

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.

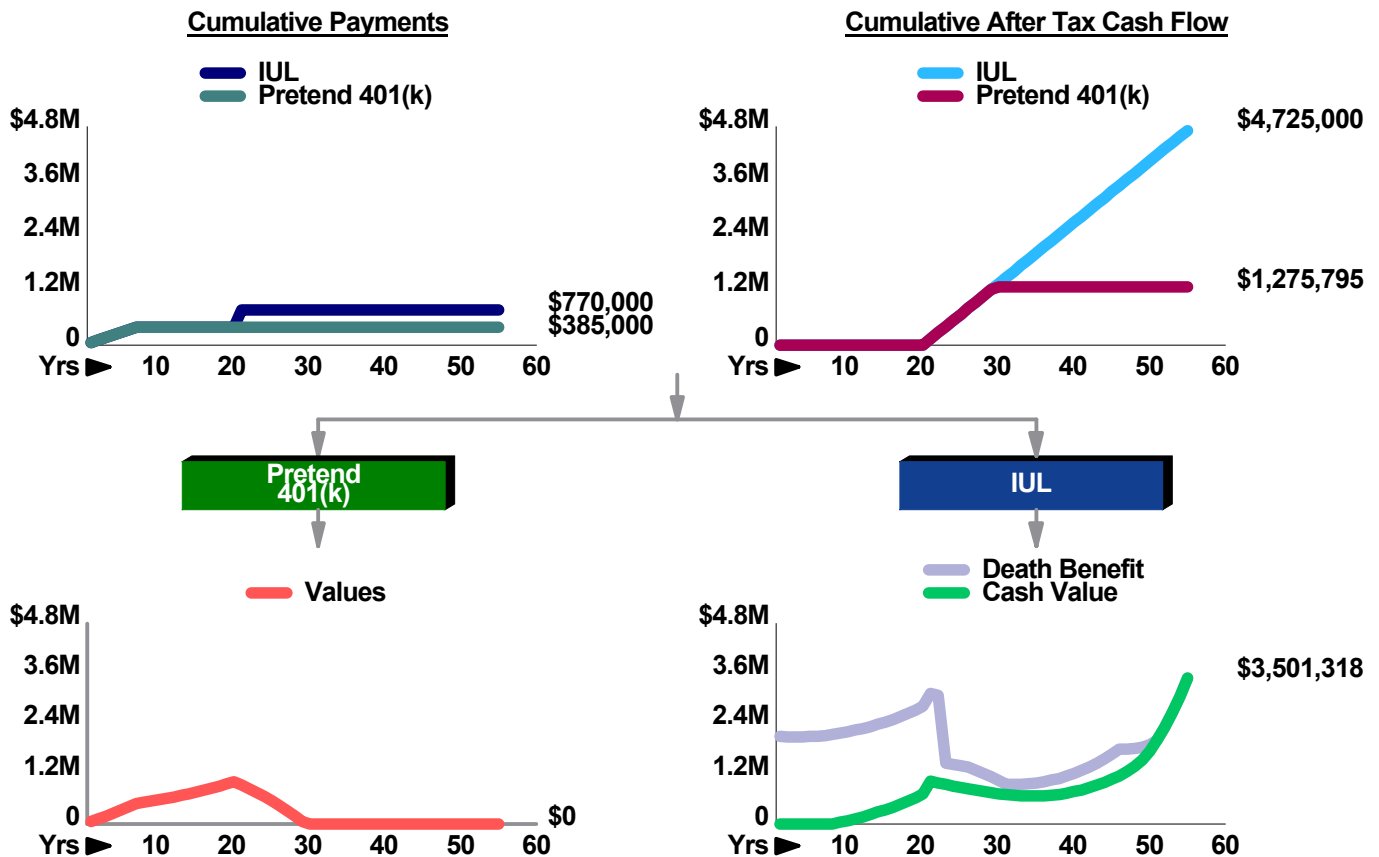
To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to a Pretend 401(k).

