

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Harvey Pierce, MD

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 will involve your selection of the appropriate life insurance policy.

There are several important factors to consider which include:

1. The time frame for the insurance need;
2. Your available cash flow;
3. Your alternative uses for the cash flow;
4. The income tax considerations.

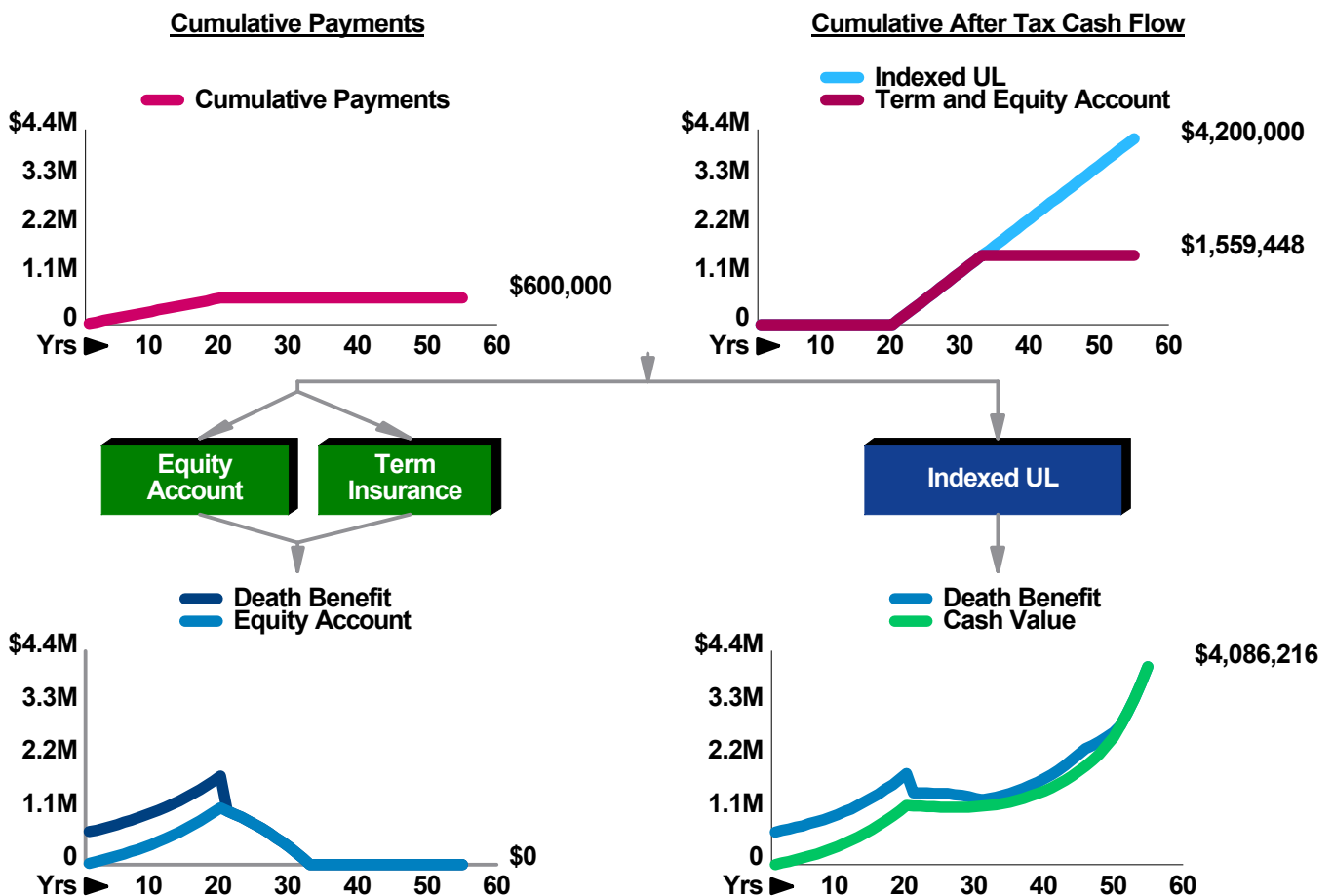
An integrated analysis of these points creates useful information that helps guide your purchasing evaluation. The precision of the conclusions, however, is contingent upon the accuracy of the data utilized. You should be positive that all premises and

conditions accurately reflect your goals and expectations.

The accompanying analysis contrasts a cash value policy to a term insurance alternative. Any difference in premiums between the two choices has been evaluated regarding time/use of money.

The study produces information which should form a basis from which you and your advisors can draw informed conclusions.

Based upon the results of the analysis, we recommend funding your life insurance requirement with the cash value policy illustrated rather than a term life insurance policy.



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.

Term Insurance and an Equity Account vs. Indexed Universal Life

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Comparison of Values

Equity Account Growth 7.00% Equity Account Dividend 2.00% Dividend Tax Rate 25.00% Income Tax Rate 45.00% Indexed UL Interest Rate 6.85% Initial Death Benefit 650,000

