

Analysis of the Cost of Waiting

For Harvey Pierce, MD



Presented By: _____

[Licensed user's name appears here]

Analysis of the Cost of Waiting

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

Insured: Harvey Pierce, MD

Preface

To be certain of having life insurance when you need it, you should acquire it before you need it. So an important factor to consider involves the advantage of acquiring your policy now -- while your health may be the best it ever will be. Of even greater importance, should something unexpectedly happen to you in the short term, your family will be protected.

There is usually another reason for acquiring your life insurance early. The example below illustrates a comparison of buying a policy now versus waiting two years to buy it.

Insured: Harvey Pierce, MD Current Age: 45

Indexed Universal Life Plan A: Buy Now*

Initial Policy Death Benefit:	521,414
Policy Premium:	23,717
Number of Premiums to Age 85:	20
Cum. Premiums at Age 85:	474,340
Cum. Loan Proceeds at Age 85:	1,948,876
Cash Value at Age 85:	953,993
Death Benefit at Age 85:	1,453,993

Indexed Universal Life Plan B: Wait Two Years to Buy**

Initial Policy Death Benefit:	522,779
Policy Premium:	25,384
Number of Premiums to Age 85:	18
Cum. Premiums at Age 85:	456,912
Cum. Loan Proceeds at Age 85:	1,628,362
Cash Value at Age 85:	920,175
Death Benefit at Age 85:	1,420,175

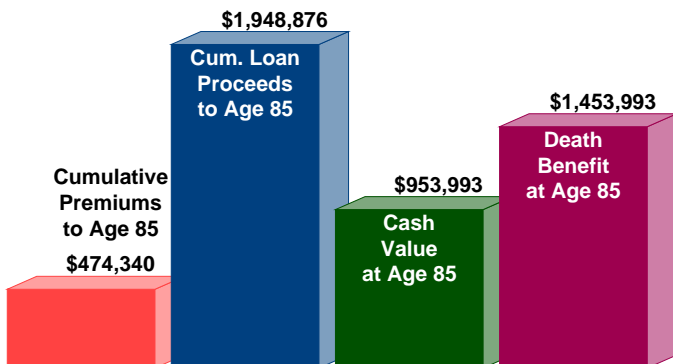
Cash Value Gain at Age 85 by Buying Now: \$33,818

Cumulative Loan Proceeds Gain at Age 85 by Buying Now: \$320,514

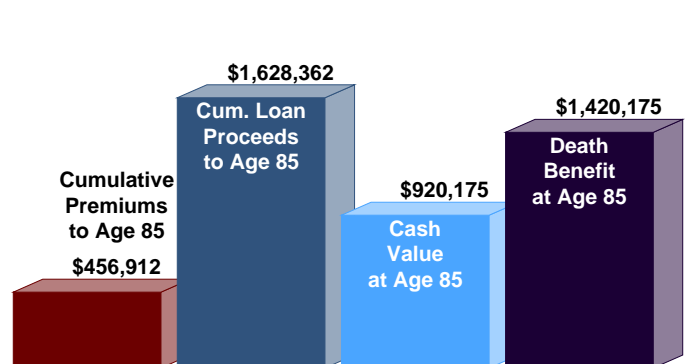
Death Benefit Gain at Age 85 by Buying Now: \$33,818

