

Funding Family Needs With Discounted Dollars

For David and Lisa Washburn



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.

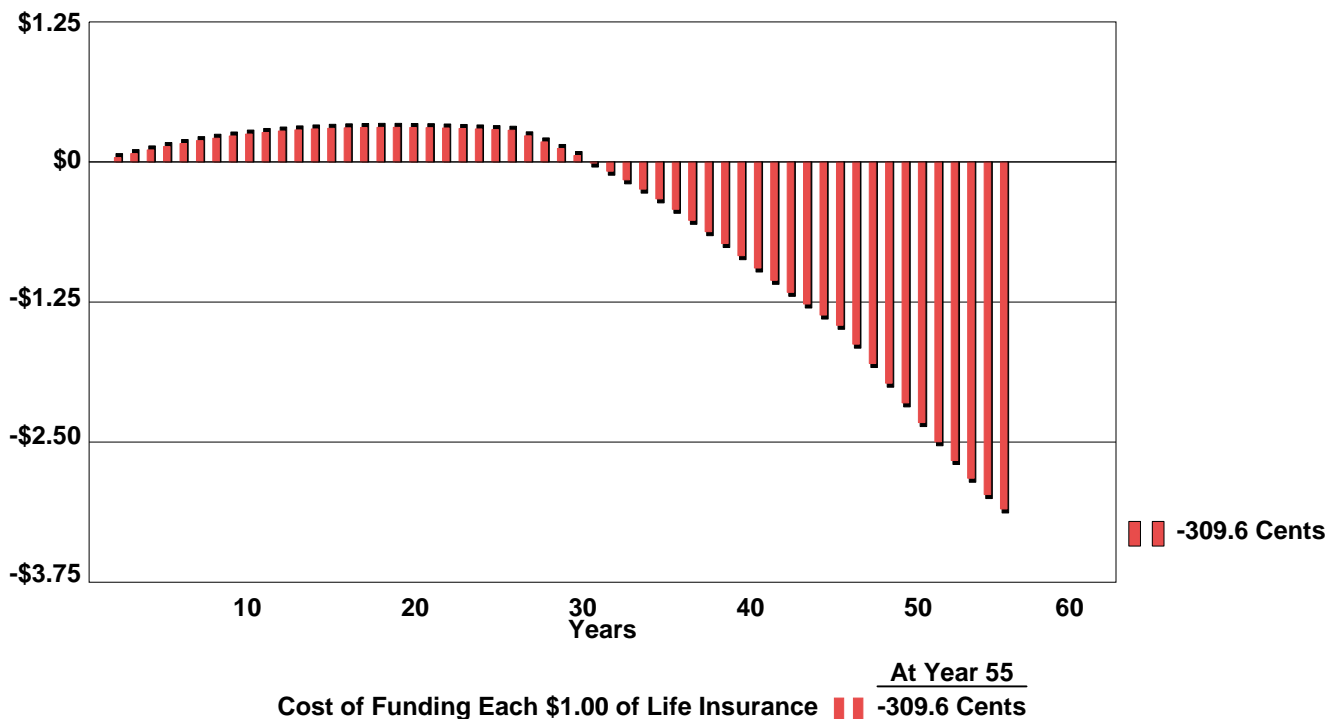
In the presentation, the sum of the policy's premiums, divided by the policy's death benefits, gives a "cost-per-dollar-of-benefit" solution that is very helpful when analyzing the economics of the transaction.

For example, if the premiums for a \$100,000 life insurance policy are \$1,200, the discounted dollars calculation divides the \$1,200 by the \$100,000. This results in an answer of 1.2 cents, meaning if death should occur during year 1, each \$1.00 of the death benefit costs 1.2 cents. This figure will change from year to year.

Cash value life insurance also contains the following features:

1. Accumulating cash values;
2. Income tax favored growth of cash values;
3. Competitive current rate of return;
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.

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 is particularly evident in the following presentation, and below is a graphic summarizing the results.



