

Leveraged Compensation Plan vs. Equity Account

For: Arthur Lee



Presented By: _____

[Licensed user's name appears here]

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.

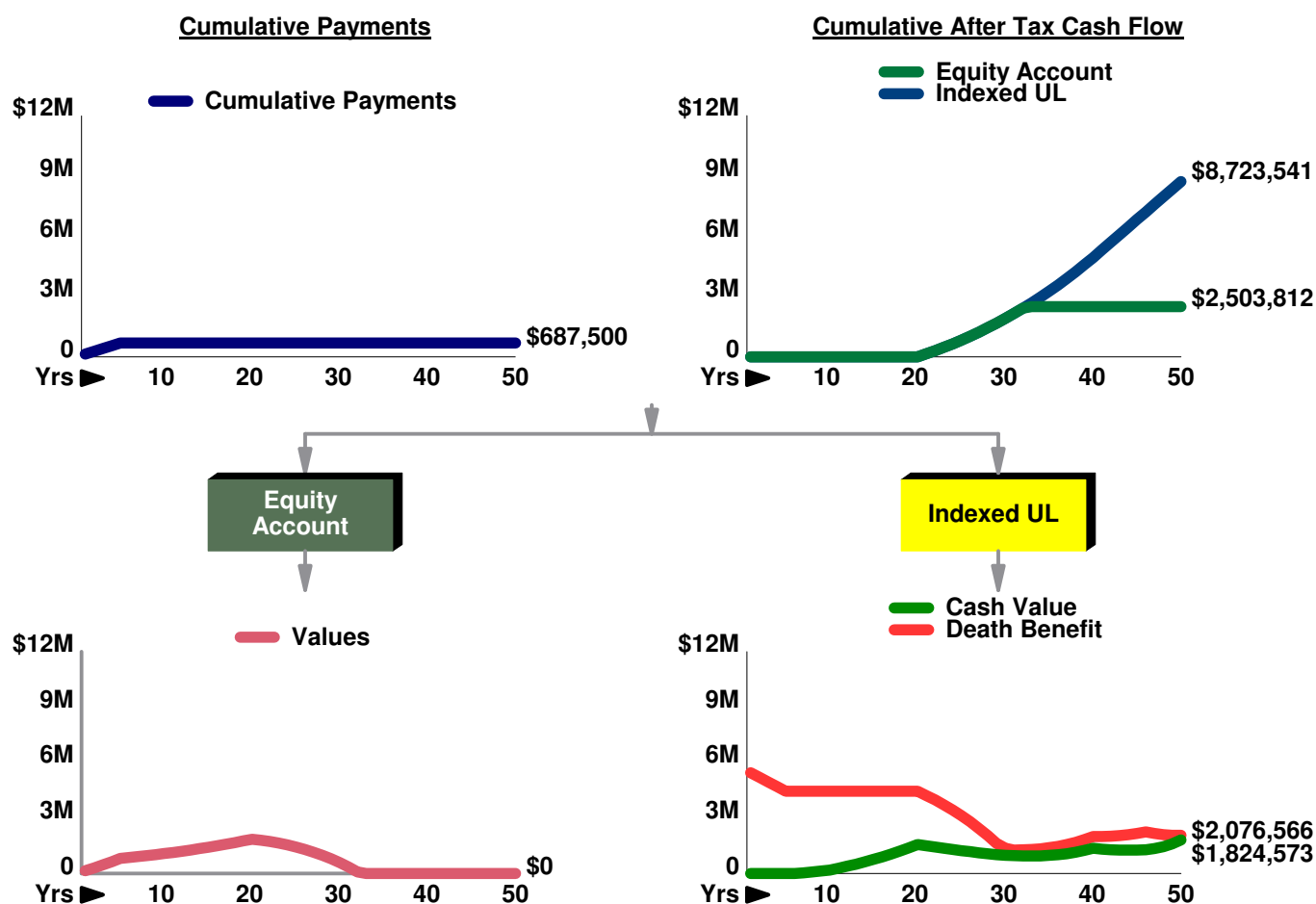
To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to an Equity Account.

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.

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.

Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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

Insured: Arthur Lee

Comparison

		Equity Account Growth 6.85%	Equity Account Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 45.00%	Composite Capital Gains Tax Rate* 33.00%	Portfolio Turnover 35.00%	Indexed UL Interest Rate 6.85%		
		Equity Account*			Indexed Universal Life					
Year	Male Age	(1) Annual Deposit to the Account	(2) After Tax Cash Flow from the Account	(3) Year End Account Value	(4) Net Payment	(5) After Tax Policy Loan Proceeds	(6) Cash Value**	(7) Year End Cash Value**	(8) Death Benefit	
1	45	137,500	0	146,415	137,500	0	0	0	5,450,000	
2	46	137,500	0	301,791	137,500	0	0	0	5,200,000	
3	47	137,500	0	466,329	137,500	0	0	0	4,950,000	
4	48	137,500	0	640,341	137,500	0	0	0	4,700,000	
5	49	137,500	0	824,223	137,500	0	0	0	4,450,000	
6	50	0	0	872,020	0	0	0	0	4,450,000	
7	51	0	0	921,700	0	0	35,550	35,550	4,450,000	
8	52	0	0	973,626	0	0	46,247	81,797	4,450,000	
9	53	0	0	1,028,090	0	0	50,472	132,269	4,450,000	
10	54	0	0	1,085,346	0	0	55,232	187,501	4,450,000	
11	55	0	0	1,145,623	0	0	100,880	288,381	4,450,000	
12	56	0	0	1,209,136	0	0	107,893	396,274	4,450,000	
13	57	0	0	1,276,097	0	0	115,369	511,643	4,450,000	
14	58	0	0	1,346,718	0	0	123,377	635,020	4,450,000	
15	59	0	0	1,421,215	0	0	131,989	767,009	4,450,000	
16	60	0	0	1,499,811	0	0	141,025	908,034	4,450,000	
17	61	0	0	1,582,740	0	0	150,783	1,058,817	4,450,000	
18	62	0	0	1,670,245	0	0	161,285	1,220,102	4,450,000	
19	63	0	0	1,762,582	0	0	172,599	1,392,701	4,450,000	
20	64	0	0	1,860,021	0	0	184,828	1,577,529	4,450,000	
21	65	0	150,000	1,802,537	0	150,000	-66,610	1,510,919	4,229,010	
22	66	0	158,539	1,732,191	0	158,539	-67,170	1,443,749	3,989,044	
23	67	0	167,276	1,648,168	0	167,276	-67,125	1,376,624	3,727,907	
24	68	0	176,275	1,549,490	0	176,275	-66,410	1,310,214	3,444,263	
25	69	0	185,544	1,435,090	0	185,544	-64,807	1,245,407	3,136,705	
26	70	0	195,091	1,303,811	0	195,091	-62,465	1,182,942	2,803,744	
27	71	0	204,925	1,154,410	0	204,925	-58,541	1,124,401	2,443,809	
28	72	0	215,053	985,559	0	215,053	-52,945	1,071,456	2,055,243	
29	73	0	225,486	795,838	0	225,486	-45,262	1,026,194	1,636,294	
30	74	0	236,231	583,739	0	236,231	-34,957	991,237	1,376,596	
		687,500	1,914,420		687,500	1,914,420				

30 Year Summary

	Equity Account	Indexed UL
After Tax Payments	687,500	687,500
After Tax Cash Flow	1,914,420	1,914,420
Living Values	583,739	991,237
Death Benefit	583,739	1,376,596

*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 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.

Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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

Insured: Arthur Lee

Comparison

Equity Account Growth	Equity Account Dividend	Dividend Tax Rate	Income Tax Rate	Composite Capital Gains Tax Rate*	Portfolio Turnover	Indexed UL Interest Rate
6.85%	2.00%	25.00%	45.00%	33.00%	35.00%	6.85%

