

Pretend 401(k) vs. Executive's Share of a Leveraged 401(k) Look-Alike Plan

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

Insured: Tony Jamison

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.

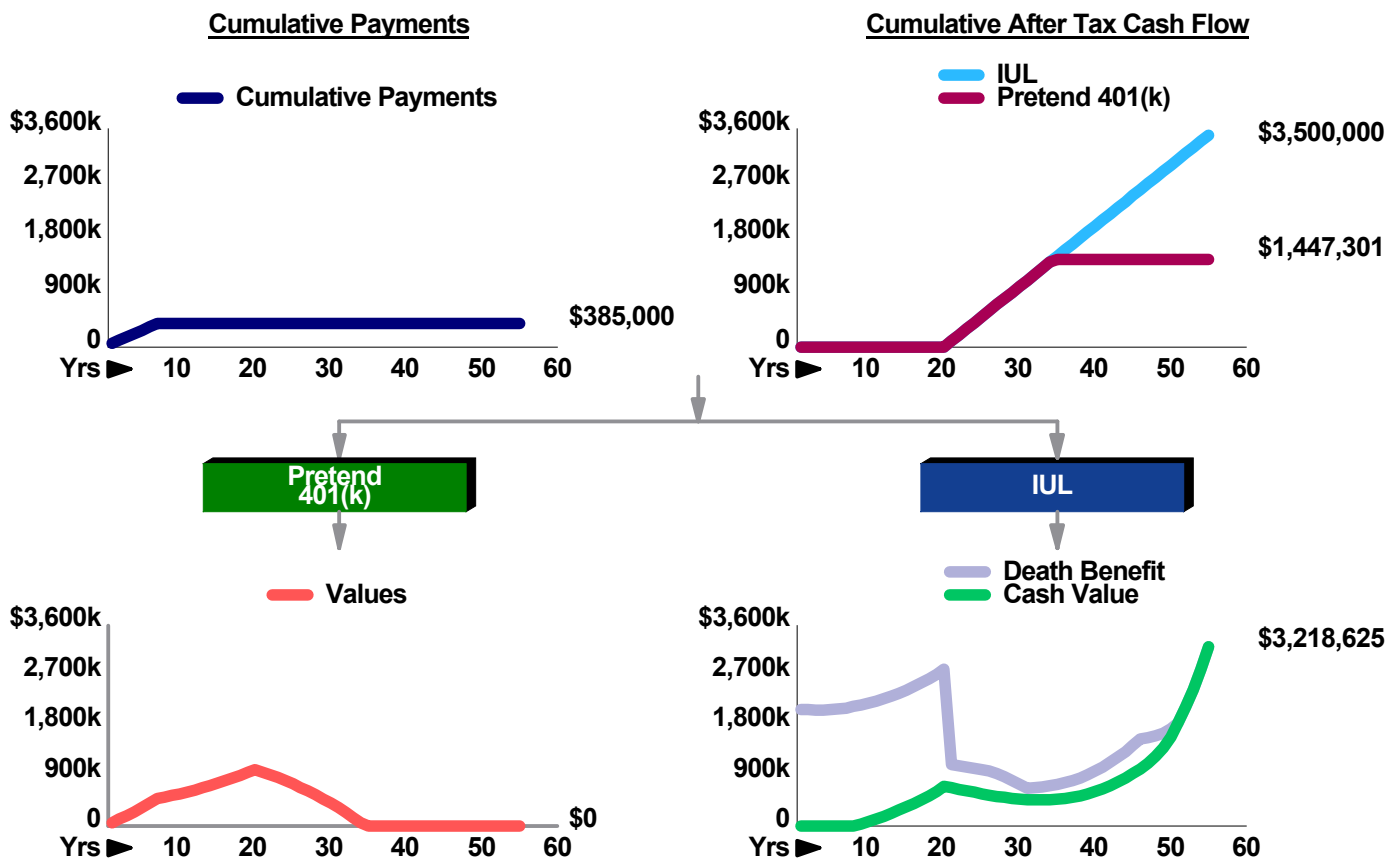
To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to a Pretend 401(k).

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.