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 Family Needs With Discounted Dollars Using Indexed Universal Life

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

Insured: David Washburn

Analysis

Income Tax Rate 35.00% Indexed UL Interest Rate 7.50% Initial Payment 20,853 Initial Death Benefit 523,293

Year	Male Age	Payment Analysis				Death Benefit Analysis		Living Values	
		(1) Premium Payment	(2) Retirement Income Net Loan Proceeds	(3) Net Payment	(4) Cumulative Net Payments	(5) Year End Death Benefit	(6) Cost per \$1.00 of Funding**	(7) Year End Accum Value*	(8) Year End Cash Value*
1	40	20,853	0	20,853	20,853	542,313	3.8 Cents	19,020	5,864
2	41	20,853	0	20,853	41,706	562,704	7.4 Cents	39,411	27,574
3	42	20,853	0	20,853	62,559	584,559	10.7 Cents	61,266	50,742
4	43	20,853	0	20,853	83,412	607,973	13.7 Cents	84,680	75,475
5	44	20,853	0	20,853	104,265	633,056	16.5 Cents	109,763	101,872
6	45	20,853	0	20,853	125,118	660,075	19.0 Cents	136,782	130,205
7	46	20,853	0	20,853	145,971	689,204	21.2 Cents	165,911	160,651
8	47	20,853	0	20,853	166,824	720,631	23.2 Cents	197,338	193,392
9	48	20,853	0	20,853	187,677	754,550	24.9 Cents	231,257	228,630
10	49	20,853	0	20,853	208,530	791,154	26.4 Cents	267,861	266,547
11	50	20,853	0	20,853	229,383	832,008	27.6 Cents	308,715	308,715
12	51	20,853	0	20,853	250,236	875,877	28.6 Cents	352,584	352,584
13	52	20,853	0	20,853	271,089	922,977	29.4 Cents	399,684	399,684
14	53	20,853	0	20,853	291,942	973,546	30.0 Cents	450,253	450,253
15	54	20,853	0	20,853	312,795	1,027,833	30.4 Cents	504,540	504,540
16	55	20,853	0	20,853	333,648	1,086,091	30.7 Cents	562,798	562,798
17	56	20,853	0	20,853	354,501	1,148,617	30.9 Cents	625,324	625,324
18	57	20,853	0	20,853	375,354	1,215,723	30.9 Cents	692,430	692,430
19	58	20,853	0	20,853	396,207	1,287,742	30.8 Cents	764,449	764,449
20	59	20,853	0	20,853	417,060	1,365,033	30.6 Cents	841,740	841,740
21	60	20,853	0	20,853	437,913	1,447,968	30.2 Cents	924,675	924,675
22	61	20,853	0	20,853	458,766	1,536,942	29.8 Cents	1,013,649	1,013,649
23	62	20,853	0	20,853	479,619	1,632,362	29.4 Cents	1,109,069	1,109,069
24	63	20,853	0	20,853	500,472	1,734,667	28.9 Cents	1,211,374	1,211,374
25	64	20,853	0	20,853	521,325	1,844,319	28.3 Cents	1,321,026	1,321,026
26	65	0	99,567	-99,567	421,758	1,815,191	23.2 Cents	1,291,898	1,291,898
27	66	0	103,530	-103,530	318,228	1,786,007	17.8 Cents	1,262,714	1,262,714
28	67	0	107,612	-107,612	210,616	1,756,960	12.0 Cents	1,233,667	1,233,667
29	68	0	111,816	-111,816	98,800	1,728,256	5.7 Cents	1,204,963	1,204,963
30	69	0	116,147	-116,147	-17,347	1,700,135	-1.0 Cents	1,176,842	1,176,842
		521,325	538,672	-17,347					

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

**Column (4) divided by column (5) is equal to column (6).

Funding Family Needs With Discounted Dollars Using Indexed Universal Life

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

Insured: David Washburn

Analysis

Income Tax Rate 35.00% Indexed UL Interest Rate 7.50% Initial Payment 20,853 Initial Death Benefit 523,293