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) Net Payment	(5) After Tax Policy Loan Proceeds	(6) Cash Value** Increase	(7) Year End Cash Value**	(8) Death Benefit
31	75	0	247,299	347,651	0	247,299	-22,438	968,799	1,267,201
32	76	0	258,699	85,865	0	258,699	-13,259	955,540	1,279,359
33	77	0	83,394	0	0	270,441	-2,717	952,823	1,304,507
34	78	0	0	0	0	282,535	9,295	962,118	1,344,302
35	79	0	0	0	0	294,992	22,879	984,997	1,400,516
36	80	0	0	0	0	307,823	38,147	1,023,144	1,475,045
37	81	0	0	0	0	321,038	55,351	1,078,495	1,570,054
38	82	0	0	0	0	334,651	74,512	1,153,007	1,687,743
39	83	0	0	0	0	348,671	95,745	1,248,752	1,830,435
40	84	0	0	0	0	363,112	119,122	1,367,874	2,000,538
41	85	0	0	0	0	377,986	-46,276	1,321,598	2,000,007
42	86	0	0	0	0	377,986	-33,096	1,288,502	2,015,717
43	87	0	0	0	0	377,986	-19,427	1,269,075	2,048,302
44	88	0	0	0	0	377,986	-5,507	1,263,568	2,098,153
45	89	0	0	0	0	377,986	8,339	1,271,907	2,165,323
46	90	0	0	0	0	377,986	21,600	1,293,507	2,249,339
47	91	0	0	0	0	377,986	55,025	1,348,532	2,166,919
48	92	0	0	0	0	377,986	97,859	1,446,391	2,103,691
49	93	0	0	0	0	377,986	153,198	1,599,589	2,069,254
50	94	0	0	0	0	377,986	224,984	1,824,573	2,076,566
		687,500	2,503,812		687,500	8,723,541			

50 Year Summary

	Equity Account	Indexed UL
After Tax Payments	687,500	687,500
After Tax Cash Flow	2,503,812	8,723,541
Living Values	0	1,824,573
Death Benefit	0	2,076,566

*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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Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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Equity Account Details

Equity Account Growth 6.85% Equity Account Dividend 2.00% Dividend Tax Rate 25.00% Income Tax Rate 45.00% Composite Capital Gains Tax Rate* 33.00% Turnover Assumption 35.00%

Yr	Male 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	137,500	0	9,419	2,063	148,982	146,415	0	0	0
2	46	146,415	137,500	0	19,448	4,259	307,622	301,791	0	0	0
3	47	301,791	137,500	0	30,091	6,589	475,971	466,329	0	0	0
4	48	466,329	137,500	0	41,362	9,057	654,248	640,341	0	0	0
5	49	640,341	137,500	0	53,282	11,668	842,791	824,223	0	0	0
6	50	824,223	0	0	56,459	12,363	893,045	872,020	0	0	0
7	51	872,020	0	0	59,733	13,080	944,833	921,700	0	0	0
8	52	921,700	0	0	63,136	13,826	998,662	973,626	0	0	0
9	53	973,626	0	0	66,693	14,604	1,054,923	1,028,090	0	0	0
10	54	1,028,090	0	0	70,424	15,421	1,113,935	1,085,346	0	0	0
11	55	1,085,346	0	0	74,346	16,280	1,175,972	1,145,623	0	0	0
12	56	1,145,623	0	0	78,475	17,184	1,241,282	1,209,136	0	0	0
13	57	1,209,136	0	0	82,826	18,137	1,310,099	1,276,097	0	0	0
14	58	1,276,097	0	0	87,413	19,141	1,382,651	1,346,718	0	0	0
15	59	1,346,718	0	0	92,250	20,201	1,459,169	1,421,215	0	0	0
16	60	1,421,215	0	0	97,353	21,318	1,539,886	1,499,811	0	0	0
17	61	1,499,811	0	0	102,737	22,497	1,625,045	1,582,740	0	0	0
18	62	1,582,740	0	0	108,418	23,741	1,714,899	1,670,245	0	0	0
19	63	1,670,245	0	0	114,412	25,054	1,809,711	1,762,582	0	0	0
20	64	1,762,582	0	0	120,737	26,439	1,909,758	1,860,021	0	0	0
21	65	1,860,021	0	127,529	118,676	0	1,851,168	1,802,537	25,987	124,013	150,000
22	66	1,802,537	0	137,411	114,061	0	1,779,187	1,732,191	24,977	133,562	158,539
23	67	1,732,191	0	147,687	108,539	0	1,693,043	1,648,168	23,768	143,508	167,276
24	68	1,648,168	0	158,440	102,046	0	1,591,774	1,549,490	22,346	153,929	176,275
25	69	1,549,490	0	169,698	94,516	0	1,474,308	1,435,090	20,697	164,847	185,544
26	70	1,435,090	0	181,488	85,872	0	1,339,474	1,303,811	18,804	176,287	195,091
27	71	1,303,811	0	193,840	76,033	0	1,186,004	1,154,410	16,649	188,276	204,925
28	72	1,154,410	0	206,781	64,913	0	1,012,542	985,559	14,214	200,839	215,053
29	73	985,559	0	220,344	52,417	0	817,632	795,838	11,478	214,008	225,486
30	74	795,838	0	234,559	38,448	0	599,727	583,739	8,419	227,812	236,231
			687,500	1,777,777	2,284,535	312,922			187,339	1,727,081	1,914,420