Pretend 401(k) vs. Executive's Share of a Leveraged 401(k) Look-Alike Plan

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Comparison of Values

Pretend 401(k) Yield 6.90%
 Income Tax Rate 45.00%
 IUL Interest Rate 6.90%
 Initial Payment 55,000
 Initial Death Benefit 2,097,110

Yr	Male Age	Pretend 401(k)					Indexed Universal Life					
		(1) Tax Deductible Deposits to the Pretend 401(k)	(2) After Tax Equivalent of Pretend 401(k) Deposit*	(3) After Tax Withdrawal from the Pretend 401(k)**	(4) Year End Value of Pretend 401(k)	(5) Year End Value of Pretend 401(k) if Distributed	(6) After Tax Death Benefit of Pretend 401(k)	(7) Net Payment	(8) After Tax Policy Loan Proceeds	(9) Year End Accum Value***	(10) Year End Cash Value***	(11) Death Benefit
1	45	100,000	55,000	0	105,831	47,624	58,207	55,000	0	0	0	2,097,110
2	46	100,000	55,000	0	217,833	98,025	119,808	55,000	0	0	0	2,089,704
3	47	100,000	55,000	0	336,365	151,364	185,001	55,000	0	0	0	2,086,045
4	48	100,000	55,000	0	461,809	207,814	253,995	55,000	0	0	0	2,086,732
5	49	100,000	55,000	0	594,568	267,556	327,012	55,000	0	0	0	2,092,327
6	50	100,000	55,000	0	735,068	330,781	404,287	55,000	0	0	0	2,103,441
7	51	100,000	55,000	0	883,761	397,692	486,069	55,000	0	12,407	0	2,120,544
8	52	0	0	0	935,294	420,882	514,412	0	0	39,991	0	2,148,128
9	53	0	0	0	989,831	445,424	544,407	0	0	70,128	33,067	2,178,265
10	54	0	0	0	1,047,548	471,397	576,151	0	0	103,028	75,243	2,211,165
11	55	0	0	0	1,108,631	498,884	609,747	0	0	139,019	120,489	2,247,156
12	56	0	0	0	1,173,276	527,974	645,302	0	0	178,274	169,019	2,286,411
13	57	0	0	0	1,241,690	558,761	682,930	0	0	226,229	226,229	2,334,366
14	58	0	0	0	1,314,093	591,342	722,751	0	0	278,686	278,686	2,386,823
15	59	0	0	0	1,390,717	625,823	764,894	0	0	336,020	336,020	2,444,157
16	60	0	0	0	1,471,809	809,495	809,495	0	0	398,442	398,442	2,506,579
17	61	0	0	0	1,557,630	856,697	856,697	0	0	466,433	466,433	2,574,570
18	62	0	0	0	1,648,455	906,650	906,650	0	0	540,621	540,621	2,648,758
19	63	0	0	0	1,744,576	959,517	959,517	0	0	621,754	621,754	2,729,891
20	64	0	0	0	1,846,302	1,015,466	1,015,466	0	0	710,137	710,137	2,818,274
21	65	0	0	100,000	1,761,540	968,847	968,847	0	100,000	2,099,507	681,701	1,101,602
22	66	0	0	100,000	1,671,836	919,510	919,510	0	100,000	2,247,531	653,834	1,080,865
23	67	0	0	100,000	1,576,901	867,296	867,296	0	100,000	2,405,069	626,687	1,059,600
24	68	0	0	100,000	1,476,431	812,037	812,037	0	100,000	2,572,719	600,418	1,037,780
25	69	0	0	100,000	1,370,102	753,556	753,556	0	100,000	2,751,123	575,207	1,015,387
26	70	0	0	100,000	1,257,573	691,665	691,665	0	100,000	2,940,967	551,255	992,400
27	71	0	0	100,000	1,138,482	626,165	626,165	0	100,000	3,143,412	529,215	937,858
28	72	0	0	100,000	1,012,447	556,846	556,846	0	100,000	3,359,433	509,526	879,063
29	73	0	0	100,000	879,063	483,485	483,485	0	100,000	3,590,117	492,714	815,825
30	74	0	0	100,000	737,901	405,846	405,846	0	100,000	3,836,682	479,409	747,977
		700,000	385,000	1,000,000				385,000	1,000,000			

Note: Pretend 401(k) values do not reflect market rate adjustments, if any. Pretend 401(k) is assessed: Tax on withdrawals. Entries in Column (3) are after tax.

Management fees reflected in column (5): 1.00%

*Equal to Column (7)

**Pretend 401(k) withdrawal has been grossed up to account for the income tax required to produce the after tax number shown in Column (3).

