

# Analysis of the Cost of Waiting

For: Harvey Pierce, MD



*"The best way to predict the future  
is to create it."*

Abraham Lincoln

Presented By:

[Licensed user's name appears here]

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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.

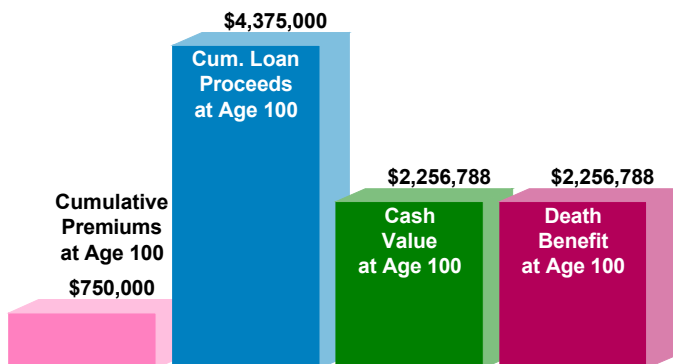
There is usually another reason for acquiring your life insurance early. The example below illustrates a comparison of buying a policy now versus waiting five years to buy it.

### Insured: Harvey Pierce, MD Current Age: 45

| Indexed Universal Life<br>Plan A: Buy Now* |           | Indexed Universal Life<br>Plan B: Wait Five Years to Buy** |           |
|--|-----------|--|-----------|
| Initial Policy Death Benefit:              | 730,000   | Initial Policy Death Benefit:                              | 626,000   |
| Policy Premium:                            | 50,000    | Policy Premium:  | 50,000    |
| Number of Premiums at Age 100:             | 15        | Number of Premiums at Age 100:                             | 15        |
| Cum. Premiums at Age 100:                  | 750,000   | Cum. Premiums at Age 100:                                  | 750,000   |
| Cum. Loan Proceeds at Age 100:             | 4,375,000 | Cum. Loan Proceeds at Age 100:                             | 3,150,000 |
| Cash Value at Age 100:                     | 2,256,788 | Cash Value at Age 100:                                     | 1,299,436 |
| Death Benefit at Age 100:                  | 2,256,788 | Death Benefit at Age 100:                                  | 1,299,436 |

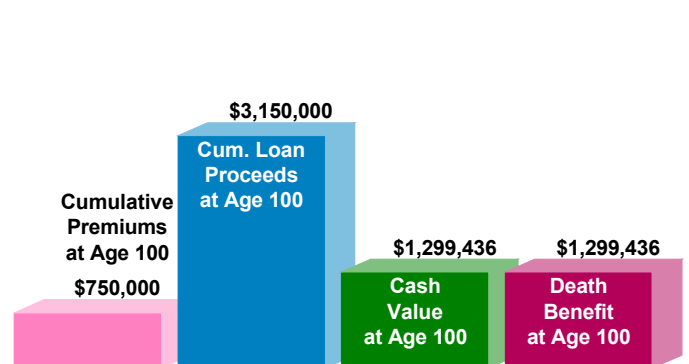
**Cash Value Gain at Age 100 by Buying Now: \$957,352**  
**Net Loans Gain at Age 100 by Buying Now: \$1,225,000**  
**Death Benefit Gain at Age 100 by Buying Now: \$957,352**  
**Premiums Saved by Waiting Five Years to Buy: \$0**

#### Plan A: Buy Now\*



\*This illustration assumes the illustrated non-guaranteed 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.

#### Plan B: Wait Five Years to Buy\*\*



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Insured: Harvey Pierce, MD

## Plan A vs. Plan B

Male Age 45 Indexed UL Interest Rate 6.15% Policy Owner Tax Bracket 35.00% Male Age 50 Indexed UL Interest Rate 6.15%

