Preface

Background

This arrangement is a financial technique used by executives who want either to reduce current taxable compensation or forego scheduled increases in compensation in exchange for tax free income in the future. The arrangement involves the purchase of a cash value life insurance policy, the owner of which is the executive.

Funding

Using the funds resulting from the executive's compensation adjustment, the employer makes loans to the executive, who purchases a policy insuring the life of the executive or the executive and his or her spouse. Frequently, the employer will add matching or partially matching dollars to the funding pool. The arrangement is designed to be in compliance with the Final Split Dollar Regulations issued in September 2003 (68 FR 54336).

Promissory Notes: The loans associated with the arrangement are evidenced by a series of promissory notes between the employer and the executive, and the life insurance policy is assigned as collateral security for the loans. The loans are term loans, i.e., they are due at the end of a specific period of years; however, the promissory note calls for the acceleration of repayment should the executive die prior to the date of scheduled loan repayments.

Loan Interest: If the loan interest rate increases, the executive could be allowed to accrue the additional loan interest. The executive could also withdraw funds from his or her share of the policy values to make up the difference in the loan interest due.[1].

As an additional benefit in some arrangements, the employer may choose to offset the executive's loan interest payments by way of a bonus.

If no interest or an inadequate rate of interest is charged on a loan, the IRS recharacterizes the loan into an "arms-length" transaction and imputes an interest rate that is deemed to have been received by the lender and paid by the borrower. The AFR is determined by the length of the loan transaction, i.e., either the demand loan (blended annual rate), the short-term rate (3 years or less), the mid-term rate (over 3 years but not over 9 years), or the long-term rate (over 9 years).

So long as the loan interest rate is equal to or exceeds the Applicable Federal Rate, no further interest is imputed by the IRS on the transaction.

The loan interest rate for each new loan will likely be different, and each such loan must bear interest equal to or greater than the selected AFR in effect during the month the new loan is executed. Each new loan should be evidenced by its own promissory note.

There are four ways to deal with unknown future loan interest rates:

1. If a bonus[1] is paid to the executive to offset the loan interest, accept the risk: Changing interest rates may increase or decrease the amount of the bonus; however, the loan interest paid to the employer by the executive should provide a significant offset.
2. If the loan interest rate increases, the executive could be allowed to accrue the additional loan interest. The executive could also withdraw funds from his or her share of the policy values to make up the difference in the loan interest due.
3. Renegotiate the loans: Wait until a time when the AFR dips and recast the series of promissory notes into a new note at the reduced rate.
4. Consolidate all loans at the inception of the plan: In this case, the loaned funds in excess of the amount needed to pay the policy's initial premium should be reserved by the executive to pay the remaining stream of premiums. The employer may wish to consider requiring some form of custodianship for the reserved funds to be certain they are used for the intended purpose.

[1] If a bonus is used to assist with loan interest payments (or repayment of the employer's loans), care must be taken so as not to have the employer directly or indirectly make the loan interest payments (or loan repayments) on behalf of the executive. The purpose of this is to comply with the prohibition against the employer making such payments as provided in the split dollar final regulations issued in 2003 (TD 9092, 9/11/03 and Rev. Rul. 2003-105).

Preface (continued)

AFRs in effect for May 2019

Long-term loans (over 9 years): 2.74%

Mid-term loans (over 3 years; not over 9): 2.37%

Short-term loans (3 years or less): 2.39%

Demand loan (blended annual rate): 2.03%

Severance Benefits for the Executive

A severance benefit between the employer and the executive that mirrors the compensation adjustments used to the fund the arrangement is illustrated in the accompanying reports. The presence of such a benefit should provide significant financial comfort to any executive who voluntarily reduces compensation in order to participate. Such a benefit would typically be in effect from the inception of the arrangement and protect the executive's compensation adjustments in case of unexpected death or separation from employment prior to retirement.

Specimen severance agreements for use by profit-making or tax exempt organizations are available subject to the approval of the participants' tax and legal counsel.

Repayment of Loans from the Employer

In the event of the executive's death, the employer's loans are repaid from the life insurance policy's death benefit; otherwise, loan repayment is handled in one of the ways listed below. A check mark indicates the method illustrated in the accompanying material.

☐ 1. The executive uses personal funds to repay the loans from the employer. This produces favorable results for the employer as it is repaid loans that were originally established due to the executive's compensation adjustments. In this case, the executive's benefits occur solely from the life insurance policy values.

☐ 2. The executive uses personal funds to repay the loans from the employer; however, the loan repayments are used by the employer to fund a severance benefit for the executive in the amount of the executive's cumulative compensation adjustments. (The severance commitment is by way of a separate agreement.) This strategy should be viewed equitably by the executive since, in addition to the life insurance policy values illustrated, severance is paid that typically approximates the cumulative amount of previous compensation adjustments. Should death occur first, the severance benefit is paid to the executive's personal beneficiaries.

☐ 3. The executive borrows against the policy or surrenders a portion of policy values to repay the loans from the employer. This also produces favorable results for the employer as it is repaid loans that were originally established due to the executive's compensation adjustments. In this case, the executive's benefits occur solely from the life insurance policy values.

☑ 4. The executive borrows against the policy or surrenders a portion of policy values to repay the loans from the employer. The loan repayments are then used by the employer to fund a severance benefit for the executive that typically approximates the cumulative amount of previous compensation adjustments. (The severance commitment is awarded by way of a separate agreement.) This strategy should be viewed equitably by the executive since, in addition to the life insurance policy values illustrated, the severance provides the recovery of the executive's compensation adjustment. Should death occur first, the severance benefit is paid to the executive's personal beneficiaries.

☐ 5. The employer provides a bonus that may be used to repay the loan. When this occurs, the executive typically borrows against the policy or surrenders a portion of policy values to offset the income tax on the bonus used to repay the loan. This strategy should be viewed equitably by the executive since, in addition to the remaining life insurance values, the bonus repays the cumulative amount of previous compensation adjustments. If a severance agreement is part of the arrangement, the severance commitment is generally considered to be fulfilled due to the bonus payment.

Preface (continued)

☐ 6. The employer provides a bonus that may be used to repay the loan and bonuses an additional amount that may be used to offset some or all of the resulting income tax. This strategy should be viewed very equitably by the executive since, in addition to the remaining policy values, he/she is paid a bonus equal to the cumulative amount of previous compensation adjustments plus the income tax on the bonus.

Living Benefits for the Executive

The executive may, if the parties agree, have direct access to policy cash values in excess of the amount required to collateralize the loans from the employer. Such policy cash values are usually accessed via policy loans, withdrawals, or a combination of each. If the loans from the employer are repaid, the executive has unencumbered access to all the policy cash values.

Death Benefits for the Executive's Beneficiaries

1. Income tax free death benefits from the executive's share of the life insurance policy's death benefit can produce income streams for the executive's family or liquidity to help offset death taxes.
2. If a severance benefit is in effect as discussed above, an additional lump sum death benefit is available for the executive's beneficiaries.

Important Notes

A dramatic rise in loan interest rates at the maturity of a demand, short-term or mid-term loan may result in less-than-acceptable loan interest rates when the loan is renewed. When you are dealing with a financial arrangement of many years, long-term loans produce more stable interest rates that can be renegotiated downward should rates decline, but are capped at rates that are known as each loan is made. Due to this you may want to establish your arrangement using long-term loans.