Premiums Saved by Waiting Two Years to Buy: \$17,428

Plan A: Buy Now*



Plan B: Wait Two Years to Buy**



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Insured: Harvey Pierce, MD

Plan A vs. Plan B

Male Age 45
Indexed UL Interest Rate 7.50%

Policy Owner Tax Bracket 40.00%

Male Age 47
Indexed UL Interest Rate 7.50%

Plan A: Indexed UL Issued at Age 45						Plan B: Indexed UL Issued at Age 47							
Year	Male Age	(1) Premium Payment	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit	Year	Male Age	(6) Premium Payment	(8) Net Policy Loan Proceeds	(8) Year End Accum Value**	(9) Year End Cash Value**	(10) Death Benefit
1	45	23,717	0	21,414	6,879	521,414	45	0	0	0	0	0	0
2	46	23,717	0	44,344	31,259	544,344	46	0	0	0	0	0	0
3	47	23,717	0	68,921	57,291	568,921	47	25,384	0	22,779	7,304	522,779	522,779
4	48	23,717	0	95,283	85,108	595,283	48	25,384	0	47,209	33,279	547,209	547,209
5	49	23,717	0	123,548	114,828	623,548	49	25,384	0	73,400	61,020	573,400	573,400
6	50	23,717	0	154,034	146,769	654,034	50	25,384	0	101,459	90,624	601,459	601,459
7	51	23,717	0	186,917	181,102	686,917	51	25,384	0	131,501	122,216	631,501	631,501
8	52	23,717	0	222,398	218,038	722,398	52	25,384	0	163,878	156,143	663,878	663,878
9	53	23,717	0	260,702	257,797	760,702	53	25,384	0	198,793	192,603	698,793	698,793
10	54	23,717	0	302,081	300,631	802,081	54	25,384	0	236,466	231,826	736,466	736,466
11	55	23,717	0	348,263	348,263	848,263	55	25,384	0	277,154	274,059	777,154	777,154
12	56	23,717	0	397,826	397,826	897,826	56	25,384	0	321,142	319,597	821,142	821,142
13	57	23,717	0	451,008	451,008	951,008	57	25,384	0	370,302	370,302	870,302	870,302
14	58	23,717	0	508,076	508,076	1,008,076	58	25,384	0	423,042	423,042	923,042	923,042
15	59	23,717	0	569,312	569,312	1,069,312	59	25,384	0	479,614	479,614	979,614	979,614
16	60	23,717	0	634,981	634,981	1,134,981	60	25,384	0	540,301	540,301	1,040,301	1,040,301
17	61	23,717	0	705,402	705,402	1,205,402	61	25,384	0	605,399	605,399	1,105,399	1,105,399
18	62	23,717	0	780,908	780,908	1,280,908	62	25,384	0	675,193	675,193	1,175,193	1,175,193
19	63	23,717	0	861,854	861,854	1,361,854	63	25,384	0	750,003	750,003	1,250,003	1,250,003
20	64	23,717	0	948,620	948,620	1,448,620	64	25,384	0	830,173	830,173	1,330,173	1,330,173
21	65	0	64,857	934,353	934,353	1,434,353	65	0	52,900	821,541	821,541	1,321,541	1,321,541
22	66	0	67,703	920,323	920,323	1,420,323	66	0	55,391	813,269	813,269	1,313,269	1,313,269
23	67	0	70,634	906,655	906,655	1,406,655	67	0	57,956	805,445	805,445	1,305,445	1,305,445
24	68	0	73,653	893,479	893,479	1,393,479	68	0	60,598	798,185	798,185	1,298,185	1,298,185
25	69	0	76,763	880,946	880,946	1,380,946	69	0	63,319	791,608	791,608	1,291,608	1,291,608
26	70	0	79,966	869,212	869,212	1,369,212	70	0	66,123	785,842	785,842	1,285,842	1,285,842
27	71	0	83,265	858,567	858,567	1,358,567	71	0	69,010	781,034	781,034	1,281,034	1,281,034
28	72	0	86,663	849,236	849,236	1,349,236	72	0	71,984	777,372	777,372	1,277,372	1,277,372
29	73	0	90,163	841,463	841,463	1,341,463	73	0	75,047	775,127	775,127	1,275,127	1,275,127
30	74	0	93,768	835,516	835,516	1,335,516	74	0	78,201	774,516	774,516	1,274,516	1,274,516
		474,340	787,435						456,912	650,529			

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Analysis of the Cost of Waiting

