

Indexed Universal Life vs. Term Insurance and an Equity Account

For: Laura Lake Johnson



Presented By: _____

[Licensed user's name appears here]

Indexed Universal Life vs. Term Insurance and an Equity Account

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

Insured: Laura Lake Johnson

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 will involve your selection of the appropriate life insurance policy.

There are several important factors to consider which include:

1. The time frame for the insurance need;
2. Your available cash flow;
3. Your alternative uses for the cash flow;
4. The income tax considerations.

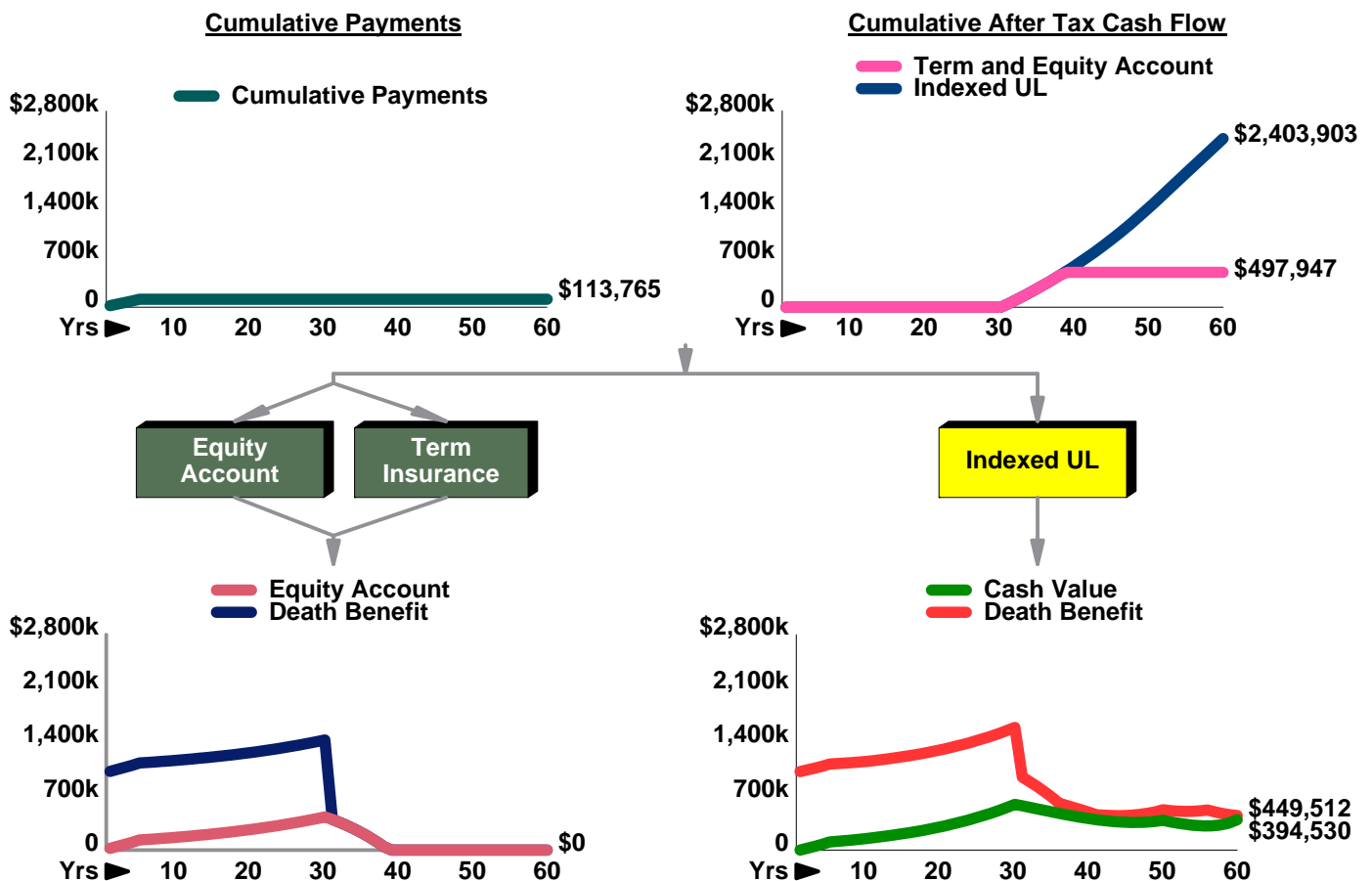
An integrated analysis of these points creates useful information that helps guide your purchasing evaluation. The precision of the conclusions, however, is contingent upon the accuracy of the data utilized. You should be positive that all premises and

conditions accurately reflect your goals and expectations.

The accompanying analysis contrasts a cash value policy to a term insurance alternative. Any difference in premiums between the two choices has been evaluated regarding time/use of money.

The study produces information which should form a basis from which you and your advisors can draw informed conclusions.

Based upon the results of the analysis, we recommend funding your life insurance requirement with the cash value policy illustrated rather than a term life insurance policy.



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.

