr	Age	(1) Comp. Adjustment by Executive	(2) Employer's After Tax Gain from Comp. Adjustment	(3) Loan to Executive	(4) Loan Repayment from Executive	(5) Accrued Loan Interest	(6) Employer's Tax on Accrued Loan Interest	(7) Payment Net Payment** (3)-(2)-(4)+(6)	(8) Employer's Annual Charge to Earnings** (6) - (5) - (2)	(9) Employer's Cumulative Charge to Earnings**
1	45	100,000	79,000	100,000	0	2,740	575	21,575	-81,165	-81,165
2	46	100,000	79,000	100,000	0	5,697	1,196	22,196	-83,501	-164,666
3	47	100,000	79,000	100,000	0	8,852	1,859	22,859	-85,993	-250,659
4	48	100,000	79,000	100,000	0	12,268	2,576	23,576	-88,692	-339,351
5	49	100,000	79,000	100,000	0	15,940	3,347	24,347	-91,593	-430,944
6	50	100,000	79,000	100,000	0	19,817	4,162	25,162	-94,655	-525,599
7	51	100,000	79,000	100,000	0	24,031	5,047	26,047	-97,984	-623,583
8	52	0	0	0	0	25,259	5,304	5,304	-19,955	-643,538
9	53	0	0	0	0	26,638	5,594	5,594	-21,044	-664,582
10	54	0	0	0	0	28,097	5,900	5,900	-22,197	-686,779
11	55	0	0	0	0	29,558	6,207	6,207	-23,351	-710,130
12	56	0	0	0	0	31,192	6,550	6,550	-24,642	-734,772
13	57	0	0	0	0	32,925	6,914	6,914	-26,011	-760,783
14	58	0	0	0	0	34,669	7,280	7,280	-27,389	-788,172
15	59	0	0	0	0	36,615	7,689	7,689	-28,926	-817,098
16	60	0	0	0	0	38,579	8,102	8,102	-30,477	-847,575
17	61	0	0	0	0	40,769	8,561	8,561	-32,208	-879,783
18	62	0	0	0	0	43,098	9,051	9,051	-34,047	-913,830
19	63	0	0	0	0	45,460	9,547	9,547	-35,913	-949,743
20	64	0	0	0	0	48,088	10,098	10,098	-37,990	-987,733
21	65	0	0	0	1,250,292	0	0	-1,250,292	0	-987,733
22	66	0	0	0	0	0	0	0	0	-987,733
23	67	0	0	0	0	0	0	0	0	-987,733
24	68	0	0	0	0	0	0	0	0	-987,733
25	69	0	0	0	0	0	0	0	0	-987,733
26	70	0	0	0	0	0	0	0	0	-987,733
27	71	0	0	0	0	0	0	0	0	-987,733
28	72	0	0	0	0	0	0	0	0	-987,733
29	73	0	0	0	0	0	0	0	0	-987,733
30	74	0	0	0	0	0	0	0	0	-987,733
		700,000	553,000	700,000	1,250,292	550,292	115,559	-987,733	-987,733	

**A negative value indicates a credit to earnings.

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

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
 See Preface for notes regarding loan interest rates.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Employer's Net Payment Analysis

Employer: Jamison Advertising, Inc.

