

Cash Flow Cost of Ignoring Life Insurance (Solo Roth 401(k) vs. IUL)

For: Ashley Coppola



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.

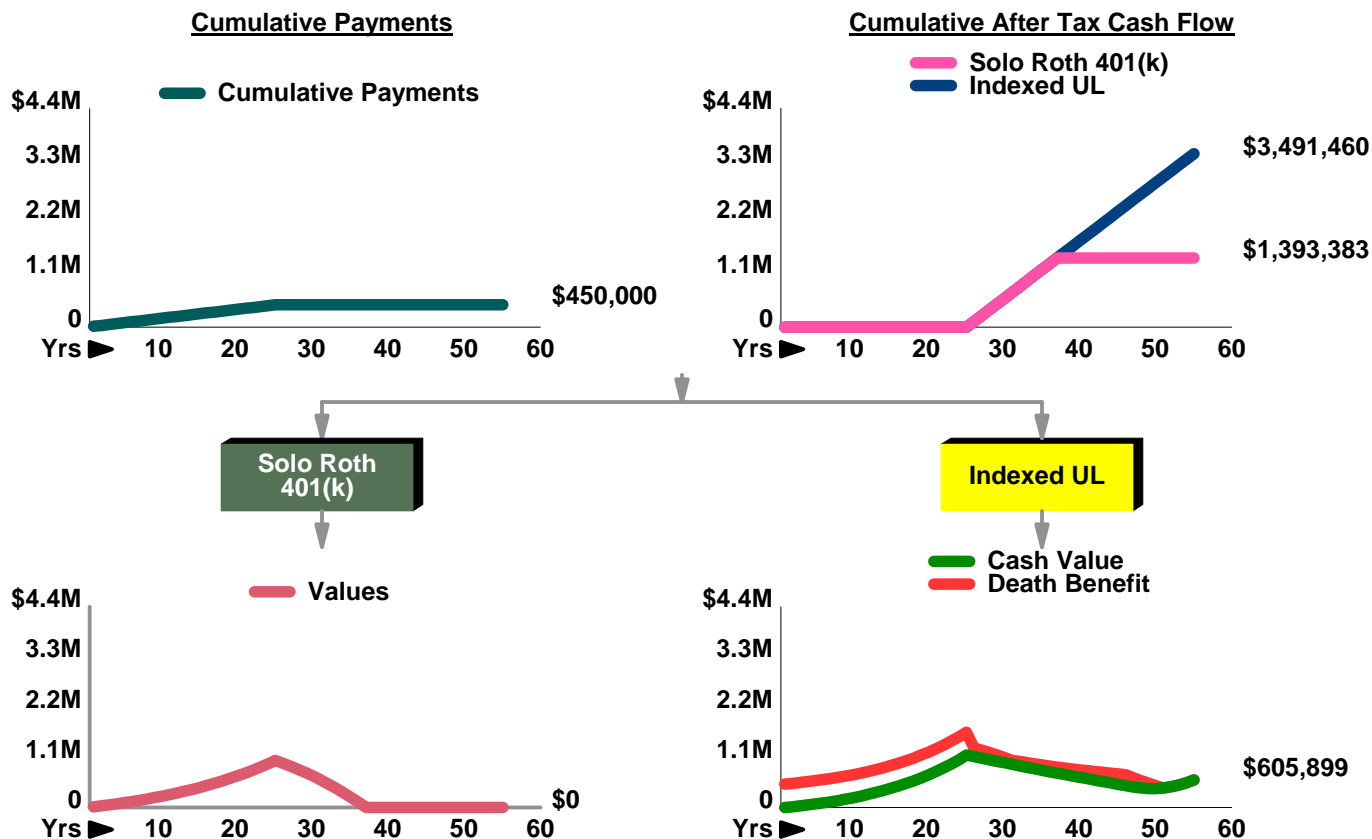
To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to a Solo Roth 401(k).

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.

