

Indexed Universal Life vs. Equity Account

For: Harvey Pierce, MD



*"The best way to predict the future
is to create it."*

Abraham Lincoln

Presented By:
Robert B. Ritter

An Equity Account vs. Indexed Universal Life

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Preface

A decision to acquire additional life insurance can represent one of several significant phases in your overall financial planning.

An important part of this decision involves the comparison of the life insurance policy to alternative investment possibilities.

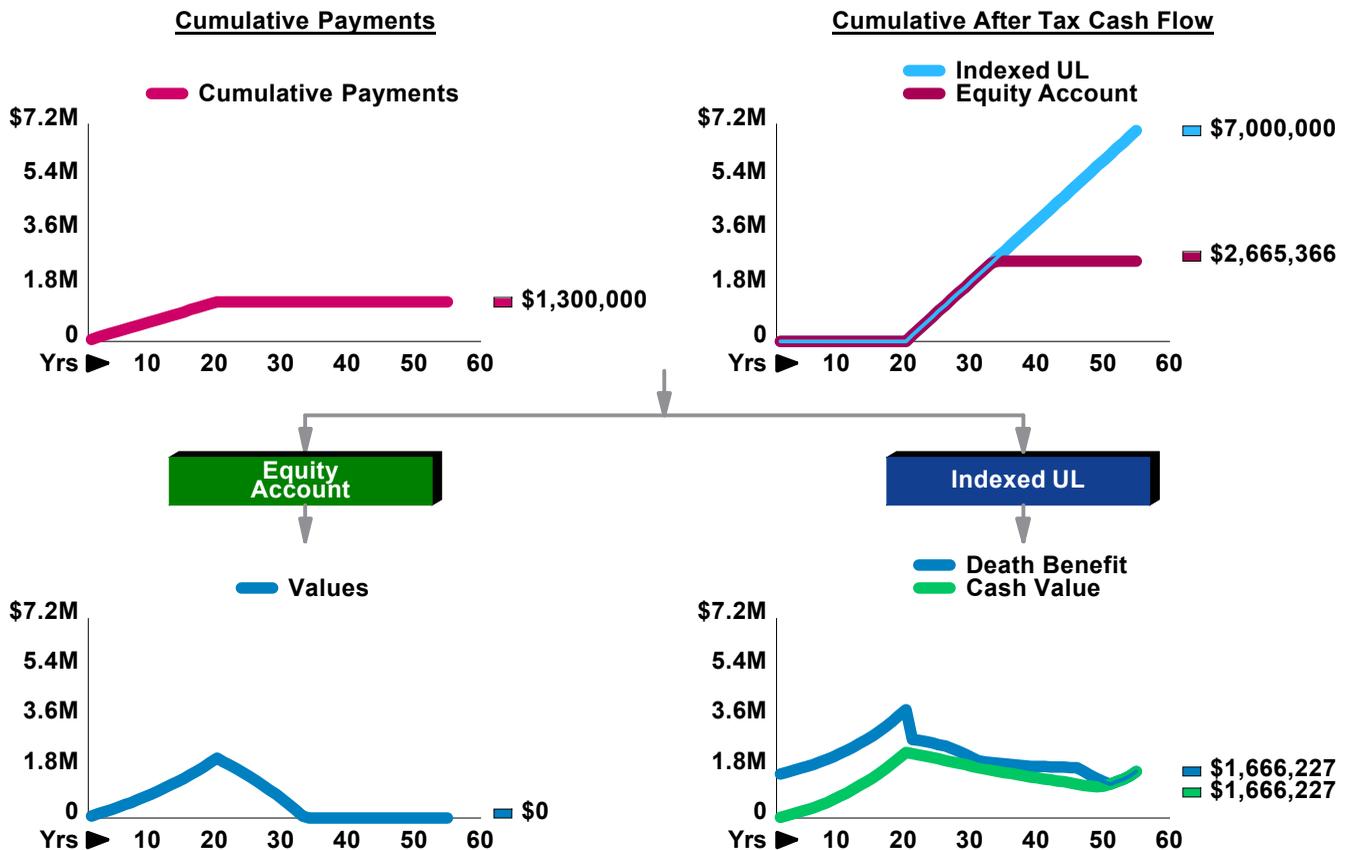
To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to an Equity Account.