Year	Male Age	Payment Analysis				Death Benefit Analysis		Living Values	
		(1) Premium Payment	(2) Retirement Income Net Loan Proceeds	(3) Net Payment	(4) Cumulative Net Payments	(5) Year End Death Benefit	(6) Cost per \$1.00 of Funding**	(7) Year End Accum Value*	(8) Year End Cash Value*
31	70	0	120,608	-120,608	-137,955	1,672,868	-8.2 Cents	1,149,575	1,149,575
32	71	0	125,202	-125,202	-263,157	1,646,775	-16.0 Cents	1,123,482	1,123,482
33	72	0	129,934	-129,934	-393,091	1,622,214	-24.2 Cents	1,098,921	1,098,921
34	73	0	134,808	-134,808	-527,899	1,599,550	-33.0 Cents	1,076,257	1,076,257
35	74	0	139,828	-139,828	-667,727	1,579,188	-42.3 Cents	1,055,895	1,055,895
36	75	0	144,999	-144,999	-812,726	1,561,586	-52.0 Cents	1,038,293	1,038,293
37	76	0	150,325	-150,325	-963,051	1,547,302	-62.2 Cents	1,024,009	1,024,009
38	77	0	155,811	-155,811	-1,118,862	1,536,903	-72.8 Cents	1,013,610	1,013,610
39	78	0	161,462	-161,462	-1,280,324	1,531,009	-83.6 Cents	1,007,716	1,007,716
40	79	0	167,281	-167,281	-1,447,605	1,530,330	-94.6 Cents	1,007,037	1,007,037
41	80	0	173,276	-173,276	-1,620,881	1,535,533	-105.6 Cents	1,012,240	1,012,240
42	81	0	179,450	-179,450	-1,800,331	1,547,282	-116.4 Cents	1,023,989	1,023,989
43	82	0	185,810	-185,810	-1,986,141	1,566,423	-126.8 Cents	1,043,130	1,043,130
44	83	0	192,360	-192,360	-2,178,501	1,593,907	-136.7 Cents	1,070,614	1,070,614
45	84	0	199,107	-199,107	-2,377,608	1,630,599	-145.8 Cents	1,107,306	1,107,306
46	85	0	206,056	-206,056	-2,583,664	1,588,363	-162.7 Cents	1,065,070	1,065,070
47	86	0	206,056	-206,056	-2,789,720	1,550,557	-179.9 Cents	1,027,264	1,027,264
48	87	0	206,056	-206,056	-2,995,776	1,517,437	-197.4 Cents	994,144	994,144
49	88	0	206,056	-206,056	-3,201,832	1,489,130	-215.0 Cents	965,837	965,837
50	89	0	206,056	-206,056	-3,407,888	1,465,772	-232.5 Cents	942,479	942,479
51	90	0	206,056	-206,056	-3,613,944	1,447,417	-249.7 Cents	924,124	924,124
52	91	0	206,056	-206,056	-3,820,000	1,434,056	-266.4 Cents	910,763	910,763
53	92	0	206,056	-206,056	-4,026,056	1,426,341	-282.3 Cents	903,048	903,048
54	93	0	206,056	-206,056	-4,232,112	1,425,635	-296.9 Cents	902,342	902,342
55	94	0	206,056	-206,056	-4,438,168	1,433,464	-309.6 Cents	910,171	910,171
		521,325	4,959,493	-4,438,168					

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

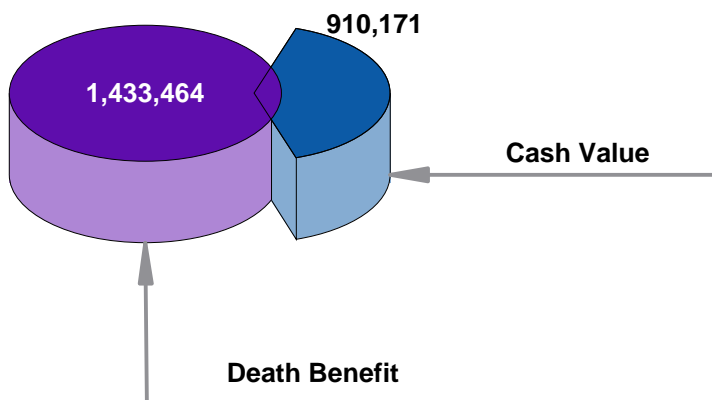
**Column (4) divided by column (5) is equal to column (6).