Solo Roth 401(k) vs. Indexed Universal Life

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

Insured: Ashley Coppola

Comparison

		Solo Roth 401(k) Yield 7.00%	Income Tax Rate 28.00%	Indexed UL Interest Rate 7.00%	Initial Payment 18,000	Initial Death Benefit 499,441					
		Solo Roth 401(k)				Indexed Universal Life					
Year	Female Age	(1) Annual Deposit to the Account	(2) After Tax Cash Flow from the Account	(3) Investment Income	(4) Year End Account Value	(5) Policy Premium	(6) After Tax Policy Loan Proceeds	(7) Year End Accum Value*	(8) Year End Cash Value*	(9) Death Benefit	
1	45	18,000	0	1,260	19,067	18,000	0	15,700	2,580	515,141	
2	46	18,000	0	2,595	39,266	18,000	0	32,498	19,543	531,939	
3	47	18,000	0	4,009	60,661	18,000	0	50,466	37,675	549,907	
4	48	18,000	0	5,506	83,326	18,000	0	69,688	57,072	569,129	
5	49	18,000	0	7,093	107,335	18,000	0	90,258	77,817	589,699	
6	50	18,000	0	8,773	132,767	18,000	0	112,276	100,015	611,717	
7	51	18,000	0	10,554	159,707	18,000	0	135,855	126,046	635,296	
8	52	18,000	0	12,440	188,245	18,000	0	161,115	153,758	660,556	
9	53	18,000	0	14,437	218,476	18,000	0	188,191	183,286	687,632	
10	54	18,000	0	16,553	250,499	18,000	0	217,229	214,776	716,670	
11	55	18,000	0	18,795	284,421	18,000	0	252,264	252,264	751,705	
12	56	18,000	0	21,169	320,354	18,000	0	290,058	290,058	789,499	
13	57	18,000	0	23,685	358,419	18,000	0	330,826	330,826	830,267	
14	58	18,000	0	26,349	398,740	18,000	0	374,806	374,806	874,247	
15	59	18,000	0	29,172	441,453	18,000	0	422,248	422,248	921,689	
16	60	18,000	0	32,162	486,699	18,000	0	473,381	473,381	972,822	
17	61	18,000	0	35,329	534,627	18,000	0	528,476	528,476	1,027,917	
18	62	18,000	0	38,684	585,398	18,000	0	587,828	587,828	1,087,269	
19	63	18,000	0	42,238	639,180	18,000	0	651,755	651,755	1,151,196	
20	64	18,000	0	46,003	696,150	18,000	0	720,584	720,584	1,220,025	
21	65	18,000	0	49,991	756,500	18,000	0	794,662	794,662	1,294,103	
22	66	18,000	0	54,215	820,427	18,000	0	874,371	874,371	1,373,812	
23	67	18,000	0	58,690	888,146	18,000	0	960,115	960,115	1,459,556	
24	68	18,000	0	63,430	959,881	18,000	0	1,052,332	1,052,332	1,551,773	
25	69	18,000	0	68,452	1,035,869	18,000	0	1,151,487	1,151,487	1,650,928	
26	70	0	116,382	64,364	974,012	0	116,382	1,240,122	1,117,921	1,303,940	
27	71	0	116,382	60,034	908,488	0	116,382	1,334,600	1,084,087	1,257,585	
28	72	0	116,382	55,447	839,078	0	116,382	1,435,343	1,050,105	1,207,992	
29	73	0	116,382	50,589	765,552	0	116,382	1,542,824	1,016,122	1,154,976	
30	74	0	116,382	45,442	687,665	0	116,382	1,657,553	982,315	1,098,343	
		450,000	581,910			450,000	581,910				

30 Year Summary

	Solo Roth 401(k)	Indexed UL
After Tax Payments	450,000	450,000
After Tax Cash Flow	581,910	581,910
Living Values	687,665	982,315
Death Benefit	687,665	1,098,343

Management fees reflected in column (4): 1.00%

*This illustration assumes the nonguaranteed values shown 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.