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

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

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

Favorable income tax consequences combine with significant policy values and benefits to produce a life insurance solution that has a considerable amount of financial leverage.



This graphic assumes the non-guaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable.

An Equity Account vs. Indexed Universal Life

Presented By: Robert B. Ritter

Insured: Harvey Pierce, MD

Comparison of Values

Equity Account Growth	Equity Account Dividend	Dividend Tax Rate	Income Tax Rate	Composite Capital Gains Tax Rate*	Portfolio Turnover	Indexed UL Interest Rate
7.50%	1.00%	43.40%	45.00%	44.20%	40.00%	6.00%

Year	Male Age	Equity Account*			Indexed Universal Life				
		(1) Annual Deposit to the Account	(2) After Tax Cash Flow from the Account	(3) Year End Account Value	(4) Policy Premium	(5) After Tax Policy Loan Proceeds	(6) Year End Accum Value**	(7) Year End Cash Value**	(8) Death Benefit
1	45	65,000	0	68,687	65,000	0	57,116	12,751	1,583,254
2	46	65,000	0	140,881	65,000	0	118,189	74,449	1,644,327
3	47	65,000	0	216,521	65,000	0	183,493	140,410	1,709,631
4	48	65,000	0	295,629	65,000	0	253,322	210,926	1,779,460
5	49	65,000	0	378,274	65,000	0	327,989	286,295	1,854,127
6	50	65,000	0	464,561	65,000	0	407,830	366,853	1,933,968
7	51	65,000	0	554,615	65,000	0	493,202	452,958	2,019,340
8	52	65,000	0	648,581	65,000	0	584,489	550,960	2,110,627
9	53	65,000	0	746,618	65,000	0	682,102	655,272	2,208,240
10	54	65,000	0	848,891	65,000	0	789,257	769,143	2,315,395
11	55	65,000	0	955,581	65,000	0	903,837	890,422	2,429,975
12	56	65,000	0	1,066,875	65,000	0	1,026,356	1,019,656	2,552,494
13	57	65,000	0	1,182,970	65,000	0	1,157,363	1,157,363	2,683,501
14	58	65,000	0	1,304,072	65,000	0	1,297,447	1,297,447	2,823,585
15	59	65,000	0	1,430,395	65,000	0	1,447,004	1,447,004	2,973,142
16	60	65,000	0	1,562,166	65,000	0	1,609,863	1,609,863	3,136,001
17	61	65,000	0	1,699,617	65,000	0	1,783,549	1,783,549	3,309,687
18	62	65,000	0	1,842,994	65,000	0	1,968,719	1,968,719	3,494,857
19	63	65,000	0	1,992,554	65,000	0	2,166,014	2,166,014	3,692,152
20	64	65,000	0	2,148,562	65,000	0	2,376,203	2,376,203	3,902,341
21	65	0	200,000	2,027,778	0	200,000	2,537,388	2,327,388	2,834,865
22	66	0	200,000	1,900,814	0	200,000	2,708,307	2,277,807	2,792,385
23	67	0	200,000	1,767,806	0	200,000	2,889,552	2,227,527	2,747,646
24	68	0	200,000	1,628,723	0	200,000	3,081,737	2,176,611	2,700,506
25	69	0	200,000	1,483,430	0	200,000	3,285,418	2,125,036	2,650,703
26	70	0	200,000	1,331,733	0	200,000	3,501,257	2,072,855	2,598,043
27	71	0	200,000	1,173,396	0	200,000	3,730,498	2,020,676	2,505,641
28	72	0	200,000	1,008,154	0	200,000	3,974,114	1,968,801	2,405,954
29	73	0	200,000	835,721	0	200,000	4,233,191	1,917,612	2,298,599
30	74	0	200,000	655,791	0	200,000	4,508,943	1,867,586	2,183,212
		1,300,000	2,000,000		1,300,000	2,000,000			