| Yr | Male Age | Payment Allocation | | | 650,000 Scheduled Term Insurance Along with an Equity Account* | | | | Indexed UL | | | |
|----|----------|----------------------------------|-------------------------------------|-------------------------------------|--|-----------------------------------|----------------------------------|--------------------------------------|------------------------------------|----------------------------|----------------------------|--------------------|
| | | (1) Cost of the Proposed Premium | (2) Alternative Term Policy Premium | (3) Net to Equity Account (1) - (2) | (4) After Tax Cash Flow from the Account | (5) Year End Equity Account Value | (6) Scheduled Term Death Benefit | (7) Combined Death Benefit (5) + (6) | (8) After Tax Policy Loan Proceeds | (9) Year End Accum Value** | (10) Year End Cash Value** | (11) Death Benefit |
| 1 | 45 | 30,000 | 700 | 29,300 | 0 | 31,385 | 650,000 | 681,385 | 0 | 27,302 | 8,407 | 677,302 |
| 2 | 46 | 30,000 | 700 | 29,300 | 0 | 64,895 | 650,000 | 714,895 | 0 | 56,510 | 37,881 | 706,510 |
| 3 | 47 | 30,000 | 700 | 29,300 | 0 | 100,595 | 650,000 | 750,595 | 0 | 87,699 | 69,350 | 737,699 |
| 4 | 48 | 30,000 | 700 | 29,300 | 0 | 138,566 | 650,000 | 788,566 | 0 | 121,147 | 103,090 | 771,147 |
| 5 | 49 | 30,000 | 700 | 29,300 | 0 | 178,908 | 650,000 | 828,908 | 0 | 157,109 | 139,351 | 807,109 |
| 6 | 50 | 30,000 | 700 | 29,300 | 0 | 221,733 | 650,000 | 871,733 | 0 | 195,834 | 178,382 | 845,834 |
| 7 | 51 | 30,000 | 700 | 29,300 | 0 | 267,167 | 650,000 | 917,167 | 0 | 237,567 | 220,426 | 887,567 |
| 8 | 52 | 30,000 | 700 | 29,300 | 0 | 315,350 | 650,000 | 965,350 | 0 | 282,543 | 268,263 | 932,543 |
| 9 | 53 | 30,000 | 700 | 29,300 | 0 | 366,432 | 650,000 | 1,016,432 | 0 | 330,995 | 319,568 | 980,995 |
| 10 | 54 | 30,000 | 700 | 29,300 | 0 | 420,576 | 650,000 | 1,070,576 | 0 | 384,485 | 375,918 | 1,034,485 |
| 11 | 55 | 30,000 | 700 | 29,300 | 0 | 477,956 | 650,000 | 1,127,956 | 0 | 442,118 | 436,404 | 1,092,118 |
| 12 | 56 | 30,000 | 700 | 29,300 | 0 | 538,761 | 650,000 | 1,188,761 | 0 | 504,214 | 501,361 | 1,154,214 |
| 13 | 57 | 30,000 | 700 | 29,300 | 0 | 603,187 | 650,000 | 1,253,187 | 0 | 572,624 | 572,624 | 1,222,624 |
| 14 | 58 | 30,000 | 700 | 29,300 | 0 | 671,447 | 650,000 | 1,321,447 | 0 | 646,398 | 646,398 | 1,296,398 |
| 15 | 59 | 30,000 | 700 | 29,300 | 0 | 743,766 | 650,000 | 1,393,766 | 0 | 725,992 | 725,992 | 1,375,992 |
| 16 | 60 | 30,000 | 700 | 29,300 | 0 | 820,384 | 650,000 | 1,470,384 | 0 | 811,743 | 811,743 | 1,461,743 |
| 17 | 61 | 30,000 | 700 | 29,300 | 0 | 901,554 | 650,000 | 1,551,554 | 0 | 904,196 | 904,196 | 1,554,196 |
| 18 | 62 | 30,000 | 700 | 29,300 | 0 | 987,545 | 650,000 | 1,637,545 | 0 | 1,003,941 | 1,003,941 | 1,653,941 |
| 19 | 63 | 30,000 | 700 | 29,300 | 0 | 1,078,643 | 650,000 | 1,728,643 | 0 | 1,111,601 | 1,111,601 | 1,761,601 |
| 20 | 64 | 30,000 | 700 | 29,300 | 0 | 1,175,149 | 650,000 | 1,825,149 | 0 | 1,227,803 | 1,227,803 | 1,877,803 |
| 21 | 65 | 0 | 0 | 0 | 120,000 | 1,114,813 | 0 | 1,114,813 | 120,000 | 1,322,830 | 1,217,830 | 1,482,396 |
| 22 | 66 | 0 | 0 | 0 | 120,000 | 1,050,089 | 0 | 1,050,089 | 120,000 | 1,424,062 | 1,208,812 | 1,479,384 |
| 23 | 67 | 0 | 0 | 0 | 120,000 | 980,921 | 0 | 980,921 | 120,000 | 1,531,917 | 1,200,905 | 1,476,650 |
| 24 | 68 | 0 | 0 | 0 | 120,000 | 907,195 | 0 | 907,195 | 120,000 | 1,646,826 | 1,194,263 | 1,474,223 |
| 25 | 69 | 0 | 0 | 0 | 120,000 | 828,743 | 0 | 828,743 | 120,000 | 1,769,248 | 1,189,057 | 1,472,137 |
| 26 | 70 | 0 | 0 | 0 | 120,000 | 745,358 | 0 | 745,358 | 120,000 | 1,899,700 | 1,185,499 | 1,470,454 |
| 27 | 71 | 0 | 0 | 0 | 120,000 | 656,794 | 0 | 656,794 | 120,000 | 2,038,968 | 1,184,057 | 1,449,123 |
| 28 | 72 | 0 | 0 | 0 | 120,000 | 562,777 | 0 | 562,777 | 120,000 | 2,187,741 | 1,185,085 | 1,425,736 |
| 29 | 73 | 0 | 0 | 0 | 120,000 | 463,004 | 0 | 463,004 | 120,000 | 2,346,789 | 1,189,000 | 1,400,211 |
| 30 | 74 | 0 | 0 | 0 | 120,000 | 357,147 | 0 | 357,147 | 120,000 | 2,516,966 | 1,196,287 | 1,372,474 |
| | | 600,000 | 14,000 | 586,000 | 1,200,000 | | | | 1,200,000 | | | |

Management fees reflected in column (5): 0.75%

30 Year Summary

*See the accompanying reports entitled "Equity Account Details" and "Portfolio Turnover Details" for year-by-year equity calculation and turnover details.