Solo Roth 401(k) vs. Indexed Universal Life

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Insured: Ashley Coppola

Comparison

Solo Roth 401(k) Yield 7.00% Income Tax Rate 28.00% Indexed UL Interest Rate 7.00% Initial Payment 18,000 Initial Death Benefit 499,441

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31	75	0	116,382	39,990	605,160	0	116,382	1,780,090	948,889	1,037,893
32	76	0	116,382	34,214	517,763	0	116,382	1,910,498	915,536	1,011,061
33	77	0	116,382	28,097	425,183	0	116,382	2,049,292	882,380	984,845
34	78	0	116,382	21,616	327,113	0	116,382	2,197,005	849,547	959,397
35	79	0	116,382	14,751	223,227	0	116,382	2,354,209	817,176	934,887
36	80	0	116,382	7,479	113,181	0	116,382	2,521,281	785,196	911,260
37	81	0	113,181	0	0	0	116,382	2,698,757	753,667	888,604
38	82	0	0	0	0	0	116,382	2,887,206	722,660	867,020
39	83	0	0	0	0	0	116,382	3,087,185	692,210	846,569
40	84	0	0	0	0	0	116,382	3,299,075	662,151	827,105
41	85	0	0	0	0	0	116,382	3,523,128	632,156	808,313
42	86	0	0	0	0	0	116,382	3,759,876	602,154	790,148
43	87	0	0	0	0	0	116,382	4,009,701	571,893	772,378
44	88	0	0	0	0	0	116,382	4,273,016	541,116	754,767
45	89	0	0	0	0	0	116,382	4,550,251	509,555	737,067
46	90	0	0	0	0	0	116,382	4,842,147	477,215	719,322
47	91	0	0	0	0	0	116,382	5,154,825	449,446	655,639
48	92	0	0	0	0	0	116,382	5,491,176	428,327	593,062
49	93	0	0	0	0	0	116,382	5,854,725	416,532	533,626
50	94	0	0	0	0	0	116,382	6,249,602	417,298	479,794
51	95	0	0	0	0	0	116,382	6,680,770	434,650	434,650
52	96	0	0	0	0	0	116,382	7,141,651	461,024	461,024
53	97	0	0	0	0	0	116,382	7,634,386	497,527	497,527
54	98	0	0	0	0	0	116,382	8,161,278	545,374	545,374
55	99	0	0	0	0	0	116,382	8,724,799	605,899	605,899
		450,000	1,393,383			450,000	3,491,460			

55 Year Summary

	Solo Roth 401(k)	Indexed UL
After Tax Payments	450,000	450,000
After Tax Cash Flow	1,393,383	3,491,460
Living Values	0	605,899
Death Benefit	0	605,899