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Insured: Harvey Pierce, MD

Plan A vs. Plan B

Male Age 45
Indexed UL Interest Rate 7.50%

Policy Owner Tax Bracket 40.00%

Male Age 47
Indexed UL Interest Rate 7.50%

Plan A: Indexed UL Issued at Age 45						Plan B: Indexed UL Issued at Age 47							
Year	Male Age	(1) Premium Payment	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit	Year	Male Age	(6) Premium Payment	(8) Net Policy Loan Proceeds	(8) Year End Accum Value**	(9) Year End Cash Value**	(10) Death Benefit
31	75	0	97,482	831,686	831,686	1,331,686	75	0	81,451	775,771	775,771	1,275,771	
32	76	0	101,306	830,267	830,267	1,330,267	76	0	84,798	779,151	779,151	1,279,151	
33	77	0	105,246	831,593	831,593	1,331,593	77	0	88,246	784,926	784,926	1,284,926	
34	78	0	109,303	836,022	836,022	1,336,022	78	0	91,796	793,405	793,405	1,293,405	
35	79	0	113,482	843,940	843,940	1,343,940	79	0	95,454	804,909	804,909	1,304,909	
36	80	0	117,787	855,763	855,763	1,355,763	80	0	99,221	819,750	819,750	1,319,750	
37	81	0	122,221	872,121	872,121	1,372,121	81	0	103,101	838,238	838,238	1,338,238	
38	82	0	126,787	893,553	893,553	1,393,553	82	0	107,098	860,770	860,770	1,360,770	
39	83	0	131,491	920,644	920,644	1,420,644	83	0	111,214	887,970	887,970	1,387,970	
40	84	0	136,336	953,993	953,993	1,453,993	84	0	115,454	920,175	920,175	1,420,175	
		474,340	1,948,876						456,912	1,628,362			

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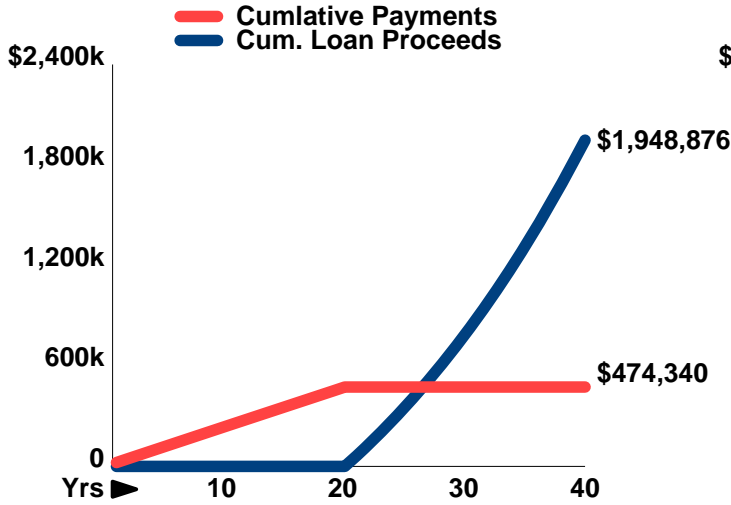
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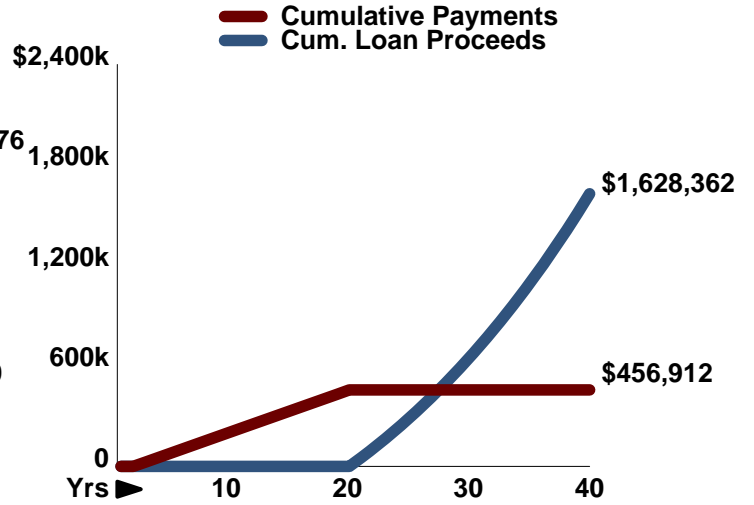
Insured: Harvey Pierce, MD

