

# A Life Plan Using Indexed Universal Life

For Harvey Pierce, MD



Presented By: \_\_\_\_\_

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## Introduction to Life Plan

As the years pass and retirement edges closer, planning for desired levels of income may seem like an imposing task. But every day you wait only amplifies the problem.

One important way to plan effectively is to take full advantage of an employer-sponsored 401(k) plan or a personal IRA. However, these devices have government restricted contribution limits so relying on them solely may cause you to fall short of your retirement goals. Consequently, a large portion of your retirement income must come from personal savings.

Private savings can include stocks, bonds, mutual funds, annuities, and life insurance. And life insurance can be particularly valuable since it does the double duty of protecting your family while you are building your long-term savings.

Life Plan is a life insurance strategy that emphasizes death benefit and pre-retirement cash accumulation while also providing a source of retirement income. Following is a summary of the accompanying life insurance illustration prepared for Harvey Pierce, MD, age 45.

### Pre-Retirement Accumulation (Based on Current Assumptions)

Initial Life Insurance Death Benefit	\$500,000
Annual Premium Illustrated	\$23,717
Number of Premium Payments Illustrated	20
Total Premiums Illustrated	\$474,340
Cash Value* at Retirement	\$948,620
Life Insurance Death Benefit at Retirement	\$1,448,620

### Retirement Distributions (Based on Current Assumptions)

Illustrated Retirement Age	65
Number of Annual Policy Distributions	30
Total Policy Distributions	\$3,362,136
Cash Value* at Age 95	\$787,280
Death Benefit at Age 95	\$1,287,280

Premium payments are subject to certain policy and IRS limitations and must be sufficient to keep your policy in force. Under current tax laws, policy values accumulate on a tax deferred basis. Policy loans and withdrawals decrease the death benefit and affect policy value accumulation. Withdrawals in excess of total premiums paid are taxable.

\*This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

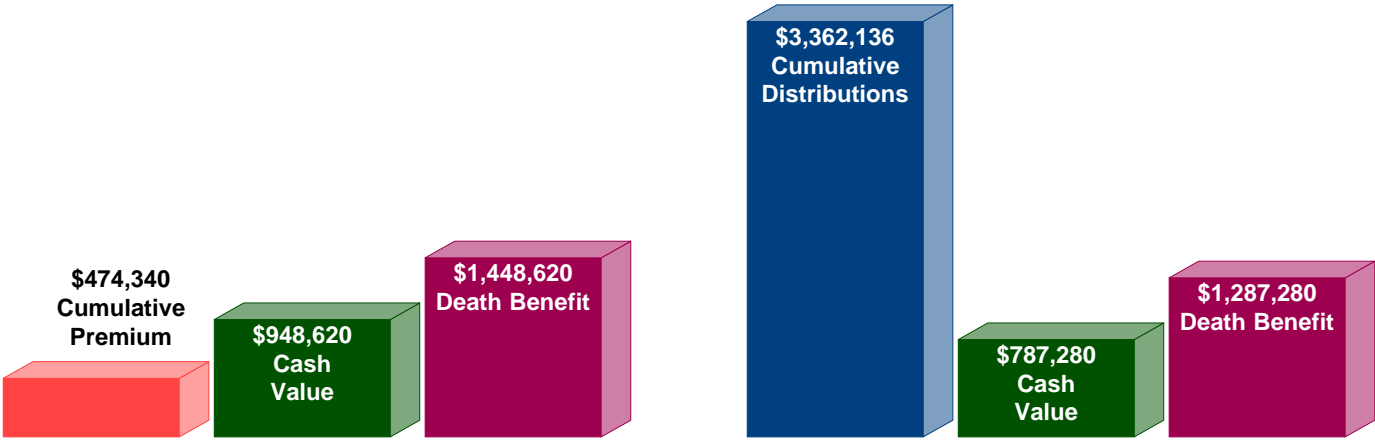
Introduction to Life Plan

		Illustrated Retirement Age 65	Indexed UL Interest Rate 7.50%	Initial Premium 23,717	Initial Death Benefit 500,000
Tax Deferred Accumulation					
Year	Male Age	(1) Annual Premium*	(2) Year End Accum Value**	(3) Year End Cash Value**	(4) Year End Death Benefit
1	45	23,717	21,414	6,879	521,414
2	46	23,717	44,344	31,259	544,344
3	47	23,717	68,921	57,291	568,921
4	48	23,717	95,283	85,108	595,283
5	49	23,717	123,548	114,828	623,548
6	50	23,717	154,034	146,769	654,034
7	51	23,717	186,917	181,102	686,917
10	54	23,717	302,081	300,631	802,081
15	59	23,717	569,312	569,312	1,069,312
20	64	23,717	948,620	948,620	1,448,620
		474,340			

\*Premiums are level in all pre-retirement years.

Summary of Pre-Retirement Years  
(Based on Current Assumptions)

Summary of Retirement Years  
(Based on Current Assumptions)



Pay \$474,340 in premiums in pre-retirement years, and, by age 65, accumulate \$948,620 of cash value\*\* with \$1,448,620 of death benefit protection.