Management fees reflected in column (4): 1.00%

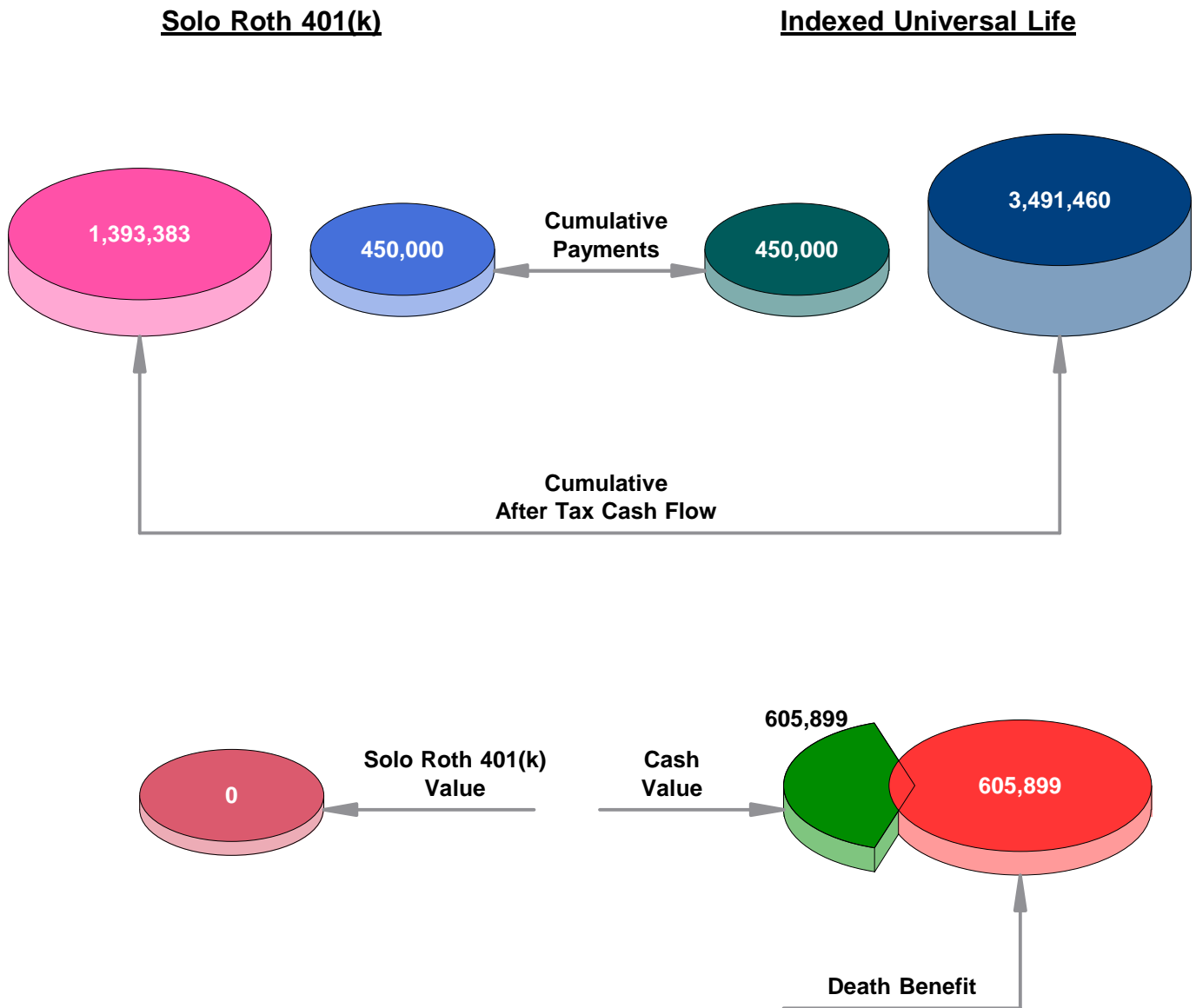
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Insured: Ashley Coppola

A Look at Year 55



Solo Roth 401(k) vs. Indexed Universal Life

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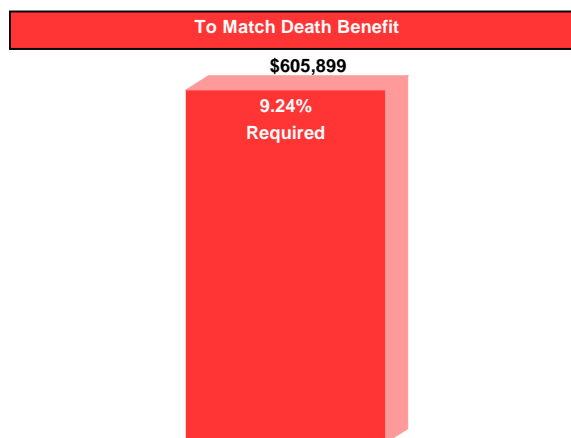
Insured: Ashley Coppola

Matching Values at Age 99 (Year 55)

Female Age	Solo Roth 401(k) Yield	Income Tax Rate	Indexed UL Interest Rate	Initial Payment	Initial Death Benefit
45	7.00%	28.00%	7.00%	18,000	499,441

Gross Interest Rate Required on Solo Roth 401(k) to Match Indexed Universal Life Policy Values over 55 Years.

	Gross Interest Rate Required
To match Cash Value of: \$605,899	9.24%
To match Death Benefit of: \$605,899	9.24%



Income Tax Considerations

1. Solo Roth 401(k): Interest is tax exempt.
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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