Indexed Universal Life vs. Term Insurance and an Equity Account

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

Insured: Laura Lake Johnson

Comparison

		Equity Account Growth 7.50%			Income Tax Rate 35.00%	Indexed UL Interest Rate 7.50%	Initial Death Benefit 1,000,000				
		Payment Allocation			1,000,000 Scheduled Term Insurance Along with an Equity Account*				Indexed UL		
Year	Female Age	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Equity Account (1) - (2)	(4) After Tax Cash Flow from the Account	(5) Year End Equity Account Value	(6) Scheduled Term Death Benefit	(7) Combined Death Benefit (5) + (6)	(8) After Tax Policy Loan Proceeds	(9) Year End Cash Value**	(10) Death Benefit
1	35	22,753	700	22,053	0	23,465	1,000,000	1,023,465	0	0	1,020,340
2	36	22,753	700	22,053	0	48,349	1,000,000	1,048,349	0	23,736	1,042,146
3	37	22,753	700	22,053	0	74,674	1,000,000	1,074,674	0	49,176	1,065,536
4	38	22,753	700	22,053	0	102,477	1,000,000	1,102,477	0	76,317	1,090,637
5	39	22,753	700	22,053	0	131,803	1,000,000	1,131,803	0	105,300	1,117,570
6	40	0	700	-700	0	138,480	1,000,000	1,138,480	0	113,147	1,123,377
7	41	0	700	-700	0	145,337	1,000,000	1,145,337	0	121,532	1,129,712
8	42	0	700	-700	0	152,424	1,000,000	1,152,424	0	130,500	1,136,630
9	43	0	700	-700	0	159,780	1,000,000	1,159,780	0	140,098	1,144,188
10	44	0	700	-700	0	167,444	1,000,000	1,167,444	0	150,424	1,152,464
11	45	0	700	-700	0	175,447	1,000,000	1,175,447	0	163,344	1,163,344
12	46	0	700	-700	0	183,821	1,000,000	1,183,821	0	175,003	1,175,003
13	47	0	700	-700	0	192,593	1,000,000	1,192,593	0	187,496	1,187,496
14	48	0	700	-700	0	201,793	1,000,000	1,201,793	0	200,878	1,200,878
15	49	0	700	-700	0	211,448	1,000,000	1,211,448	0	215,206	1,215,206
16	50	0	700	-700	0	221,586	1,000,000	1,221,586	0	230,542	1,230,542
17	51	0	700	-700	0	232,235	1,000,000	1,232,235	0	246,969	1,246,969
18	52	0	700	-700	0	243,424	1,000,000	1,243,424	0	264,555	1,264,555
19	53	0	700	-700	0	255,182	1,000,000	1,255,182	0	283,377	1,283,377
20	54	0	700	-700	0	267,540	1,000,000	1,267,540	0	303,506	1,303,506
21	55	0	700	-700	0	280,530	1,000,000	1,280,530	0	325,017	1,325,017
22	56	0	700	-700	0	294,184	1,000,000	1,294,184	0	347,984	1,347,984
23	57	0	700	-700	0	308,540	1,000,000	1,308,540	0	372,486	1,372,486
24	58	0	700	-700	0	323,632	1,000,000	1,323,632	0	398,591	1,398,591
25	59	0	700	-700	0	339,498	1,000,000	1,339,498	0	426,386	1,426,386
26	60	0	700	-700	0	356,179	1,000,000	1,356,179	0	455,965	1,455,965
27	61	0	700	-700	0	373,717	1,000,000	1,373,717	0	487,451	1,487,451
28	62	0	700	-700	0	392,157	1,000,000	1,392,157	0	520,949	1,520,949
29	63	0	700	-700	0	411,545	1,000,000	1,411,545	0	556,576	1,556,576
30	64	0	700	-700	0	431,929	1,000,000	1,431,929	0	594,457	1,594,457
		113,765	21,000	92,765	0				0		

Management fees reflected in column (5): 0.50%

*See the accompanying reports entitled "Equity Account Details" and "Portfolio Turnover Details" for year-by-year equity calculation and turnover details.

**This illustration assumes the nonguaranteed values shown 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

	Term/Equity Account	Indexed UL
After Tax Payments	113,765	113,765
After Tax Cash Flow	0	0
Living Values	431,929	594,457
Death Benefit	1,431,929	1,594,457