Male Age 45
 Employer's Tax Bracket 21.00%
 Assumed Applicable Federal Rate*

Yr	Age	(1) Comp. Adjustment by Executive	(2) Employer's After Tax Gain from Comp. Adjustment	(3) Loan to Executive	(4) Loan Repayment from Executive	(5) Accrued Loan Interest	(6) Employer's Tax on Accrued Loan Interest	(7) Payment Net Payment** (3)-(2)-(4)+(6)	(8) Employer's Annual Charge to Earnings** (6) - (5) - (2)	(9) Employer's Cumulative Charge to Earnings**
31	75	0	0	0	0	0	0	0	0	-987,733
32	76	0	0	0	0	0	0	0	0	-987,733
33	77	0	0	0	0	0	0	0	0	-987,733
34	78	0	0	0	0	0	0	0	0	-987,733
35	79	0	0	0	0	0	0	0	0	-987,733
36	80	0	0	0	0	0	0	0	0	-987,733
37	81	0	0	0	0	0	0	0	0	-987,733
38	82	0	0	0	0	0	0	0	0	-987,733
39	83	0	0	0	0	0	0	0	0	-987,733
40	84	0	0	0	0	0	0	0	0	-987,733
41	85	0	0	0	0	0	0	0	0	-987,733
42	86	0	0	0	0	0	0	0	0	-987,733
43	87	0	0	0	0	0	0	0	0	-987,733
44	88	0	0	0	0	0	0	0	0	-987,733
45	89	0	0	0	0	0	0	0	0	-987,733
46	90	0	0	0	0	0	0	0	0	-987,733
47	91	0	0	0	0	0	0	0	0	-987,733
48	92	0	0	0	0	0	0	0	0	-987,733
49	93	0	0	0	0	0	0	0	0	-987,733
50	94	0	0	0	0	0	0	0	0	-987,733
51	95	0	0	0	0	0	0	0	0	-987,733
52	96	0	0	0	0	0	0	0	0	-987,733
53	97	0	0	0	0	0	0	0	0	-987,733
54	98	0	0	0	0	0	0	0	0	-987,733
55	99	0	0	0	0	0	0	0	0	-987,733
		700,000	553,000	700,000	1,250,292	550,292	115,559	-987,733	-987,733	

**A negative value indicates a credit to earnings.

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

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
 See Preface for notes regarding loan interest rates.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Employer: Jamison Advertising, Inc.

Executive's Net Payment Analysis

Male
Age 45
Executive's Tax Bracket 45.00%
Assumed Applicable Federal Rate*

Year	Age	(1) Compensation Adjustment by Executive	(2) Executive's After Tax Cost of Compensation Adjustment	(3) Policy Premium Due by Executive	(4) Beginning of Year Loan from Employer	(5) Executive's Net Payment (2)+(3)-(4)
1	45	100,000	55,000	100,000	100,000	55,000
2	46	100,000	55,000	100,000	100,000	55,000
3	47	100,000	55,000	100,000	100,000	55,000
4	48	100,000	55,000	100,000	100,000	55,000
5	49	100,000	55,000	100,000	100,000	55,000
6	50	100,000	55,000	100,000	100,000	55,000
7	51	100,000	55,000	100,000	100,000	55,000
8	52	0	0	0	0	0
9	53	0	0	0	0	0
10	54	0	0	0	0	0
11	55	0	0	0	0	0
12	56	0	0	0	0	0
13	57	0	0	0	0	0
14	58	0	0	0	0	0
15	59	0	0	0	0	0
16	60	0	0	0	0	0
17	61	0	0	0	0	0
18	62	0	0	0	0	0
19	63	0	0	0	0	0
20	64	0	0	0	0	0
21	65	0	0	0	0	0
22	66	0	0	0	0	0
23	67	0	0	0	0	0
24	68	0	0	0	0	0
25	69	0	0	0	0	0
26	70	0	0	0	0	0
27	71	0	0	0	0	0
28	72	0	0	0	0	0
29	73	0	0	0	0	0
30	74	0	0	0	0	0
		700,000	385,000	700,000	700,000	385,000

*See Promissory Note Analysis for assumed Applicable Fed. Rate. See Preface for notes regarding loan interest rates.

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

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Employer: Jamison Advertising, Inc.