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 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	135,000	1,694,192	931,806	931,806	385,000	135,000	2,478,800	1,024,244	3,132,381
22	66	0	0	135,000	1,533,213	843,267	843,267	0	135,000	2,647,634	978,600	3,086,737
23	67	0	0	135,000	1,362,847	749,566	749,566	0	135,000	2,835,311	941,075	1,451,431
24	68	0	0	135,000	1,182,547	650,401	650,401	0	135,000	3,034,981	904,283	1,420,229
25	69	0	0	135,000	991,733	545,453	545,453	0	135,000	3,247,402	868,419	1,388,004
26	70	0	0	135,000	789,793	434,386	434,386	0	135,000	3,473,384	833,702	1,354,709
27	71	0	0	135,000	576,078	316,843	316,843	0	135,000	3,714,297	800,880	1,283,739
28	72	0	0	135,000	349,902	192,446	192,446	0	135,000	3,971,291	770,454	1,207,296
29	73	0	0	135,000	110,537	60,795	60,795	0	135,000	4,245,652	743,023	1,125,131
30	74	0	0	60,795	0	0	0	0	135,000	4,538,816	719,306	1,037,023
		700,000	385,000	1,275,795				770,000	1,350,000			

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.

30 Year Summary

	Pretend 401(k)	IUL
After Tax Payments	385,000	770,000
After Tax Cash Flow	1,275,795	1,350,000
Living Values	0	719,306
Death Benefit	0	1,037,023

*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.

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 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	0	0	0	0	0	135,000	4,852,414	700,178	942,799
32	76	0	0	0	0	0	0	0	135,000	5,186,602	685,005	944,335
33	77	0	0	0	0	0	0	0	135,000	5,542,714	674,286	951,422
34	78	0	0	0	0	0	0	0	135,000	5,922,147	668,548	964,655
35	79	0	0	0	0	0	0	0	135,000	6,326,390	668,361	984,681
36	80	0	0	0	0	0	0	0	135,000	6,756,982	674,302	1,012,151
37	81	0	0	0	0	0	0	0	135,000	7,215,407	686,843	1,047,613
38	82	0	0	0	0	0	0	0	135,000	7,703,312	706,570	1,091,736
39	83	0	0	0	0	0	0	0	135,000	8,222,392	734,062	1,145,182
40	84	0	0	0	0	0	0	0	135,000	8,774,296	769,800	1,208,515
41	85	0	0	0	0	0	0	0	135,000	9,360,084	813,613	1,281,617
42	86	0	0	0	0	0	0	0	135,000	9,981,318	865,773	1,364,839
43	87	0	0	0	0	0	0	0	135,000	10,639,270	926,198	1,458,162
44	88	0	0	0	0	0	0	0	135,000	11,334,615	994,140	1,560,871
45	89	0	0	0	0	0	0	0	135,000	12,068,033	1,068,785	1,672,186
46	90	0	0	0	0	0	0	0	135,000	12,839,709	1,148,748	1,790,733
47	91	0	0	0	0	0	0	0	135,000	13,665,401	1,248,142	1,794,758
48	92	0	0	0	0	0	0	0	135,000	14,553,345	1,373,473	1,810,074
49	93	0	0	0	0	0	0	0	135,000	15,514,462	1,533,846	1,844,135
50	94	0	0	0	0	0	0	0	135,000	16,562,560	1,741,163	1,906,789
51	95	0	0	0	0	0	0	0	135,000	17,714,166	2,009,950	2,009,950
52	96	0	0	0	0	0	0	0	135,000	18,947,559	2,316,382	2,316,382
53	97	0	0	0	0	0	0	0	135,000	20,268,748	2,664,261	2,664,261
54	98	0	0	0	0	0	0	0	135,000	21,684,195	3,057,735	3,057,735
55	99	0	0	0	0	0	0	0	135,000	23,200,852	3,501,318	3,501,318
		700,000	385,000	1,275,795				770,000	4,725,000			

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	770,000
After Tax Cash Flow	1,275,795	4,725,000
Living Values	0	3,501,318
Death Benefit	0	3,501,318

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

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

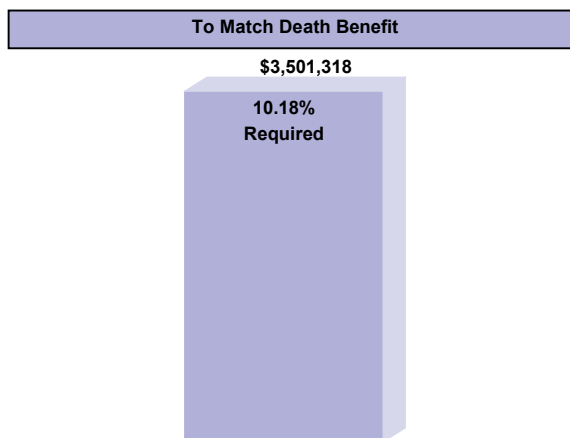
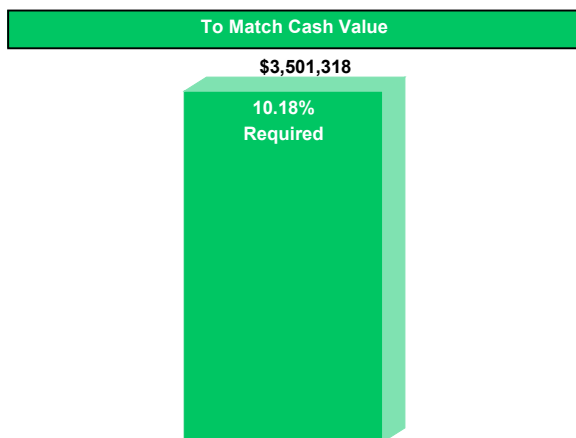
Insured: Tony Jamison

