

A Gift to the San Francisco Zoo Using Discounted Dollars

For: Laura and Arthur Bennett



***"We make a living by what we get, but
we make a life by what we give."***

Winson Churchill

Presented By:

[Licensed user's name appears here]

Preface

In the accompanying presentation, you will see the financial data from an illustration of a cash value life insurance policy owned by the San Francisco Zoo with premiums gifted by Laura and Arthur Bennett (the "donor").

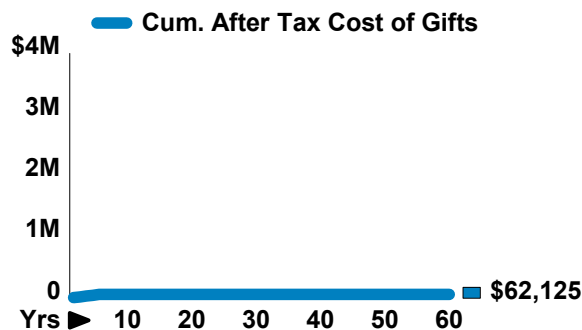
In the presentation, the sum of the after tax cost of the donor's gift, divided by the policy's death benefits, gives a "cost-per-dollar-of-benefit" solution (from the donor's perspective) that is very helpful when analyzing the economics of the transaction.

For example, if the first premium for a \$1,000,000 life insurance policy is \$25,000, the after tax cost of the donor's gift is \$12,425 (assuming a 50.30% income tax bracket). The discounted dollars calculation divides the donor's after tax cost of \$12,425 by the \$1,000,000.

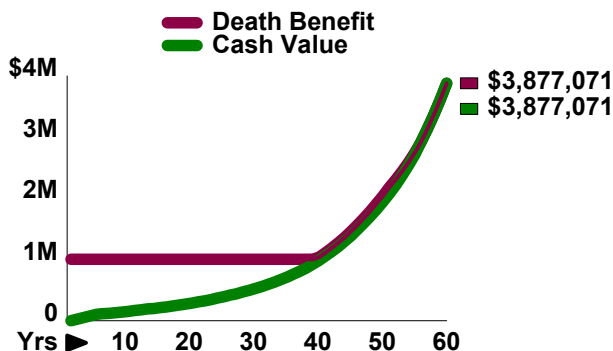
This results in an answer of 1.2 cents, meaning if death should occur during year 1, each \$1.00 of the death benefit to the San Francisco Zoo has cost the donor 1.2 cents. This figure changes from year to year for as long as premiums are illustrated.

Favorable income tax consequences combine with significant policy values to produce an effective life insurance benefit for the San Francisco Zoo that couples with a considerable amount of financial leverage for the donor. This is particularly evident in the following presentation.

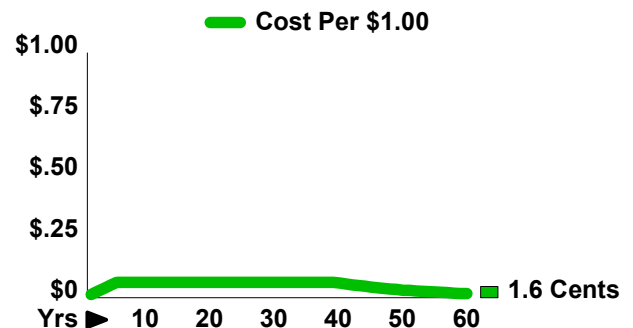
Cumulative After Tax Cost of Donor's Gift



Policy Values for the San Francisco Zoo



Donor's Cost per \$1.00 of Funding



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.