40 Year Analysis

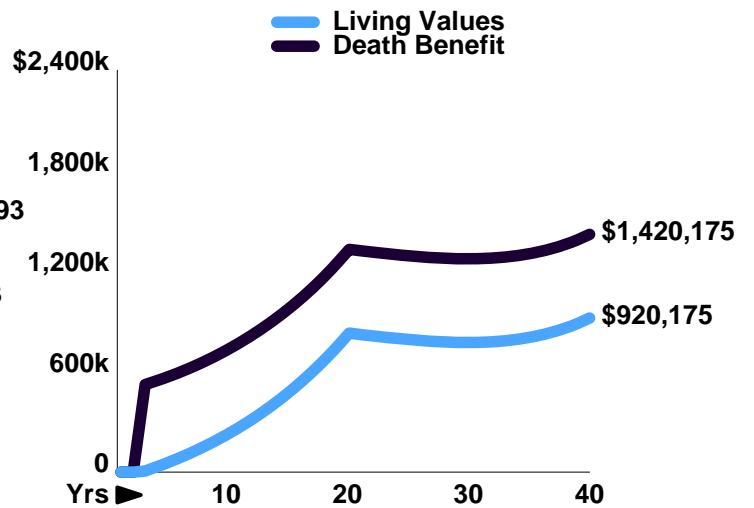
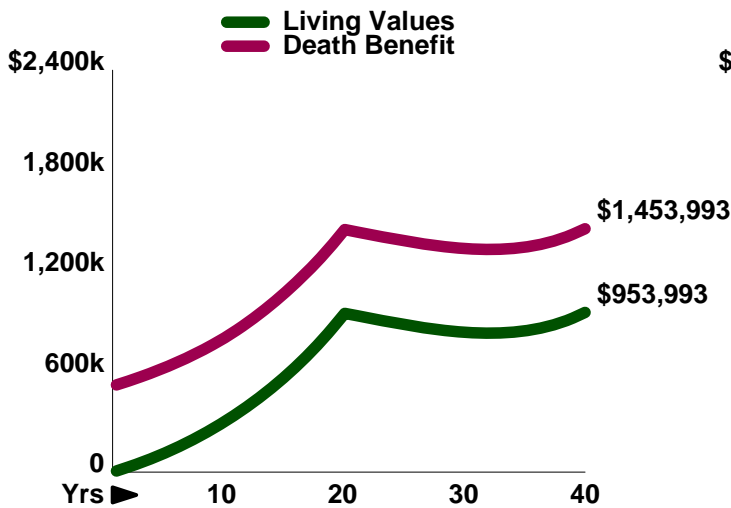
Indexed Universal Life Plan A: Buy Now



Indexed Universal Life Plan B: Wait Two Years to Buy



Comparative Analysis of Values



Analysis of the Cost of Waiting

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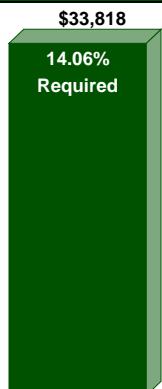
Matching Values

Male Policy Owner
Age Tax Bracket
45 40.00%

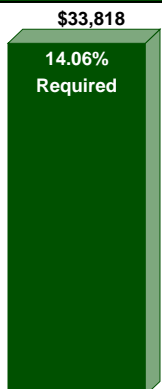
Gross Interest Rate Required over 40 Years on a Hypothetical Taxable Investment Equal to the Difference in Premiums Between Plan A and Plan B in Order to Match the Increase in Cash Value and Death Benefit of Plan A over Plan B.

	Hypothetical Taxable Alternative
To match increase in Accumulation Value of \$33,818:	14.06%
To match increase in Cash Value of \$33,818:	14.06%
To match increase in Death Benefit of \$33,818:	14.06%

To Match increase in Accumulation Value



To Match increase in Cash Value



To Match Increase in Death Benefit



Plan A: Buy Now

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Plan B: Wait Two Years to Buy

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Proof of Matching Values (Cash Value)

Male Age 45 Taxable Account Yield 14.06% Policy Owner Tax Bracket 40.00% To Match Increase in Cash Value of Plan A over Plan B in year 40 of \$33,818