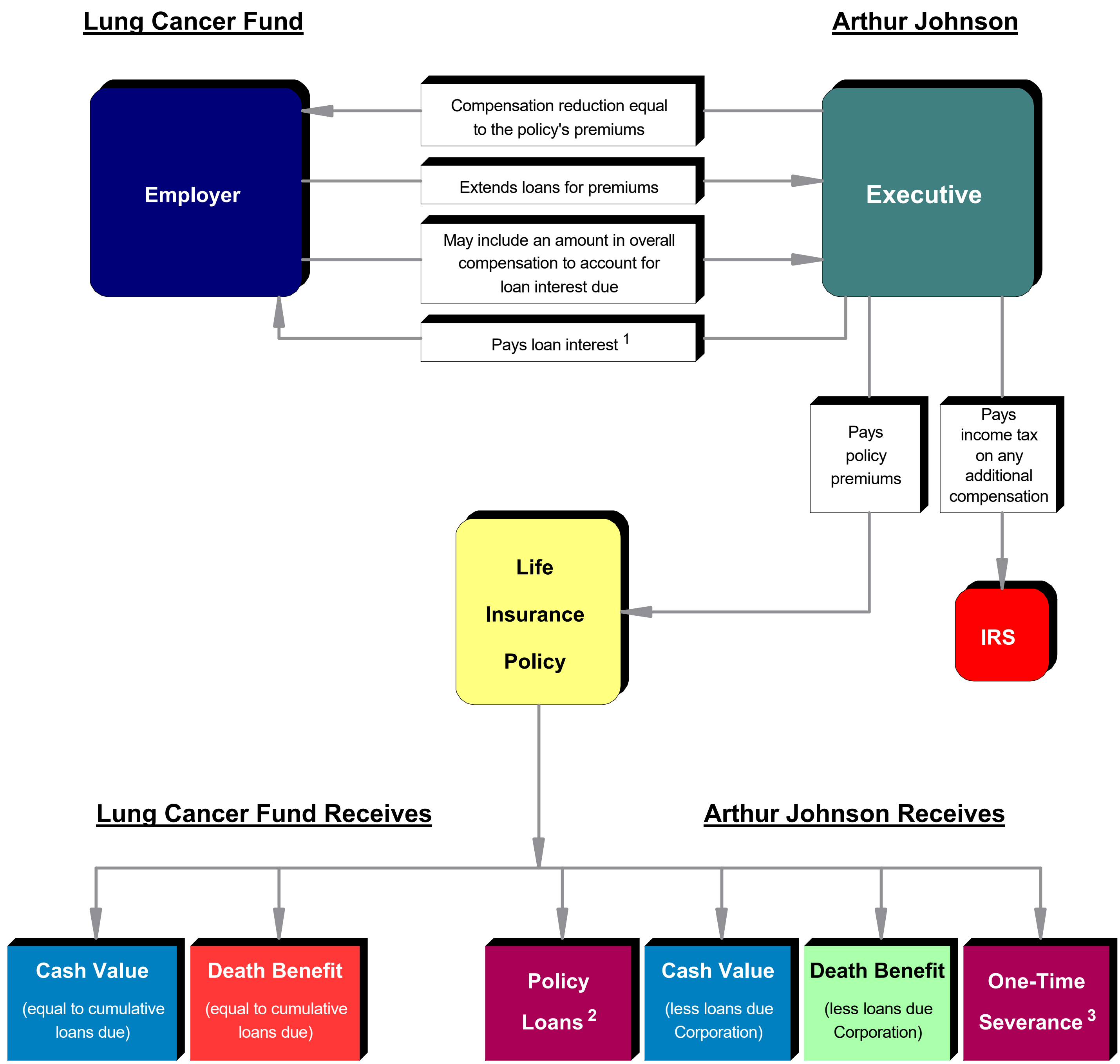
IRC Section 409A should not apply to this arrangement unless the employer is bound by the agreement between the parties to forgive the loan, waive payments, etc.

Policy loans reduce cash values and death benefits, and the lapse of a policy with such loans could result in negative tax consequences. Be sure to consult with your own legal and tax advisers if you have any questions about this issue.

You should also consult with these advisers before entering into this or any other arrangement involving tax, legal, and economic considerations.

Care must be exercised if a hospital and a doctor employed by that hospital use replacewithhead due to the Medicare-Medicaid Anti-Kickback Rule and the Stark II Rules. A plan should be able to be designed that complies with these rules; however, be certain to consult with your own legal and tax advisers on these issues.

Who Pays What - Who Receives What Flow Chart



[1] If the loan interest rate on each loan is equal to or greater than the Applicable Federal Rate established under IRC Sections 7872(f)(2)(A) and 1274(d), then no additional loan interest will be imputed to the Executive.

[2] For loan repayment and retirement income.

[3] An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

Illustration of Policy Values Funding the Plan

Male Age	Indexed UL Interest Rate	Initial Premium	Initial Death Benefit
45	6.90%	100,000	2,108,137

Year	Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
1	45	100,000	0	91,713	30,430	2,199,850
2	46	100,000	0	190,004	129,585	2,298,141
3	47	100,000	0	295,197	235,684	2,403,334
4	48	100,000	0	408,152	349,588	2,516,289
5	49	100,000	0	529,687	472,093	2,637,824
6	50	100,000	0	660,618	604,015	2,768,755
7	51	100,000	0	801,752	746,161	2,909,889
8	52	0	0	854,595	808,279	2,962,732
9	53	0	0	911,370	874,309	3,019,507
10	54	0	0	972,367	944,582	3,080,504
11	55	0	0	1,037,916	1,019,386	3,146,053
12	56	0	0	1,108,363	1,099,108	3,216,500
13	57	0	0	1,189,243	1,189,243	3,297,380
14	58	0	0	1,276,369	1,276,369	3,384,506
15	59	0	0	1,370,318	1,370,318	3,478,455
16	60	0	0	1,471,319	1,471,319	3,579,456
17	61	0	0	1,580,079	1,580,079	3,688,216
18	62	0	0	1,697,365	1,697,365	3,805,502
19	63	0	0	1,823,958	1,823,958	3,932,095
20	64	0	0	1,960,429	1,960,429	4,068,566
21	65	385,000	1,385,292	2,478,800	1,024,244	3,132,381
22	66	0	135,000	2,647,634	978,600	3,086,737
23	67	0	135,000	2,835,311	941,075	1,451,431
24	68	0	135,000	3,034,981	904,283	1,420,229
25	69	0	135,000	3,247,402	868,419	1,388,004
26	70	0	135,000	3,473,384	833,702	1,354,709
27	71	0	135,000	3,714,297	800,880	1,283,739
28	72	0	135,000	3,971,291	770,454	1,207,296
29	73	0	135,000	4,245,652	743,023	1,125,131
30	74	0	135,000	4,538,816	719,306	1,037,023
		1,085,000	2,600,292			

30 Year Summary

Cum. Policy Premiums	1,085,000
Cum. Net Policy Loan Proceeds	2,600,292
Cash Value	719,306
Death Benefit	1,037,023

*This illustration assumes the nonguaranteed 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.