Indexed Universal Life vs. Term Insurance and an Equity Account

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Insured: Laura Lake Johnson

Comparison

		Equity Account Growth 7.50%			Income Tax Rate 35.00%	Indexed UL Interest Rate 7.50%	Initial Death Benefit 1,000,000				
		Payment Allocation			1,000,000 Scheduled Term Insurance Along with an Equity Account*				Indexed UL		
Year	Female Age	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Equity Account (1) - (2)	(4) After Tax Cash Flow from the Account	(5) Year End Equity Account Value	(6) Scheduled Term Death Benefit	(7) Combined Death Benefit (5) + (6)	(8) After Tax Policy Loan Proceeds	(9) Year End Cash Value**	(10) Death Benefit
31	65	0	0	0	50,543	398,153	0	398,153	50,543	574,799	946,930
32	66	0	0	0	52,326	360,666	0	360,666	52,326	554,935	889,334
33	67	0	0	0	54,163	319,218	0	319,218	54,163	535,008	826,929
34	68	0	0	0	56,055	273,543	0	273,543	56,055	515,177	759,417
35	69	0	0	0	58,004	223,361	0	223,361	58,004	495,631	686,484
36	70	0	0	0	60,011	168,376	0	168,376	60,011	476,607	607,797
37	71	0	0	0	62,079	108,275	0	108,275	62,079	458,390	579,990
38	72	0	0	0	64,208	42,725	0	42,725	64,208	441,060	552,085
39	73	0	0	0	40,558	0	0	0	66,401	424,685	522,883
40	74	0	0	0	0	0	0	0	68,660	409,546	492,241
41	75	0	0	0	0	0	0	0	70,987	395,972	460,017
42	76	0	0	0	0	0	0	0	73,384	384,016	453,529
43	77	0	0	0	0	0	0	0	75,853	373,972	449,480
44	78	0	0	0	0	0	0	0	78,395	366,156	448,230
45	79	0	0	0	0	0	0	0	81,014	360,917	450,171
46	80	0	0	0	0	0	0	0	83,712	358,631	455,726
47	81	0	0	0	0	0	0	0	86,490	359,705	465,352
48	82	0	0	0	0	0	0	0	89,352	364,578	479,542
49	83	0	0	0	0	0	0	0	92,300	373,719	498,824
50	84	0	0	0	0	0	0	0	95,336	387,647	523,773
51	85	0	0	0	0	0	0	0	98,463	366,876	512,971
52	86	0	0	0	0	0	0	0	98,463	349,093	505,855
53	87	0	0	0	0	0	0	0	98,463	334,616	502,790
54	88	0	0	0	0	0	0	0	98,463	323,790	504,163
55	89	0	0	0	0	0	0	0	98,463	316,953	510,363
56	90	0	0	0	0	0	0	0	98,463	314,268	521,591
57	91	0	0	0	0	0	0	0	98,463	318,886	496,729
58	92	0	0	0	0	0	0	0	98,463	332,389	475,469
59	93	0	0	0	0	0	0	0	98,463	356,763	459,141
60	94	0	0	0	0	0	0	0	98,463	394,530	449,512
		113,765	21,000	92,765	497,947				2,403,903		

Management fees reflected in column (5): 0.50%

*See the accompanying reports entitled "Equity Account Details" and "Portfolio Turnover Details" for year-by-year equity calculation and turnover details.

**This illustration assumes the nonguaranteed values shown 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.

60 Year Summary

	Term/Equity Account	Indexed UL
After Tax Payments	113,765	113,765
After Tax Cash Flow	497,947	2,403,903
Living Values	0	394,530
Death Benefit	0	449,512

Indexed Universal Life vs. Term Insurance and an Equity Account

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

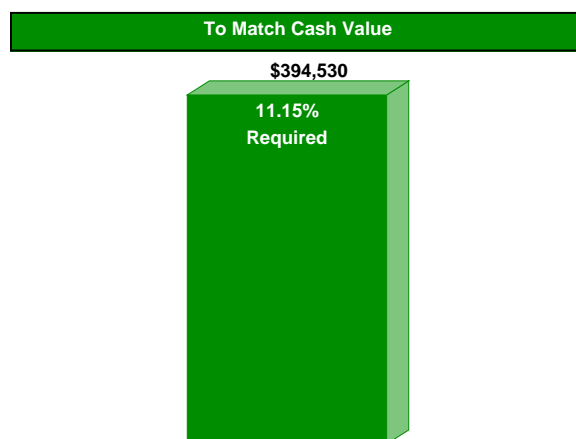
Insured: Laura Lake Johnson

Matching Values

Equity Account Growth	Income Tax Rate	Indexed UL Interest Rate	Initial Death Benefit
7.50%	35.00%	7.50%	1,000,000

Growth Required on an Equity Account to Match Indexed Universal Life Policy Values over 60 Years After Applying the Term Payment Illustrated

	Growth Required
To Match Cash Value of: \$394,530	11.15%



Income Tax Considerations

1. Equity Account: Capital gains tax calculations are taxed based on a ratio of asset value to remaining cost basis in any given year.
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) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

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Indexed Universal Life vs. Term Insurance and an Equity Account