*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 1.00% 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.

Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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Insured: Arthur Lee

Equity Account Details

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31	75	583,739	0	249,463	22,898	0	357,174	347,651	5,014	242,285	247,299
32	76	347,651	0	265,089	5,656	0	88,218	85,865	1,238	257,461	258,699
33	77	85,865	0	85,865	0	0	0	0	0	83,394	83,394
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
			687,500	2,378,194	2,313,089	312,922			193,591	2,310,221	2,503,812

*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:

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**Column (7) is reduced by a 1.00% management fee.

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

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Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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

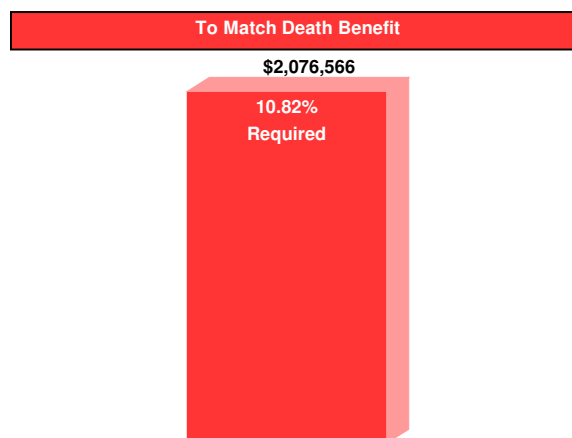
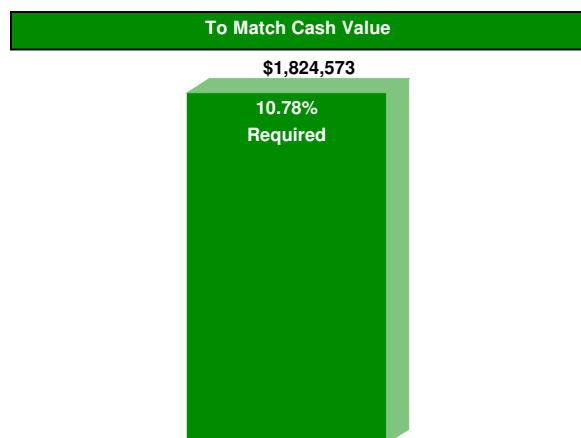
Insured: Arthur Lee

Matching Values

Male Age	Equity Account Growth	Equity Account Dividend	Dividend Tax Rate	Income Tax Rate	Composite Capital Gains Tax Rate*	Portfolio Turnover	Indexed UL Interest Rate
45	6.85%	2.00%	25.00%	45.00%	33.00%	35.00%	6.85%

Growth Required on an Equity Account in Addition to the Dividend Illustrated to Match Indexed Universal Life Policy Values over 50 Years.