Employer: Lung Cancer Fund

Illustration of Policy Values Funding the Plan

Male Age	Indexed UL Interest Rate	Initial Premium	Initial Death Benefit
45	6.90%	100,000	2,108,137

Year	Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
31	75	0	135,000	4,852,414	700,178	942,799
32	76	0	135,000	5,186,602	685,005	944,335
33	77	0	135,000	5,542,714	674,286	951,422
34	78	0	135,000	5,922,147	668,548	964,655
35	79	0	135,000	6,326,390	668,361	984,681
36	80	0	135,000	6,756,982	674,302	1,012,151
37	81	0	135,000	7,215,407	686,843	1,047,613
38	82	0	135,000	7,703,312	706,570	1,091,736
39	83	0	135,000	8,222,392	734,062	1,145,182
40	84	0	135,000	8,774,296	769,800	1,208,515
41	85	0	135,000	9,360,084	813,613	1,281,617
42	86	0	135,000	9,981,318	865,773	1,364,839
43	87	0	135,000	10,639,270	926,198	1,458,162
44	88	0	135,000	11,334,615	994,140	1,560,871
45	89	0	135,000	12,068,033	1,068,785	1,672,186
46	90	0	135,000	12,839,709	1,148,748	1,790,733
47	91	0	135,000	13,665,401	1,248,142	1,794,758
48	92	0	135,000	14,553,345	1,373,473	1,810,074
49	93	0	135,000	15,514,462	1,533,846	1,844,135
50	94	0	135,000	16,562,560	1,741,163	1,906,789
51	95	0	135,000	17,714,166	2,009,950	2,009,950
52	96	0	135,000	18,947,559	2,316,382	2,316,382
53	97	0	135,000	20,268,748	2,664,261	2,664,261
54	98	0	135,000	21,684,195	3,057,735	3,057,735
55	99	0	135,000	23,200,852	3,501,318	3,501,318
		1,085,000	5,975,292			

55 Year Summary

Cum. Policy Premiums	1,085,000
Cum. Net Policy Loan Proceeds	5,975,292
Cash Value	3,501,318
Death Benefit	3,501,318

*This illustration assumes the nonguaranteed 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.

Leveraged 401(k) Look-Alike Funded With Indexed Universal Life

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

Employer: Lung Cancer Fund

Summary

Male Age	Employer's Tax Bracket	Executive's Tax Bracket	Indexed UL Interest Rate	Initial Death Benefit	Assumed Applicable Federal Rate*
45	0.00%	45.00%	6.90%	2,108,137	

		Lung Cancer Fund				Arthur Johnson					
Year	Age	(1) Net Payment**	(2) Annual Loan to Executive	(3) Cumulative Loan to Executive** Including Accrued Loan Interest	(4) Employer's Cumulative Charge to Earnings****	(5) Net Payment**	(6) Net Policy Loan Proceeds Available for Retirement Income	(7) Year End Policy Accum Value****	(8) Year End Policy Cash Value****	(9) Year End Policy Cash Value**** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
1	45	0	100,000	102,740	-102,740	55,000	0	91,713	30,430	0	2,097,110
2	46	0	100,000	208,437	-208,437	55,000	0	190,004	129,585	0	2,089,704
3	47	0	100,000	317,289	-317,289	55,000	0	295,197	235,684	0	2,086,045
4	48	0	100,000	429,557	-429,557	55,000	0	408,152	349,588	0	2,086,732
5	49	0	100,000	545,497	-545,497	55,000	0	529,687	472,093	0	2,092,327
6	50	0	100,000	665,314	-665,314	55,000	0	660,618	604,015	0	2,103,441
7	51	0	100,000	789,345	-789,345	55,000	0	801,752	746,161	0	2,120,544
8	52	0	0	814,604	-814,604	0	0	854,595	808,279	0	2,148,128
9	53	0	0	841,242	-841,242	0	0	911,370	874,309	33,067	2,178,265
10	54	0	0	869,339	-869,339	0	0	972,367	944,582	75,243	2,211,165
11	55	0	0	898,897	-898,897	0	0	1,037,916	1,019,386	120,489	2,247,156
12	56	0	0	930,089	-930,089	0	0	1,108,363	1,099,108	169,019	2,286,411
13	57	0	0	963,014	-963,014	0	0	1,189,243	1,189,243	226,229	2,334,366
14	58	0	0	997,683	-997,683	0	0	1,276,369	1,276,369	278,686	2,386,823
15	59	0	0	1,034,298	-1,034,298	0	0	1,370,318	1,370,318	336,020	2,444,157
16	60	0	0	1,072,877	-1,072,877	0	0	1,471,319	1,471,319	398,442	2,506,579
17	61	0	0	1,113,646	-1,113,646	0	0	1,580,079	1,580,079	466,433	2,574,570
18	62	0	0	1,156,744	-1,156,744	0	0	1,697,365	1,697,365	540,621	2,648,758
19	63	0	0	1,202,204	-1,202,204	0	0	1,823,958	1,823,958	621,754	2,729,891
20	64	0	0	1,250,292	-1,250,292	0	0	1,960,429	1,960,429	710,137	2,818,274
21	65	-1,250,292	0	0	-1,250,292	385,000	135,000	2,478,800	1,024,244	1,024,244	3,132,381
22	66	0	0	0	-1,250,292	0	135,000	2,647,634	978,600	978,600	3,086,737
23	67	0	0	0	-1,250,292	0	135,000	2,835,311	941,075	941,075	1,451,431
24	68	0	0	0	-1,250,292	0	135,000	3,034,981	904,283	904,283	1,420,229
25	69	0	0	0	-1,250,292	0	135,000	3,247,402	868,419	868,419	1,388,004
26	70	0	0	0	-1,250,292	0	135,000	3,473,384	833,702	833,702	1,354,709
27	71	0	0	0	-1,250,292	0	135,000	3,714,297	800,880	800,880	1,283,739
28	72	0	0	0	-1,250,292	0	135,000	3,971,291	770,454	770,454	1,207,296
29	73	0	0	0	-1,250,292	0	135,000	4,245,652	743,023	743,023	1,125,131
30	74	0	0	0	-1,250,292	0	135,000	4,538,816	719,306	719,306	1,037,023
		-1,250,292	700,000			770,000	1,350,000				

An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

**See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

****This illustration assumes the nonguaranteed 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.

Executive's 30 Year Summary

	Living Values †	Death Benefit
Indexed Universal Life:	719,306	1,037,023
Less Loan Due Employer:	0	0
Equals Executive's Net Value:	719,306	1,037,023
Plus Cum. After Tax Cash Flow:	1,350,000	1,350,000
Equals Executive's Net Value:	2,069,306	2,387,023

†Cash value less employer's loans plus cum. net policy loans.