A Look at Year 55

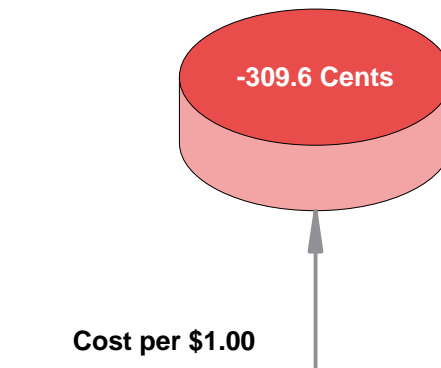
Cumulative Net Payments



Policy Values



Cost per \$1.00 of Funding



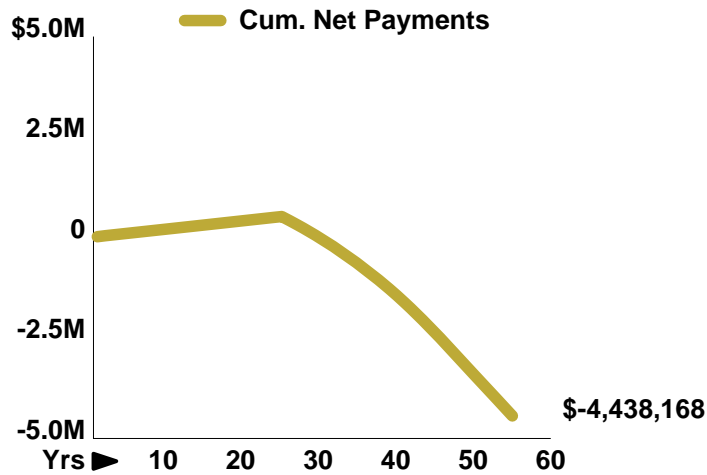
Funding Family Needs With Discounted Dollars Using Indexed Universal Life