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

Management fees reflected in column (3): 1.00%

**This illustration assumes the illustrated non-guaranteed 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.

30 Year Summary

	Equity Account	Indexed UL
After Tax Payments	1,300,000	1,300,000
After Tax Cash Flow	2,000,000	2,000,000
Living Values	655,791	1,867,586
Death Benefit	655,791	2,183,212

An Equity Account vs. Indexed Universal Life

Presented By: Robert B. Ritter

Insured: Harvey Pierce, MD

Comparison of Values

Equity Account Growth 7.50%	Equity Account Dividend 1.00%	Dividend Tax Rate 43.40%	Income Tax Rate 45.00%	Composite Capital Gains Tax Rate* 44.20%	Portfolio Turnover 40.00%	Indexed UL Interest Rate 6.00%
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Year	Male Age	Equity Account*			Indexed Universal Life				
		(1) Annual Deposit to the Account	(2) After Tax Cash Flow from the Account	(3) Year End Account Value	(4) Policy Premium	(5) After Tax Policy Loan Proceeds	(6) Year End Accum Value**	(7) Year End Cash Value**	(8) Death Benefit
31	75	0	200,000	468,043	0	200,000	4,802,744	1,819,318	2,059,456
32	76	0	200,000	272,140	0	200,000	5,114,430	1,771,833	2,027,555
33	77	0	200,000	67,729	0	200,000	5,445,035	1,725,308	1,997,560
34	78	0	65,366	0	0	200,000	5,795,632	1,679,919	1,969,701
35	79	0	0	0	0	200,000	6,167,352	1,635,854	1,944,221
36	80	0	0	0	0	200,000	6,561,335	1,593,261	1,921,328
37	81	0	0	0	0	200,000	6,978,663	1,552,187	1,901,120
38	82	0	0	0	0	200,000	7,420,538	1,512,738	1,883,764
39	83	0	0	0	0	200,000	7,888,172	1,474,981	1,869,390
40	84	0	0	0	0	200,000	8,382,392	1,438,542	1,857,662
41	85	0	0	0	0	200,000	8,903,677	1,402,635	1,847,818
42	86	0	0	0	0	200,000	9,453,127	1,367,032	1,839,688
43	87	0	0	0	0	200,000	10,031,358	1,330,958	1,832,526
44	88	0	0	0	0	200,000	10,638,365	1,292,945	1,824,864
45	89	0	0	0	0	200,000	11,274,132	1,251,441	1,815,147
46	90	0	0	0	0	200,000	11,938,139	1,204,314	1,801,221
47	91	0	0	0	0	200,000	12,645,012	1,164,495	1,670,296
48	92	0	0	0	0	200,000	13,401,719	1,137,177	1,539,228
49	93	0	0	0	0	200,000	14,217,617	1,129,848	1,414,200
50	94	0	0	0	0	200,000	15,104,569	1,152,412	1,303,457
51	95	0	0	0	0	200,000	16,076,702	1,216,937	1,216,937
52	96	0	0	0	0	200,000	17,111,425	1,298,671	1,298,671
53	97	0	0	0	0	200,000	18,212,836	1,399,444	1,399,444
54	98	0	0	0	0	200,000	19,385,304	1,521,243	1,521,243
55	99	0	0	0	0	200,000	20,633,492	1,666,227	1,666,227
		1,300,000	2,665,366		1,300,000	7,000,000			

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

Management fees reflected in column (3): 1.00%

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55 Year Summary

	Equity Account	Indexed UL
After Tax Payments	1,300,000	1,300,000
After Tax Cash Flow	2,665,366	7,000,000
Living Values	0	1,666,227
Death Benefit	0	1,666,227