**This illustration assumes the nonguaranteed values 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.

| | Term/Equity Account | Indexed UL |
|---------------------|---------------------|------------|
| After Tax Payments | 600,000 | 600,000 |
| After Tax Cash Flow | 1,200,000 | 1,200,000 |
| Living Values | 357,147 | 1,196,287 |
| Death Benefit | 357,147 | 1,372,474 |

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Comparison of Values

Equity Account Growth 7.00% Equity Account Dividend 2.00% Dividend Tax Rate 25.00% Income Tax Rate 45.00% Indexed UL Interest Rate 6.85% Initial Death Benefit 650,000

| Yr | Male Age | Payment Allocation | | | 650,000 Scheduled Term Insurance Along with an Equity Account* | | | | Indexed UL | | | |
|----|----------|----------------------------------|-------------------------------------|-------------------------------------|--|-----------------------------------|----------------------------------|--------------------------------------|------------------------------------|----------------------------|----------------------------|--------------------|
| | | (1) Cost of the Proposed Premium | (2) Alternative Term Policy Premium | (3) Net to Equity Account (1) - (2) | (4) After Tax Cash Flow from the Account | (5) Year End Equity Account Value | (6) Scheduled Term Death Benefit | (7) Combined Death Benefit (5) + (6) | (8) After Tax Policy Loan Proceeds | (9) Year End Accum Value** | (10) Year End Cash Value** | (11) Death Benefit |
| 31 | 75 | 0 | 0 | 0 | 120,000 | 244,848 | 0 | 244,848 | 120,000 | 2,699,233 | 1,207,520 | 1,342,482 |
| 32 | 76 | 0 | 0 | 0 | 120,000 | 125,729 | 0 | 125,729 | 120,000 | 2,893,742 | 1,222,444 | 1,367,131 |
| 33 | 77 | 0 | 0 | 0 | 119,448 | 0 | 0 | 0 | 120,000 | 3,101,313 | 1,241,449 | 1,396,515 |
| 34 | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 3,322,804 | 1,264,948 | 1,431,088 |
| 35 | 79 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 3,559,141 | 1,293,392 | 1,471,349 |
| 36 | 80 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 3,811,240 | 1,327,204 | 1,517,766 |
| 37 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 4,079,940 | 1,366,702 | 1,570,699 |
| 38 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 4,366,226 | 1,412,326 | 1,630,637 |
| 39 | 83 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 4,671,090 | 1,464,495 | 1,698,049 |
| 40 | 84 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 4,995,494 | 1,523,569 | 1,773,344 |
| 41 | 85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 5,340,336 | 1,589,814 | 1,856,831 |
| 42 | 86 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 5,706,559 | 1,663,512 | 1,948,840 |
| 43 | 87 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 6,094,938 | 1,744,738 | 2,049,485 |
| 44 | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 6,505,939 | 1,833,229 | 2,158,526 |
| 45 | 89 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 6,940,034 | 1,928,689 | 2,275,690 |
| 46 | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 7,397,407 | 2,030,494 | 2,400,365 |
| 47 | 91 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 7,887,311 | 2,147,053 | 2,462,545 |
| 48 | 92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 8,414,658 | 2,282,387 | 2,534,827 |
| 49 | 93 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 8,985,955 | 2,442,070 | 2,621,790 |
| 50 | 94 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 9,609,431 | 2,633,352 | 2,729,446 |
| 51 | 95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 10,294,946 | 2,865,063 | 2,865,063 |
| 52 | 96 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 11,029,925 | 3,123,548 | 3,123,548 |
| 53 | 97 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 11,818,046 | 3,411,350 | 3,411,350 |
| 54 | 98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 12,663,268 | 3,731,237 | 3,731,237 |
| 55 | 99 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120,000 | 13,569,849 | 4,086,216 | 4,086,216 |
| | | 600,000 | 14,000 | 586,000 | 1,559,448 | | | | 4,200,000 | | | |

Management fees reflected in column (5): 0.75%

*See the accompanying reports entitled "Equity Account Details" and "Portfolio Turnover Details" for year-by-year equity calculation and turnover details.

**This illustration assumes the nonguaranteed values 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.

55 Year Summary

| | Term/Equity Account | Indexed UL |
|---------------------|---------------------|------------|
| After Tax Payments | 600,000 | 600,000 |
| After Tax Cash Flow | 1,559,448 | 4,200,000 |
| Living Values | 0 | 4,086,216 |
| Death Benefit | 0 | 4,086,216 |

Term Insurance and an Equity Account vs. Indexed Universal Life

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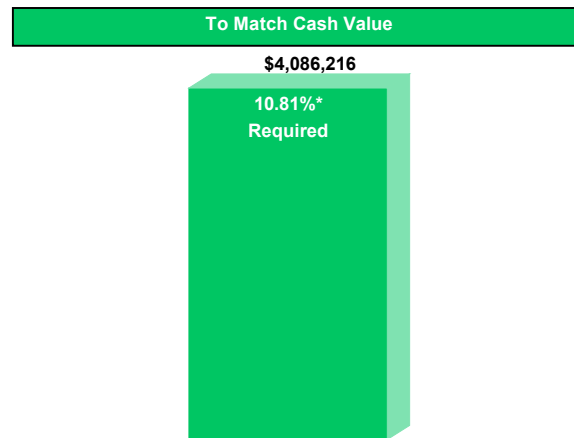
Insured: Harvey Pierce, MD

Matching Values at Age 99 (Year 55)

| | | | | | |
|-----------------------|-------------------------|-------------------|-----------------|--------------------------|-----------------------|
| Equity Account Growth | Equity Account Dividend | Dividend Tax Rate | Income Tax Rate | Indexed UL Interest Rate | Initial Death Benefit |
| 7.00% | 2.00% | 25.00% | 45.00% | 6.85% | 650,000 |

Growth Required on an Equity Account in Addition to the Dividend Illustrated to Match Indexed Universal Life Policy Values over 55 Years After Applying the Term Payment Illustrated

| | |
|-------------------------------------|---|
| To match Cash Value of: \$4,086,216 | Growth Required (Plus 2.00% Dividend) <u>10.81%</u> |
|-------------------------------------|---|



*Plus 2.00% dividend.