Executive's Net Payment Analysis

Male
Age 45
Executive's Tax Bracket 45.00%
Assumed Applicable Federal Rate*

Year	Age	(1) Compensation Adjustment by Executive	(2) Executive's After Tax Cost of Compensation Adjustment	(3) Policy Premium Due by Executive	(4) Beginning of Year Loan from Employer	(5) Executive's Net Payment (2)+(3)-(4)
31	75	0	0	0	0	0
32	76	0	0	0	0	0
33	77	0	0	0	0	0
34	78	0	0	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
51	95	0	0	0	0	0
52	96	0	0	0	0	0
53	97	0	0	0	0	0
54	98	0	0	0	0	0
55	99	0	0	0	0	0
		700,000	385,000	700,000	700,000	385,000

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

*See Promissory Note Analysis for assumed Applicable Fed. Rate. See Preface for notes regarding loan interest rates.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Promissory Note Analysis

Employer: Jamison Advertising, Inc.

Male
Age
45
Assumed
Applicable
Federal Rate**
(See Col. 2)

Yr	Age	(1) Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Accrued Loan Interest	(8) Cumulative Loan to Executive (Value of Promissory Note)	(9) Policy Accum Value* Net of Loan Due Employer	(10) Policy Cash Value* Net of Loan Due Employer	(11) Policy Death Benefit* Net of Loan Due Employer
1	45	100,000	2.74%	0	0	0	0	2,740	102,740	0	0	2,097,110
2	46	100,000	2.81%	0	0	0	0	5,697	208,437	0	0	2,089,704
3	47	100,000	2.87%	0	0	0	0	8,852	317,289	0	0	2,086,045
4	48	100,000	2.94%	0	0	0	0	12,268	429,557	0	0	2,086,732
5	49	100,000	3.01%	0	0	0	0	15,940	545,497	0	0	2,092,327
6	50	100,000	3.07%	0	0	0	0	19,817	665,314	0	0	2,103,441
7	51	100,000	3.14%	0	0	0	0	24,031	789,345	12,407	0	2,120,544
8	52	0	3.20%	0	0	0	0	25,259	814,604	39,991	0	2,148,128
9	53	0	3.27%	0	0	0	0	26,638	841,242	70,128	33,067	2,178,265
10	54	0	3.34%	0	0	0	0	28,097	869,339	103,028	75,243	2,211,165
11	55	0	3.40%	0	0	0	0	29,558	898,897	139,019	120,489	2,247,156
12	56	0	3.47%	0	0	0	0	31,192	930,089	178,274	169,019	2,286,411
13	57	0	3.54%	0	0	0	0	32,925	963,014	226,229	226,229	2,334,366
14	58	0	3.60%	0	0	0	0	34,669	997,683	278,686	278,686	2,386,823
15	59	0	3.67%	0	0	0	0	36,615	1,034,298	336,020	336,020	2,444,157
16	60	0	3.73%	0	0	0	0	38,579	1,072,877	398,442	398,442	2,506,579
17	61	0	3.80%	0	0	0	0	40,769	1,113,646	466,433	466,433	2,574,570
18	62	0	3.87%	0	0	0	0	43,098	1,156,744	540,621	540,621	2,648,758
19	63	0	3.93%	0	0	0	0	45,460	1,202,204	621,754	621,754	2,729,891
20	64	0	4.00%	0	0	0	0	48,088	1,250,292	710,137	710,137	2,818,274
21	65	0	n/a	0	0	0	1,250,292	0	0	2,099,507	681,701	1,101,602
22	66	0	n/a	0	0	0	0	0	0	2,247,531	653,834	1,080,865
23	67	0	n/a	0	0	0	0	0	0	2,405,069	626,687	1,059,600
24	68	0	n/a	0	0	0	0	0	0	2,572,719	600,418	1,037,780
25	69	0	n/a	0	0	0	0	0	0	2,751,123	575,207	1,015,387
26	70	0	n/a	0	0	0	0	0	0	2,940,967	551,255	992,400
27	71	0	n/a	0	0	0	0	0	0	3,143,412	529,215	937,858
28	72	0	n/a	0	0	0	0	0	0	3,359,433	509,526	879,063
29	73	0	n/a	0	0	0	0	0	0	3,590,117	492,714	815,825
30	74	0	n/a	0	0	0	0	0	0	3,836,682	479,409	747,977
		700,000		0	0	0	1,250,292	550,292				

*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 repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Promissory Note Analysis

Employer: Jamison Advertising, Inc.