Year	Male Age	(1) Plan A Net Payment*	(2) Plan B Net Payment**	(3) Difference in Net Payments (1) - (2)	(4) Payment to Taxable Account (Column (3))	(5) Beginning of Year Value of Taxable Account	(6) Tax Free Withdrawal of Principal (Column (3))	(7) Account Balance After Withdrawal (5) - (6)	(8) Annualized Gross Interest Earned	(9) Annualized After Tax Interest Accrued	(10) Year End Value of Account (7) + (9)
1	45	23,717	0	23,717	23,717	23,717	0	23,717	3,335	2,001	25,718
2	46	23,717	0	23,717	23,717	49,435	0	49,435	6,951	4,170	53,605
3	47	23,717	25,384	-1,667	0	53,605	1,667	51,938	7,302	4,382	56,320
4	48	23,717	25,384	-1,667	0	56,320	1,667	54,653	7,684	4,610	59,263
5	49	23,717	25,384	-1,667	0	59,263	1,667	57,596	8,098	4,859	62,455
6	50	23,717	25,384	-1,667	0	62,455	1,667	60,788	8,547	5,128	65,916
7	51	23,717	25,384	-1,667	0	65,916	1,667	64,249	9,033	5,420	69,669
8	52	23,717	25,384	-1,667	0	69,669	1,667	68,002	9,561	5,737	73,739
9	53	23,717	25,384	-1,667	0	73,739	1,667	72,072	10,133	6,080	78,152
10	54	23,717	25,384	-1,667	0	78,152	1,667	76,485	10,754	6,452	82,937
11	55	23,717	25,384	-1,667	0	82,937	1,667	81,270	11,427	6,856	88,126
12	56	23,717	25,384	-1,667	0	88,126	1,667	86,459	12,156	7,294	93,752
13	57	23,717	25,384	-1,667	0	93,752	1,667	92,085	12,947	7,768	99,854
14	58	23,717	25,384	-1,667	0	99,854	1,667	98,187	13,805	8,283	106,470
15	59	23,717	25,384	-1,667	0	106,470	1,667	104,803	14,735	8,841	113,644
16	60	23,717	25,384	-1,667	0	113,644	1,667	111,977	15,744	9,446	121,423
17	61	23,717	25,384	-1,667	0	121,423	1,667	119,756	16,838	10,103	129,859
18	62	23,717	25,384	-1,667	0	129,859	1,667	128,192	18,024	10,814	139,006
19	63	23,717	25,384	-1,667	0	139,006	1,667	137,339	19,310	11,586	148,925
20	64	23,717	25,384	-1,667	0	148,925	1,667	147,258	20,705	12,423	159,681
21	65	-64,857	-52,900	-11,957	0	159,681	11,957	147,724	20,770	12,462	160,186
22	66	-67,703	-55,391	-12,312	0	160,186	12,312	147,874	20,791	12,475	160,348
23	67	-70,634	-57,956	-12,678	0	160,348	12,678	147,670	20,762	12,457	160,128
24	68	-73,653	-60,598	-13,055	0	160,128	13,055	147,073	20,678	12,407	159,480
25	69	-76,763	-63,319	-13,444	0	159,480	13,444	146,036	20,533	12,320	158,356
26	70	-79,966	-66,123	-13,843	0	158,356	13,843	144,513	20,318	12,191	156,704
27	71	-83,265	-69,010	-14,255	0	156,704	14,255	142,449	20,028	12,017	154,466
28	72	-86,663	-71,984	-14,679	0	154,466	14,679	139,787	19,654	11,792	151,579
29	73	-90,163	-75,047	-15,116	0	151,579	15,116	136,463	19,187	11,512	147,975
30	74	-93,768	-78,201	-15,567	0	147,975	15,567	132,408	18,617	11,170	143,578
		-313,095	-193,617	-119,478	47,434		166,912		438,427	263,056	

*Plan A net payment includes Loan Proceeds as a negative payment.