***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.

30 Year Summary

	Pretend 401(k)	IUL
After Tax Payments	385,000	385,000
After Tax Cash Flow	1,000,000	1,000,000
Living Values	405,846	479,409
Death Benefit	405,846	747,977

Pretend 401(k) vs. Executive's Share of a Leveraged 401(k) Look-Alike Plan

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

Insured: Tony Jamison

Comparison of Values

Pretend 401(k) Yield 6.90%
 Income Tax Rate 45.00%
 IUL Interest Rate 6.90%
 Initial Payment 55,000
 Initial Death Benefit 2,097,110

Yr	Male Age	Pretend 401(k)						Indexed Universal Life				
		(1) Tax Deductible Deposits to the Pretend 401(k)	(2) After Tax Equivalent of Pretend 401(k) Deposit*	(3) After Tax Withdrawal from the Pretend 401(k)**	(4) Year End Value of Pretend 401(k)	(5) Year End Value of Pretend 401(k) if Distributed	(6) After Tax Death Benefit of Pretend 401(k)	(7) Net Payment	(8) After Tax Policy Loan Proceeds	(9) Year End Accum Value***	(10) Year End Cash Value***	(11) Death Benefit
31	75	0	0	100,000	588,508	323,679	323,679	0	100,000	4,100,509	470,372	675,398
32	76	0	0	100,000	430,404	236,722	236,722	0	100,000	4,381,733	465,090	684,177
33	77	0	0	100,000	263,081	144,695	144,695	0	100,000	4,681,486	464,010	698,085
34	78	0	0	100,000	86,001	47,301	47,301	0	100,000	5,000,954	467,605	717,652
35	79	0	0	47,301	0	0	0	0	100,000	5,341,400	476,384	743,454
36	80	0	0	0	0	0	0	0	100,000	5,704,134	490,866	776,073
37	81	0	0	0	0	0	0	0	100,000	6,090,413	511,483	816,003
38	82	0	0	0	0	0	0	0	100,000	6,501,642	538,765	863,847
39	83	0	0	0	0	0	0	0	100,000	6,939,259	573,238	920,201
40	84	0	0	0	0	0	0	0	100,000	7,404,671	615,349	985,582
41	85	0	0	0	0	0	0	0	100,000	7,898,784	664,996	1,059,935
42	86	0	0	0	0	0	0	0	100,000	8,422,933	722,455	1,143,602
43	87	0	0	0	0	0	0	0	100,000	8,978,207	787,705	1,236,616
44	88	0	0	0	0	0	0	0	100,000	9,565,194	860,167	1,338,427
45	89	0	0	0	0	0	0	0	100,000	10,184,487	939,209	1,448,434
46	90	0	0	0	0	0	0	0	100,000	10,836,263	1,023,721	1,565,535
47	91	0	0	0	0	0	0	0	100,000	11,533,845	1,125,676	1,587,030
48	92	0	0	0	0	0	0	0	100,000	12,284,207	1,250,630	1,619,156
49	93	0	0	0	0	0	0	0	100,000	13,096,597	1,406,341	1,668,272
50	94	0	0	0	0	0	0	0	100,000	13,982,702	1,602,933	1,742,760
51	95	0	0	0	0	0	0	0	100,000	14,956,512	1,852,755	1,852,755
52	96	0	0	0	0	0	0	0	100,000	15,999,726	2,135,780	2,135,780
53	97	0	0	0	0	0	0	0	100,000	17,117,457	2,455,314	2,455,314
54	98	0	0	0	0	0	0	0	100,000	18,315,206	2,814,956	2,814,956
55	99	0	0	0	0	0	0	0	100,000	19,598,888	3,218,625	3,218,625
		700,000	385,000	1,447,301				385,000	3,500,000			

Note: Pretend 401(k) values do not reflect market rate adjustments, if any. Pretend 401(k) is assessed: Tax on withdrawals. Entries in Column (3) are after tax.

Management fees reflected in column (5): 1.00%

*Equal to Column (7)

**Pretend 401(k) withdrawal has been grossed up to account for the income tax required to produce the after tax number shown in Column (3).