| Plan A: Indexed UL Issued at Age 45 |          |                     |                              |                           |                          | VS.               | Plan B: Indexed UL Issued at Age 50 |          |                     |                              |                            |                           |                    |
|-------------------------------------|----------|---------------------|------------------------------|---------------------------|--------------------------|-------------------|-------------------------------------|----------|---------------------|------------------------------|----------------------------|---------------------------|--------------------|
| 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 | (7) Net Policy Loan Proceeds | (8) Year End Accum Value** | (9) Year End Cash Value** | (10) Death Benefit |
| 1                                   | 45       | 50,000              | 0                            | 44,205                    | 13,297                   | 774,205           | 45                                  | 0        | 0                   | 0                            | 0                          | 0                         |                    |
| 2                                   | 46       | 50,000              | 0                            | 91,523                    | 61,381                   | 821,523           | 46                                  | 0        | 0                   | 0                            | 0                          | 0                         |                    |
| 3                                   | 47       | 50,000              | 0                            | 142,191                   | 112,816                  | 872,191           | 47                                  | 0        | 0                   | 0                            | 0                          | 0                         |                    |
| 4                                   | 48       | 50,000              | 0                            | 196,445                   | 167,844                  | 926,445           | 48                                  | 0        | 0                   | 0                            | 0                          | 0                         |                    |
| 5                                   | 49       | 50,000              | 0                            | 254,541                   | 226,706                  | 984,541           | 49                                  | 0        | 0                   | 0                            | 0                          | 0                         |                    |
| 6                                   | 50       | 50,000              | 0                            | 316,749                   | 289,688                  | 1,046,749         | 50                                  | 50,000   | 0                   | 43,826                       | 14,498                     | 669,826                   |                    |
| 7                                   | 51       | 50,000              | 0                            | 383,361                   | 357,066                  | 1,113,361         | 51                                  | 50,000   | 0                   | 90,653                       | 62,157                     | 716,653                   |                    |
| 8                                   | 52       | 50,000              | 0                            | 454,688                   | 432,781                  | 1,184,688         | 52                                  | 50,000   | 0                   | 140,681                      | 113,018                    | 766,681                   |                    |
| 9                                   | 53       | 50,000              | 0                            | 531,065                   | 513,538                  | 1,261,065         | 53                                  | 50,000   | 0                   | 194,115                      | 167,278                    | 820,115                   |                    |
| 10                                  | 54       | 50,000              | 0                            | 614,990                   | 601,843                  | 1,344,990         | 54                                  | 50,000   | 0                   | 251,295                      | 225,278                    | 877,295                   |                    |
| 11                                  | 55       | 50,000              | 0                            | 704,848                   | 696,088                  | 1,434,848         | 55                                  | 50,000   | 0                   | 312,474                      | 287,277                    | 938,474                   |                    |
| 12                                  | 56       | 50,000              | 0                            | 801,053                   | 796,673                  | 1,531,053         | 56                                  | 50,000   | 0                   | 377,936                      | 353,560                    | 1,003,936                 |                    |
| 13                                  | 57       | 50,000              | 0                            | 904,048                   | 904,048                  | 1,634,048         | 57                                  | 50,000   | 0                   | 447,981                      | 427,667                    | 1,073,981                 |                    |
| 14                                  | 58       | 50,000              | 0                            | 1,014,330                 | 1,014,330                | 1,744,330         | 58                                  | 50,000   | 0                   | 522,923                      | 506,672                    | 1,148,923                 |                    |
| 15                                  | 59       | 50,000              | 0                            | 1,132,420                 | 1,132,420                | 1,862,420         | 59                                  | 50,000   | 0                   | 605,240                      | 593,052                    | 1,231,240                 |                    |
| 16                                  | 60       | 0                   | 0                            | 1,211,536                 | 1,211,536                | 1,574,996         | 60                                  | 50,000   | 0                   | 693,307                      | 685,181                    | 1,319,307                 |                    |
| 17                                  | 61       | 0                   | 0                            | 1,296,105                 | 1,296,105                | 1,659,015         | 61                                  | 50,000   | 0                   | 787,520                      | 783,457                    | 1,413,520                 |                    |
| 18                                  | 62       | 0                   | 0                            | 1,386,505                 | 1,386,505                | 1,746,997         | 62                                  | 50,000   | 0                   | 888,307                      | 888,307                    | 1,514,307                 |                    |
| 19                                  | 63       | 0                   | 0                            | 1,483,145                 | 1,483,145                | 1,839,100         | 63                                  | 50,000   | 0                   | 996,170                      | 996,170                    | 1,622,170                 |                    |
| 20                                  | 64       | 0                   | 0                            | 1,586,466                 | 1,586,466                | 1,935,488         | 64                                  | 50,000   | 0                   | 1,111,637                    | 1,111,637                  | 1,737,637                 |                    |
| 21                                  | 65       | 0                   | 125,000                      | 1,696,087                 | 1,564,837                | 1,904,054         | 65                                  | 0        | 90,000              | 1,188,512                    | 1,094,012                  | 1,331,714                 |                    |
| 22                                  | 66       | 0                   | 125,000                      | 1,812,323                 | 1,543,261                | 1,887,602         | 66                                  | 0        | 90,000              | 1,269,990                    | 1,076,265                  | 1,317,563                 |                    |
| 23                                  | 67       | 0                   | 125,000                      | 1,935,581                 | 1,521,815                | 1,870,220         | 67                                  | 0        | 90,000              | 1,356,344                    | 1,058,432                  | 1,302,574                 |                    |
| 24                                  | 68       | 0                   | 125,000                      | 2,066,279                 | 1,500,575                | 1,851,842         | 68                                  | 0        | 90,000              | 1,447,859                    | 1,040,552                  | 1,286,688                 |                    |
| 25                                  | 69       | 0                   | 125,000                      | 2,204,885                 | 1,479,646                | 1,832,427         | 69                                  | 0        | 90,000              | 1,544,843                    | 1,022,671                  | 1,269,845                 |                    |
| 26                                  | 70       | 0                   | 125,000                      | 2,351,923                 | 1,459,172                | 1,811,961         | 70                                  | 0        | 90,000              | 1,647,641                    | 1,004,860                  | 1,252,006                 |                    |
| 27                                  | 71       | 0                   | 125,000                      | 2,508,170                 | 1,439,531                | 1,765,593         | 71                                  | 0        | 90,000              | 1,756,815                    | 987,395                    | 1,215,781                 |                    |
| 28                                  | 72       | 0                   | 125,000                      | 2,674,274                 | 1,420,953                | 1,715,123         | 72                                  | 0        | 90,000              | 1,872,839                    | 970,448                    | 1,176,460                 |                    |
| 29                                  | 73       | 0                   | 125,000                      | 2,850,985                 | 1,403,749                | 1,660,337         | 73                                  | 0        | 90,000              | 1,996,247                    | 954,237                    | 1,133,899                 |                    |
| 30                                  | 74       | 0                   | 125,000                      | 3,039,138                 | 1,388,290                | 1,601,030         | 74                                  | 0        | 90,000              | 2,127,630                    | 939,019                    | 1,087,953                 |                    |
|                                     |          | 750,000             | 1,250,000                    |                           |                          |                   |                                     |          |                     | 750,000                      | 900,000                    |                           |                    |

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## Plan A vs. Plan B

Male Age 45 Indexed UL Interest Rate 6.15% Policy Owner Tax Bracket 35.00% Male Age 50 Indexed UL Interest Rate 6.15%