Income Tax Considerations

1. Equity Account: Capital gains tax calculations are taxed based on a ratio of asset value to remaining cost basis in any given year.
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 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.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Harvey Pierce, MD

Equity Account Details

| | | Equity Account Growth 7.00% | Equity Account Dividend 2.00% | Dividend Tax Rate 25.00% | Income Tax Rate 45.00% | Composite Capital Gains Tax Rate* 33.00% | Turnover Assumption 25.00% | | | | |
|----|-----|--|-------------------------------|--------------------------|------------------------|--|--|---|-------------------------------------|--|--------------------------------------|
| Yr | Age | (1) Beginning of Year Account Value | (2) Annual Deposit | (3) Sale of Equities | (4) Capital Growth | (5) After Tax Reinvested Dividends | (6) Year End Value of Account Before Turnover | (7)** Year End Value of Account After Turnover | (8) After Tax Dividend Cash Flow | (9) After Tax Cash Flow from Equity Sales | (10) Combined After Tax Cash Flow |
| 1 | 45 | 0 | 29,300 | 0 | 2,051 | 440 | 31,791 | 31,385 | 0 | 0 | 0 |
| 2 | 46 | 31,385 | 29,300 | 0 | 4,248 | 910 | 65,843 | 64,895 | 0 | 0 | 0 |
| 3 | 47 | 64,895 | 29,300 | 0 | 6,594 | 1,413 | 102,202 | 100,595 | 0 | 0 | 0 |
| 4 | 48 | 100,595 | 29,300 | 0 | 9,093 | 1,948 | 140,936 | 138,566 | 0 | 0 | 0 |
| 5 | 49 | 138,566 | 29,300 | 0 | 11,751 | 2,518 | 182,135 | 178,908 | 0 | 0 | 0 |
| 6 | 50 | 178,908 | 29,300 | 0 | 14,575 | 3,123 | 225,906 | 221,733 | 0 | 0 | 0 |
| 7 | 51 | 221,733 | 29,300 | 0 | 17,572 | 3,766 | 272,371 | 267,167 | 0 | 0 | 0 |
| 8 | 52 | 267,167 | 29,300 | 0 | 20,753 | 4,447 | 321,667 | 315,350 | 0 | 0 | 0 |
| 9 | 53 | 315,350 | 29,300 | 0 | 24,126 | 5,170 | 373,946 | 366,432 | 0 | 0 | 0 |
| 10 | 54 | 366,432 | 29,300 | 0 | 27,701 | 5,936 | 429,369 | 420,576 | 0 | 0 | 0 |
| 11 | 55 | 420,576 | 29,300 | 0 | 31,491 | 6,748 | 488,115 | 477,956 | 0 | 0 | 0 |
| 12 | 56 | 477,956 | 29,300 | 0 | 35,508 | 7,609 | 550,373 | 538,761 | 0 | 0 | 0 |
| 13 | 57 | 538,761 | 29,300 | 0 | 39,764 | 8,521 | 616,346 | 603,187 | 0 | 0 | 0 |
| 14 | 58 | 603,187 | 29,300 | 0 | 44,274 | 9,487 | 686,248 | 671,447 | 0 | 0 | 0 |
| 15 | 59 | 671,447 | 29,300 | 0 | 49,052 | 10,511 | 760,310 | 743,766 | 0 | 0 | 0 |
| 16 | 60 | 743,766 | 29,300 | 0 | 54,115 | 11,596 | 838,777 | 820,384 | 0 | 0 | 0 |
| 17 | 61 | 820,384 | 29,300 | 0 | 59,478 | 12,745 | 921,907 | 901,554 | 0 | 0 | 0 |
| 18 | 62 | 901,554 | 29,300 | 0 | 65,160 | 13,963 | 1,009,977 | 987,545 | 0 | 0 | 0 |
| 19 | 63 | 987,545 | 29,300 | 0 | 71,179 | 15,253 | 1,103,277 | 1,078,643 | 0 | 0 | 0 |
| 20 | 64 | 1,078,643 | 29,300 | 0 | 77,556 | 16,619 | 1,202,118 | 1,175,149 | 0 | 0 | 0 |
| 21 | 65 | 1,175,149 | 0 | 108,755 | 74,648 | 0 | 1,141,042 | 1,114,813 | 15,996 | 104,004 | 120,000 |
| 22 | 66 | 1,114,813 | 0 | 109,919 | 70,343 | 0 | 1,075,237 | 1,050,089 | 15,073 | 104,927 | 120,000 |
| 23 | 67 | 1,050,089 | 0 | 111,102 | 65,729 | 0 | 1,004,716 | 980,921 | 14,085 | 105,915 | 120,000 |
| 24 | 68 | 980,921 | 0 | 112,318 | 60,802 | 0 | 929,405 | 907,195 | 13,029 | 106,971 | 120,000 |
| 25 | 69 | 907,195 | 0 | 113,580 | 55,553 | 0 | 849,168 | 828,743 | 11,904 | 108,096 | 120,000 |
| 26 | 70 | 828,743 | 0 | 114,896 | 49,969 | 0 | 763,816 | 745,358 | 10,708 | 109,292 | 120,000 |
| 27 | 71 | 745,358 | 0 | 116,277 | 44,036 | 0 | 673,117 | 656,794 | 9,436 | 110,564 | 120,000 |
| 28 | 72 | 656,794 | 0 | 117,729 | 37,735 | 0 | 576,800 | 562,777 | 8,086 | 111,914 | 120,000 |
| 29 | 73 | 562,777 | 0 | 119,261 | 31,046 | 0 | 474,562 | 463,004 | 6,653 | 113,347 | 120,000 |
| 30 | 74 | 463,004 | 0 | 120,879 | 23,949 | 0 | 366,074 | 357,147 | 5,132 | 114,868 | 120,000 |
| | | | 586,000 | 1,144,716 | 1,179,851 | 142,723 | | | 110,102 | 1,089,898 | 1,200,000 |

*The composite capital gains tax rate includes 40.00% short-term gains subject to ordinary income tax and 60.00% 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: 45.00%

**Column (7) is reduced by a 0.75% management fee.

(To review turnover calculations, see the Portfolio Turnover Details report.)