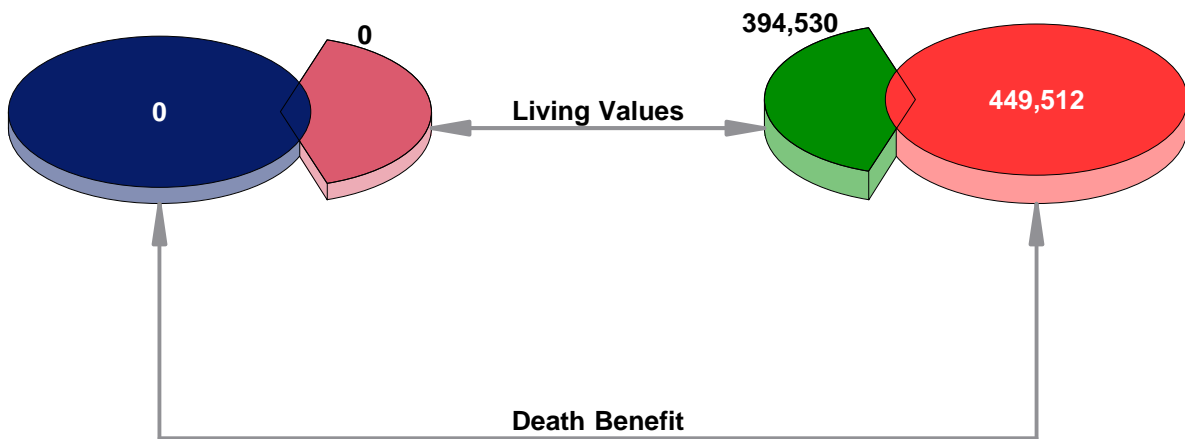
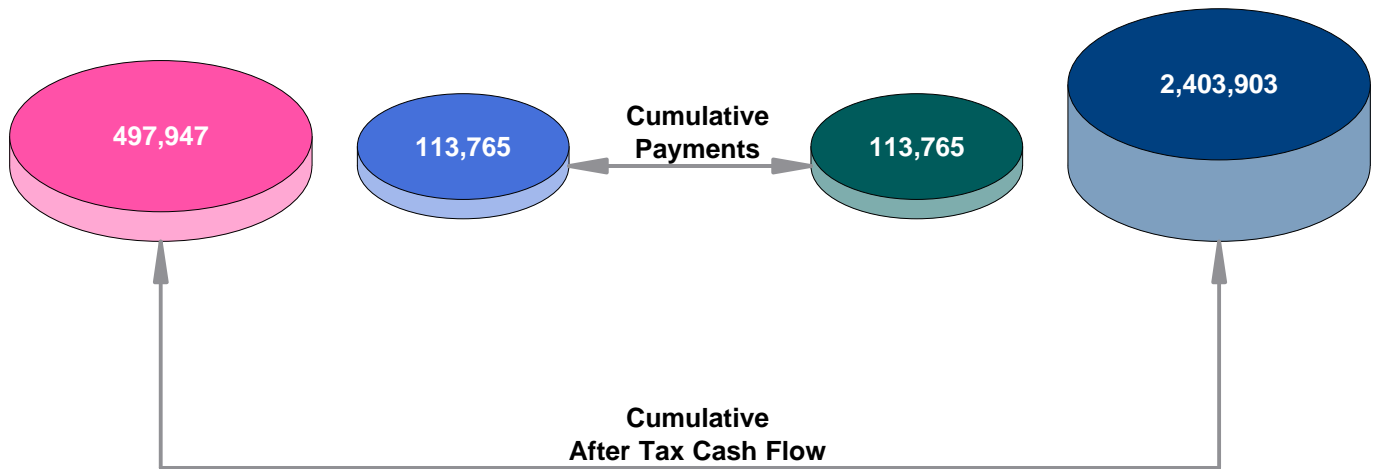
Presented By: [Licensed user's name appears here]