| Plan A: Indexed UL Issued at Age 45 |          |                     |                              |                           |                          | VS.               | Plan B: Indexed UL Issued at Age 50 |          |                     |                              |                            |                           |                    |
|-------------------------------------|----------|---------------------|------------------------------|---------------------------|--------------------------|-------------------|-------------------------------------|----------|---------------------|------------------------------|----------------------------|---------------------------|--------------------|
| 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 | (7) Net Policy Loan Proceeds | (8) Year End Accum Value** | (9) Year End Cash Value** | (10) Death Benefit |
| 31                                  | 75       | 0                   | 125,000                      | 3,239,670                 | 1,375,029                | 1,537,012         | 75                                  | 0        | 90,000              | 2,267,663                    | 925,121                    | 1,038,504                 |                    |
| 32                                  | 76       | 0                   | 125,000                      | 3,452,495                 | 1,363,372                | 1,535,997         | 76                                  | 0        | 90,000              | 2,416,248                    | 912,079                    | 1,032,892                 |                    |
| 33                                  | 77       | 0                   | 125,000                      | 3,678,337                 | 1,353,508                | 1,537,425         | 77                                  | 0        | 90,000              | 2,573,887                    | 900,010                    | 1,028,704                 |                    |
| 34                                  | 78       | 0                   | 125,000                      | 3,917,949                 | 1,345,629                | 1,541,526         | 78                                  | 0        | 90,000              | 2,741,106                    | 889,036                    | 1,026,091                 |                    |
| 35                                  | 79       | 0                   | 125,000                      | 4,172,128                 | 1,339,941                | 1,548,548         | 79                                  | 0        | 90,000              | 2,918,464                    | 879,290                    | 1,025,213                 |                    |
| 36                                  | 80       | 0                   | 125,000                      | 4,441,658                 | 1,336,612                | 1,558,695         | 80                                  | 0        | 90,000              | 3,106,492                    | 870,859                    | 1,026,184                 |                    |
| 37                                  | 81       | 0                   | 125,000                      | 4,727,255                 | 1,335,707                | 1,572,069         | 81                                  | 0        | 90,000              | 3,305,673                    | 863,758                    | 1,029,042                 |                    |
| 38                                  | 82       | 0                   | 125,000                      | 5,029,745                 | 1,337,370                | 1,588,857         | 82                                  | 0        | 90,000              | 3,516,573                    | 858,062                    | 1,033,891                 |                    |
| 39                                  | 83       | 0                   | 125,000                      | 5,349,953                 | 1,341,708                | 1,609,206         | 83                                  | 0        | 90,000              | 3,739,716                    | 853,780                    | 1,040,766                 |                    |
| 40                                  | 84       | 0                   | 125,000                      | 5,688,380                 | 1,348,473                | 1,632,892         | 84                                  | 0        | 90,000              | 3,975,424                    | 850,691                    | 1,049,463                 |                    |
| 41                                  | 85       | 0                   | 125,000                      | 6,045,480                 | 1,357,328                | 1,659,602         | 85                                  | 0        | 90,000              | 4,224,088                    | 848,618                    | 1,059,823                 |                    |
| 42                                  | 86       | 0                   | 125,000                      | 6,422,023                 | 1,368,213                | 1,689,314         | 86                                  | 0        | 90,000              | 4,486,255                    | 847,512                    | 1,071,825                 |                    |
| 43                                  | 87       | 0                   | 125,000                      | 6,818,444                 | 1,380,694                | 1,721,616         | 87                                  | 0        | 90,000              | 4,762,240                    | 847,060                    | 1,085,172                 |                    |
| 44                                  | 88       | 0                   | 125,000                      | 7,234,754                 | 1,393,867                | 1,755,605         | 88                                  | 0        | 90,000              | 5,052,067                    | 846,628                    | 1,099,232                 |                    |
| 45                                  | 89       | 0                   | 125,000                      | 7,670,951                 | 1,406,769                | 1,790,317         | 89                                  | 0        | 90,000              | 5,355,754                    | 845,543                    | 1,113,331                 |                    |
| 46                                  | 90       | 0                   | 125,000                      | 8,126,686                 | 1,418,045                | 1,824,379         | 90                                  | 0        | 90,000              | 5,672,962                    | 842,741                    | 1,126,389                 |                    |
| 47                                  | 91       | 0                   | 125,000                      | 8,612,032                 | 1,436,709                | 1,781,190         | 91                                  | 0        | 90,000              | 6,010,715                    | 844,482                    | 1,084,911                 |                    |
| 48                                  | 92       | 0                   | 125,000                      | 9,131,817                 | 1,466,478                | 1,740,433         | 92                                  | 0        | 90,000              | 6,372,369                    | 853,325                    | 1,044,496                 |                    |
| 49                                  | 93       | 0                   | 125,000                      | 9,692,530                 | 1,512,674                | 1,706,525         | 93                                  | 0        | 90,000              | 6,762,439                    | 872,942                    | 1,008,191                 |                    |
| 50                                  | 94       | 0                   | 125,000                      | 10,302,407                | 1,582,308                | 1,685,332         | 94                                  | 0        | 90,000              | 7,186,654                    | 908,183                    | 980,050                   |                    |
| 51                                  | 95       | 0                   | 125,000                      | 10,971,269                | 1,683,915                | 1,683,915         | 95                                  | 0        | 90,000              | 7,651,850                    | 964,956                    | 964,956                   |                    |
| 52                                  | 96       | 0                   | 125,000                      | 11,683,609                | 1,800,637                | 1,800,637         | 96                                  | 0        | 90,000              | 8,147,191                    | 1,031,452                  | 1,031,452                 |                    |
| 53                                  | 97       | 0                   | 125,000                      | 12,442,312                | 1,933,942                | 1,933,942         | 97                                  | 0        | 90,000              | 8,674,670                    | 1,108,644                  | 1,108,644                 |                    |
| 54                                  | 98       | 0                   | 125,000                      | 13,250,456                | 2,085,417                | 2,085,417         | 98                                  | 0        | 90,000              | 9,236,418                    | 1,197,590                  | 1,197,590                 |                    |
| 55                                  | 99       | 0                   | 125,000                      | 14,111,328                | 2,256,788                | 2,256,788         | 99                                  | 0        | 90,000              | 9,834,705                    | 1,299,436                  | 1,299,436                 |                    |

|         |           |  |         |           |
|---------|-----------|--|---------|-----------|
| 750,000 | 4,375,000 |  | 750,000 | 3,150,000 |
|---------|-----------|--|---------|-----------|

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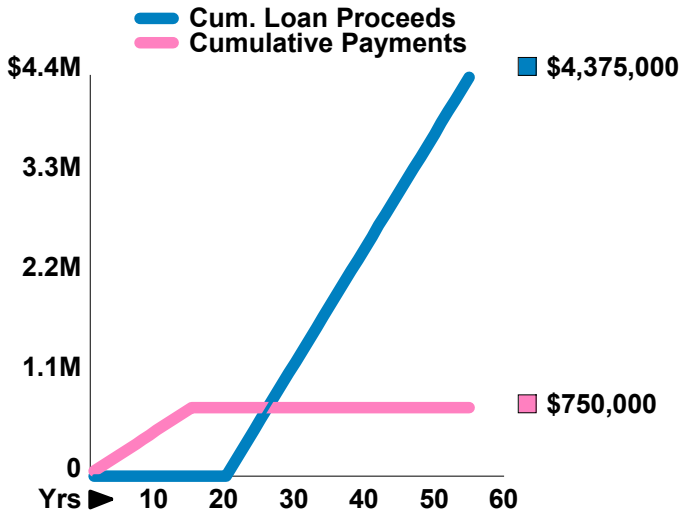
# Analysis of the Cost of Waiting