Employer: Lung Cancer Fund

Summary

Male Age	Employer's Tax Bracket	Executive's Tax Bracket	Indexed UL Interest Rate	Initial Death Benefit	Assumed Applicable Federal Rate*
45	0.00%	45.00%	6.90%	2,108,137	

		Lung Cancer Fund				Arthur Johnson					
Year	Age	(1) Net Payment**	(2) Annual Loan to Executive	(3) Cumulative Loan to Executive** Including Accrued Loan Interest	(4) Employer's Cumulative Charge to Earnings****	(5) Net Payment**	(6) Net Policy Loan Proceeds Available for Retirement Income	(7) Year End Policy Accum Value****	(8) Year End Policy Cash Value****	(9) Year End Policy Cash Value**** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
31	75	0	0	0	-1,250,292	0	135,000	4,852,414	700,178	700,178	942,799
32	76	0	0	0	-1,250,292	0	135,000	5,186,602	685,005	685,005	944,335
33	77	0	0	0	-1,250,292	0	135,000	5,542,714	674,286	674,286	951,422
34	78	0	0	0	-1,250,292	0	135,000	5,922,147	668,548	668,548	964,655
35	79	0	0	0	-1,250,292	0	135,000	6,326,390	668,361	668,361	984,681
36	80	0	0	0	-1,250,292	0	135,000	6,756,982	674,302	674,302	1,012,151
37	81	0	0	0	-1,250,292	0	135,000	7,215,407	686,843	686,843	1,047,613
38	82	0	0	0	-1,250,292	0	135,000	7,703,312	706,570	706,570	1,091,736
39	83	0	0	0	-1,250,292	0	135,000	8,222,392	734,062	734,062	1,145,182
40	84	0	0	0	-1,250,292	0	135,000	8,774,296	769,800	769,800	1,208,515
41	85	0	0	0	-1,250,292	0	135,000	9,360,084	813,613	813,613	1,281,617
42	86	0	0	0	-1,250,292	0	135,000	9,981,318	865,773	865,773	1,364,839
43	87	0	0	0	-1,250,292	0	135,000	10,639,270	926,198	926,198	1,458,162
44	88	0	0	0	-1,250,292	0	135,000	11,334,615	994,140	994,140	1,560,871
45	89	0	0	0	-1,250,292	0	135,000	12,068,033	1,068,785	1,068,785	1,672,186
46	90	0	0	0	-1,250,292	0	135,000	12,839,709	1,148,748	1,148,748	1,790,733
47	91	0	0	0	-1,250,292	0	135,000	13,665,401	1,248,142	1,248,142	1,794,758
48	92	0	0	0	-1,250,292	0	135,000	14,553,345	1,373,473	1,373,473	1,810,074
49	93	0	0	0	-1,250,292	0	135,000	15,514,462	1,533,846	1,533,846	1,844,135
50	94	0	0	0	-1,250,292	0	135,000	16,562,560	1,741,163	1,741,163	1,906,789
51	95	0	0	0	-1,250,292	0	135,000	17,714,166	2,009,950	2,009,950	2,009,950
52	96	0	0	0	-1,250,292	0	135,000	18,947,559	2,316,382	2,316,382	2,316,382
53	97	0	0	0	-1,250,292	0	135,000	20,268,748	2,664,261	2,664,261	2,664,261
54	98	0	0	0	-1,250,292	0	135,000	21,684,195	3,057,735	3,057,735	3,057,735
55	99	0	0	0	-1,250,292	0	135,000	23,200,852	3,501,318	3,501,318	3,501,318
		-1,250,292	700,000			770,000	4,725,000				

An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

**See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

****This illustration assumes the nonguaranteed 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.

Executive's 55 Year Summary

	Living Values †	Death Benefit
Indexed Universal Life:	3,501,318	3,501,318
Less Loan Due Employer:	0	0
Equals Executive's Net Value:	3,501,318	3,501,318
Plus Cum. After Tax Cash Flow:	4,725,000	4,725,000
Equals Executive's Net Value:	8,226,318	8,226,318

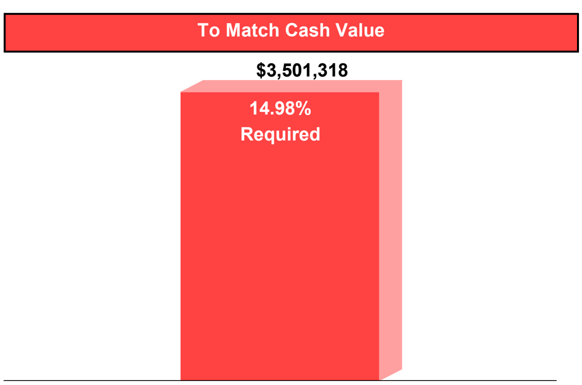
†Cash value less employer's loans plus cum. net policy loans.

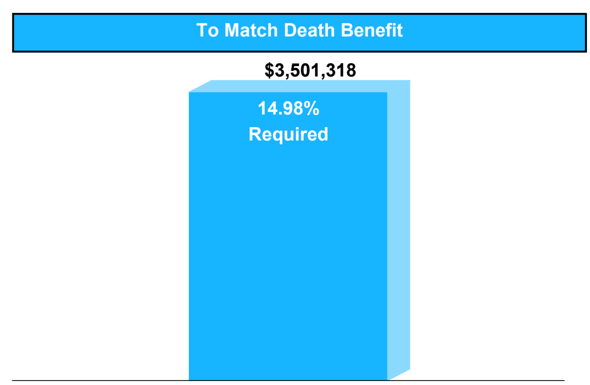
Matching Values at Age 99 (Year 55)

Male Age	Executive's Tax Bracket	Indexed UL Interest Rate
45	45.00%	6.90%

Gross Interest Rate Required on
a Hypothetical Taxable Investment
to Match Indexed Universal Life Policy Values Over 55 Years
(Executive's After Tax Cost of the Plan Used as the Hypothetical Investment)

		Hypothetical Taxable Alternative
To match Cash Value of:	$3,501,318	14.98%
To match Death Benefit of:	$3,501,318	14.98%





Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.

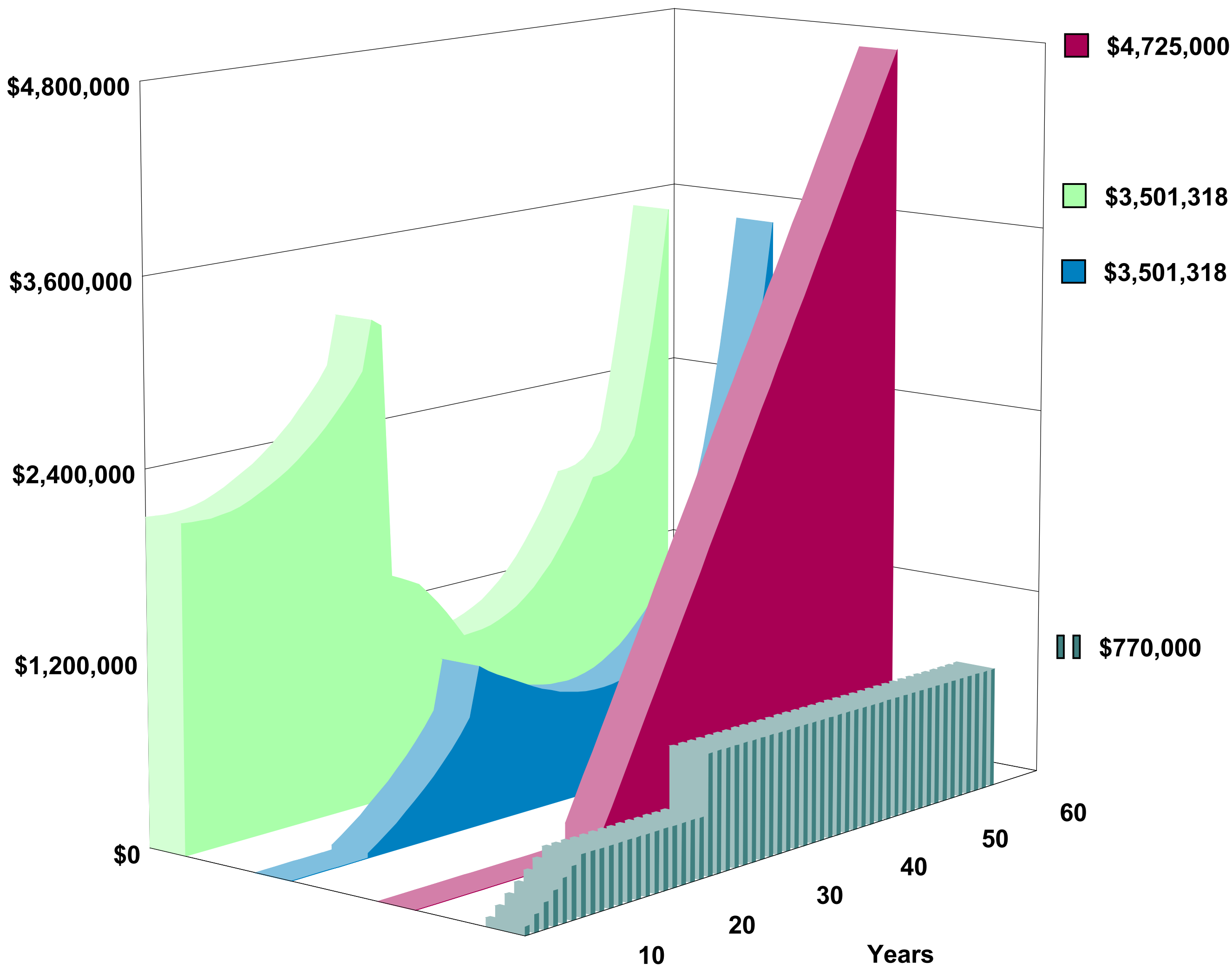
2. Indexed Universal Life:
   a. Death Benefit including available cash value component is income tax free.
   b. Loans are income tax free as long as the policy is kept in force.
   c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702(A)) are income tax free as a return of premium.
   d. Cash values shown assume most favorable combination of b and/or c.