Funding Gifts to the San Francisco Zoo With Discounted Dollars Using Indexed Universal Life

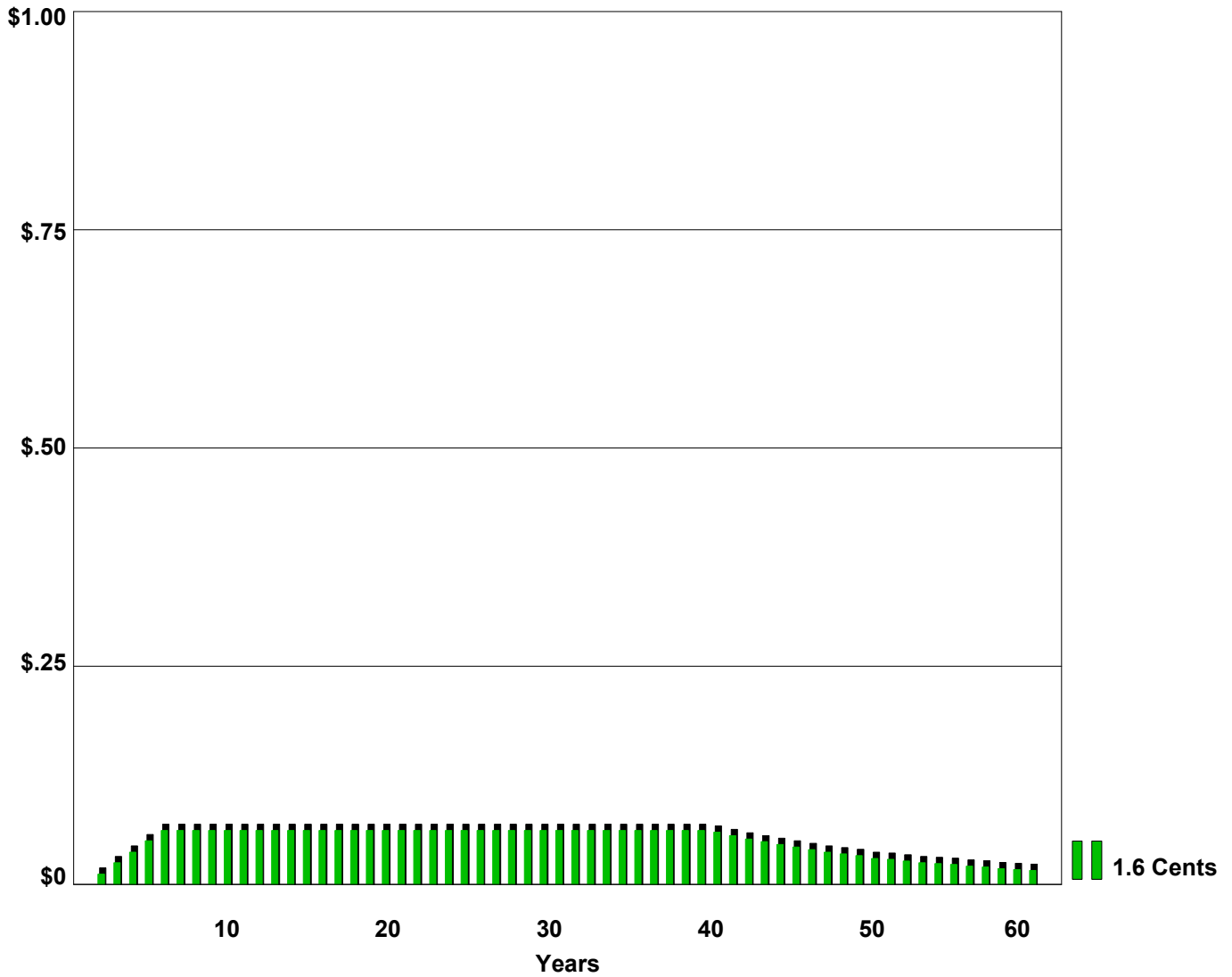
Presented By: [Licensed user's name appears here]

Insured: Laura Bennett

Donor: Laura and Arthur Bennett

Policy Owner and Beneficiary: the San Francisco Zoo

60 Year Analysis Cost per \$1.00 of Funding



At Year 60

Cost of Funding Each \$1.00 of Life Insurance for the San Francisco Zoo  1.6 Cents