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

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Insured: Harvey Pierce, MD

Equity Account Details

| | | Equity Account Growth 7.00% | Equity Account Dividend 2.00% | Dividend Tax Rate 25.00% | Income Tax Rate 45.00% | Composite Capital Gains Tax Rate* 33.00% | Turnover Assumption 25.00% | | | | |
|----|-----|--|-------------------------------|--------------------------|------------------------|--|--|---|-------------------------------------|--|--------------------------------------|
| Yr | Age | (1) Beginning of Year Account Value | (2) Annual Deposit | (3) Sale of Equities | (4) Capital Growth | (5) After Tax Reinvested Dividends | (6) Year End Value of Account Before Turnover | (7)** Year End Value of Account After Turnover | (8) After Tax Dividend Cash Flow | (9) After Tax Cash Flow from Equity Sales | (10) Combined After Tax Cash Flow |
| 31 | 75 | 357,147 | 0 | 122,591 | 16,419 | 0 | 250,975 | 244,848 | 3,518 | 116,482 | 120,000 |
| 32 | 76 | 244,848 | 0 | 124,401 | 8,431 | 0 | 128,878 | 125,729 | 1,807 | 118,193 | 120,000 |
| 33 | 77 | 125,729 | 0 | 125,729 | 0 | 0 | 0 | 0 | 0 | 119,448 | 119,448 |
| 34 | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 |
| 51 | 95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 52 | 96 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 53 | 97 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 54 | 98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 55 | 99 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | 586,000 | 1,517,437 | 1,204,701 | 142,723 | | | 115,427 | 1,444,021 | 1,559,448 |

*The composite capital gains tax rate includes 40.00% short-term gains subject to ordinary income tax and 60.00% 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: 45.00%

**Column (7) is reduced by a 0.75% management fee.

(To review turnover calculations, see the Portfolio Turnover Details report.)

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

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Portfolio Turnover Details

| | | | | Equity Account Dividend 2.00% | Dividend Tax Rate 25.00% | Income Tax Rate 45.00% | Composite Capital Gains Tax Rate* 33.00% | Turnover Assumption 25.00% | | | | | |
|----|-----|-------------------------------------|--------------------------------------|---|-----------------------------|---------------------------------------|---|-------------------------------|--|------------------------------------|---------------------------------------|--|--|
| Yr | Age | (1) Beginning of Year Cost Basis | (2) Annual Deposit to the Account | (3) Sale of Equities to Fund Cash Flow | (4) Capital Growth | (5) After Tax Reinvested Dividends | (6) Account Value Before Turnover | (7) Adjusted Cost Basis | (8) Sale of Equities Caused by Turnover | (9) Cost Basis Used by Turnover | (10) After Tax Reinvested Turnover | (11)** Year End Value of Account After Turnover | |
| 1 | 45 | 0 | 29,300 | 0 | 2,051 | 440 | 31,791 | 29,740 | 7,948 | 7,435 | 7,779 | 31,385 | |
| 2 | 46 | 30,084 | 29,300 | 0 | 4,248 | 910 | 65,843 | 60,293 | 16,461 | 15,073 | 16,003 | 64,895 | |
| 3 | 47 | 61,223 | 29,300 | 0 | 6,594 | 1,413 | 102,202 | 91,936 | 25,551 | 22,984 | 24,704 | 100,595 | |
| 4 | 48 | 93,656 | 29,300 | 0 | 9,093 | 1,948 | 140,936 | 124,904 | 35,234 | 31,226 | 33,911 | 138,566 | |
| 5 | 49 | 127,589 | 29,300 | 0 | 11,751 | 2,518 | 182,135 | 159,407 | 45,534 | 39,852 | 43,659 | 178,908 | |
| 6 | 50 | 163,214 | 29,300 | 0 | 14,575 | 3,123 | 225,906 | 195,637 | 56,477 | 48,909 | 53,979 | 221,733 | |
| 7 | 51 | 200,707 | 29,300 | 0 | 17,572 | 3,766 | 272,371 | 233,773 | 68,093 | 58,443 | 64,908 | 267,167 | |
| 8 | 52 | 240,238 | 29,300 | 0 | 20,753 | 4,447 | 321,667 | 273,985 | 80,417 | 68,496 | 76,483 | 315,350 | |
| 9 | 53 | 281,972 | 29,300 | 0 | 24,126 | 5,170 | 373,946 | 316,442 | 93,487 | 79,110 | 88,742 | 366,432 | |
| 10 | 54 | 326,074 | 29,300 | 0 | 27,701 | 5,936 | 429,369 | 361,310 | 107,342 | 90,327 | 101,727 | 420,576 | |
| 11 | 55 | 372,710 | 29,300 | 0 | 31,491 | 6,748 | 488,115 | 408,758 | 122,029 | 102,189 | 115,482 | 477,956 | |
| 12 | 56 | 422,050 | 29,300 | 0 | 35,508 | 7,609 | 550,373 | 458,959 | 137,593 | 114,740 | 130,052 | 538,761 | |
| 13 | 57 | 474,271 | 29,300 | 0 | 39,764 | 8,521 | 616,346 | 512,091 | 154,087 | 128,023 | 145,486 | 603,187 | |
| 14 | 58 | 529,554 | 29,300 | 0 | 44,274 | 9,487 | 686,248 | 568,341 | 171,562 | 142,085 | 161,835 | 671,447 | |
| 15 | 59 | 588,091 | 29,300 | 0 | 49,052 | 10,511 | 760,310 | 627,902 | 190,078 | 156,975 | 179,154 | 743,766 | |
| 16 | 60 | 650,080 | 29,300 | 0 | 54,115 | 11,596 | 838,777 | 690,976 | 209,694 | 172,744 | 197,501 | 820,384 | |
| 17 | 61 | 715,733 | 29,300 | 0 | 59,478 | 12,745 | 921,907 | 757,778 | 230,477 | 189,444 | 216,936 | 901,554 | |
| 18 | 62 | 785,269 | 29,300 | 0 | 65,160 | 13,963 | 1,009,977 | 828,533 | 252,494 | 207,133 | 237,525 | 987,545 | |
| 19 | 63 | 858,924 | 29,300 | 0 | 71,179 | 15,253 | 1,103,277 | 903,477 | 275,819 | 225,869 | 259,336 | 1,078,643 | |
| 20 | 64 | 936,944 | 29,300 | 0 | 77,556 | 16,619 | 1,202,118 | 982,863 | 300,530 | 245,716 | 282,441 | 1,175,149 | |
| 21 | 65 | 1,019,588 | 0 | 108,755 | 74,648 | 0 | 1,141,042 | 925,230 | 285,261 | 231,307 | 267,456 | 1,114,813 | |
| 22 | 66 | 961,378 | 0 | 109,919 | 70,343 | 0 | 1,075,237 | 866,587 | 268,809 | 216,647 | 251,596 | 1,050,089 | |
| 23 | 67 | 901,536 | 0 | 111,102 | 65,729 | 0 | 1,004,716 | 806,152 | 251,179 | 201,538 | 234,797 | 980,921 | |
| 24 | 68 | 839,411 | 0 | 112,318 | 60,802 | 0 | 929,405 | 743,297 | 232,351 | 185,824 | 216,997 | 907,195 | |
| 25 | 69 | 774,470 | 0 | 113,580 | 55,553 | 0 | 849,168 | 677,507 | 212,292 | 169,377 | 198,130 | 828,743 | |
| 26 | 70 | 706,260 | 0 | 114,896 | 49,969 | 0 | 763,816 | 608,345 | 190,954 | 152,086 | 178,128 | 745,358 | |
| 27 | 71 | 634,386 | 0 | 116,277 | 44,036 | 0 | 673,117 | 535,421 | 168,279 | 133,855 | 156,919 | 656,794 | |
| 28 | 72 | 558,485 | 0 | 117,729 | 37,735 | 0 | 576,800 | 458,378 | 144,200 | 114,594 | 134,430 | 562,777 | |
| 29 | 73 | 478,214 | 0 | 119,261 | 31,046 | 0 | 474,562 | 376,873 | 118,641 | 94,218 | 110,581 | 463,004 | |
| 30 | 74 | 393,236 | 0 | 120,879 | 23,949 | 0 | 366,074 | 290,571 | 91,519 | 72,643 | 85,290 | 357,147 | |
| | | 586,000 | | | | | | | | | | | |