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

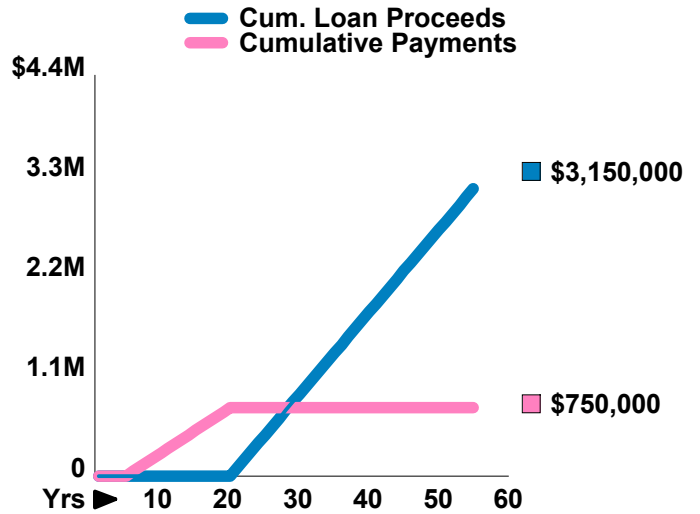
Insured: Harvey Pierce, MD

## 55 Year Analysis

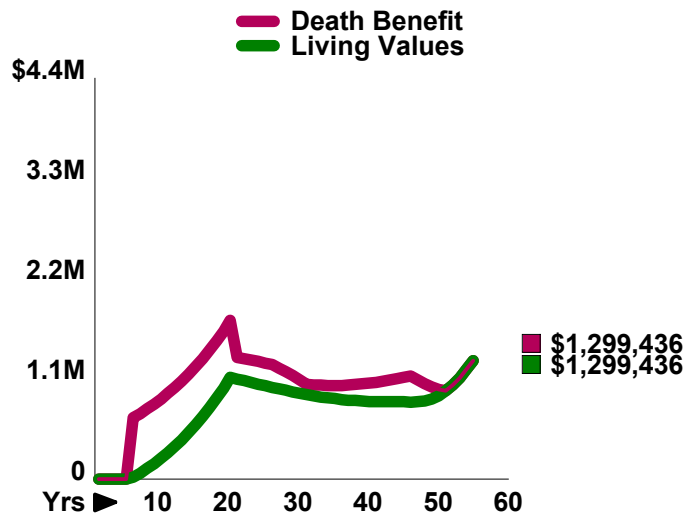
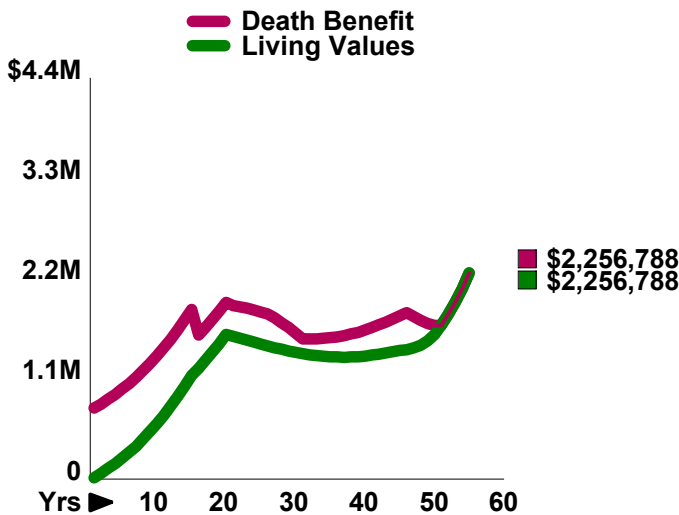
### Indexed Universal Life Plan A: Buy Now



### Indexed Universal Life Plan B: Wait Five Years to Buy



### Comparative Analysis of Values



# Analysis of the Cost of Waiting

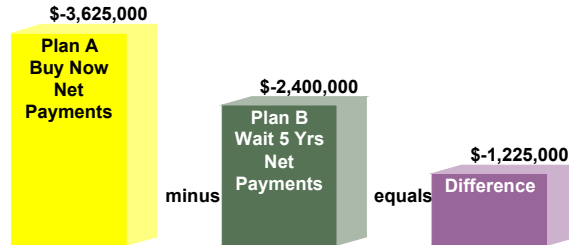
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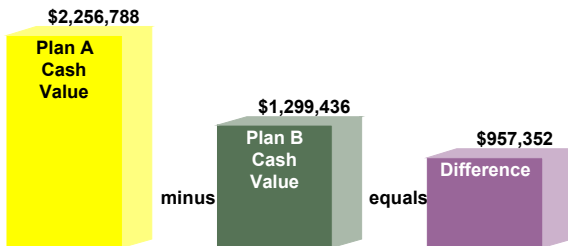
## Matching Values at Age 99 (Year 55)

Male Policy Owner  
Age Tax Bracket  
45 35.00%

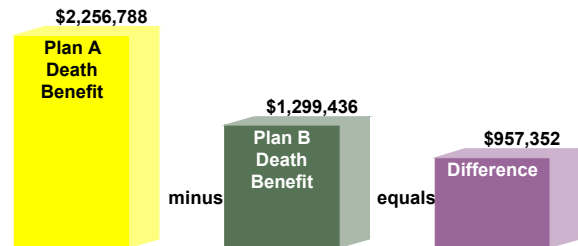
**Difference in net payments\***  
\*Net payments consist of Premiums - Loan Proceeds.



**Difference in Cash Value**



**Difference in Death Benefit**



The cost of waiting is reflected in the difference in net payments, cash value, and death benefit.

### Conclusion

If you were to invest the difference in net payments, your investment would need the interest rates below (over 55 years) to recover the values lost from waiting:

|  | Hypothetical Taxable Alternative |
|--|----------------------------------|
| To match the difference in Cash Value of \$957,352:    | 11.01%                           |
| To match the difference in Death Benefit of \$957,352: | 11.01%                           |

Plan A: Buy Now

Plan B: Wait Five Years to Buy

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# Analysis of the Cost of Waiting