Insured: Laura Lake Johnson

A Look at Year 60

Term Insurance and an Equity Account

Indexed Universal Life

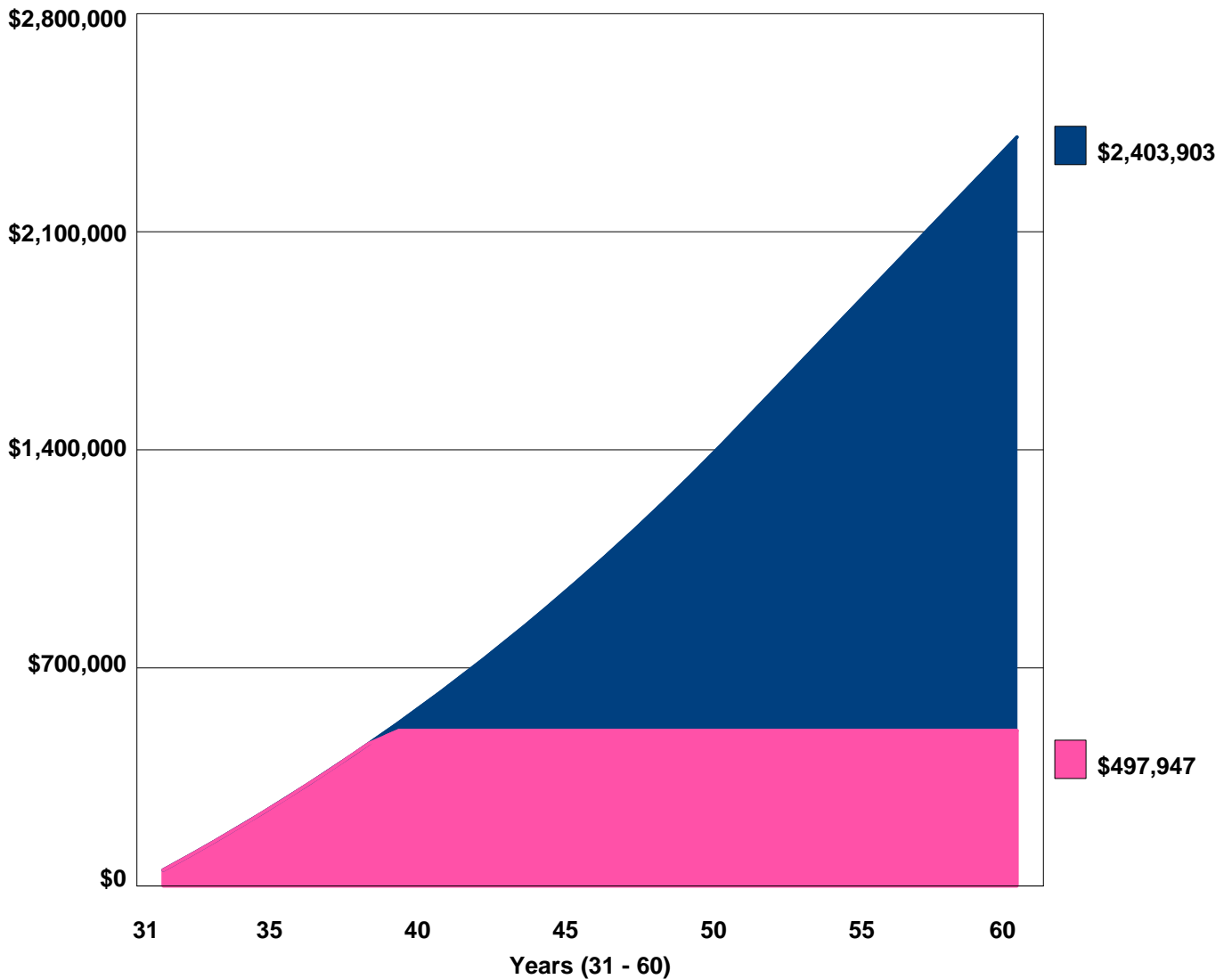


Indexed Universal Life vs. Term Insurance and an Equity Account

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Insured: Laura Lake Johnson

Cash Flow Comparison of Years 31 - 60



At Year 60

Cumulative After Tax Cash Flow - Equity Account \$497,947

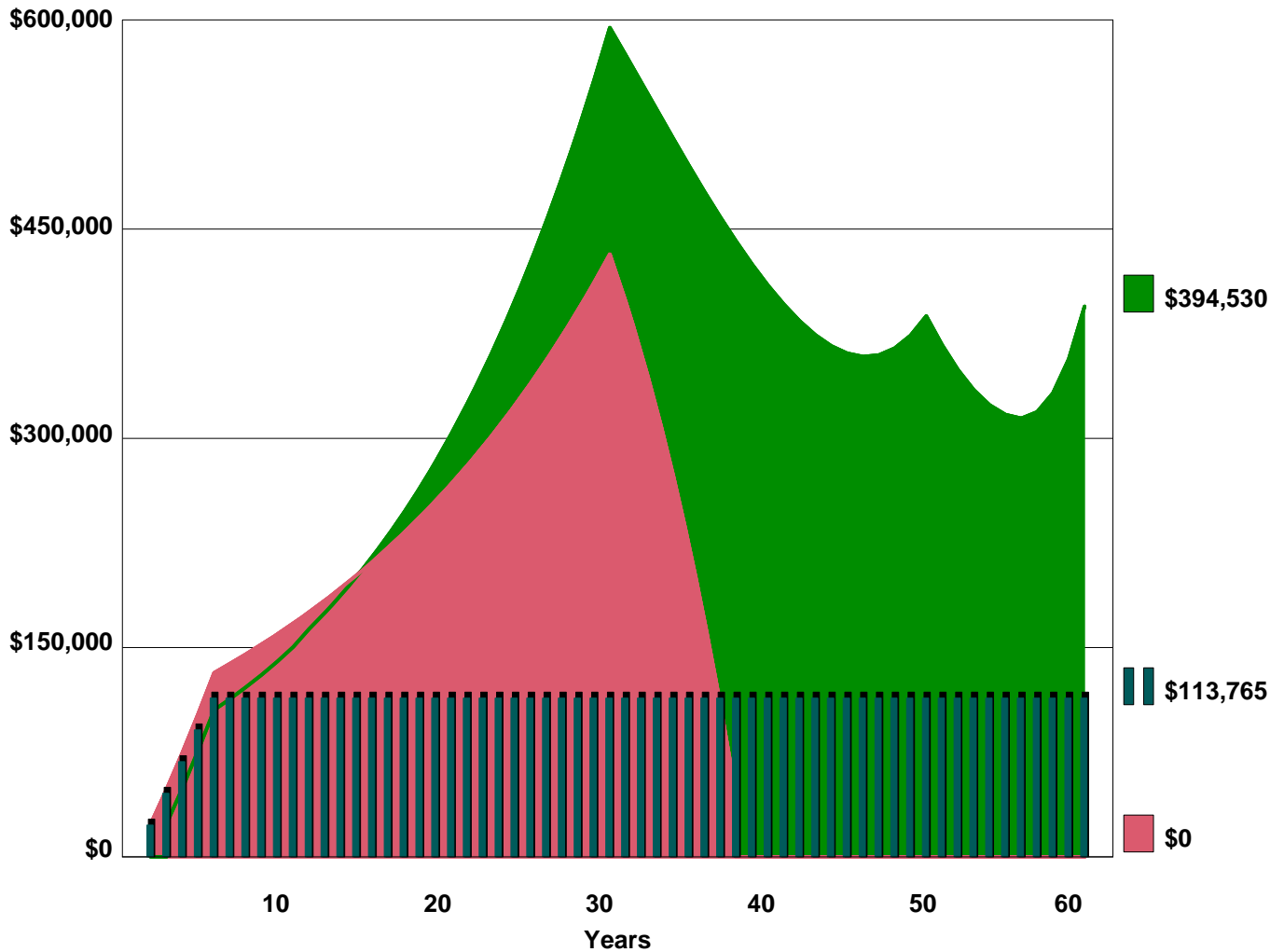
Cumulative After Tax Policy Cash Flow - Indexed UL \$2,403,903