Male
Age
45
Assumed
Applicable
Federal Rate**
(See Col. 2)

Yr	Age	(1) Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Accrued Loan Interest	(8) Cumulative Loan to Executive (Value of Promissory Note)	(9) Policy Accum Value* Net of Loan Due Employer	(10) Policy Cash Value* Net of Loan Due Employer	(11) Policy Death Benefit* Net of Loan Due Employer
31	75	0	n/a	0	0	0	0	0	0	4,100,509	470,372	675,398
32	76	0	n/a	0	0	0	0	0	0	4,381,733	465,090	684,177
33	77	0	n/a	0	0	0	0	0	0	4,681,486	464,010	698,085
34	78	0	n/a	0	0	0	0	0	0	5,000,954	467,605	717,652
35	79	0	n/a	0	0	0	0	0	0	5,341,400	476,384	743,454
36	80	0	n/a	0	0	0	0	0	0	5,704,134	490,866	776,073
37	81	0	n/a	0	0	0	0	0	0	6,090,413	511,483	816,003
38	82	0	n/a	0	0	0	0	0	0	6,501,642	538,765	863,847
39	83	0	n/a	0	0	0	0	0	0	6,939,259	573,238	920,201
40	84	0	n/a	0	0	0	0	0	0	7,404,671	615,349	985,582
41	85	0	n/a	0	0	0	0	0	0	7,898,784	664,996	1,059,935
42	86	0	n/a	0	0	0	0	0	0	8,422,933	722,455	1,143,602
43	87	0	n/a	0	0	0	0	0	0	8,978,207	787,705	1,236,616
44	88	0	n/a	0	0	0	0	0	0	9,565,194	860,167	1,338,427
45	89	0	n/a	0	0	0	0	0	0	10,184,487	939,209	1,448,434
46	90	0	n/a	0	0	0	0	0	0	10,836,263	1,023,721	1,565,535
47	91	0	n/a	0	0	0	0	0	0	11,533,845	1,125,676	1,587,030
48	92	0	n/a	0	0	0	0	0	0	12,284,207	1,250,630	1,619,156
49	93	0	n/a	0	0	0	0	0	0	13,096,597	1,406,341	1,668,272
50	94	0	n/a	0	0	0	0	0	0	13,982,702	1,602,933	1,742,760
51	95	0	n/a	0	0	0	0	0	0	14,956,512	1,852,755	1,852,755
52	96	0	n/a	0	0	0	0	0	0	15,999,726	2,135,780	2,135,780
53	97	0	n/a	0	0	0	0	0	0	17,117,457	2,455,314	2,455,314
54	98	0	n/a	0	0	0	0	0	0	18,315,206	2,814,956	2,814,956
55	99	0	n/a	0	0	0	0	0	0	19,598,888	3,218,625	3,218,625
		700,000		0	0	0	1,250,292	550,292				

*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 repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Executive's Personal Report

Employer: Jamison Advertising, Inc.