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Insured: Harvey Pierce, MD

## Proof of Matching Cash Value Values using a Hypothetical Taxable Alternative

Male Age 45  
 Taxable Account Yield 11.010325%  
 Policy Owner Tax Bracket 35.00%  
 To Match Increase in Cash Value of Plan A vs. Plan B in year 55 of \$957,352

| Year | Male Age | Premiums and Net Loans     |                            |   | Taxable Account used to Match the Difference in Cash Value |   |  |   |   |  |   |
|------|----------|----------------------------|----------------------------|---|--|---|--|---|---|--|---|
|      |          | (1)<br>Plan A Net Payment* | (2)<br>Plan B Net Payment* | (3)<br>Difference in Net Payments (1) - (2) | (4)<br>Payment to Taxable Account (Column (3))             | (5)<br>Beginning of Year Value of Taxable Account | (6)<br>Tax Free Withdrawal of Principal (Column (3)) | (7)<br>Account Balance After Withdrawal (5) - (6) | (8)<br>Annualized Gross Interest Earned | (9)<br>Annualized After Tax Interest Accrued | (10)<br>Year End Value of Account (7) + (9) |
| 1    | 45       | 50,000                     | 0                          | 50,000                                      | 50,000   | 50,000  | 0  | 50,000  | 5,505                                   | 3,578  | 53,578                                      |
| 2    | 46       | 50,000                     | 0                          | 50,000                                      | 50,000   | 103,578   | 0  | 103,578   | 11,404                                  | 7,413  | 110,991                                     |
| 3    | 47       | 50,000                     | 0                          | 50,000                                      | 50,000   | 160,991   | 0  | 160,991   | 17,726                                  | 11,522                                       | 172,513                                     |
| 4    | 48       | 50,000                     | 0                          | 50,000                                      | 50,000   | 222,513   | 0  | 222,513   | 24,499                                  | 15,925                                       | 238,437                                     |
| 5    | 49       | 50,000                     | 0                          | 50,000                                      | 50,000   | 288,437   | 0  | 288,437   | 31,758                                  | 20,643                                       | 309,080                                     |
| 6    | 50       | 50,000                     | 50,000                     | 0   | 0  | 309,080   | 0  | 309,080   | 34,031                                  | 22,120                                       | 331,200                                     |
| 7    | 51       | 50,000                     | 50,000                     | 0   | 0  | 331,200   | 0  | 331,200   | 36,466                                  | 23,703                                       | 354,903                                     |
| 8    | 52       | 50,000                     | 50,000                     | 0   | 0  | 354,903   | 0  | 354,903   | 39,076                                  | 25,399                                       | 380,302                                     |
| 9    | 53       | 50,000                     | 50,000                     | 0   | 0  | 380,302   | 0  | 380,302   | 41,873                                  | 27,217                                       | 407,520                                     |
| 10   | 54       | 50,000                     | 50,000                     | 0   | 0  | 407,520   | 0  | 407,520   | 44,869                                  | 29,165                                       | 436,685                                     |
| 11   | 55       | 50,000                     | 50,000                     | 0   | 0  | 436,685   | 0  | 436,685   | 48,080                                  | 31,252                                       | 467,937                                     |
| 12   | 56       | 50,000                     | 50,000                     | 0   | 0  | 467,937   | 0  | 467,937   | 51,521                                  | 33,489                                       | 501,426                                     |
| 13   | 57       | 50,000                     | 50,000                     | 0   | 0  | 501,426   | 0  | 501,426   | 55,209                                  | 35,886                                       | 537,311                                     |
| 14   | 58       | 50,000                     | 50,000                     | 0   | 0  | 537,311   | 0  | 537,311   | 59,160                                  | 38,454                                       | 575,765                                     |
| 15   | 59       | 50,000                     | 50,000                     | 0   | 0  | 575,765   | 0  | 575,765   | 63,394                                  | 41,206                                       | 616,971                                     |
| 16   | 60       | 0                          | 50,000                     | -50,000                                     | 0  | 616,971   | 50,000   | 566,971   | 62,425                                  | 40,576                                       | 607,547                                     |
| 17   | 61       | 0                          | 50,000                     | -50,000                                     | 0  | 607,547   | 50,000   | 557,547   | 61,388                                  | 39,902                                       | 597,450                                     |
| 18   | 62       | 0                          | 50,000                     | -50,000                                     | 0  | 597,450   | 50,000   | 547,450   | 60,276                                  | 39,179                                       | 586,629                                     |
| 19   | 63       | 0                          | 50,000                     | -50,000                                     | 0  | 586,629   | 50,000   | 536,629   | 59,085                                  | 38,405                                       | 575,034                                     |
| 20   | 64       | 0                          | 50,000                     | -50,000                                     | 0  | 575,034   | 50,000   | 525,034   | 57,808                                  | 37,575                                       | 562,609                                     |
| 21   | 65       | -125,000                   | -90,000                    | -35,000                                     | 0  | 562,609   | 35,000   | 527,609   | 58,091                                  | 37,759                                       | 565,369                                     |
| 22   | 66       | -125,000                   | -90,000                    | -35,000                                     | 0  | 565,369   | 35,000   | 530,369   | 58,395                                  | 37,957                                       | 568,325                                     |
| 23   | 67       | -125,000                   | -90,000                    | -35,000                                     | 0  | 568,325   | 35,000   | 533,325   | 58,721                                  | 38,169                                       | 571,494                                     |
| 24   | 68       | -125,000                   | -90,000                    | -35,000                                     | 0  | 571,494   | 35,000   | 536,494   | 59,070                                  | 38,395                                       | 574,889                                     |
| 25   | 69       | -125,000                   | -90,000                    | -35,000                                     | 0  | 574,889   | 35,000   | 539,889   | 59,444                                  | 38,638                                       | 578,528                                     |
| 26   | 70       | -125,000                   | -90,000                    | -35,000                                     | 0  | 578,528   | 35,000   | 543,528   | 59,844                                  | 38,899                                       | 582,426                                     |
| 27   | 71       | -125,000                   | -90,000                    | -35,000                                     | 0  | 582,426   | 35,000   | 547,426   | 60,273                                  | 39,178                                       | 586,604                                     |
| 28   | 72       | -125,000                   | -90,000                    | -35,000                                     | 0  | 586,604   | 35,000   | 551,604   | 60,733                                  | 39,477                                       | 591,081                                     |
| 29   | 73       | -125,000                   | -90,000                    | -35,000                                     | 0  | 591,081   | 35,000   | 556,081   | 61,226                                  | 39,797                                       | 595,878                                     |
| 30   | 74       | -125,000                   | -90,000                    | -35,000                                     | 0  | 595,878   | 35,000   | 560,878   | 61,754                                  | 40,140                                       | 601,018                                     |
|      |          | -500,000                   | -150,000                   | -350,000                                    |  | 250,000   |  | 600,000   | 1,463,104                               | 951,018                                      |   |

\*Net payments consist of premiums - loan proceeds.