	Growth Required (Plus 2.00% Dividend)
To Match Cash Value of: \$1,824,573	10.78%
To match Death Benefit of: \$2,076,566	10.82%



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) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

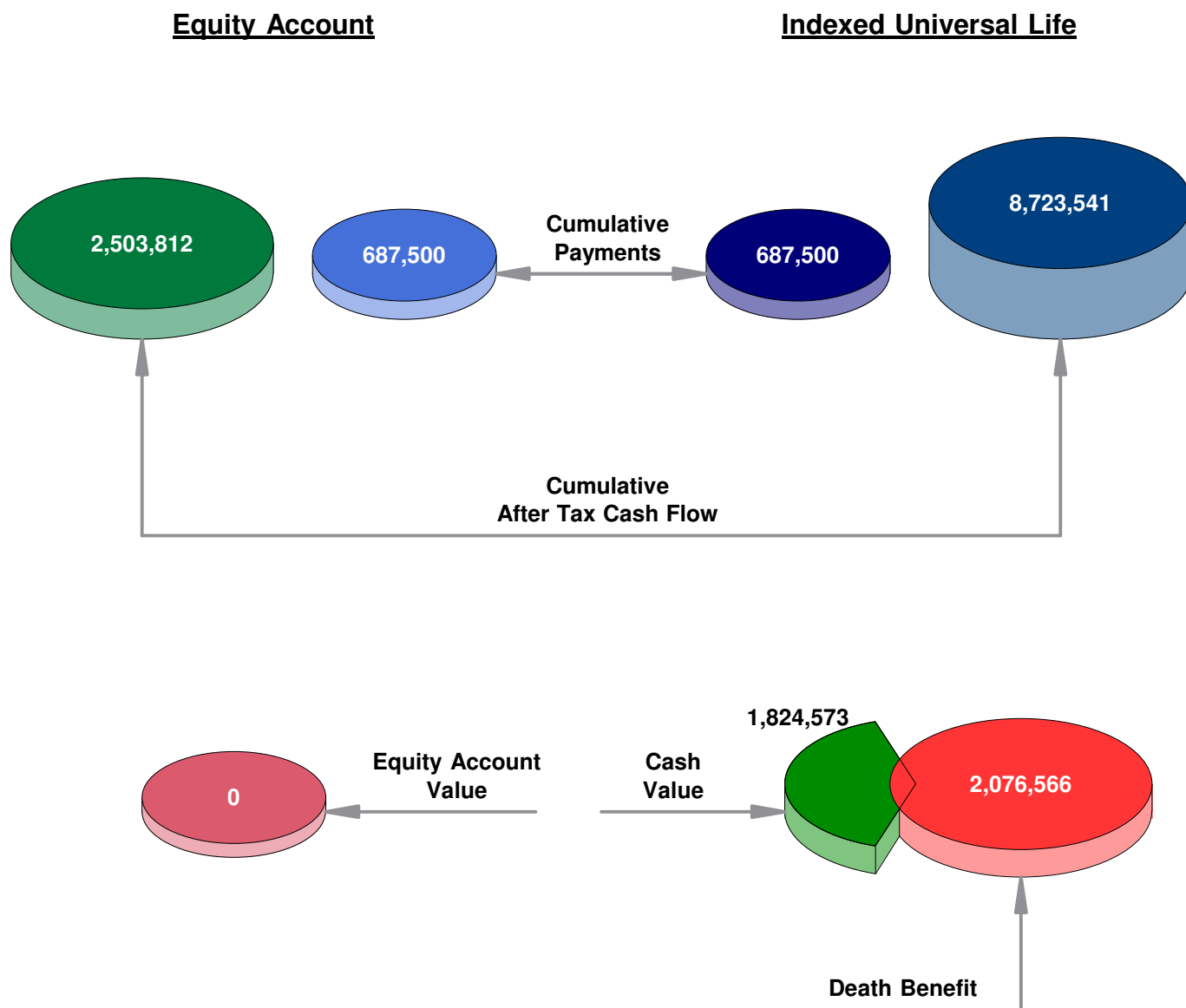
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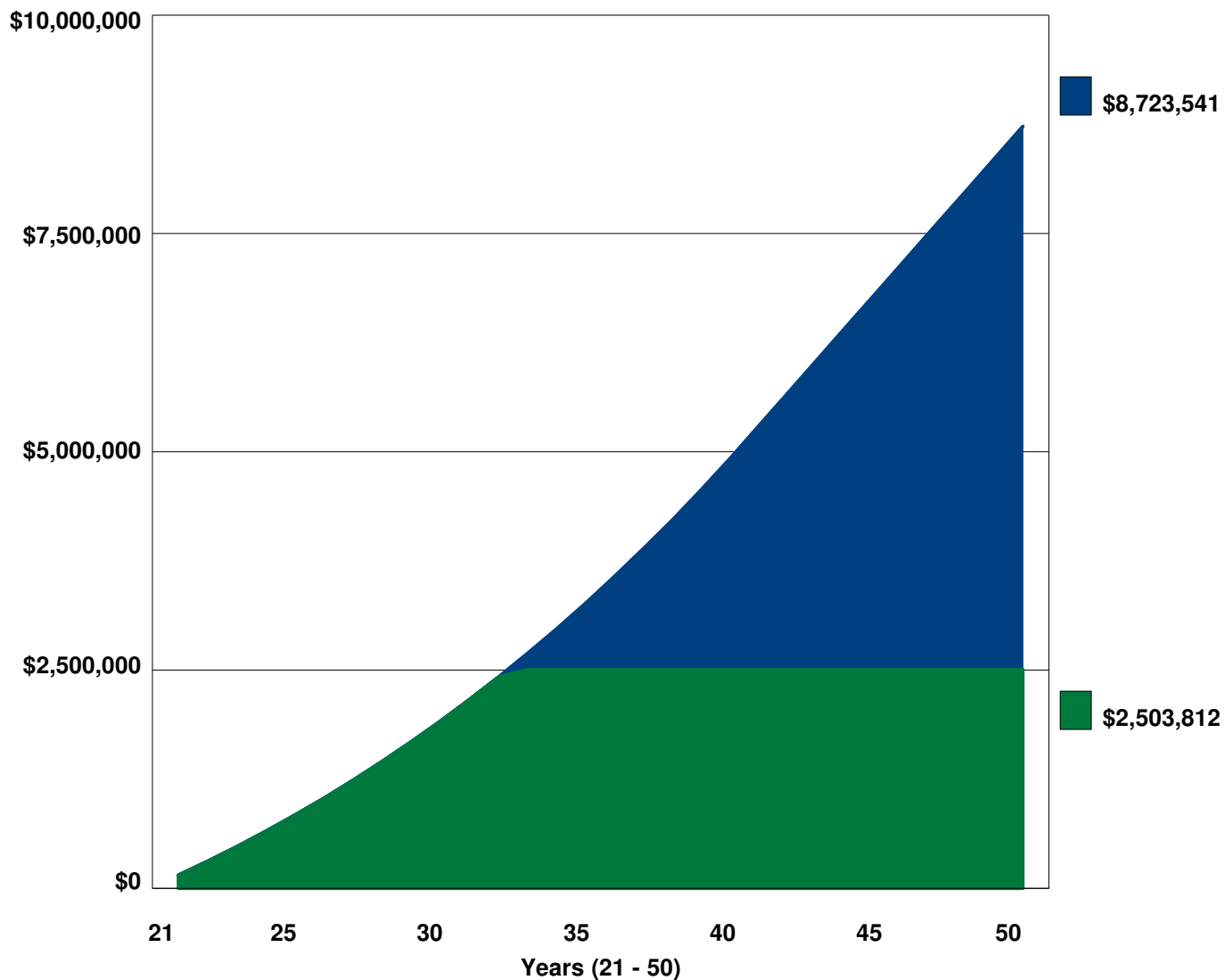
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A Look at Year 50