Male
Age
45
Executive's
Tax Bracket
45.00%
Indexed UL
Interest Rate
6.90%

		Tony Jamison Costs	Tony Jamison Values				
		(1)	(2)	(3)	(4)	(5)	
		Executive's Net payment*	Net Policy Loan Proceeds Available for Retirement Income	Executive's Share of Accum Value**	Executive's Share of Cash Value**	Executive's Share of Death Benefit	
Year	Age						
1	45	55,000	0	0	0	2,097,110	
2	46	55,000	0	0	0	2,089,704	
3	47	55,000	0	0	0	2,086,045	
4	48	55,000	0	0	0	2,086,732	
5	49	55,000	0	0	0	2,092,327	
6	50	55,000	0	0	0	2,103,441	
7	51	55,000	0	12,407	0	2,120,544	
8	52	0	0	39,991	0	2,148,128	
9	53	0	0	70,128	33,067	2,178,265	
10	54	0	0	103,028	75,243	2,211,165	
11	55	0	0	139,019	120,489	2,247,156	
12	56	0	0	178,274	169,019	2,286,411	
13	57	0	0	226,229	226,229	2,334,366	
14	58	0	0	278,686	278,686	2,386,823	
15	59	0	0	336,020	336,020	2,444,157	
16	60	0	0	398,442	398,442	2,506,579	
17	61	0	0	466,433	466,433	2,574,570	
18	62	0	0	540,621	540,621	2,648,758	
19	63	0	0	621,754	621,754	2,729,891	
20	64	0	0	710,137	710,137	2,818,274	
21	65	0	100,000	2,099,507	681,701	1,101,602	
22	66	0	100,000	2,247,531	653,834	1,080,865	
23	67	0	100,000	2,405,069	626,687	1,059,600	
24	68	0	100,000	2,572,719	600,418	1,037,780	
25	69	0	100,000	2,751,123	575,207	1,015,387	
26	70	0	100,000	2,940,967	551,255	992,400	
27	71	0	100,000	3,143,412	529,215	937,858	
28	72	0	100,000	3,359,433	509,526	879,063	
29	73	0	100,000	3,590,117	492,714	815,825	
30	74	0	100,000	3,836,682	479,409	747,977	
		385,000	1,000,000				

*Assuming all parties follow the procedure outlined on the Executive's Net Payment Analysis page.

**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 repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

401(k) Look-Alike Funded With Indexed Universal Life

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

Insured: Tony Jamison

Executive's Personal Report

Employer: Jamison Advertising, Inc.

Male
Age
45
Executive's
Tax Bracket
45.00%
Indexed UL
Interest Rate
6.90%

		Tony Jamison Costs	Tony Jamison Values				
		(1)	(2)	(3)	(4)	(5)	
		Executive's Net payment*	Net Policy Loan Proceeds Available for Retirement Income	Executive's Share of Accum Value**	Executive's Share of Cash Value**	Executive's Share of Death Benefit	
Year	Age						
31	75	0	100,000	4,100,509	470,372	675,398	
32	76	0	100,000	4,381,733	465,090	684,177	
33	77	0	100,000	4,681,486	464,010	698,085	
34	78	0	100,000	5,000,954	467,605	717,652	
35	79	0	100,000	5,341,400	476,384	743,454	
36	80	0	100,000	5,704,134	490,866	776,073	
37	81	0	100,000	6,090,413	511,483	816,003	
38	82	0	100,000	6,501,642	538,765	863,847	
39	83	0	100,000	6,939,259	573,238	920,201	
40	84	0	100,000	7,404,671	615,349	985,582	
41	85	0	100,000	7,898,784	664,996	1,059,935	
42	86	0	100,000	8,422,933	722,455	1,143,602	
43	87	0	100,000	8,978,207	787,705	1,236,616	
44	88	0	100,000	9,565,194	860,167	1,338,427	
45	89	0	100,000	10,184,487	939,209	1,448,434	
46	90	0	100,000	10,836,263	1,023,721	1,565,535	
47	91	0	100,000	11,533,845	1,125,676	1,587,030	
48	92	0	100,000	12,284,207	1,250,630	1,619,156	
49	93	0	100,000	13,096,597	1,406,341	1,668,272	
50	94	0	100,000	13,982,702	1,602,933	1,742,760	
51	95	0	100,000	14,956,512	1,852,755	1,852,755	
52	96	0	100,000	15,999,726	2,135,780	2,135,780	
53	97	0	100,000	17,117,457	2,455,314	2,455,314	
54	98	0	100,000	18,315,206	2,814,956	2,814,956	
55	99	0	100,000	19,598,888	3,218,625	3,218,625	
		385,000	3,500,000				

*Assuming all parties follow the procedure outlined on the Executive's Net Payment Analysis page.

**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 repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.