# Analysis of the Cost of Waiting

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

Insured: Harvey Pierce, MD

## Proof of Matching Cash Value Values using a Hypothetical Taxable Alternative

Male Age 45  
 Taxable Account Yield 11.010325%  
 Policy Owner Tax Bracket 35.00%  
 To Match Increase in Cash Value of Plan A vs. Plan B in year 55 of \$957,352

| Year | Male Age | Premiums and Net Loans     |                            |   | Taxable Account used to Match the Difference in Cash Value |   |  |   |   |  |   |
|------|----------|----------------------------|----------------------------|---|--|---|--|---|---|--|---|
|      |          | (1)<br>Plan A Net Payment* | (2)<br>Plan B Net Payment* | (3)<br>Difference in Net Payments (1) - (2) | (4)<br>Payment to Taxable Account (Column (3))             | (5)<br>Beginning of Year Value of Taxable Account | (6)<br>Tax Free Withdrawal of Principal (Column (3)) | (7)<br>Account Balance After Withdrawal (5) - (6) | (8)<br>Annualized Gross Interest Earned | (9)<br>Annualized After Tax Interest Accrued | (10)<br>Year End Value of Account (7) + (9) |
| 31   | 75       | -125,000                   | -90,000                    | -35,000                                     | 0  | 601,018   | 35,000   | 566,018   | 62,320                                  | 40,508                                       | 606,527                                     |
| 32   | 76       | -125,000                   | -90,000                    | -35,000                                     | 0  | 606,527   | 35,000   | 571,527   | 62,927                                  | 40,903                                       | 612,429                                     |
| 33   | 77       | -125,000                   | -90,000                    | -35,000                                     | 0  | 612,429   | 35,000   | 577,429   | 63,577                                  | 41,325                                       | 618,754                                     |
| 34   | 78       | -125,000                   | -90,000                    | -35,000                                     | 0  | 618,754   | 35,000   | 583,754   | 64,273                                  | 41,778                                       | 625,532                                     |
| 35   | 79       | -125,000                   | -90,000                    | -35,000                                     | 0  | 625,532   | 35,000   | 590,532   | 65,019                                  | 42,263                                       | 632,794                                     |
| 36   | 80       | -125,000                   | -90,000                    | -35,000                                     | 0  | 632,794   | 35,000   | 597,794   | 65,819                                  | 42,782                                       | 640,577                                     |
| 37   | 81       | -125,000                   | -90,000                    | -35,000                                     | 0  | 640,577   | 35,000   | 605,577   | 66,676                                  | 43,339                                       | 648,916                                     |
| 38   | 82       | -125,000                   | -90,000                    | -35,000                                     | 0  | 648,916   | 35,000   | 613,916   | 67,594                                  | 43,936                                       | 657,852                                     |
| 39   | 83       | -125,000                   | -90,000                    | -35,000                                     | 0  | 657,852   | 35,000   | 622,852   | 68,578                                  | 44,576                                       | 667,428                                     |
| 40   | 84       | -125,000                   | -90,000                    | -35,000                                     | 0  | 667,428   | 35,000   | 632,428   | 69,632                                  | 45,261                                       | 677,689                                     |
| 41   | 85       | -125,000                   | -90,000                    | -35,000                                     | 0  | 677,689   | 35,000   | 642,689   | 70,762                                  | 45,995                                       | 688,685                                     |
| 42   | 86       | -125,000                   | -90,000                    | -35,000                                     | 0  | 688,685   | 35,000   | 653,685   | 71,973                                  | 46,782                                       | 700,467                                     |
| 43   | 87       | -125,000                   | -90,000                    | -35,000                                     | 0  | 700,467   | 35,000   | 665,467   | 73,270                                  | 47,626                                       | 713,092                                     |
| 44   | 88       | -125,000                   | -90,000                    | -35,000                                     | 0  | 713,092   | 35,000   | 678,092   | 74,660                                  | 48,529                                       | 726,622                                     |
| 45   | 89       | -125,000                   | -90,000                    | -35,000                                     | 0  | 726,622   | 35,000   | 691,622   | 76,150                                  | 49,497                                       | 741,119                                     |
| 46   | 90       | -125,000                   | -90,000                    | -35,000                                     | 0  | 741,119   | 35,000   | 706,119   | 77,746                                  | 50,535                                       | 756,654                                     |
| 47   | 91       | -125,000                   | -90,000                    | -35,000                                     | 0  | 756,654   | 35,000   | 721,654   | 79,456                                  | 51,647                                       | 773,301                                     |
| 48   | 92       | -125,000                   | -90,000                    | -35,000                                     | 0  | 773,301   | 35,000   | 738,301   | 81,289                                  | 52,838                                       | 791,139                                     |
| 49   | 93       | -125,000                   | -90,000                    | -35,000                                     | 0  | 791,139   | 35,000   | 756,139   | 83,253                                  | 54,115                                       | 810,253                                     |
| 50   | 94       | -125,000                   | -90,000                    | -35,000                                     | 0  | 810,253   | 35,000   | 775,253   | 85,358                                  | 55,483                                       | 830,736                                     |
| 51   | 95       | -125,000                   | -90,000                    | -35,000                                     | 0  | 830,736   | 35,000   | 795,736   | 87,613                                  | 56,949                                       | 852,684                                     |
| 52   | 96       | -125,000                   | -90,000                    | -35,000                                     | 0  | 852,684   | 35,000   | 817,684   | 90,030                                  | 58,519                                       | 876,204                                     |
| 53   | 97       | -125,000                   | -90,000                    | -35,000                                     | 0  | 876,204   | 35,000   | 841,204   | 92,619                                  | 60,203                                       | 901,406                                     |
| 54   | 98       | -125,000                   | -90,000                    | -35,000                                     | 0  | 901,406   | 35,000   | 866,406   | 95,394                                  | 62,006                                       | 928,412                                     |
| 55   | 99       | -125,000                   | -90,000                    | -35,000                                     | 0  | 928,412   | 35,000   | 893,412   | 98,368                                  | 63,939                                       | 957,351                                     |
|      |          | <b>-3,625,000</b>          | <b>-2,400,000</b>          | <b>-1,225,000</b>                           | <b>250,000</b>   |   |  | <b>1,475,000</b>                                  | <b>3,357,460</b>                        | <b>2,182,352</b>                             |   |

\*Net payments consist of premiums - loan proceeds.