**Plan B net payment includes Loan Proceeds as a negative payment.

Analysis of the Cost of Waiting

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Insured: Harvey Pierce, MD

Proof of Matching Values (Cash Value)

Male Taxable Account Policy Owner To Match
 Age Yield Tax Bracket Increase in Cash Value of
 45 14.06% 40.00% Plan A over Plan B
 in year 40 of \$33,818

Year	Male Age	(1) Plan A Net Payment*	(2) Plan B Net Payment**	(3) Difference in Net Payments (1) - (2)	(4) Payment to Taxable Account (Column (3))	(5) Beginning of Year Value of Taxable Account	(6) Tax Free Withdrawal of Principal (Column (3))	(7) Account Balance After Withdrawal (5) - (6)	(8) Annualized Gross Interest Earned	(9) Annualized After Tax Interest Accrued	(10) Year End Value of Account (7) + (9)
31	75	-97,482	-81,451	-16,031	0	143,578	16,031	127,547	17,933	10,760	138,307
32	76	-101,306	-84,798	-16,508	0	138,307	16,508	121,799	17,125	10,275	132,074
33	77	-105,246	-88,246	-17,000	0	132,074	17,000	115,074	16,179	9,708	124,782
34	78	-109,303	-91,796	-17,507	0	124,782	17,507	107,275	15,083	9,050	116,324
35	79	-113,482	-95,454	-18,028	0	116,324	18,028	98,296	13,820	8,292	106,589
36	80	-117,787	-99,221	-18,566	0	106,589	18,566	88,023	12,376	7,426	95,448
37	81	-122,221	-103,101	-19,120	0	95,448	19,120	76,328	10,732	6,439	82,767
38	82	-126,787	-107,098	-19,689	0	82,767	19,689	63,078	8,869	5,321	68,399
39	83	-131,491	-111,214	-20,277	0	68,399	20,277	48,122	6,766	4,060	52,182
40	84	-136,336	-115,454	-20,882	0	52,182	20,882	31,300	4,401	2,640	33,940
		-1,474,536	-1,171,450	-303,086	47,434		350,520		561,711	337,027	

*Plan A net payment includes Loan Proceeds as a negative payment.
 **Plan B net payment includes Loan Proceeds as a negative payment.

Analysis of the Cost of Waiting

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

Insured: Harvey Pierce, MD

Proof of Matching Values (Death Benefit)

Male Age 45 Taxable Account Yield 14.06% Policy Owner Tax Bracket 40.00% To Match Increase in Death Benefit of Plan A over Plan B in year 40 of \$33,818

Year	Male Age	(1) Plan A Net Payment*	(2) Plan B Net Payment**	(3) Difference in Net Payments (1) - (2)	(4) Payment to Taxable Account (Column (3))	(5) Beginning of Year Value of Taxable Account	(6) Tax Free Withdrawal of Principal (Column (3))	(7) Account Balance After Withdrawal (5) - (6)	(8) Annualized Gross Interest Earned	(9) Annualized After Tax Interest Accrued	(10) Year End Value of Account (7) + (9)
1	45	23,717	0	23,717	23,717	23,717	0	23,717	3,335	2,001	25,718
2	46	23,717	0	23,717	23,717	49,435	0	49,435	6,951	4,170	53,605
3	47	23,717	25,384	-1,667	0	53,605	1,667	51,938	7,302	4,382	56,320
4	48	23,717	25,384	-1,667	0	56,320	1,667	54,653	7,684	4,610	59,263
5	49	23,717	25,384	-1,667	0	59,263	1,667	57,596	8,098	4,859	62,455
6	50	23,717	25,384	-1,667	0	62,455	1,667	60,788	8,547	5,128	65,916
7	51	23,717	25,384	-1,667	0	65,916	1,667	64,249	9,033	5,420	69,669
8	52	23,717	25,384	-1,667	0	69,669	1,667	68,002	9,561	5,737	73,739
9	53	23,717	25,384	-1,667	0	73,739	1,667	72,072	10,133	6,080	78,152
10	54	23,717	25,384	-1,667	0	78,152	1,667	76,485	10,754	6,452	82,937
11	55	23,717	25,384	-1,667	0	82,937	1,667	81,270	11,427	6,856	88,126
12	56	23,717	25,384	-1,667	0	88,126	1,667	86,459	12,156	7,294	93,752
13	57	23,717	25,384	-1,667	0	93,752	1,667	92,085	12,947	7,768	99,854
14	58	23,717	25,384	-1,667	0	99,854	1,667	98,187	13,805	8,283	106,470
15	59	23,717	25,384	-1,667	0	106,470	1,667	104,803	14,735	8,841	113,644
16	60	23,717	25,384	-1,667	0	113,644	1,667	111,977	15,744	9,446	121,423
17	61	23,717	25,384	-1,667	0	121,423	1,667	119,756	16,838	10,103	129,859
18	62	23,717	25,384	-1,667	0	129,859	1,667	128,192	18,024	10,814	139,006
19	63	23,717	25,384	-1,667	0	139,006	1,667	137,339	19,310	11,586	148,925
20	64	23,717	25,384	-1,667	0	148,925	1,667	147,258	20,705	12,423	159,681
21	65	-64,857	-52,900	-11,957	0	159,681	11,957	147,724	20,770	12,462	160,186
22	66	-67,703	-55,391	-12,312	0	160,186	12,312	147,874	20,791	12,475	160,348
23	67	-70,634	-57,956	-12,678	0	160,348	12,678	147,670	20,762	12,457	160,128
24	68	-73,653	-60,598	-13,055	0	160,128	13,055	147,073	20,678	12,407	159,480
25	69	-76,763	-63,319	-13,444	0	159,480	13,444	146,036	20,533	12,320	158,356
26	70	-79,966	-66,123	-13,843	0	158,356	13,843	144,513	20,318	12,191	156,704
27	71	-83,265	-69,010	-14,255	0	156,704	14,255	142,449	20,028	12,017	154,466
28	72	-86,663	-71,984	-14,679	0	154,466	14,679	139,787	19,654	11,792	151,579
29	73	-90,163	-75,047	-15,116	0	151,579	15,116	136,463	19,187	11,512	147,975
30	74	-93,768	-78,201	-15,567	0	147,975	15,567	132,408	18,617	11,170	143,578
		-313,095	-193,617	-119,478	47,434		166,912		438,427	263,056	