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

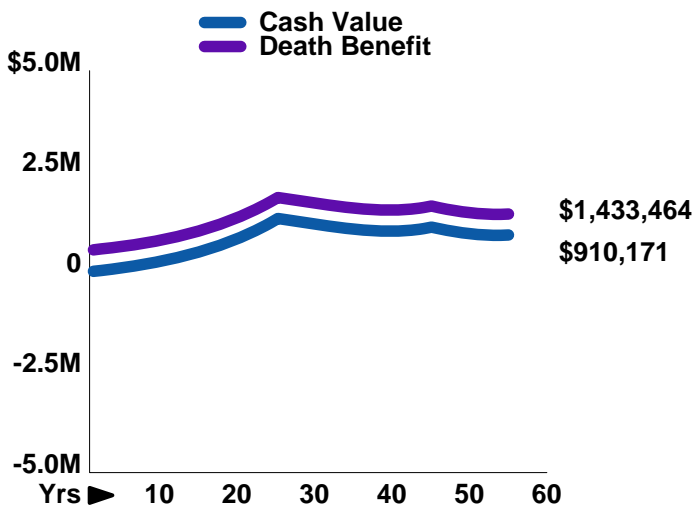
Insured: David Washburn

55 Year Analysis

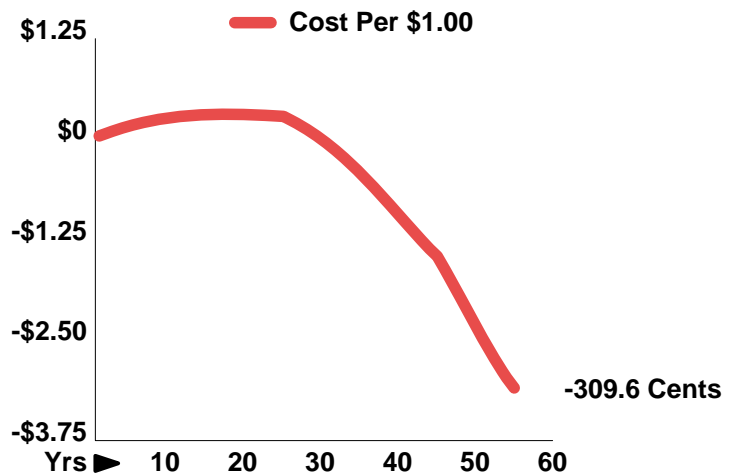
Cumulative Net Payments



Policy Values



Cost per \$1.00 of Funding

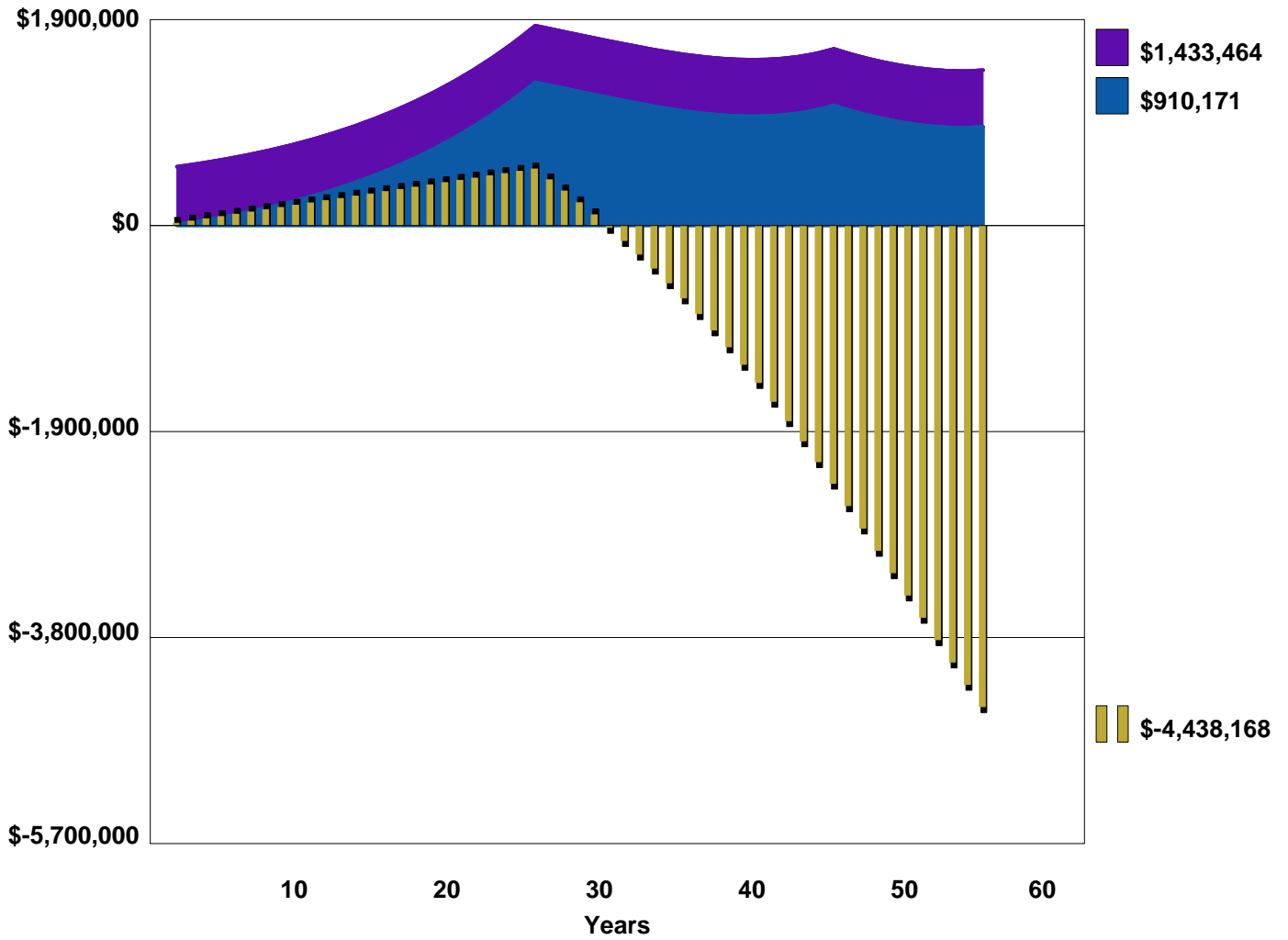


Funding Family Needs With Discounted Dollars Using Indexed Universal Life

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

Insured: David Washburn