This illustration assumes the nonguaranteed 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.

Values of the optional severance benefit illustrated with this plan are in addition to the values calculated above.

Employer: Lung Cancer Fund

Arthur Johnson 55 Year Analysis



		At Year 55
Executive's Cumulative Net Payments		$770,000
Executive's Cumulative Net Loan Proceeds[1]		$4,725,000
Executive's Cash Value Less Cum. Loan Due Employer		$3,501,318
Executive's Death Benefit Less Cum. Loan Due Employer		$3,501,318

[1] For retirement income.

An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

Employer: Lung Cancer Fund

Employer's Net Payment Analysis

Male Age	Employer's Tax Bracket	Assumed Applicable Federal Rate*
45	0.00%	

Yr	Age	(1) Comp. Adjustment by Executive	(2) Employer's Gain from Comp. Adjustment	(3) Loan to Executive	(4) Loan Repayment from Executive	(5) Accrued Loan Interest	(6) Employer's Tax on Accrued Loan Interest	(7) Payment Net Payment** (3)-(2)-(4)+(6)	(8) Employer's Annual Charge to Earnings** (6) - (5) - (2)	(9) Employer's Cumulative Charge to Earnings**
1	45	100,000	100,000	100,000	0	2,740	0	0	-102,740	-102,740
2	46	100,000	100,000	100,000	0	5,697	0	0	-105,697	-208,437
3	47	100,000	100,000	100,000	0	8,852	0	0	-108,852	-317,289
4	48	100,000	100,000	100,000	0	12,268	0	0	-112,268	-429,557
5	49	100,000	100,000	100,000	0	15,940	0	0	-115,940	-545,497
6	50	100,000	100,000	100,000	0	19,817	0	0	-119,817	-665,314
7	51	100,000	100,000	100,000	0	24,031	0	0	-124,031	-789,345
8	52	0	0	0	0	25,259	0	0	-25,259	-814,604
9	53	0	0	0	0	26,638	0	0	-26,638	-841,242
10	54	0	0	0	0	28,097	0	0	-28,097	-869,339
11	55	0	0	0	0	29,558	0	0	-29,558	-898,897
12	56	0	0	0	0	31,192	0	0	-31,192	-930,089
13	57	0	0	0	0	32,925	0	0	-32,925	-963,014
14	58	0	0	0	0	34,669	0	0	-34,669	-997,683
15	59	0	0	0	0	36,615	0	0	-36,615	-1,034,298
16	60	0	0	0	0	38,579	0	0	-38,579	-1,072,877
17	61	0	0	0	0	40,769	0	0	-40,769	-1,113,646
18	62	0	0	0	0	43,098	0	0	-43,098	-1,156,744
19	63	0	0	0	0	45,460	0	0	-45,460	-1,202,204
20	64	0	0	0	0	48,088	0	0	-48,088	-1,250,292
21	65	0	0	0	1,250,292	0	0	-1,250,292	0	-1,250,292
22	66	0	0	0	0	0	0	0	0	-1,250,292
23	67	0	0	0	0	0	0	0	0	-1,250,292
24	68	0	0	0	0	0	0	0	0	-1,250,292
25	69	0	0	0	0	0	0	0	0	-1,250,292
26	70	0	0	0	0	0	0	0	0	-1,250,292
27	71	0	0	0	0	0	0	0	0	-1,250,292
28	72	0	0	0	0	0	0	0	0	-1,250,292
29	73	0	0	0	0	0	0	0	0	-1,250,292
30	74	0	0	0	0	0	0	0	0	-1,250,292
		700,000	700,000	700,000	1,250,292	550,292	0	-1,250,292	-1,250,292	

**A negative value indicates a credit to earnings.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

Employer: Lung Cancer Fund

Employer's Net Payment Analysis

Male Age	Employer's Tax Bracket	Assumed Applicable Federal Rate*
45	0.00%	

Yr	Age	(1) Comp. Adjustment by Executive	(2) Employer's Gain from Comp. Adjustment	(3) Loan to Executive	(4) Loan Repayment from Executive	(5) Accrued Loan Interest	(6) Employer's Tax on Accrued Loan Interest	(7) Payment Net Payment** (3)-(2)-(4)+(6)	(8) Employer's Annual Charge to Earnings** (6) - (5) - (2)	(9) Employer's Cumulative Charge to Earnings**
31	75	0	0	0	0	0	0	0	0	-1,250,292
32	76	0	0	0	0	0	0	0	0	-1,250,292
33	77	0	0	0	0	0	0	0	0	-1,250,292
34	78	0	0	0	0	0	0	0	0	-1,250,292
35	79	0	0	0	0	0	0	0	0	-1,250,292
36	80	0	0	0	0	0	0	0	0	-1,250,292
37	81	0	0	0	0	0	0	0	0	-1,250,292
38	82	0	0	0	0	0	0	0	0	-1,250,292
39	83	0	0	0	0	0	0	0	0	-1,250,292
40	84	0	0	0	0	0	0	0	0	-1,250,292
41	85	0	0	0	0	0	0	0	0	-1,250,292
42	86	0	0	0	0	0	0	0	0	-1,250,292
43	87	0	0	0	0	0	0	0	0	-1,250,292
44	88	0	0	0	0	0	0	0	0	-1,250,292
45	89	0	0	0	0	0	0	0	0	-1,250,292
46	90	0	0	0	0	0	0	0	0	-1,250,292
47	91	0	0	0	0	0	0	0	0	-1,250,292
48	92	0	0	0	0	0	0	0	0	-1,250,292
49	93	0	0	0	0	0	0	0	0	-1,250,292
50	94	0	0	0	0	0	0	0	0	-1,250,292
51	95	0	0	0	0	0	0	0	0	-1,250,292
52	96	0	0	0	0	0	0	0	0	-1,250,292
53	97	0	0	0	0	0	0	0	0	-1,250,292
54	98	0	0	0	0	0	0	0	0	-1,250,292
55	99	0	0	0	0	0	0	0	0	-1,250,292
		700,000	700,000	700,000	1,250,292	550,292	0	-1,250,292	-1,250,292	