***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.

55 Year Summary

	Pretend 401(k)	IUL
After Tax Payments	385,000	385,000
After Tax Cash Flow	1,447,301	3,500,000
Living Values	0	3,218,625
Death Benefit	0	3,218,625

Pretend 401(k) vs. Executive's Share of a Leveraged 401(k) Look-Alike Plan

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

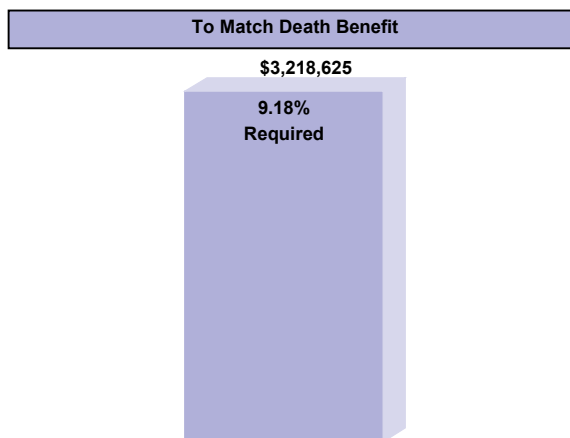
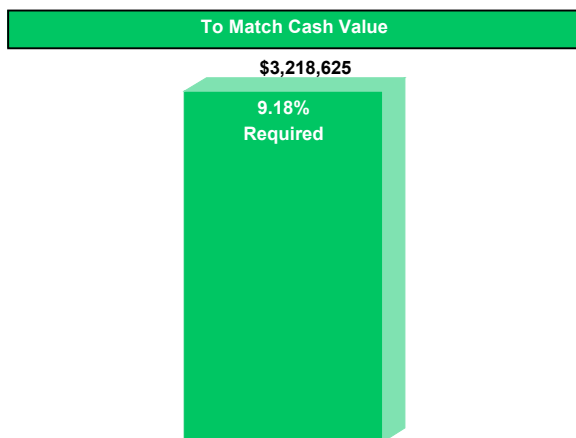
Insured: Tony Jamison

Matching Values at Age 99 (Year 55)

Male Age	Pretend 401(k) Yield	Income Tax Rate	IUL Interest Rate	Initial Payment	Initial Death Benefit
45	6.90%	45.00%	6.90%	55,000	2,097,110

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

	Gross Interest Rate Required
To match Cash Value of: \$3,218,625	9.18%
To match Death Benefit of: \$3,218,625	9.18%



Income Tax Considerations

1. Pretend 401(k): Interest is tax deferred.
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.

Pretend 401(k) vs. Executive's Share of a Leveraged 401(k) Look-Alike Plan

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Insured: Tony Jamison

Comparison of Plan Costs

		Pretend 401(k) Yield 6.90%	Income Tax Rate 45.00%	IUL Interest Rate 6.90%	Initial Death Benefit 2,097,110				
		Pretend 401(k)					Indexed Universal Life*		
Year	Male Age	(1) Annual Deposit to the Account	(2) Mgmt Fee	(3) Taxes	(4) Pretend 401(k) Total Annual Costs	(5) Pretend 401(k) Cumulative Total Costs	(6) Net Payment	(7) Policy Total Annual Costs	(8) Policy Cumulative Total Costs
1	45	55,000	1,069	0	1,069	1,069	55,000	15,274	15,274
2	46	55,000	2,200	0	2,200	3,269	55,000	15,945	31,219
3	47	55,000	3,398	0	3,398	6,667	55,000	16,806	48,025
4	48	55,000	4,665	0	4,665	11,332	55,000	17,366	65,391
5	49	55,000	6,006	0	6,006	17,338	55,000	17,734	83,125
6	50	55,000	7,425	0	7,425	24,763	55,000	17,971	101,096
7	51	55,000	8,927	0	8,927	33,690	55,000	18,150	119,246
8	52	0	9,447	0	9,447	43,137	0	10,332	129,578
9	53	0	9,998	0	9,998	53,135	0	10,582	140,160
10	54	0	10,581	0	10,581	63,716	0	10,854	151,014
11	55	0	11,198	0	11,198	74,914	0	11,130	162,144
12	56	0	11,851	0	11,851	86,765	0	11,421	173,565
13	57	0	12,542	0	12,542	99,307	0	6,778	180,343
14	58	0	13,274	0	13,274	112,581	0	6,942	187,285
15	59	0	14,048	0	14,048	126,629	0	7,029	194,314
16	60	0	14,867	0	14,867	141,496	0	7,415	201,729
17	61	0	15,734	0	15,734	157,230	0	7,660	209,389
18	62	0	16,651	0	16,651	173,881	0	7,760	217,149
19	63	0	17,622	0	17,622	191,503	0	7,760	224,909
20	64	0	18,650	0	18,650	210,153	0	7,919	232,828
21	65	0	17,793	81,818	99,611	309,764	0	24,332	257,160
22	66	0	16,887	81,818	98,705	408,469	0	10,148	267,308
23	67	0	15,928	81,818	97,746	506,215	0	2,692	270,000
24	68	0	14,913	81,818	96,731	602,946	0	3,125	273,125
25	69	0	13,839	81,818	95,657	698,603	0	3,626	276,751
26	70	0	12,703	81,818	94,521	793,124	0	4,199	280,950
27	71	0	11,500	81,818	93,318	886,442	0	4,359	285,309
28	72	0	10,227	81,818	92,045	978,487	0	4,416	289,725
29	73	0	8,879	81,818	90,697	1,069,184	0	4,323	294,048
30	74	0	7,454	81,818	89,272	1,158,456	0	4,023	298,071
		385,000	340,276	818,180	1,158,456		385,000	298,071	