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: \$3,501,318	10.18%
To match Death Benefit of: \$3,501,318	10.18%



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	17,113	110,455	127,568	337,721	385,000	24,332	257,160
22	66	0	15,487	110,455	125,942	463,663	0	10,148	267,308
23	67	0	13,766	110,455	124,221	587,884	0	2,692	270,000
24	68	0	11,945	110,455	122,400	710,284	0	3,125	273,125
25	69	0	10,018	110,455	120,473	830,757	0	3,626	276,751
26	70	0	7,978	110,455	118,433	949,190	0	4,199	280,950
27	71	0	5,819	110,455	116,274	1,065,464	0	4,359	285,309
28	72	0	3,534	110,455	113,989	1,179,453	0	4,416	289,725
29	73	0	1,117	110,455	111,572	1,291,025	0	4,323	294,048
30	74	0	0	49,742	49,742	1,340,767	0	4,023	298,071
		385,000	296,930	1,043,837	1,340,767		770,000	298,071	

30 Year Summary

	Cumulative Plan Costs	After Tax Cash Flow	Living Value	Death Benefit
Pretend 401(k)	1,340,767	1,275,795	0	0
IUL	298,071	1,350,000	719,306	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.

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	0	0	0	1,340,767	0	3,434	301,505
32	76	0	0	0	0	1,340,767	0	4,083	305,588
33	77	0	0	0	0	1,340,767	0	4,849	310,437
34	78	0	0	0	0	1,340,767	0	5,759	316,196
35	79	0	0	0	0	1,340,767	0	6,825	323,021
36	80	0	0	0	0	1,340,767	0	8,102	331,123
37	81	0	0	0	0	1,340,767	0	9,752	340,875
38	82	0	0	0	0	1,340,767	0	11,717	352,592
39	83	0	0	0	0	1,340,767	0	14,070	366,662
40	84	0	0	0	0	1,340,767	0	16,966	383,628
41	85	0	0	0	0	1,340,767	0	21,090	404,718
42	86	0	0	0	0	1,340,767	0	26,024	430,742
43	87	0	0	0	0	1,340,767	0	32,153	462,895
44	88	0	0	0	0	1,340,767	0	40,131	503,026
45	89	0	0	0	0	1,340,767	0	49,991	553,017
46	90	0	0	0	0	1,340,767	0	62,244	615,261
47	91	0	0	0	0	1,340,767	0	61,955	677,216
48	92	0	0	0	0	1,340,767	0	57,520	734,736
49	93	0	0	0	0	1,340,767	0	46,972	781,708
50	94	0	0	0	0	1,340,767	0	28,354	810,062
51	95	0	0	0	0	1,340,767	0	90	810,152
52	96	0	0	0	0	1,340,767	0	90	810,242
53	97	0	0	0	0	1,340,767	0	90	810,332
54	98	0	0	0	0	1,340,767	0	90	810,422
55	99	0	0	0	0	1,340,767	0	90	810,512
		385,000	296,930	1,043,837	1,340,767		770,000	810,512	

55 Year Summary

	Cumulative Plan Costs	After Tax Cash Flow	Living Value	Death Benefit
Pretend 401(k)	1,340,767	1,275,795	0	0
IUL	810,512	4,725,000	3,501,318	3,501,318