Indexed Universal Life vs. Term Insurance and an Equity Account

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Insured: Laura Lake Johnson

60 Year Analysis



	At Year 60
Payments (Cumulative)	\$113,765
Equity Account Values	\$0
Indexed UL Cash Values	\$394,530

Indexed Universal Life vs. Term Insurance and an Equity Account

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Insured: Laura Lake Johnson

Equity Account Details

Equity Account Growth 7.50%
 Income Tax Rate 35.00%
 Composite Capital Gains Tax Rate* 30.00%
 Turnover Assumption 25.00%

Yr	Age	(1) Beginning of Year Account Value	(2) Annual Deposit	(3) Sale of Equities	(4) Capital Growth	(5) After Tax Reinvested Dividends	(6) Year End Value of Account Before Turnover	(7)** Year End Value of Account After Turnover	(8) After Tax Dividend Cash Flow	(9) After Tax Cash Flow from Equity Sales	(10) Combined After Tax Cash Flow
1	35	0	22,053	0	1,654	0	23,707	23,465	0	0	0
2	36	23,465	22,053	0	3,414	0	48,932	48,349	0	0	0
3	37	48,349	22,053	0	5,280	0	75,682	74,674	0	0	0
4	38	74,674	22,053	0	7,255	0	103,982	102,477	0	0	0
5	39	102,477	22,053	0	9,340	0	133,870	131,803	0	0	0
6	40	131,803	0	722	9,831	0	140,912	138,480	0	700	700
7	41	138,480	0	726	10,332	0	148,086	145,337	0	700	700
8	42	145,337	0	729	10,846	0	155,454	152,424	0	700	700
9	43	152,424	0	732	11,377	0	163,069	159,780	0	700	700
10	44	159,780	0	733	11,929	0	170,976	167,444	0	700	700
11	45	167,444	0	734	12,503	0	179,213	175,447	0	700	700
12	46	175,447	0	735	13,103	0	187,815	183,821	0	700	700
13	47	183,821	0	736	13,731	0	196,816	192,593	0	700	700
14	48	192,593	0	736	14,389	0	206,246	201,793	0	700	700
15	49	201,793	0	737	15,079	0	216,135	211,448	0	700	700
16	50	211,448	0	737	15,803	0	226,514	221,586	0	700	700
17	51	221,586	0	737	16,564	0	237,413	232,235	0	700	700
18	52	232,235	0	737	17,362	0	248,860	243,424	0	700	700
19	53	243,424	0	737	18,202	0	260,889	255,182	0	700	700
20	54	255,182	0	737	19,083	0	273,528	267,540	0	700	700
21	55	267,540	0	737	20,010	0	286,813	280,530	0	700	700
22	56	280,530	0	737	20,984	0	300,777	294,184	0	700	700
23	57	294,184	0	737	22,009	0	315,456	308,540	0	700	700
24	58	308,540	0	737	23,085	0	330,888	323,632	0	700	700
25	59	323,632	0	737	24,217	0	347,112	339,498	0	700	700
26	60	339,498	0	737	25,407	0	364,168	356,179	0	700	700
27	61	356,179	0	737	26,658	0	382,100	373,717	0	700	700
28	62	373,717	0	737	27,974	0	400,954	392,157	0	700	700
29	63	392,157	0	737	29,357	0	420,777	411,545	0	700	700
30	64	411,545	0	737	30,811	0	441,619	431,929	0	700	700
			110,265	18,375	487,589	0			0	17,500	17,500

*The composite capital gains tax rate includes 50.00% short-term gains subject to ordinary income tax and 50.00% long-term gains subject to capital gains tax. The individual tax rates used to create the composite tax rate are:

Capital Gains Tax: 25.00%
 Income Tax: 35.00%

**Column (7) is reduced by a 0.50% management fee.

(To review turnover calculations, see the Portfolio Turnover Details report.)

Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

Indexed Universal Life vs. Term Insurance and an Equity Account

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

Insured: Laura Lake Johnson

Equity Account Details

Equity Account Growth 7.50%
 Income Tax Rate 35.00%
 Composite Capital Gains Tax Rate* 30.00%
 Turnover Assumption 25.00%

Yr	Age	(1) Beginning of Year Account Value	(2) Annual Deposit	(3) Sale of Equities	(4) Capital Growth	(5) After Tax Reinvested Dividends	(6) Year End Value of Account Before Turnover	(7)** Year End Value of Account After Turnover	(8) After Tax Dividend Cash Flow	(9) After Tax Cash Flow from Equity Sales	(10) Combined After Tax Cash Flow
31	65	431,929	0	53,244	28,401	0	407,086	398,153	0	50,543	50,543
32	66	398,153	0	55,122	25,727	0	368,758	360,666	0	52,326	52,326
33	67	360,666	0	57,057	22,771	0	326,380	319,218	0	54,163	54,163
34	68	319,218	0	59,050	19,513	0	279,681	273,543	0	56,055	56,055
35	69	273,543	0	61,104	15,933	0	228,372	223,361	0	58,004	58,004
36	70	223,361	0	63,218	12,011	0	172,154	168,376	0	60,011	60,011
37	71	168,376	0	65,396	7,724	0	110,704	108,275	0	62,079	62,079
38	72	108,275	0	67,639	3,048	0	43,684	42,725	0	64,208	64,208
39	73	42,725	0	42,725	0	0	0	0	0	40,558	40,558
40	74	0	0	0	0	0	0	0	0	0	0
41	75	0	0	0	0	0	0	0	0	0	0
42	76	0	0	0	0	0	0	0	0	0	0
43	77	0	0	0	0	0	0	0	0	0	0
44	78	0	0	0	0	0	0	0	0	0	0
45	79	0	0	0	0	0	0	0	0	0	0
46	80	0	0	0	0	0	0	0	0	0	0
47	81	0	0	0	0	0	0	0	0	0	0
48	82	0	0	0	0	0	0	0	0	0	0
49	83	0	0	0	0	0	0	0	0	0	0
50	84	0	0	0	0	0	0	0	0	0	0
51	85	0	0	0	0	0	0	0	0	0	0
52	86	0	0	0	0	0	0	0	0	0	0
53	87	0	0	0	0	0	0	0	0	0	0
54	88	0	0	0	0	0	0	0	0	0	0
55	89	0	0	0	0	0	0	0	0	0	0
56	90	0	0	0	0	0	0	0	0	0	0
57	91	0	0	0	0	0	0	0	0	0	0
58	92	0	0	0	0	0	0	0	0	0	0
59	93	0	0	0	0	0	0	0	0	0	0
60	94	0	0	0	0	0	0	0	0	0	0
			110,265	542,930	622,717	0			0	515,447	515,447

*The composite capital gains tax rate includes 50.00% short-term gains subject to ordinary income tax and 50.00% long-term gains subject to capital gains tax. The individual tax rates used to create the composite tax rate are:

Capital Gains Tax: 25.00%
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(To review turnover calculations, see the Portfolio Turnover Details report.)

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Insured: Laura Lake Johnson

Portfolio Turnover Details

Income Tax Rate 35.00% Composite Capital Gains Tax Rate* 30.00% Turnover Assumption 25.00%

Yr	Age	(1) Beginning of Year Cost Basis	(2) Annual Deposit to the Account	(3) Sale of Equities to Fund Cash Flow	(4) Capital Growth	(5) After Tax Reinvested Dividends	(6) Account Value Before Turnover	(7) Adjusted Cost Basis	(8) Sale of Equities Caused by Turnover	(9) Cost Basis Used by Turnover	(10) After Tax Reinvested Turnover	(11)** Year End Value of Account After Turnover
1	35	0	22,053	0	1,654	0	23,707	22,053	5,927	5,513	5,803	23,465
2	36	22,342	22,053	0	3,414	0	48,932	44,395	12,233	11,099	11,893	48,349
3	37	45,189	22,053	0	5,280	0	75,682	67,242	18,921	16,811	18,288	74,674
4	38	68,719	22,053	0	7,255	0	103,982	90,772	25,996	22,693	25,005	102,477
5	39	93,084	22,053	0	9,340	0	133,870	115,137	33,468	28,784	32,063	131,803
6	40	118,415	0	722	9,831	0	140,912	117,767	35,228	29,442	33,492	138,480
7	41	121,817	0	726	10,332	0	148,086	121,179	37,022	30,295	35,003	145,337
8	42	125,887	0	729	10,846	0	155,454	125,255	38,864	31,314	36,599	152,424
9	43	130,540	0	732	11,377	0	163,069	129,913	40,767	32,478	38,281	159,780
10	44	135,716	0	733	11,929	0	170,976	135,093	42,744	33,773	40,053	167,444
11	45	141,373	0	734	12,503	0	179,213	140,753	44,803	35,188	41,919	175,447
12	46	147,483	0	735	13,103	0	187,815	146,865	46,954	36,716	43,883	183,821
13	47	154,032	0	736	13,731	0	196,816	153,415	49,204	38,354	45,949	192,593
14	48	161,010	0	736	14,389	0	206,246	160,395	51,562	40,099	48,123	201,793
15	49	168,419	0	737	15,079	0	216,135	167,804	54,034	41,951	50,409	211,448
16	50	176,262	0	737	15,803	0	226,514	175,647	56,629	43,912	52,814	221,586
17	51	184,549	0	737	16,564	0	237,413	183,936	59,353	45,984	55,342	232,235
18	52	193,294	0	737	17,362	0	248,860	192,680	62,215	48,170	58,002	243,424
19	53	202,512	0	737	18,202	0	260,889	201,899	65,222	50,475	60,798	255,182
20	54	212,222	0	737	19,083	0	273,528	211,609	68,382	52,902	63,738	267,540
21	55	222,445	0	737	20,010	0	286,813	221,832	71,703	55,458	66,830	280,530
22	56	233,204	0	737	20,984	0	300,777	232,591	75,194	58,148	70,080	294,184
23	57	244,524	0	737	22,009	0	315,456	243,911	78,864	60,978	73,498	308,540
24	58	256,431	0	737	23,085	0	330,888	255,819	82,722	63,955	77,092	323,632
25	59	268,956	0	737	24,217	0	347,112	268,344	86,778	67,086	80,870	339,498
26	60	282,128	0	737	25,407	0	364,168	281,516	91,042	70,379	84,843	356,179
27	61	295,980	0	737	26,658	0	382,100	295,367	95,525	73,842	89,020	373,717
28	62	310,545	0	737	27,974	0	400,954	309,933	100,239	77,483	93,412	392,157
29	63	325,862	0	737	29,357	0	420,777	325,249	105,194	81,312	98,030	411,545
30	64	341,967	0	737	30,811	0	441,619	341,354	110,405	85,339	102,885	431,929
		110,265										