*Plan A net payment includes Loan Proceeds as a negative payment.

**Plan B net payment includes Loan Proceeds as a negative payment.

Analysis of the Cost of Waiting

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

Insured: Harvey Pierce, MD

Proof of Matching Values (Death Benefit)

Male Age 45 Taxable Account Yield 14.06% Policy Owner Tax Bracket 40.00% To Match Increase in Death Benefit of Plan A over Plan B in year 40 of \$33,818

Year	Male Age	(1) Plan A Net Payment*	(2) Plan B Net Payment**	(3) Difference in Net Payments (1) - (2)	(4) Payment to Taxable Account (Column (3))	(5) Beginning of Year Value of Taxable Account	(6) Tax Free Withdrawal of Principal (Column (3))	(7) Account Balance After Withdrawal (5) - (6)	(8) Annualized Gross Interest Earned	(9) Annualized After Tax Interest Accrued	(10) Year End Value of Account (7) + (9)
31	75	-97,482	-81,451	-16,031	0	143,578	16,031	127,547	17,933	10,760	138,307
32	76	-101,306	-84,798	-16,508	0	138,307	16,508	121,799	17,125	10,275	132,074
33	77	-105,246	-88,246	-17,000	0	132,074	17,000	115,074	16,179	9,708	124,782
34	78	-109,303	-91,796	-17,507	0	124,782	17,507	107,275	15,083	9,050	116,324
35	79	-113,482	-95,454	-18,028	0	116,324	18,028	98,296	13,820	8,292	106,589
36	80	-117,787	-99,221	-18,566	0	106,589	18,566	88,023	12,376	7,426	95,448
37	81	-122,221	-103,101	-19,120	0	95,448	19,120	76,328	10,732	6,439	82,767
38	82	-126,787	-107,098	-19,689	0	82,767	19,689	63,078	8,869	5,321	68,399
39	83	-131,491	-111,214	-20,277	0	68,399	20,277	48,122	6,766	4,060	52,182
40	84	-136,336	-115,454	-20,882	0	52,182	20,882	31,300	4,401	2,640	33,940
		-1,474,536	-1,171,450	-303,086	47,434		350,520		561,711	337,027	

*Plan A net payment includes Loan Proceeds as a negative payment.

**Plan B net payment includes Loan Proceeds as a negative payment.