*The composite capital gains tax rate includes 40.00% short-term gains subject to ordinary income tax and 60.00% 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: 45.00%

**Column (11) is reduced by a 0.75% management fee.

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

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Harvey Pierce, MD

Portfolio Turnover Details

| | | Equity Account | | Dividend | | Income | | Composite Capital | | Turnover | | | | |
|----|-----|---|---|--|--------------------------|---|---|-------------------------------|---|--|---|--|--|--|
| | | Dividend | | Tax Rate | | Tax Rate | | Gains Tax Rate* | | Assumption | | | | |
| | | 2.00% | | 25.00% | | 45.00% | | 33.00% | | 25.00% | | | | |
| Yr | Age | (1) Beginning of Year Cost Basis | (2) Annual Deposit to the Account | (3) Sale of Equities to Fund Cash Flow | (4) Capital Growth | (5) After Tax Reinvested Dividends | (6) Account Value Before Turnover | (7) Adjusted Cost Basis | (8) Sale of Equities Caused by Turnover | (9) Cost Basis Used by Turnover | (10) After Tax Reinvested Turnover | (11)** Year End Value of Account After Turnover | | |
| 31 | 75 | 303,218 | 0 | 122,591 | 16,419 | 0 | 250,975 | 199,139 | 62,744 | 49,785 | 58,467 | 244,848 | | |
| 32 | 76 | 207,821 | 0 | 124,401 | 8,431 | 0 | 128,878 | 102,233 | 32,220 | 25,558 | 30,021 | 125,729 | | |
| 33 | 77 | 106,696 | 0 | 125,729 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 34 | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 35 | 79 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 36 | 80 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 37 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 38 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 39 | 83 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 40 | 84 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 41 | 85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 42 | 86 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 43 | 87 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 44 | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 45 | 89 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 46 | 90 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 47 | 91 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 48 | 92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 49 | 93 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 50 | 94 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 51 | 95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 52 | 96 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 53 | 97 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 54 | 98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| 55 | 99 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |

586,000

*The composite capital gains tax rate includes 40.00% short-term gains subject to ordinary income tax and 60.00% 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: 45.00%

**Column (11) is reduced by a 0.75% management fee.

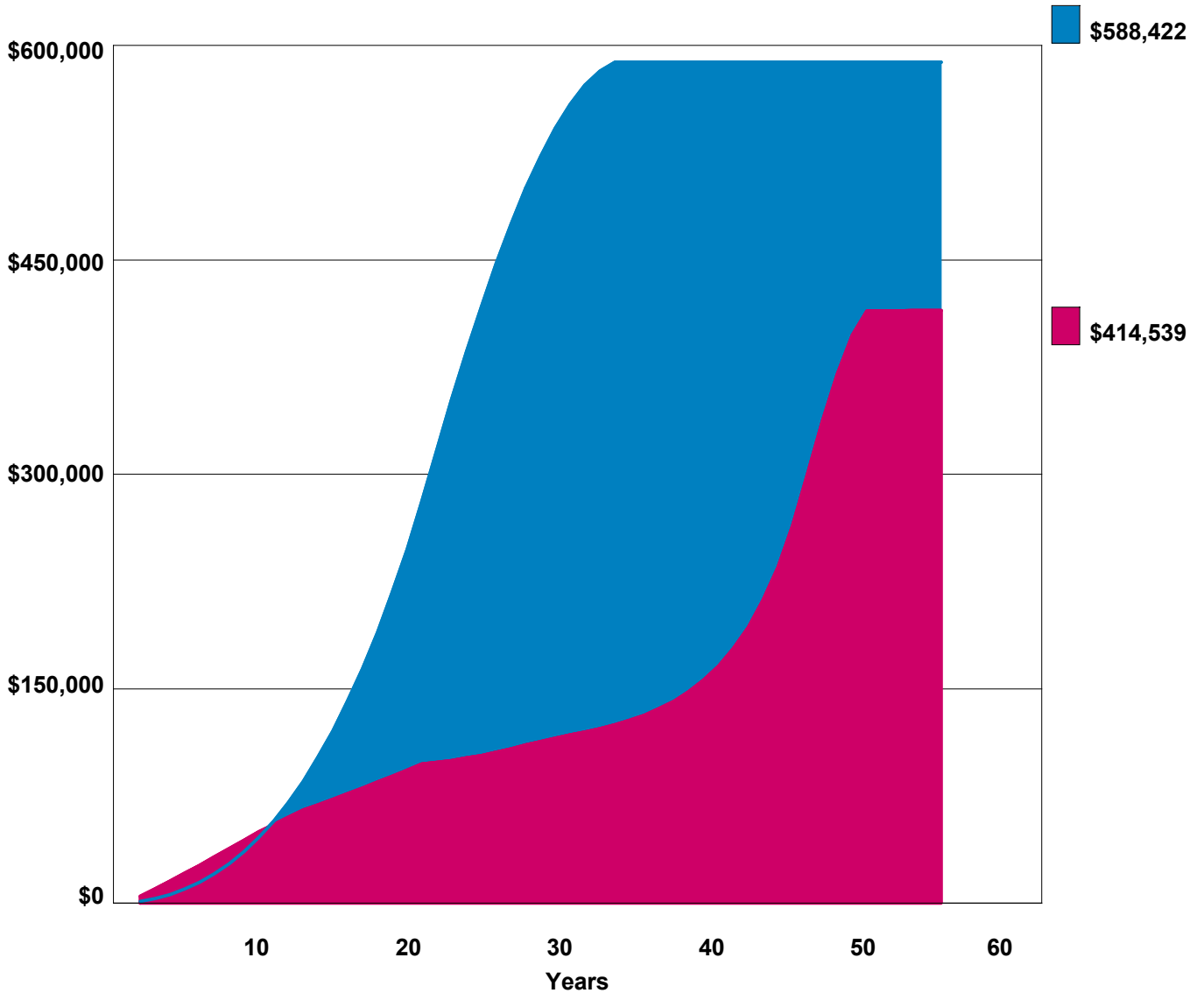
Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Harvey Pierce, MD