Cash Flow Comparison



At Year 50

Cumulative After Tax Cash Flow - Equity Account ■ \$2,503,812

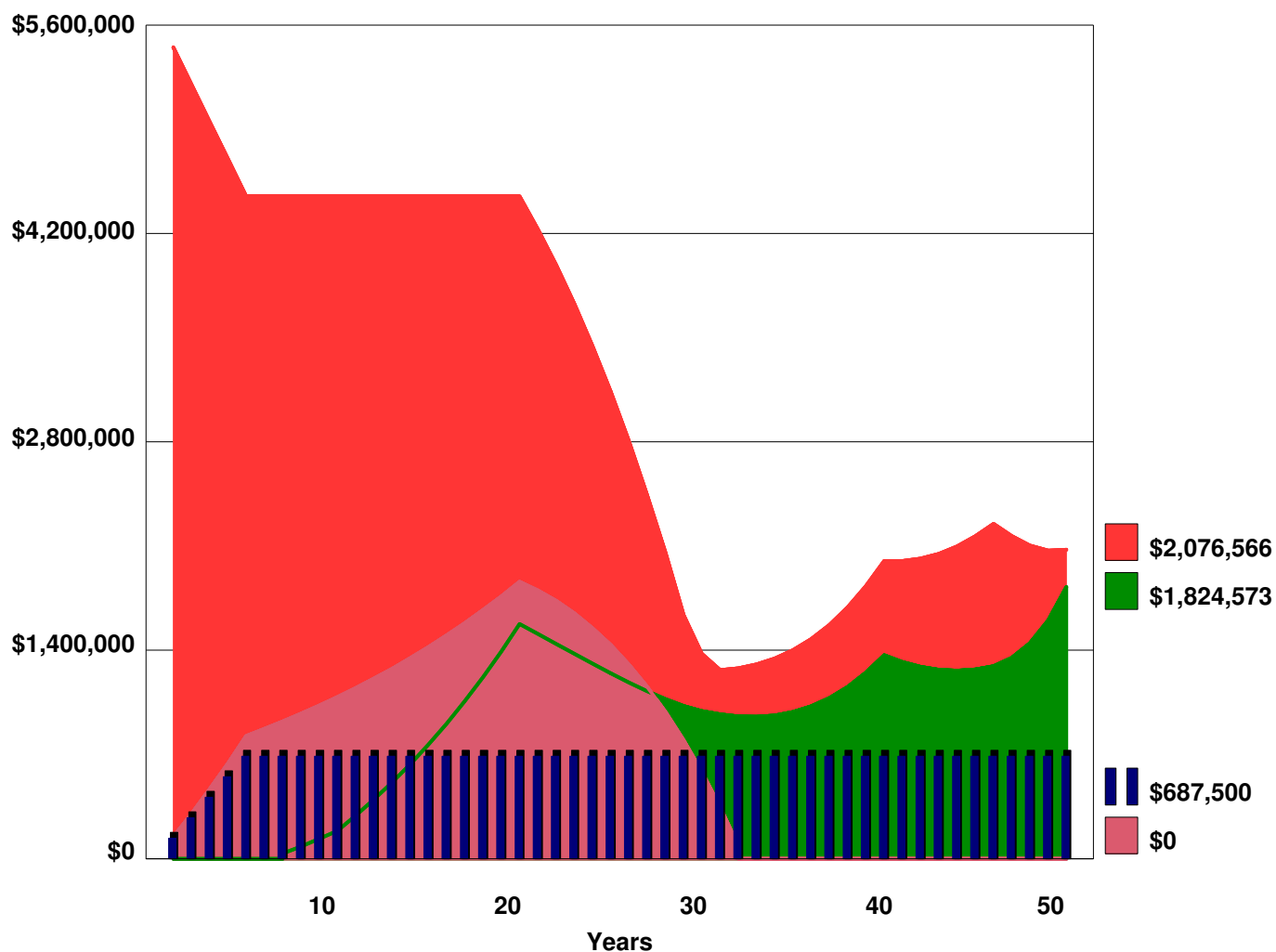
Cumulative After Tax Policy Cash Flow - Indexed UL ■ \$8,723,541

Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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50 Year Analysis



	At Year 50
Cumulative Payments	\$687,500
Equity Account Values	\$0
Cash Value of Indexed UL	\$1,824,573
Death Benefit of Indexed UL	\$2,076,566

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.

Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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Details of Portfolio Turnover

Equity Account Growth 6.85% Equity Account Dividend 2.00% Dividend Tax Rate 25.00% Income Tax Rate 45.00% Composite Capital Gains Tax Rate* 33.00% Turnover Assumption 35.00%

Yr	Male 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	137,500	0	9,419	2,063	148,982	139,563	52,144	48,847	51,056	146,415
2	46	141,772	137,500	0	19,448	4,259	307,622	283,531	107,668	99,236	104,885	301,791
3	47	289,180	137,500	0	30,091	6,589	475,971	433,269	166,590	151,644	161,658	466,329
4	48	443,283	137,500	0	41,362	9,057	654,248	589,839	228,987	206,444	221,548	640,341
5	49	604,943	137,500	0	53,282	11,668	842,791	754,112	294,977	263,939	284,734	824,223
6	50	774,907	0	0	56,459	12,363	893,045	787,270	312,566	275,544	300,349	872,020
7	51	812,074	0	0	59,733	13,080	944,833	825,154	330,692	288,804	316,869	921,700
8	52	853,219	0	0	63,136	13,826	998,662	867,045	349,532	303,466	334,330	973,626
9	53	897,909	0	0	66,693	14,604	1,054,923	912,513	369,223	319,380	352,775	1,028,090
10	54	945,908	0	0	70,424	15,421	1,113,935	961,329	389,877	336,465	372,251	1,085,346
11	55	997,115	0	0	74,346	16,280	1,175,972	1,013,395	411,590	354,688	392,813	1,145,623
12	56	1,051,519	0	0	78,475	17,184	1,241,282	1,068,703	434,449	374,046	414,516	1,209,136
13	57	1,109,173	0	0	82,826	18,137	1,310,099	1,127,310	458,535	394,559	437,423	1,276,097
14	58	1,170,174	0	0	87,413	19,141	1,382,651	1,189,315	483,928	416,260	461,598	1,346,718
15	59	1,234,652	0	0	92,250	20,201	1,459,169	1,254,853	510,709	439,199	487,111	1,421,215
16	60	1,302,765	0	0	97,353	21,318	1,539,886	1,324,083	538,960	463,429	514,035	1,499,811
17	61	1,374,689	0	0	102,737	22,497	1,625,045	1,397,186	568,766	489,015	542,448	1,582,740
18	62	1,450,619	0	0	108,418	23,741	1,714,899	1,474,360	600,215	516,026	572,432	1,670,245
19	63	1,530,766	0	0	114,412	25,054	1,809,711	1,555,821	633,399	544,537	604,074	1,762,582
20	64	1,615,358	0	0	120,737	26,439	1,909,758	1,641,797	668,415	574,629	637,466	1,860,021
21	65	1,704,634	0	127,529	118,676	0	1,851,168	1,587,759	647,909	555,715	617,485	1,802,537
22	66	1,649,528	0	137,411	114,061	0	1,779,187	1,523,781	622,715	533,323	593,216	1,732,191
23	67	1,583,674	0	147,687	108,539	0	1,693,043	1,448,649	592,565	507,027	564,338	1,648,168
24	68	1,505,960	0	158,440	102,046	0	1,591,774	1,361,191	557,121	476,417	530,488	1,549,490
25	69	1,415,262	0	169,698	94,516	0	1,474,308	1,260,264	516,008	441,093	491,286	1,435,090
26	70	1,310,458	0	181,488	85,872	0	1,339,474	1,144,732	468,816	400,656	446,323	1,303,811
27	71	1,190,399	0	193,840	76,033	0	1,186,004	1,013,420	415,101	354,697	395,168	1,154,410
28	72	1,053,891	0	206,781	64,913	0	1,012,542	865,115	354,390	302,790	337,362	985,559
29	73	899,687	0	220,344	52,417	0	817,632	698,542	286,171	244,489	272,416	795,838
30	74	726,468	0	234,559	38,448	0	599,727	512,355	209,904	179,324	199,813	583,739
			687,500									

*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 1.00% management fee.

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

Executive's Share of a Leveraged Deferred Compensation Plan vs. An Equity Account

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

Insured: Arthur Lee

Details of Portfolio Turnover

Equity Account Growth 6.85% Equity Account Dividend 2.00% Dividend Tax Rate 25.00% Income Tax Rate 45.00% Composite Capital Gains Tax Rate* 33.00% Turnover Assumption 35.00%

Yr	Male 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	532,843	0	249,463	22,898	0	357,174	305,131	125,011	106,796	119,000	347,651
32	76	317,335	0	265,089	5,656	0	88,218	75,363	30,876	26,377	29,391	85,865
33	77	78,377	0	85,865	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

687,500

*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:

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