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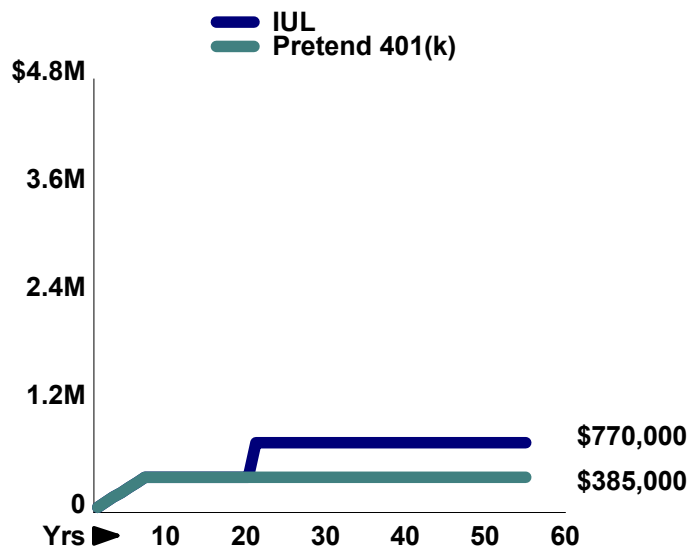
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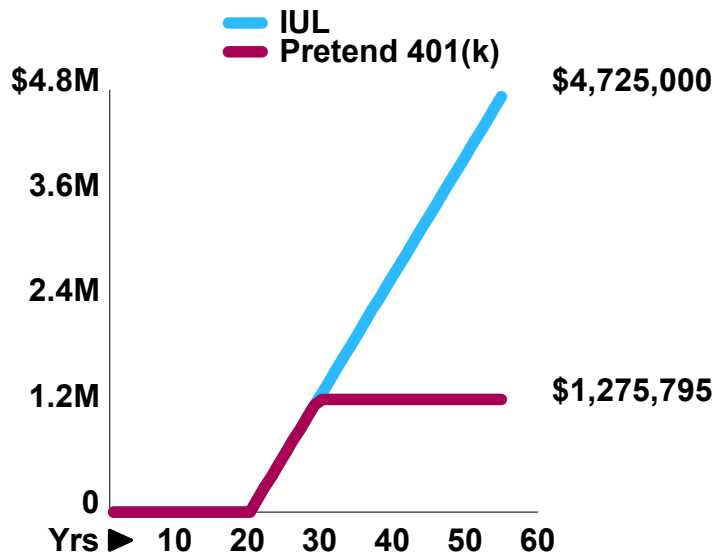
Insured: Tony Jamison

55 Year Analysis

Cumulative Payments



Cumulative After Tax Cash Flow

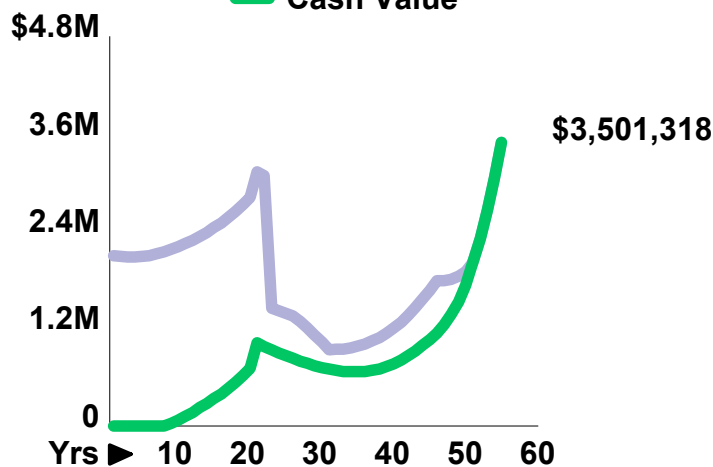
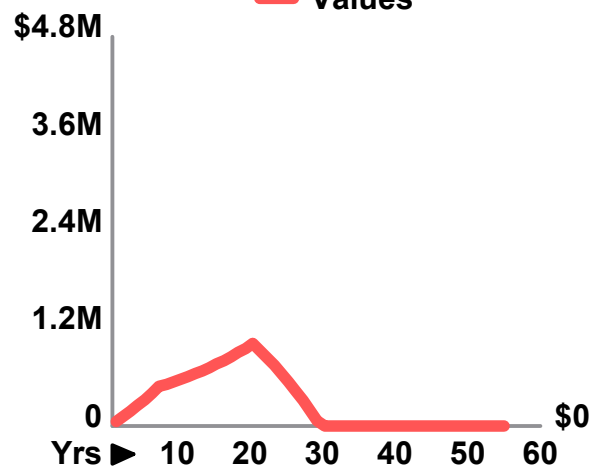


Pretend 401(k)

IUL

— Values

— Death Benefit
— Cash Value



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)

\$245,455 total withdrawal @ 45.00% tax which nets \$135,000

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.