**A negative value indicates a credit to earnings.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

Executive's Net Payment Analysis

Male Age	Executive's Tax Bracket	Assumed Applicable Federal Rate*
45	45.00%	

Year	Age	(1) Compensation Adjustment by Executive	(2) Executive's After Tax Cost of Compensation Adjustment	(3) Policy Premium Due by Executive	(4) Beginning of Year Loan from Employer	(5) Executive's Net Payment (2)+(3)-(4)
1	45	100,000	55,000	100,000	100,000	55,000
2	46	100,000	55,000	100,000	100,000	55,000
3	47	100,000	55,000	100,000	100,000	55,000
4	48	100,000	55,000	100,000	100,000	55,000
5	49	100,000	55,000	100,000	100,000	55,000
6	50	100,000	55,000	100,000	100,000	55,000
7	51	100,000	55,000	100,000	100,000	55,000
8	52	0	0	0	0	0
9	53	0	0	0	0	0
10	54	0	0	0	0	0
11	55	0	0	0	0	0
12	56	0	0	0	0	0
13	57	0	0	0	0	0
14	58	0	0	0	0	0
15	59	0	0	0	0	0
16	60	0	0	0	0	0
17	61	0	0	0	0	0
18	62	0	0	0	0	0
19	63	0	0	0	0	0
20	64	0	0	0	0	0
21	65	0	0	385,000	0	385,000
22	66	0	0	0	0	0
23	67	0	0	0	0	0
24	68	0	0	0	0	0
25	69	0	0	0	0	0
26	70	0	0	0	0	0
27	71	0	0	0	0	0
28	72	0	0	0	0	0
29	73	0	0	0	0	0
30	74	0	0	0	0	0
		700,000	385,000	1,085,000	700,000	770,000

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Employer: Lung Cancer Fund

Executive's Net Payment Analysis

Male Age	Executive's Tax Bracket	Assumed Applicable Federal Rate*
45	45.00%	

Year	Age	(1) Compensation Adjustment by Executive	(2) Executive's After Tax Cost of Compensation Adjustment	(3) Policy Premium Due by Executive	(4) Beginning of Year Loan from Employer	(5) Executive's Net Payment (2)+(3)-(4)
31	75	0	0	0	0	0
32	76	0	0	0	0	0
33	77	0	0	0	0	0
34	78	0	0	0	0	0
35	79	0	0	0	0	0
36	80	0	0	0	0	0
37	81	0	0	0	0	0
38	82	0	0	0	0	0
39	83	0	0	0	0	0
40	84	0	0	0	0	0
41	85	0	0	0	0	0
42	86	0	0	0	0	0
43	87	0	0	0	0	0
44	88	0	0	0	0	0
45	89	0	0	0	0	0
46	90	0	0	0	0	0
47	91	0	0	0	0	0
48	92	0	0	0	0	0
49	93	0	0	0	0	0
50	94	0	0	0	0	0
51	95	0	0	0	0	0
52	96	0	0	0	0	0
53	97	0	0	0	0	0
54	98	0	0	0	0	0
55	99	0	0	0	0	0
		700,000	385,000	1,085,000	700,000	770,000

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Employer: Lung Cancer Fund

Promissory Note Analysis

Male Age 45

Assumed Applicable Federal Rate** (See Col. 2)

Yr	Age	(1) Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Accrued Loan Interest	(8) Cumulative Loan to Executive (Value of Promissory Note)	(9) Policy Accum Value* Net of Loan Due Employer	(10) Policy Cash Value* Net of Loan Due Employer	(11) Policy Death Benefit* Net of Loan Due Employer
1	45	100,000	2.74%	0	0	0	0	2,740	102,740	0	0	2,097,110
2	46	100,000	2.81%	0	0	0	0	5,697	208,437	0	0	2,089,704
3	47	100,000	2.87%	0	0	0	0	8,852	317,289	0	0	2,086,045
4	48	100,000	2.94%	0	0	0	0	12,268	429,557	0	0	2,086,732
5	49	100,000	3.01%	0	0	0	0	15,940	545,497	0	0	2,092,327
6	50	100,000	3.07%	0	0	0	0	19,817	665,314	0	0	2,103,441
7	51	100,000	3.14%	0	0	0	0	24,031	789,345	12,407	0	2,120,544
8	52	0	3.20%	0	0	0	0	25,259	814,604	39,991	0	2,148,128
9	53	0	3.27%	0	0	0	0	26,638	841,242	70,128	33,067	2,178,265
10	54	0	3.34%	0	0	0	0	28,097	869,339	103,028	75,243	2,211,165
11	55	0	3.40%	0	0	0	0	29,558	898,897	139,019	120,489	2,247,156
12	56	0	3.47%	0	0	0	0	31,192	930,089	178,274	169,019	2,286,411
13	57	0	3.54%	0	0	0	0	32,925	963,014	226,229	226,229	2,334,366
14	58	0	3.60%	0	0	0	0	34,669	997,683	278,686	278,686	2,386,823
15	59	0	3.67%	0	0	0	0	36,615	1,034,298	336,020	336,020	2,444,157
16	60	0	3.73%	0	0	0	0	38,579	1,072,877	398,442	398,442	2,506,579
17	61	0	3.80%	0	0	0	0	40,769	1,113,646	466,433	466,433	2,574,570
18	62	0	3.87%	0	0	0	0	43,098	1,156,744	540,621	540,621	2,648,758
19	63	0	3.93%	0	0	0	0	45,460	1,202,204	621,754	621,754	2,729,891
20	64	0	4.00%	0	0	0	0	48,088	1,250,292	710,137	710,137	2,818,274
21	65	0	n/a	0	0	0	1,250,292	0	0	2,478,800	1,024,244	3,132,381
22	66	0	n/a	0	0	0	0	0	0	2,647,634	978,600	3,086,737
23	67	0	n/a	0	0	0	0	0	0	2,835,311	941,075	1,451,431
24	68	0	n/a	0	0	0	0	0	0	3,034,981	904,283	1,420,229
25	69	0	n/a	0	0	0	0	0	0	3,247,402	868,419	1,388,004
26	70	0	n/a	0	0	0	0	0	0	3,473,384	833,702	1,354,709
27	71	0	n/a	0	0	0	0	0	0	3,714,297	800,880	1,283,739
28	72	0	n/a	0	0	0	0	0	0	3,971,291	770,454	1,207,296
29	73	0	n/a	0	0	0	0	0	0	4,245,652	743,023	1,125,131
30	74	0	n/a	0	0	0	0	0	0	4,538,816	719,306	1,037,023
		700,000		0	0	0	1,250,292	550,292				

*This illustration assumes the nonguaranteed 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.