55 Year Analysis



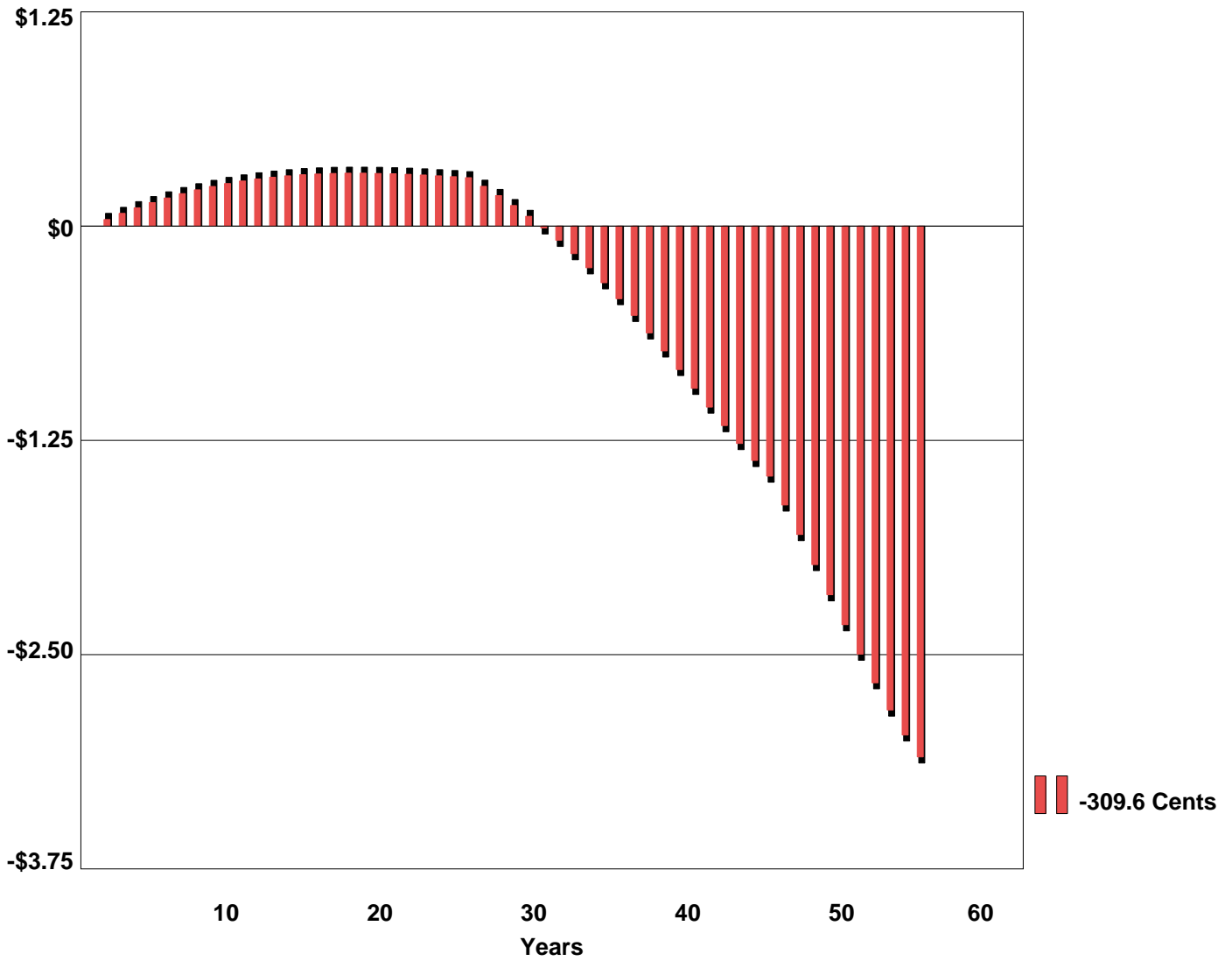
	<u>At Year 55</u>
Cumulative Net Payments	\$-4,438,168
Policy Cash Value	\$910,171
Policy Death Benefit	\$1,433,464

Funding Family Needs With Discounted Dollars Using Indexed Universal Life

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

Insured: David Washburn

55 Year Analysis Cost per \$1.00 of Funding



At Year 55
Cost of Funding Each \$1.00 of Life Insurance **-309.6 Cents**