An Equity Account vs. Indexed Universal Life

Presented By: Robert B. Ritter

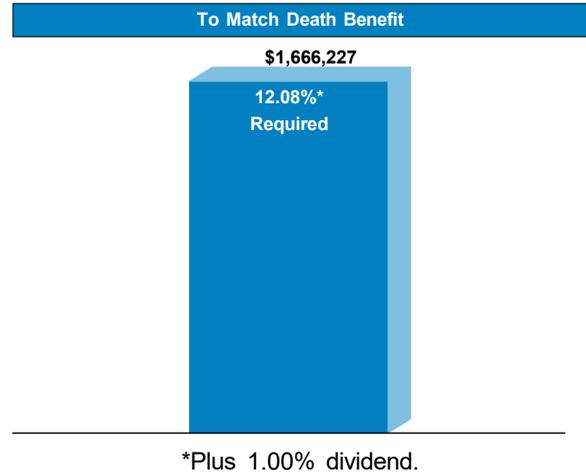
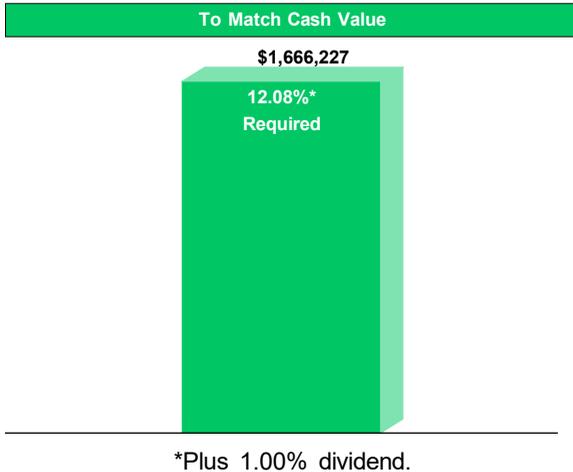
Insured: Harvey Pierce, MD

Matching Values at Age 99 (Year 55)

Male Age 45	Equity Account Growth 7.50%	Equity Account Dividend 1.00%	Dividend Tax Rate 43.40%	Income Tax Rate 45.00%	Composite Capital Gains Tax Rate* 44.20%	Portfolio Turnover 40.00%	Indexed UL Interest Rate 6.00%
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Growth Required on an Equity Account in Addition to the Dividend Illustrated to Match Indexed Universal Life Policy Values over 55 Years.

	Growth Required (Plus 1.00% Dividend)
To match Cash Value of: \$1,666,227	12.08%
To match Death Benefit of: \$1,666,227	12.08%



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.

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An Equity Account vs. Indexed Universal Life

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Insured: Harvey Pierce, MD

Comparison of Plan Costs

Equity Account Growth 7.50%	Equity Account Dividend 1.00%	Dividend Tax Rate 43.40%	Income Tax Rate 45.00%	Composite Capital Gains Tax Rate 44.20%	Portfolio Turnover 40.00%	Indexed UL Interest Rate 6.00%	Initial Death Benefit 1,526,138
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Year	Male Age	Equity Account				Indexed Universal Life*		
		(1) Policy Premium	(2) Mgmt Fee	(3) Taxes	(4) Equity Account Total Annual Costs	(5) Equity Account Cumulative Total Costs	(6) Policy Total Annual Costs	(7) Policy Cumulative Total Costs
1	45	65,000	687	1,144	1,831	1,831	11,781	11,781
2	46	65,000	1,409	2,747	4,156	5,987	11,781	23,562
3	47	65,000	2,165	4,672	6,837	12,824	11,781	35,343
4	48	65,000	2,956	6,834	9,790	22,614	11,781	47,124
5	49	65,000	3,783	9,187	12,970	35,584	11,781	58,905
6	50	65,000	4,646	11,700	16,346	51,930	11,781	70,686
7	51	65,000	5,546	14,356	19,902	71,832	11,781	82,467
8	52	65,000	6,486	17,149	23,635	95,467	11,781	94,248
9	53	65,000	7,466	20,077	27,543	123,010	11,781	106,029
10	54	65,000	8,489	23,140	31,629	154,639	9,181	115,210
11	55	65,000	9,556	26,339	35,895	190,534	9,181	124,391
12	56	65,000	10,669	29,679	40,348	230,882	9,181	133,572
13	57	65,000	11,830	33,165	44,995	275,877	9,181	142,753
14	58	65,000	13,041	36,805	49,846	325,723	9,181	151,934
15	59	65,000	14,304	40,599	54,903	380,626	9,405	161,339
16	60	65,000	15,622	44,559	60,181	440,807	6,572	167,911
17	61	65,000	16,996	48,690	65,686	506,493	7,013	174,924
18	62	65,000	18,430	52,999	71,429	577,922	7,541	182,465
19	63	65,000	19,926	57,494	77,420	655,342	8,221	190,686
20	64	65,000	21,486	62,183	83,669	739,011	8,969	199,655
21	65	0	20,278	66,325	86,603	825,614	2,315	201,970
22	66	0	19,008	63,444	82,452	908,066	2,634	204,604
23	67	0	17,678	59,968	77,646	985,712	2,979	207,583
24	68	0	16,287	56,071	72,358	1,058,070	3,367	210,950
25	69	0	14,834	51,853	66,687	1,124,757	3,890	214,840
26	70	0	13,317	47,364	60,681	1,185,438	4,483	219,323
27	71	0	11,734	42,633	54,367	1,239,805	4,623	223,946
28	72	0	10,082	37,668	47,750	1,287,555	4,652	228,598
29	73	0	8,357	32,473	40,830	1,328,385	4,524	233,122
30	74	0	6,558	27,043	33,601	1,361,986	4,182	237,304
		1,300,000	333,626	1,028,360	1,361,986		237,304	