Funding Gifts to the San Francisco Zoo With Discounted Dollars Using Indexed Universal Life

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

Insured: Laura Bennett

Analysis

Donor: Laura and Arthur Bennett

Policy Owner and Beneficiary: the San Francisco Zoo

Donor's Tax Bracket 50.30%
 Indexed UL Interest Rate 6.40%
 Initial Death Benefit 1,000,000

		Donor's Analysis			Death Benefit for the San Francisco Zoo		Living Values for the San Francisco Zoo	
Year	Female Age	(1) Policy Premium Gifted to the Zoo	(2) After Tax Cost of Donor's Gift	(3) Cumulative After Tax Cost of Donor's Gift	(4) Death Benefit for the Zoo	(5) Donor's Cost per \$1.00 of Funding**	(6) Year End Accum Value*	(7) Year End Cash Value*
1	40	25,000	12,425	12,425	1,000,000	1.2 Cents	21,709	0
2	41	25,000	12,425	24,850	1,000,000	2.5 Cents	44,996	22,236
3	42	25,000	12,425	37,275	1,000,000	3.7 Cents	69,989	47,479
4	43	25,000	12,425	49,700	1,000,000	5.0 Cents	96,809	74,549
5	44	25,000	12,425	62,125	1,000,000	6.2 Cents	125,635	103,625
6	45	0	0	62,125	1,000,000	6.2 Cents	131,866	110,126
7	46	0	0	62,125	1,000,000	6.2 Cents	138,509	117,039
8	47	0	0	62,125	1,000,000	6.2 Cents	145,590	127,700
9	48	0	0	62,125	1,000,000	6.2 Cents	153,138	138,828
10	49	0	0	62,125	1,000,000	6.2 Cents	161,178	150,448
11	50	0	0	62,125	1,000,000	6.2 Cents	169,741	162,591
12	51	0	0	62,125	1,000,000	6.2 Cents	178,876	175,306
13	52	0	0	62,125	1,000,000	6.2 Cents	188,566	188,566
14	53	0	0	62,125	1,000,000	6.2 Cents	198,853	198,853
15	54	0	0	62,125	1,000,000	6.2 Cents	209,779	209,779
16	55	0	0	62,125	1,000,000	6.2 Cents	223,255	223,255
17	56	0	0	62,125	1,000,000	6.2 Cents	237,610	237,610
18	57	0	0	62,125	1,000,000	6.2 Cents	252,891	252,891
19	58	0	0	62,125	1,000,000	6.2 Cents	269,164	269,164
20	59	0	0	62,125	1,000,000	6.2 Cents	286,483	286,483
21	60	0	0	62,125	1,000,000	6.2 Cents	304,888	304,888
22	61	0	0	62,125	1,000,000	6.2 Cents	324,407	324,407
23	62	0	0	62,125	1,000,000	6.2 Cents	345,054	345,054
30	69	0	0	62,125	1,000,000	6.2 Cents	526,146	526,146
35	74	0	0	62,125	1,000,000	6.2 Cents	713,063	713,063
40	79	0	0	62,125	1,035,850	6.0 Cents	986,524	986,524
45	84	0	0	62,125	1,459,572	4.3 Cents	1,390,069	1,390,069
50	89	0	0	62,125	2,039,342	3.0 Cents	1,942,231	1,942,231
55	94	0	0	62,125	2,745,828	2.3 Cents	2,718,641	2,718,641
60	99	0	0	62,125	3,877,071	1.6 Cents	3,877,071	3,877,071
		125,000	62,125					

*This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote will refer to a basic illustration from a specific life insurance company with important details, caveats, and guarantees.