55 Year Analysis of Cumulative Plan Costs



At Year 55

Term & Equity Account Costs* \$588,422

Indexed UL Costs* \$414,539

*The Comparison of Plan Costs graphic above compares the management fees and/or taxes of the investment alternative to the mortality charges, policy expenses and income taxes (if applicable) associated with the life insurance policy.

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Harvey Pierce, MD

Comparison of Plan Costs

| | | Equity Account Growth 7.00% | Equity Account Dividend 2.00% | Dividend Tax Rate 25.00% | Income Tax Rate 45.00% | Composite Capital Gains Tax Rate 33.00% | Portfolio Turnover 25.00% | Indexed UL Interest Rate 6.85% | |
|------|----------|--------------------------------|----------------------------------|-----------------------------|---------------------------|---|---|-----------------------------------|--------------------------------------|
| | | Term and Equity Account | | | | | | Indexed UL* | |
| Year | Male Age | (1) Policy Premium | (2) Term Insurance Cost | (3) Mgmt Fee | (4) Taxes | (5) Term & Equity Account Total Annual Costs | (6) Term & Equity Account Cumulative Total Costs | (7) Policy Total Annual Costs | (8) Policy Cumulative Total Costs |
| 1 | 45 | 30,000 | 700 | 235 | 316 | 1,251 | 1,251 | 4,785 | 4,785 |
| 2 | 46 | 30,000 | 700 | 487 | 761 | 1,948 | 3,199 | 5,036 | 9,821 |
| 3 | 47 | 30,000 | 700 | 754 | 1,318 | 2,772 | 5,972 | 5,358 | 15,179 |
| 4 | 48 | 30,000 | 700 | 1,039 | 1,972 | 3,711 | 9,683 | 5,565 | 20,744 |
| 5 | 49 | 30,000 | 700 | 1,342 | 2,714 | 4,756 | 14,439 | 5,700 | 26,444 |
| 6 | 50 | 30,000 | 700 | 1,663 | 3,538 | 5,901 | 20,340 | 5,785 | 32,229 |
| 7 | 51 | 30,000 | 700 | 2,004 | 4,439 | 7,143 | 27,482 | 5,849 | 38,078 |
| 8 | 52 | 30,000 | 700 | 2,365 | 5,416 | 8,481 | 35,964 | 5,914 | 43,992 |
| 9 | 53 | 30,000 | 700 | 2,748 | 6,467 | 9,915 | 45,879 | 6,003 | 49,995 |
| 10 | 54 | 30,000 | 700 | 3,154 | 7,594 | 11,448 | 57,327 | 4,900 | 54,895 |
| 11 | 55 | 30,000 | 700 | 3,585 | 8,796 | 13,081 | 70,408 | 4,999 | 59,894 |
| 12 | 56 | 30,000 | 700 | 4,041 | 10,078 | 14,819 | 85,226 | 5,103 | 64,997 |
| 13 | 57 | 30,000 | 700 | 4,524 | 11,441 | 16,665 | 101,891 | 3,775 | 68,772 |
| 14 | 58 | 30,000 | 700 | 5,036 | 12,889 | 18,625 | 120,516 | 3,836 | 72,608 |
| 15 | 59 | 30,000 | 700 | 5,578 | 14,428 | 20,706 | 141,222 | 3,868 | 76,476 |
| 16 | 60 | 30,000 | 700 | 6,153 | 16,059 | 22,912 | 164,134 | 4,020 | 80,496 |
| 17 | 61 | 30,000 | 700 | 6,762 | 17,789 | 25,251 | 189,385 | 4,119 | 84,615 |
| 18 | 62 | 30,000 | 700 | 7,407 | 19,623 | 27,730 | 217,115 | 4,161 | 88,776 |
| 19 | 63 | 30,000 | 700 | 8,090 | 21,567 | 30,357 | 247,471 | 4,161 | 92,937 |
| 20 | 64 | 30,000 | 700 | 8,814 | 23,629 | 33,143 | 280,614 | 4,161 | 97,098 |
| 21 | 65 | 0 | 0 | 8,361 | 27,888 | 36,249 | 316,863 | 1,259 | 98,357 |
| 22 | 66 | 0 | 0 | 7,876 | 27,230 | 35,106 | 351,969 | 1,444 | 99,801 |
| 23 | 67 | 0 | 0 | 7,357 | 26,264 | 33,621 | 385,590 | 1,647 | 101,448 |
| 24 | 68 | 0 | 0 | 6,804 | 25,044 | 31,848 | 417,438 | 1,884 | 103,332 |
| 25 | 69 | 0 | 0 | 6,216 | 23,614 | 29,830 | 447,267 | 2,156 | 105,488 |
| 26 | 70 | 0 | 0 | 5,590 | 21,999 | 27,589 | 474,856 | 2,441 | 107,929 |
| 27 | 71 | 0 | 0 | 4,926 | 20,218 | 25,144 | 500,000 | 2,516 | 110,445 |
| 28 | 72 | 0 | 0 | 4,221 | 18,280 | 22,501 | 522,501 | 2,533 | 112,978 |
| 29 | 73 | 0 | 0 | 3,473 | 16,191 | 19,664 | 542,165 | 2,460 | 115,438 |
| 30 | 74 | 0 | 0 | 2,679 | 13,951 | 16,630 | 558,794 | 2,275 | 117,713 |
| | | 600,000 | 14,000 | 133,284 | 411,513 | 558,797 | | 117,713 | |