*The composite capital gains tax rate includes 50.00% short-term gains subject to ordinary income tax and 50.00% long-term gains subject to capital gains tax. The individual tax rates used to create the composite tax rate are:

Capital Gains Tax: 25.00%
Income Tax: 35.00%

**Column (11) is reduced by a 0.50% management fee.

Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

Indexed Universal Life vs. Term Insurance and an Equity Account

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

Insured: Laura Lake Johnson

Portfolio Turnover Details

				Income Tax Rate 35.00%	Composite Capital Gains Tax Rate* 30.00%	Turnover Assumption 25.00%						
Yr	Age	(1) Beginning of Year Cost Basis	(2) Annual Deposit to the Account	(3) Sale of Equities to Fund Cash Flow	(4) Capital Growth	(5) After Tax Reinvested Dividends	(6) Account Value Before Turnover	(7) Adjusted Cost Basis	(8) Sale of Equities Caused by Turnover	(9) Cost Basis Used by Turnover	(10) After Tax Reinvested Turnover	(11)** Year End Value of Account After Turnover
31	65	358,901	0	53,244	28,401	0	407,086	314,659	101,772	78,665	94,839	398,153
32	66	330,834	0	55,122	25,727	0	368,758	285,032	92,190	71,258	85,910	360,666
33	67	299,684	0	57,057	22,771	0	326,380	252,274	81,595	63,069	76,037	319,218
34	68	265,243	0	59,050	19,513	0	279,681	216,178	69,920	54,044	65,157	273,543
35	69	227,290	0	61,104	15,933	0	228,372	176,518	57,093	44,130	53,204	223,361
36	70	185,593	0	63,218	12,011	0	172,154	133,064	43,039	33,266	40,107	168,376
37	71	139,905	0	65,396	7,724	0	110,704	85,567	27,676	21,392	25,791	108,275
38	72	89,966	0	67,639	3,048	0	43,684	33,765	10,921	8,441	10,177	42,725
39	73	35,500	0	42,725	0	0	0	0	0	0	0	0
40	74	0	0	0	0	0	0	0	0	0	0	0
41	75	0	0	0	0	0	0	0	0	0	0	0
42	76	0	0	0	0	0	0	0	0	0	0	0
43	77	0	0	0	0	0	0	0	0	0	0	0
44	78	0	0	0	0	0	0	0	0	0	0	0
45	79	0	0	0	0	0	0	0	0	0	0	0
46	80	0	0	0	0	0	0	0	0	0	0	0
47	81	0	0	0	0	0	0	0	0	0	0	0
48	82	0	0	0	0	0	0	0	0	0	0	0
49	83	0	0	0	0	0	0	0	0	0	0	0
50	84	0	0	0	0	0	0	0	0	0	0	0
51	85	0	0	0	0	0	0	0	0	0	0	0
52	86	0	0	0	0	0	0	0	0	0	0	0
53	87	0	0	0	0	0	0	0	0	0	0	0
54	88	0	0	0	0	0	0	0	0	0	0	0
55	89	0	0	0	0	0	0	0	0	0	0	0
56	90	0	0	0	0	0	0	0	0	0	0	0
57	91	0	0	0	0	0	0	0	0	0	0	0
58	92	0	0	0	0	0	0	0	0	0	0	0
59	93	0	0	0	0	0	0	0	0	0	0	0
60	94	0	0	0	0	0	0	0	0	0	0	0
		110,265										

*The composite capital gains tax rate includes 50.00% short-term gains subject to ordinary income tax and 50.00% long-term gains subject to capital gains tax. The individual tax rates used to create the composite tax rate are:

Capital Gains Tax: 25.00%
Income Tax: 35.00%

**Column (11) is reduced by a 0.50% management fee.

Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

Taxation of Cash Flow

With equity accounts, dividends are taxed and the after tax balance is either reinvested or used for scheduled cash flow. Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.

With cash value life insurance policies, withdrawals (also known as partial surrenders) are tax free up to cost basis and taxable thereafter. Policy loans are 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.