# Analysis of the Cost of Waiting

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

Insured: Harvey Pierce, MD

## Proof of Matching Death Benefit Values using a Hypothetical Taxable Alternative

Male Taxable Account Policy Owner To Match  
 Age Yield Tax Bracket Increase in Death Benefit of  
 45 11.010325% 35.00% Plan A vs. Plan B  
 in year 55 of \$957,352

| Year | Male Age | Premiums and Net Loans     |                            |   | Taxable Account used to Match the Difference in Death Benefit |   |  |   |   |  |   |
|------|----------|----------------------------|----------------------------|---|---|---|--|---|---|--|---|
|      |          | (1)<br>Plan A Net Payment* | (2)<br>Plan B Net Payment* | (3)<br>Difference in Net Payments (1) - (2) | (4)<br>Payment to Taxable Account (Column (3))                | (5)<br>Beginning of Year Value of Taxable Account | (6)<br>Tax Free Withdrawal of Principal (Column (3)) | (7)<br>Account Balance After Withdrawal (5) - (6) | (8)<br>Annualized Gross Interest Earned | (9)<br>Annualized After Tax Interest Accrued | (10)<br>Year End Value of Account (7) + (9) |
| 1    | 45       | 50,000                     | 0                          | 50,000                                      | 50,000  | 50,000  | 0  | 50,000  | 5,505                                   | 3,578  | 53,578                                      |
| 2    | 46       | 50,000                     | 0                          | 50,000                                      | 50,000  | 103,578   | 0  | 103,578   | 11,404                                  | 7,413  | 110,991                                     |
| 3    | 47       | 50,000                     | 0                          | 50,000                                      | 50,000  | 160,991   | 0  | 160,991   | 17,726                                  | 11,522                                       | 172,513                                     |
| 4    | 48       | 50,000                     | 0                          | 50,000                                      | 50,000  | 222,513   | 0  | 222,513   | 24,499                                  | 15,925                                       | 238,437                                     |
| 5    | 49       | 50,000                     | 0                          | 50,000                                      | 50,000  | 288,437   | 0  | 288,437   | 31,758                                  | 20,643                                       | 309,080                                     |
| 6    | 50       | 50,000                     | 50,000                     | 0   | 0   | 309,080   | 0  | 309,080   | 34,031                                  | 22,120                                       | 331,200                                     |
| 7    | 51       | 50,000                     | 50,000                     | 0   | 0   | 331,200   | 0  | 331,200   | 36,466                                  | 23,703                                       | 354,903                                     |
| 8    | 52       | 50,000                     | 50,000                     | 0   | 0   | 354,903   | 0  | 354,903   | 39,076                                  | 25,399                                       | 380,302                                     |
| 9    | 53       | 50,000                     | 50,000                     | 0   | 0   | 380,302   | 0  | 380,302   | 41,873                                  | 27,217                                       | 407,520                                     |
| 10   | 54       | 50,000                     | 50,000                     | 0   | 0   | 407,520   | 0  | 407,520   | 44,869                                  | 29,165                                       | 436,685                                     |
| 11   | 55       | 50,000                     | 50,000                     | 0   | 0   | 436,685   | 0  | 436,685   | 48,080                                  | 31,252                                       | 467,937                                     |
| 12   | 56       | 50,000                     | 50,000                     | 0   | 0   | 467,937   | 0  | 467,937   | 51,521                                  | 33,489                                       | 501,426                                     |
| 13   | 57       | 50,000                     | 50,000                     | 0   | 0   | 501,426   | 0  | 501,426   | 55,209                                  | 35,886                                       | 537,311                                     |
| 14   | 58       | 50,000                     | 50,000                     | 0   | 0   | 537,311   | 0  | 537,311   | 59,160                                  | 38,454                                       | 575,765                                     |
| 15   | 59       | 50,000                     | 50,000                     | 0   | 0   | 575,765   | 0  | 575,765   | 63,394                                  | 41,206                                       | 616,971                                     |
| 16   | 60       | 0                          | 50,000                     | -50,000                                     | 0   | 616,971   | 50,000   | 566,971   | 62,425                                  | 40,576                                       | 607,547                                     |
| 17   | 61       | 0                          | 50,000                     | -50,000                                     | 0   | 607,547   | 50,000   | 557,547   | 61,388                                  | 39,902                                       | 597,450                                     |
| 18   | 62       | 0                          | 50,000                     | -50,000                                     | 0   | 597,450   | 50,000   | 547,450   | 60,276                                  | 39,179                                       | 586,629                                     |
| 19   | 63       | 0                          | 50,000                     | -50,000                                     | 0   | 586,629   | 50,000   | 536,629   | 59,085                                  | 38,405                                       | 575,034                                     |
| 20   | 64       | 0                          | 50,000                     | -50,000                                     | 0   | 575,034   | 50,000   | 525,034   | 57,808                                  | 37,575                                       | 562,609                                     |
| 21   | 65       | -125,000                   | -90,000                    | -35,000                                     | 0   | 562,609   | 35,000   | 527,609   | 58,091                                  | 37,759                                       | 565,369                                     |
| 22   | 66       | -125,000                   | -90,000                    | -35,000                                     | 0   | 565,369   | 35,000   | 530,369   | 58,395                                  | 37,957                                       | 568,325                                     |
| 23   | 67       | -125,000                   | -90,000                    | -35,000                                     | 0   | 568,325   | 35,000   | 533,325   | 58,721                                  | 38,169                                       | 571,494                                     |
| 24   | 68       | -125,000                   | -90,000                    | -35,000                                     | 0   | 571,494   | 35,000   | 536,494   | 59,070                                  | 38,395                                       | 574,889                                     |
| 25   | 69       | -125,000                   | -90,000                    | -35,000                                     | 0   | 574,889   | 35,000   | 539,889   | 59,444                                  | 38,638                                       | 578,528                                     |
| 26   | 70       | -125,000                   | -90,000                    | -35,000                                     | 0   | 578,528   | 35,000   | 543,528   | 59,844                                  | 38,899                                       | 582,426                                     |
| 27   | 71       | -125,000                   | -90,000                    | -35,000                                     | 0   | 582,426   | 35,000   | 547,426   | 60,273                                  | 39,178                                       | 586,604                                     |
| 28   | 72       | -125,000                   | -90,000                    | -35,000                                     | 0   | 586,604   | 35,000   | 551,604   | 60,733                                  | 39,477                                       | 591,081                                     |
| 29   | 73       | -125,000                   | -90,000                    | -35,000                                     | 0   | 591,081   | 35,000   | 556,081   | 61,226                                  | 39,797                                       | 595,878                                     |
| 30   | 74       | -125,000                   | -90,000                    | -35,000                                     | 0   | 595,878   | 35,000   | 560,878   | 61,754                                  | 40,140                                       | 601,018                                     |
|      |          | -500,000                   | -150,000                   | -350,000                                    |   | 250,000   |  | 600,000   | 1,463,104                               | 951,018                                      |   |

\*Net payments consist of premiums - loan proceeds.