**Column (3) divided by column (4) is equal to column (5).

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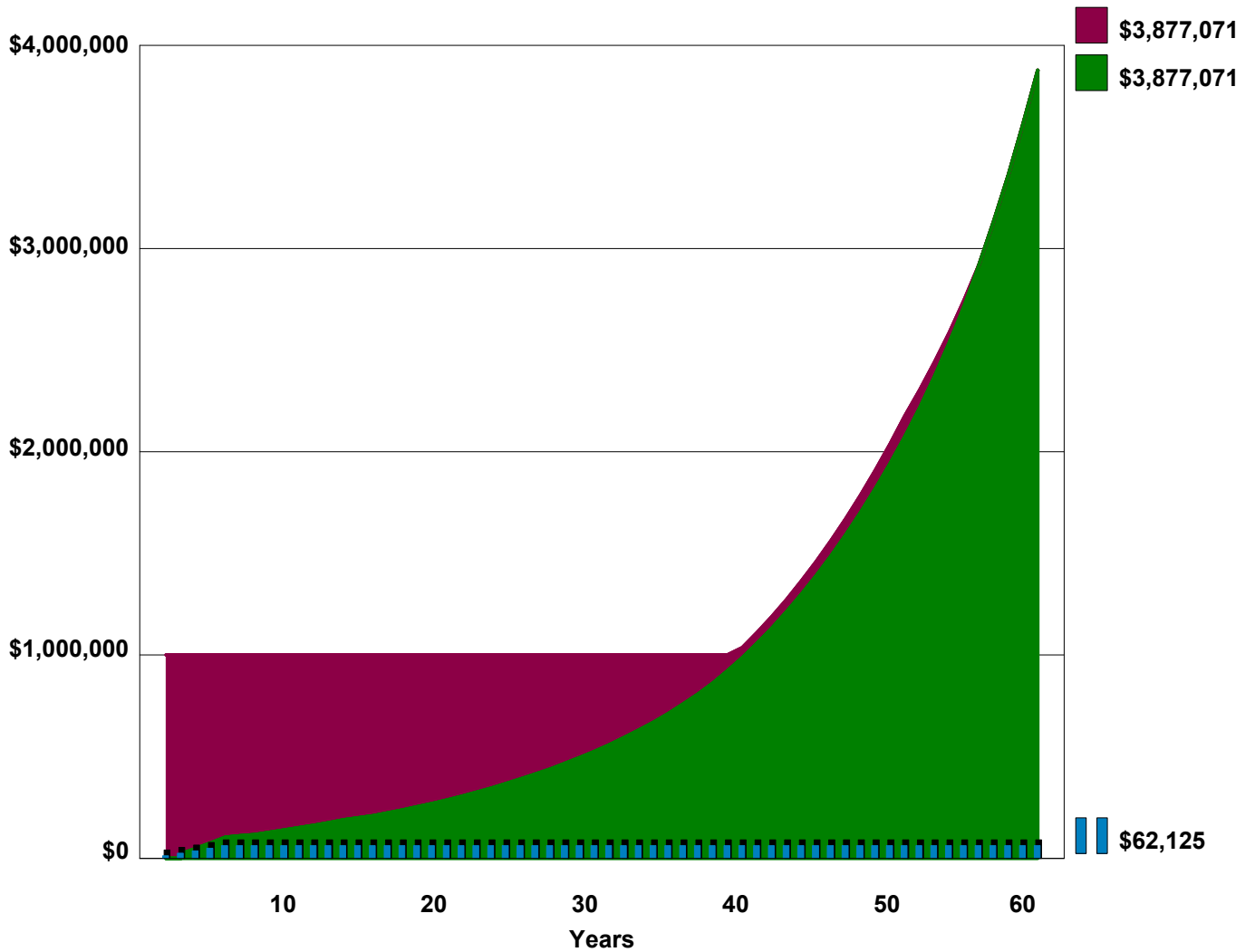
Presented By: [Licensed user's name appears here]

Insured: Laura Bennett

Donor: Laura and Arthur Bennett

Policy Owner and Beneficiary: the San Francisco Zoo

60 Year Analysis



	<u>At Year 60</u>
Cumulative After Tax Cost of Donor's Gift	\$62,125
Policy Cash Value for the San Francisco Zoo	\$3,877,071
Policy Death Benefit for the San Francisco Zoo	\$3,877,071