30 Year Summary

*This illustration assumes the illustrated non-guaranteed 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
Equity Account	1,361,986	2,000,000	655,791	655,791
Indexed UL	237,304	2,000,000	1,867,586	2,183,212

An Equity Account vs. Indexed Universal Life

Presented By: Robert B. Ritter

Insured: Harvey Pierce, MD

Comparison of Plan Costs

Equity Account Growth 7.50%	Equity Account Dividend 1.00%	Dividend Tax Rate 43.40%	Income Tax Rate 45.00%	Composite Capital Gains Tax Rate 44.20%	Portfolio Turnover 40.00%	Indexed UL Interest Rate 6.00%	Initial Death Benefit 1,526,138
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Year	Male Age	Equity Account				Indexed Universal Life*		
		(1) Policy Premium	(2) Mgmt Fee	(3) Taxes	(4) Equity Account Total Annual Costs	(5) Equity Account Cumulative Total Costs	(6) Policy Total Annual Costs	(7) Policy Cumulative Total Costs
31	75	0	4,680	21,373	26,053	1,388,039	3,553	240,857
32	76	0	2,721	15,455	18,176	1,406,215	4,203	245,060
33	77	0	677	9,278	9,955	1,416,170	4,966	250,026
34	78	0	0	2,363	2,363	1,418,533	5,866	255,892
35	79	0					6,916	262,808
36	80	0					8,178	270,986
37	81	0					9,777	280,763
38	82	0					11,668	292,431
39	83	0					13,914	306,345
40	84	0					16,960	323,305
41	85	0					21,193	344,498
42	86	0					26,039	370,537
43	87	0					32,031	402,568
44	88	0					39,801	442,369
45	89	0					49,354	491,723
46	90	0					61,165	552,888
47	91	0					60,593	613,481
48	92	0					55,987	669,468
49	93	0					45,502	714,970
50	94	0					27,336	742,306
51	95	0					90	742,396
52	96	0					90	742,486
53	97	0					90	742,576
54	98	0					90	742,666
55	99	0					90	742,756
		1,300,000	341,704	1,076,829	1,418,533		742,756	

55 Year Summary

*This illustration assumes the illustrated non-guaranteed 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.