30 Year Summary

*This illustration assumes the nonguaranteed values 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.

| | Cumulative Plan Costs | After Tax Cash Flow | Living Value | Death Benefit |
|-----------------------|-----------------------|---------------------|--------------|---------------|
| Term & Equity Account | 558,794 | 1,200,000 | 357,147 | 357,147 |
| Indexed UL | 117,713 | 1,200,000 | 1,196,287 | 1,372,474 |

Term Insurance and an Equity Account vs. Indexed Universal Life

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

Insured: Harvey Pierce, MD

Comparison of Plan Costs

| | | Equity Account Growth 7.00% | Equity Account Dividend 2.00% | Dividend Tax Rate 25.00% | Income Tax Rate 45.00% | Composite Capital Gains Tax Rate 33.00% | Portfolio Turnover 25.00% | Indexed UL Interest Rate 6.85% | |
|------|----------|--------------------------------|----------------------------------|-----------------------------|---------------------------|---|---|-----------------------------------|--------------------------------------|
| | | Term and Equity Account | | | | | | Indexed UL* | |
| Year | Male Age | (1) Policy Premium | (2) Term Insurance Cost | (3) Mgmt Fee | (4) Taxes | (5) Term & Equity Account Total Annual Costs | (6) Term & Equity Account Cumulative Total Costs | (7) Policy Total Annual Costs | (8) Policy Cumulative Total Costs |
| 31 | 75 | 0 | 0 | 1,836 | 11,559 | 13,395 | 572,190 | 1,932 | 119,645 |
| 32 | 76 | 0 | 0 | 943 | 9,008 | 9,951 | 582,141 | 2,279 | 121,924 |
| 33 | 77 | 0 | 0 | 0 | 6,281 | 6,281 | 588,422 | 2,683 | 124,607 |
| 34 | 78 | 0 | 0 | 0 | 0 | 0 | 588,422 | 3,163 | 127,770 |
| 35 | 79 | 0 | 0 | 0 | 0 | 0 | 588,422 | 3,718 | 131,488 |
| 36 | 80 | 0 | 0 | 0 | 0 | 0 | 588,422 | 4,419 | 135,907 |
| 37 | 81 | 0 | 0 | 0 | 0 | 0 | 588,422 | 5,407 | 141,314 |
| 38 | 82 | 0 | 0 | 0 | 0 | 0 | 588,422 | 6,601 | 147,915 |
| 39 | 83 | 0 | 0 | 0 | 0 | 0 | 588,422 | 8,061 | 155,976 |
| 40 | 84 | 0 | 0 | 0 | 0 | 0 | 588,422 | 9,887 | 165,863 |
| 41 | 85 | 0 | 0 | 0 | 0 | 0 | 588,422 | 12,208 | 178,071 |
| 42 | 86 | 0 | 0 | 0 | 0 | 0 | 588,422 | 15,040 | 193,111 |
| 43 | 87 | 0 | 0 | 0 | 0 | 0 | 588,422 | 18,612 | 211,723 |
| 44 | 88 | 0 | 0 | 0 | 0 | 0 | 588,422 | 23,269 | 234,992 |
| 45 | 89 | 0 | 0 | 0 | 0 | 0 | 588,422 | 29,035 | 264,027 |
| 46 | 90 | 0 | 0 | 0 | 0 | 0 | 588,422 | 36,213 | 300,240 |
| 47 | 91 | 0 | 0 | 0 | 0 | 0 | 588,422 | 36,115 | 336,355 |
| 48 | 92 | 0 | 0 | 0 | 0 | 0 | 588,422 | 33,597 | 369,952 |
| 49 | 93 | 0 | 0 | 0 | 0 | 0 | 588,422 | 27,495 | 397,447 |
| 50 | 94 | 0 | 0 | 0 | 0 | 0 | 588,422 | 16,642 | 414,089 |
| 51 | 95 | 0 | 0 | 0 | 0 | 0 | 588,422 | 90 | 414,179 |
| 52 | 96 | 0 | 0 | 0 | 0 | 0 | 588,422 | 90 | 414,269 |
| 53 | 97 | 0 | 0 | 0 | 0 | 0 | 588,422 | 90 | 414,359 |
| 54 | 98 | 0 | 0 | 0 | 0 | 0 | 588,422 | 90 | 414,449 |
| 55 | 99 | 0 | 0 | 0 | 0 | 0 | 588,422 | 90 | 414,539 |
| | | 600,000 | 14,000 | 136,063 | 438,361 | 588,424 | | 414,539 | |

55 Year Summary

*This illustration assumes the nonguaranteed values 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.

| | Cumulative Plan Costs | After Tax Cash Flow | Living Value | Death Benefit |
|-----------------------|-----------------------|---------------------|--------------|---------------|
| Term & Equity Account | 588,422 | 1,559,448 | 0 | 0 |
| Indexed UL | 414,539 | 4,200,000 | 4,086,216 | 4,086,216 |

Taxation of Cash Flow

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.

With cash value life insurance policies, withdrawals (also known as partial surrenders) are income-tax free up to cost basis and taxable thereafter. Policy loans are income-tax free so long as the policy stays in force until death. The source of the cash flow from the life insurance policy in this presentation is policy loans.

Note: 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 issue.