Pay no more premiums, take cash distributions starting at age 65 as shown on the accompanying page, and maintain death benefit protection which, by age 95, is illustrated to be \$1,287,280 with \$787,280 of cash value.\*\*

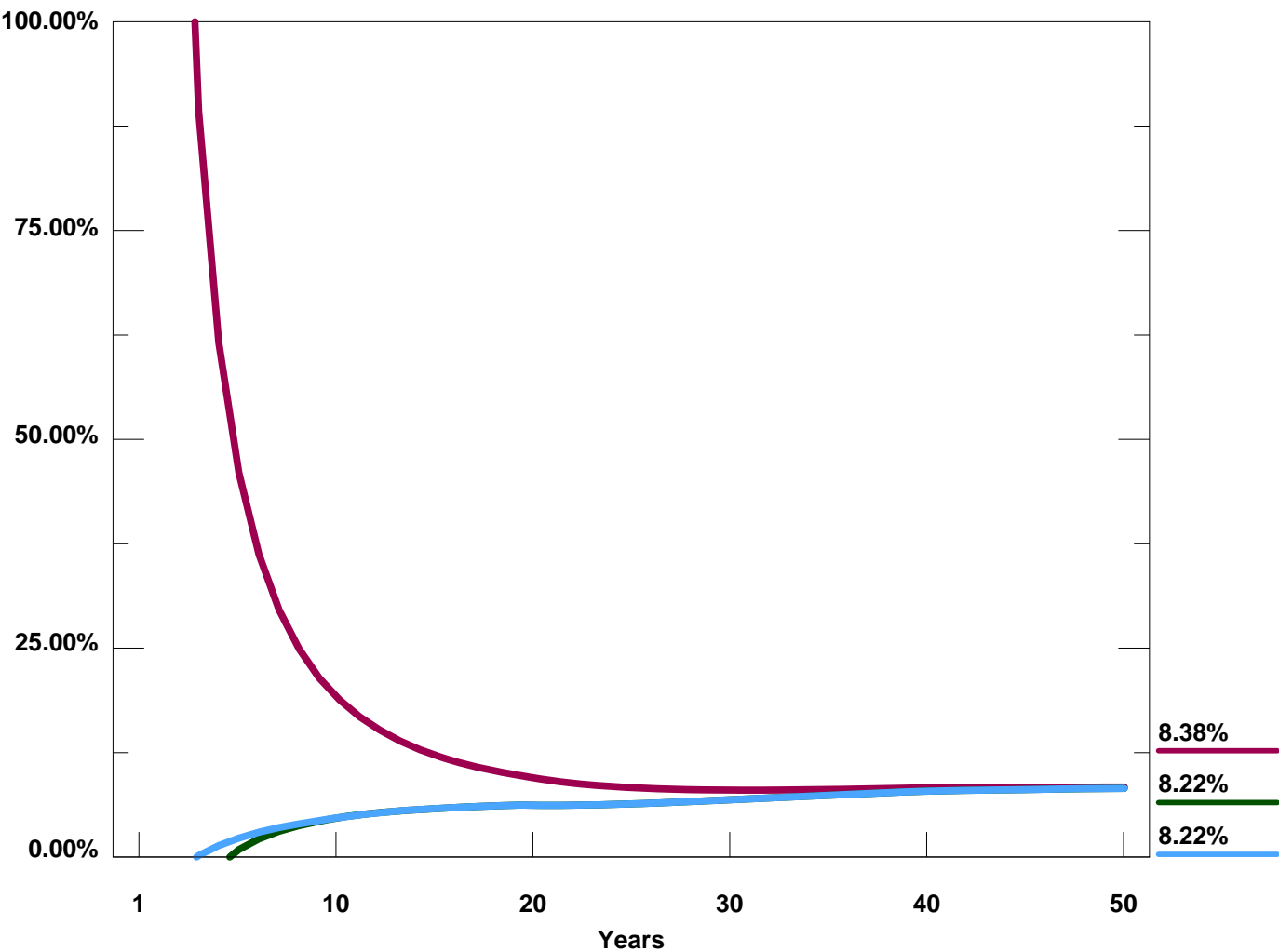
\*\*This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Policy Distribution Analysis

Year	Male Age	(1) Annual Policy Distribution
21	65	64,857
22	66	67,703
23	67	70,634
24	68	73,653
25	69	76,763
26	70	79,966
27	71	83,265
28	72	86,663
29	73	90,163
30	74	93,768
31	75	97,482
32	76	101,306
33	77	105,246
34	78	109,303
35	79	113,482
36	80	117,787
37	81	122,221
38	82	126,787
39	83	131,491
40	84	136,336
41	85	141,326
42	86	141,326
43	87	141,326
44	88	141,326
45	89	141,326
46	90	141,326
47	91	141,326
48	92	141,326
49	93	141,326
50	94	141,326
		3,362,136

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50 Year Analysis



	At Year 50
Accum Value Rate of Return	8.22%
Cash Value Rate of Return	8.22%
Death Benefit Rate of Return	8.38%