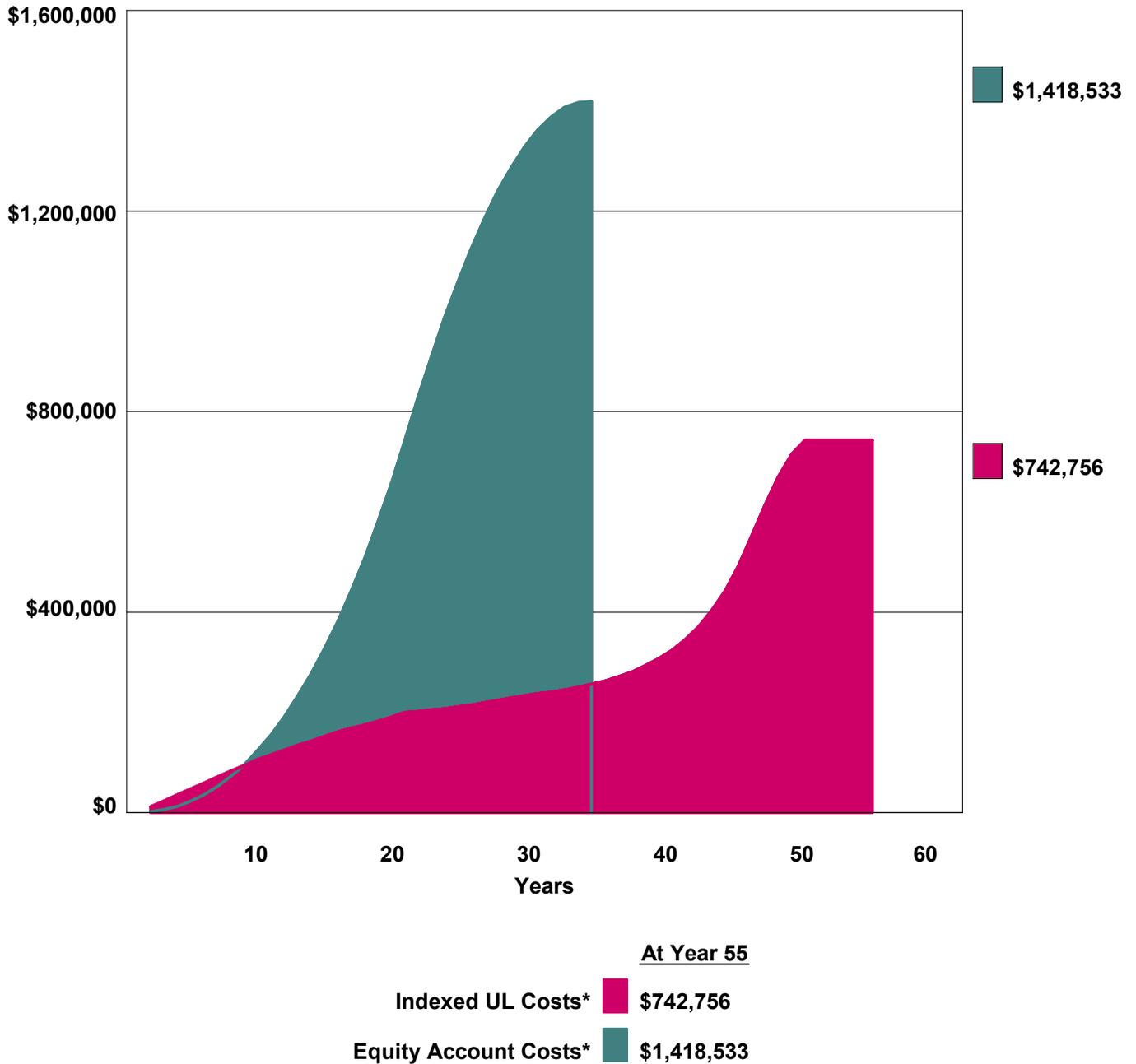
	Cumulative Plan Costs	After Tax Cash Flow	Living Value	Death Benefit
Equity Account	1,418,533	2,665,366	0	0
Indexed UL	742,756	7,000,000	1,666,227	1,666,227

An Equity Account vs. Indexed Universal Life

Presented By: Robert B. Ritter

Insured: Harvey Pierce, MD

55 Year Analysis of Cumulative Plan Costs



*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.