# Analysis of the Cost of Waiting

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

Insured: Harvey Pierce, MD

## Proof of Matching Death Benefit Values using a Hypothetical Taxable Alternative

Male Taxable Account Policy Owner To Match  
 Age Yield Tax Bracket Increase in Death Benefit of  
 45 11.010325% 35.00% Plan A vs. Plan B  
 in year 55 of \$957,352

| Year | Male Age | Premiums and Net Loans     |                            |   | Taxable Account used to Match the Difference in Death Benefit |   |  |   |   |  |   |
|------|----------|----------------------------|----------------------------|---|---|---|--|---|---|--|---|
|      |          | (1)<br>Plan A Net Payment* | (2)<br>Plan B Net Payment* | (3)<br>Difference in Net Payments (1) - (2) | (4)<br>Payment to Taxable Account (Column (3))                | (5)<br>Beginning of Year Value of Taxable Account | (6)<br>Tax Free Withdrawal of Principal (Column (3)) | (7)<br>Account Balance After Withdrawal (5) - (6) | (8)<br>Annualized Gross Interest Earned | (9)<br>Annualized After Tax Interest Accrued | (10)<br>Year End Value of Account (7) + (9) |
| 31   | 75       | -125,000                   | -90,000                    | -35,000                                     | 0   | 601,018   | 35,000   | 566,018   | 62,320                                  | 40,508                                       | 606,527                                     |
| 32   | 76       | -125,000                   | -90,000                    | -35,000                                     | 0   | 606,527   | 35,000   | 571,527   | 62,927                                  | 40,903                                       | 612,429                                     |
| 33   | 77       | -125,000                   | -90,000                    | -35,000                                     | 0   | 612,429   | 35,000   | 577,429   | 63,577                                  | 41,325                                       | 618,754                                     |
| 34   | 78       | -125,000                   | -90,000                    | -35,000                                     | 0   | 618,754   | 35,000   | 583,754   | 64,273                                  | 41,778                                       | 625,532                                     |
| 35   | 79       | -125,000                   | -90,000                    | -35,000                                     | 0   | 625,532   | 35,000   | 590,532   | 65,019                                  | 42,263                                       | 632,794                                     |
| 36   | 80       | -125,000                   | -90,000                    | -35,000                                     | 0   | 632,794   | 35,000   | 597,794   | 65,819                                  | 42,782                                       | 640,577                                     |
| 37   | 81       | -125,000                   | -90,000                    | -35,000                                     | 0   | 640,577   | 35,000   | 605,577   | 66,676                                  | 43,339                                       | 648,916                                     |
| 38   | 82       | -125,000                   | -90,000                    | -35,000                                     | 0   | 648,916   | 35,000   | 613,916   | 67,594                                  | 43,936                                       | 657,852                                     |
| 39   | 83       | -125,000                   | -90,000                    | -35,000                                     | 0   | 657,852   | 35,000   | 622,852   | 68,578                                  | 44,576                                       | 667,428                                     |
| 40   | 84       | -125,000                   | -90,000                    | -35,000                                     | 0   | 667,428   | 35,000   | 632,428   | 69,632                                  | 45,261                                       | 677,689                                     |
| 41   | 85       | -125,000                   | -90,000                    | -35,000                                     | 0   | 677,689   | 35,000   | 642,689   | 70,762                                  | 45,995                                       | 688,685                                     |
| 42   | 86       | -125,000                   | -90,000                    | -35,000                                     | 0   | 688,685   | 35,000   | 653,685   | 71,973                                  | 46,782                                       | 700,467                                     |
| 43   | 87       | -125,000                   | -90,000                    | -35,000                                     | 0   | 700,467   | 35,000   | 665,467   | 73,270                                  | 47,626                                       | 713,092                                     |
| 44   | 88       | -125,000                   | -90,000                    | -35,000                                     | 0   | 713,092   | 35,000   | 678,092   | 74,660                                  | 48,529                                       | 726,622                                     |
| 45   | 89       | -125,000                   | -90,000                    | -35,000                                     | 0   | 726,622   | 35,000   | 691,622   | 76,150                                  | 49,497                                       | 741,119                                     |
| 46   | 90       | -125,000                   | -90,000                    | -35,000                                     | 0   | 741,119   | 35,000   | 706,119   | 77,746                                  | 50,535                                       | 756,654                                     |
| 47   | 91       | -125,000                   | -90,000                    | -35,000                                     | 0   | 756,654   | 35,000   | 721,654   | 79,456                                  | 51,647                                       | 773,301                                     |
| 48   | 92       | -125,000                   | -90,000                    | -35,000                                     | 0   | 773,301   | 35,000   | 738,301   | 81,289                                  | 52,838                                       | 791,139                                     |
| 49   | 93       | -125,000                   | -90,000                    | -35,000                                     | 0   | 791,139   | 35,000   | 756,139   | 83,253                                  | 54,115                                       | 810,253                                     |
| 50   | 94       | -125,000                   | -90,000                    | -35,000                                     | 0   | 810,253   | 35,000   | 775,253   | 85,358                                  | 55,483                                       | 830,736                                     |
| 51   | 95       | -125,000                   | -90,000                    | -35,000                                     | 0   | 830,736   | 35,000   | 795,736   | 87,613                                  | 56,949                                       | 852,684                                     |
| 52   | 96       | -125,000                   | -90,000                    | -35,000                                     | 0   | 852,684   | 35,000   | 817,684   | 90,030                                  | 58,519                                       | 876,204                                     |
| 53   | 97       | -125,000                   | -90,000                    | -35,000                                     | 0   | 876,204   | 35,000   | 841,204   | 92,619                                  | 60,203                                       | 901,406                                     |
| 54   | 98       | -125,000                   | -90,000                    | -35,000                                     | 0   | 901,406   | 35,000   | 866,406   | 95,394                                  | 62,006                                       | 928,412                                     |
| 55   | 99       | -125,000                   | -90,000                    | -35,000                                     | 0   | 928,412   | 35,000   | 893,412   | 98,368                                  | 63,939                                       | 957,351                                     |
|      |          | -3,625,000                 | -2,400,000                 | -1,225,000                                  | 250,000   |   | 1,475,000  |   | 3,357,460                               | 2,182,352                                    |   |

\*Net payments consist of premiums - loan proceeds.