**See Preface for notes regarding loan interest rates.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Employer: Lung Cancer Fund

Promissory Note Analysis

Male Age 45

Assumed Applicable Federal Rate** (See Col. 2)

Yr	Age	(1) Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Accrued Loan Interest	(8) Cumulative Loan to Executive (Value of Promissory Note)	(9) Policy Accum Value* Net of Loan Due Employer	(10) Policy Cash Value* Net of Loan Due Employer	(11) Policy Death Benefit* Net of Loan Due Employer
31	75	0	n/a	0	0	0	0	0	0	4,852,414	700,178	942,799
32	76	0	n/a	0	0	0	0	0	0	5,186,602	685,005	944,335
33	77	0	n/a	0	0	0	0	0	0	5,542,714	674,286	951,422
34	78	0	n/a	0	0	0	0	0	0	5,922,147	668,548	964,655
35	79	0	n/a	0	0	0	0	0	0	6,326,390	668,361	984,681
36	80	0	n/a	0	0	0	0	0	0	6,756,982	674,302	1,012,151
37	81	0	n/a	0	0	0	0	0	0	7,215,407	686,843	1,047,613
38	82	0	n/a	0	0	0	0	0	0	7,703,312	706,570	1,091,736
39	83	0	n/a	0	0	0	0	0	0	8,222,392	734,062	1,145,182
40	84	0	n/a	0	0	0	0	0	0	8,774,296	769,800	1,208,515
41	85	0	n/a	0	0	0	0	0	0	9,360,084	813,613	1,281,617
42	86	0	n/a	0	0	0	0	0	0	9,981,318	865,773	1,364,839
43	87	0	n/a	0	0	0	0	0	0	10,639,270	926,198	1,458,162
44	88	0	n/a	0	0	0	0	0	0	11,334,615	994,140	1,560,871
45	89	0	n/a	0	0	0	0	0	0	12,068,033	1,068,785	1,672,186
46	90	0	n/a	0	0	0	0	0	0	12,839,709	1,148,748	1,790,733
47	91	0	n/a	0	0	0	0	0	0	13,665,401	1,248,142	1,794,758
48	92	0	n/a	0	0	0	0	0	0	14,553,345	1,373,473	1,810,074
49	93	0	n/a	0	0	0	0	0	0	15,514,462	1,533,846	1,844,135
50	94	0	n/a	0	0	0	0	0	0	16,562,560	1,741,163	1,906,789
51	95	0	n/a	0	0	0	0	0	0	17,714,166	2,009,950	2,009,950
52	96	0	n/a	0	0	0	0	0	0	18,947,559	2,316,382	2,316,382
53	97	0	n/a	0	0	0	0	0	0	20,268,748	2,664,261	2,664,261
54	98	0	n/a	0	0	0	0	0	0	21,684,195	3,057,735	3,057,735
55	99	0	n/a	0	0	0	0	0	0	23,200,852	3,501,318	3,501,318
		700,000		0	0	0	1,250,292	550,292				

**See Preface for notes regarding loan interest rates.

*This illustration assumes the nonguaranteed 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.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Employer: Lung Cancer Fund

Employer's Analysis of Optional Severance Benefit

Male Age	Employer's Tax Bracket
45	0.00%

Year	Age	(1) Cumulative Compensation Adjustment by Executive	(2) One-Time Severance Benefit Due to Executive or Executive's Beneficiaries*	(3) Employer's One-Time Charge to Earnings Due to Severance	(4) Employer's Cumulative Charge to Earnings** No Severance	(5) Employer's Cumulative Charge to Earnings** Incl. One-Time Severance (3) + (4)
1	45	100,000	100,000	100,000	-102,740	-2,740
2	46	200,000	200,000	200,000	-208,437	-8,437
3	47	300,000	300,000	300,000	-317,289	-17,289
4	48	400,000	400,000	400,000	-429,557	-29,557
5	49	500,000	500,000	500,000	-545,497	-45,497
6	50	600,000	600,000	600,000	-665,314	-65,314
7	51	700,000	700,000	700,000	-789,345	-89,345
8	52	700,000	700,000	700,000	-814,604	-114,604
9	53	700,000	700,000	700,000	-841,242	-141,242
10	54	700,000	700,000	700,000	-869,339	-169,339
11	55	700,000	700,000	700,000	-898,897	-198,897
12	56	700,000	700,000	700,000	-930,089	-230,089
13	57	700,000	700,000	700,000	-963,014	-263,014
14	58	700,000	700,000	700,000	-997,683	-297,683
15	59	700,000	700,000	700,000	-1,034,298	-334,298
16	60	700,000	700,000	700,000	-1,072,877	-372,877
17	61	700,000	700,000	700,000	-1,113,646	-413,646
18	62	700,000	700,000	700,000	-1,156,744	-456,744
19	63	700,000	700,000	700,000	-1,202,204	-502,204
20	64	700,000	700,000	700,000	-1,250,292	-550,292

*Severance is conditional on a formal agreement between the parties. It is illustrated in yrs 1 thru 20 in the event of involuntary termination of employment - including death. Severance is assumed to be paid when the loan is repaid.

This is an illustration and not a contract. Severance is typically conditional upon a formal agreement between the parties.

**See Employer's Net Payment Analysis for details.
(A negative value indicates a credit to earnings.)

Employer: Lung Cancer Fund

Executive's Analysis of Optional Severance Benefit

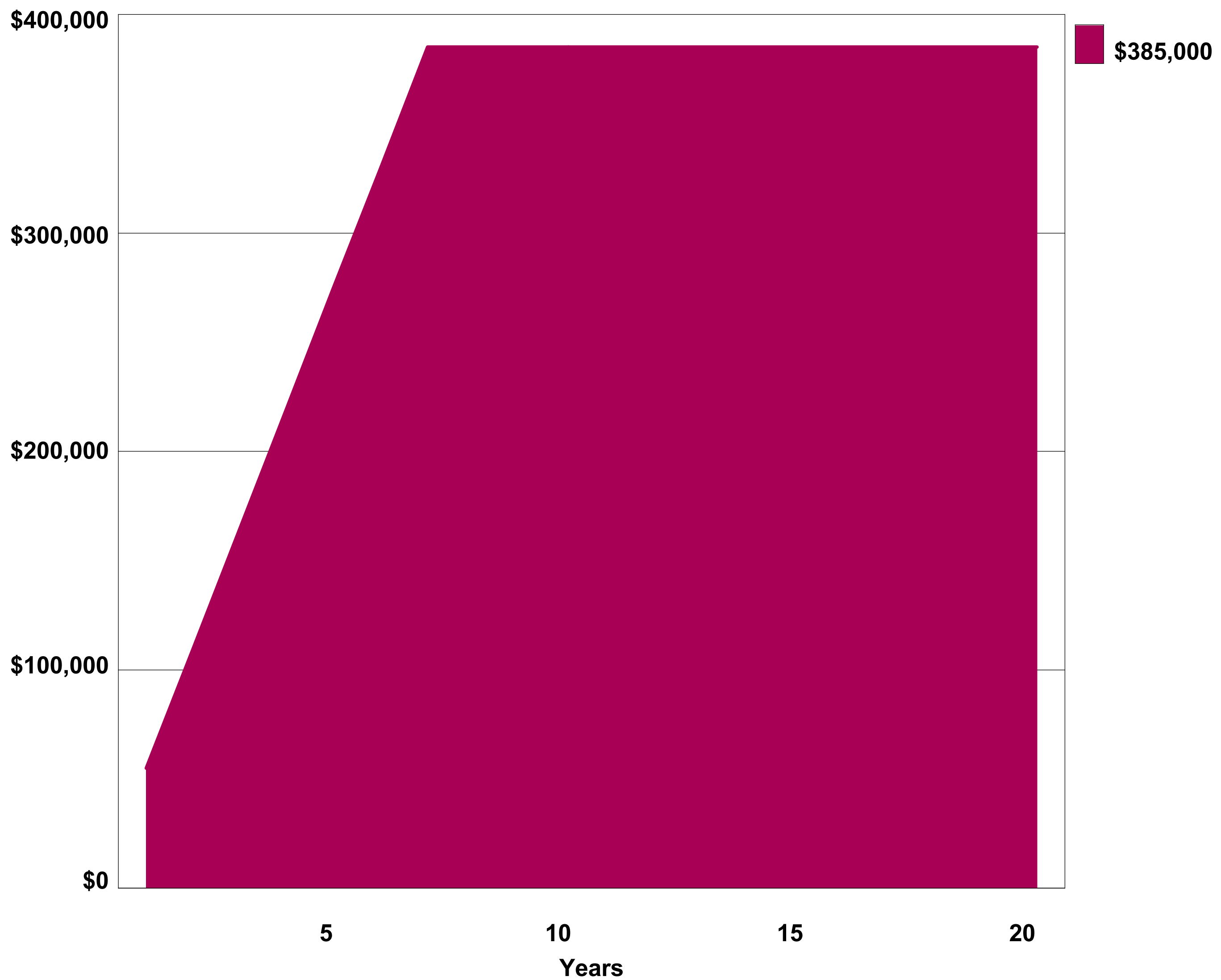
Male Age	Executive's Tax Bracket
45	45.00%