30 Year Summary

	Cumulative Plan Costs	After Tax Cash Flow	Living Value	Death Benefit
Pretend 401(k)	1,158,456	1,000,000	405,846	405,846
IUL	298,071	1,000,000	479,409	747,977

*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.

Pretend 401(k) vs. Executive's Share of a Leveraged 401(k) Look-Alike Plan

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Insured: Tony Jamison

Comparison of Plan Costs

		Pretend 401(k) Yield 6.90%	Income Tax Rate 45.00%	IUL Interest Rate 6.90%	Initial Death Benefit 2,097,110				
		Pretend 401(k)					Indexed Universal Life*		
Year	Male Age	(1) Annual Deposit to the Account	(2) Mgmt Fee	(3) Taxes	(4) Pretend 401(k) Total Annual Costs	(5) Pretend 401(k) Cumulative Total Costs	(6) Net Payment	(7) Policy Total Annual Costs	(8) Policy Cumulative Total Costs
31	75	0	5,945	81,818	87,763	1,246,219	0	3,434	301,505
32	76	0	4,348	81,818	86,166	1,332,385	0	4,083	305,588
33	77	0	2,657	81,818	84,475	1,416,860	0	4,849	310,437
34	78	0	869	81,818	82,687	1,499,547	0	5,759	316,196
35	79	0	0	38,700	38,700	1,538,247	0	6,825	323,021
36	80	0	0	0	0	1,538,247	0	8,102	331,123
37	81	0	0	0	0	1,538,247	0	9,752	340,875
38	82	0	0	0	0	1,538,247	0	11,717	352,592
39	83	0	0	0	0	1,538,247	0	14,070	366,662
40	84	0	0	0	0	1,538,247	0	16,966	383,628
41	85	0	0	0	0	1,538,247	0	21,090	404,718
42	86	0	0	0	0	1,538,247	0	26,024	430,742
43	87	0	0	0	0	1,538,247	0	32,153	462,895
44	88	0	0	0	0	1,538,247	0	40,131	503,026
45	89	0	0	0	0	1,538,247	0	49,991	553,017
46	90	0	0	0	0	1,538,247	0	62,244	615,261
47	91	0	0	0	0	1,538,247	0	61,955	677,216
48	92	0	0	0	0	1,538,247	0	57,520	734,736
49	93	0	0	0	0	1,538,247	0	46,972	781,708
50	94	0	0	0	0	1,538,247	0	28,354	810,062
51	95	0	0	0	0	1,538,247	0	90	810,152
52	96	0	0	0	0	1,538,247	0	90	810,242
53	97	0	0	0	0	1,538,247	0	90	810,332
54	98	0	0	0	0	1,538,247	0	90	810,422
55	99	0	0	0	0	1,538,247	0	90	810,512
		385,000	354,095	1,184,152	1,538,247		385,000	810,512	

55 Year Summary

	Cumulative Plan Costs	After Tax Cash Flow	Living Value	Death Benefit
Pretend 401(k)	1,538,247	1,447,301	0	0
IUL	810,512	3,500,000	3,218,625	3,218,625

*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.

Taxation of Cash Flow

With tax deductible retirement plans, withdrawals (partial surrenders) are taxable. Due to this, cash flow illustrated from the tax deductible retirement plan in this presentation is the after tax result of withdrawals of a higher amount.

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.

Cash Flow Analysis In Year 21

Below is an analysis of tax calculations on cash flow in the first year that cash flow from the Pretend 401(k) and Indexed Universal Life is illustrated.

Pretend 401(k)

\$181,818 total withdrawal @ 45.00% tax which nets \$100,000

Indexed Universal Life

There are no tax calculations required for the life insurance policy since policy loans are not taxable

On the life insurance policy, withdrawals up to cost basis (not in violation of IRC Section 7702) are income tax free.