Year	Age	(1) Cumulative Compensation Adjustment by Executive	(2) One-Time Severance Benefit Due to Executive or Executive's Beneficiaries*	(3) After Tax Severance Benefit
1	45	100,000	100,000	55,000
2	46	200,000	200,000	110,000
3	47	300,000	300,000	165,000
4	48	400,000	400,000	220,000
5	49	500,000	500,000	275,000
6	50	600,000	600,000	330,000
7	51	700,000	700,000	385,000
8	52	700,000	700,000	385,000
9	53	700,000	700,000	385,000
10	54	700,000	700,000	385,000
11	55	700,000	700,000	385,000
12	56	700,000	700,000	385,000
13	57	700,000	700,000	385,000
14	58	700,000	700,000	385,000
15	59	700,000	700,000	385,000
16	60	700,000	700,000	385,000
17	61	700,000	700,000	385,000
18	62	700,000	700,000	385,000
19	63	700,000	700,000	385,000
20	64	700,000	700,000	385,000

*Severance is conditional on a formal agreement between the parties. It is illustrated in yrs 1 thru 20 in the event of involuntary termination of employment - including death. Severance is assumed to be paid when the loan is repaid.

This is an illustration and not a contract. Severance is typically conditional upon a formal agreement between the parties.

Arthur Johnson Severance Analysis



	At Year 20
One-Time After Tax Severance Benefit	$385,000

Employer: Lung Cancer Fund

Executive's Personal Report

Male Age	Executive's Tax Bracket	Indexed UL Interest Rate
45	45.00%	6.90%

		Arthur Johnson Costs	Arthur Johnson Values			
Year	Age	(1) Executive's Net payment*	(2) Net Policy Loan Proceeds Available for Retirement Income	(3) Executive's Share of Accum Value**	(4) Executive's Share of Cash Value**	(5) Executive's Share of Death Benefit
1	45	55,000	0	0	0	2,097,110
2	46	55,000	0	0	0	2,089,704
3	47	55,000	0	0	0	2,086,045
4	48	55,000	0	0	0	2,086,732
5	49	55,000	0	0	0	2,092,327
6	50	55,000	0	0	0	2,103,441
7	51	55,000	0	12,407	0	2,120,544
8	52	0	0	39,991	0	2,148,128
9	53	0	0	70,128	33,067	2,178,265
10	54	0	0	103,028	75,243	2,211,165
11	55	0	0	139,019	120,489	2,247,156
12	56	0	0	178,274	169,019	2,286,411
13	57	0	0	226,229	226,229	2,334,366
14	58	0	0	278,686	278,686	2,386,823
15	59	0	0	336,020	336,020	2,444,157
16	60	0	0	398,442	398,442	2,506,579
17	61	0	0	466,433	466,433	2,574,570
18	62	0	0	540,621	540,621	2,648,758
19	63	0	0	621,754	621,754	2,729,891
20	64	0	0	710,137	710,137	2,818,274
21	65	385,000	135,000	2,478,800	1,024,244	3,132,381
22	66	0	135,000	2,647,634	978,600	3,086,737
23	67	0	135,000	2,835,311	941,075	1,451,431
24	68	0	135,000	3,034,981	904,283	1,420,229
25	69	0	135,000	3,247,402	868,419	1,388,004
26	70	0	135,000	3,473,384	833,702	1,354,709
27	71	0	135,000	3,714,297	800,880	1,283,739
28	72	0	135,000	3,971,291	770,454	1,207,296
29	73	0	135,000	4,245,652	743,023	1,125,131
30	74	0	135,000	4,538,816	719,306	1,037,023
		770,000	1,350,000			

*Assuming all parties follow the procedure outlined on the Executive's Net Payment Analysis page.

**This illustration assumes the nonguaranteed 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.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Employer: Lung Cancer Fund

Executive's Personal Report

Male Age	Executive's Tax Bracket	Indexed UL Interest Rate
45	45.00%	6.90%

		Arthur Johnson Costs	Arthur Johnson Values			
Year	Age	(1) Executive's Net payment*	(2) Net Policy Loan Proceeds Available for Retirement Income	(3) Executive's Share of Accum Value**	(4) Executive's Share of Cash Value**	(5) Executive's Share of Death Benefit
31	75	0	135,000	4,852,414	700,178	942,799
32	76	0	135,000	5,186,602	685,005	944,335
33	77	0	135,000	5,542,714	674,286	951,422
34	78	0	135,000	5,922,147	668,548	964,655
35	79	0	135,000	6,326,390	668,361	984,681
36	80	0	135,000	6,756,982	674,302	1,012,151
37	81	0	135,000	7,215,407	686,843	1,047,613
38	82	0	135,000	7,703,312	706,570	1,091,736
39	83	0	135,000	8,222,392	734,062	1,145,182
40	84	0	135,000	8,774,296	769,800	1,208,515
41	85	0	135,000	9,360,084	813,613	1,281,617
42	86	0	135,000	9,981,318	865,773	1,364,839
43	87	0	135,000	10,639,270	926,198	1,458,162
44	88	0	135,000	11,334,615	994,140	1,560,871
45	89	0	135,000	12,068,033	1,068,785	1,672,186
46	90	0	135,000	12,839,709	1,148,748	1,790,733
47	91	0	135,000	13,665,401	1,248,142	1,794,758
48	92	0	135,000	14,553,345	1,373,473	1,810,074
49	93	0	135,000	15,514,462	1,533,846	1,844,135
50	94	0	135,000	16,562,560	1,741,163	1,906,789
51	95	0	135,000	17,714,166	2,009,950	2,009,950
52	96	0	135,000	18,947,559	2,316,382	2,316,382
53	97	0	135,000	20,268,748	2,664,261	2,664,261
54	98	0	135,000	21,684,195	3,057,735	3,057,735
55	99	0	135,000	23,200,852	3,501,318	3,501,318
		770,000	4,725,000			

*Assuming all parties follow the procedure outlined on the Executive's Net Payment Analysis page.

**This illustration assumes the nonguaranteed 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.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.