

Term Insurance and Equities vs. Indexed Universal Life

For: Jack and Amy Hudson



"Success isn't about what you accomplish in your life, it's about what you inspire others to accomplish."

Anonymous

Presented By:

[Licensed user's name appears here]

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

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.

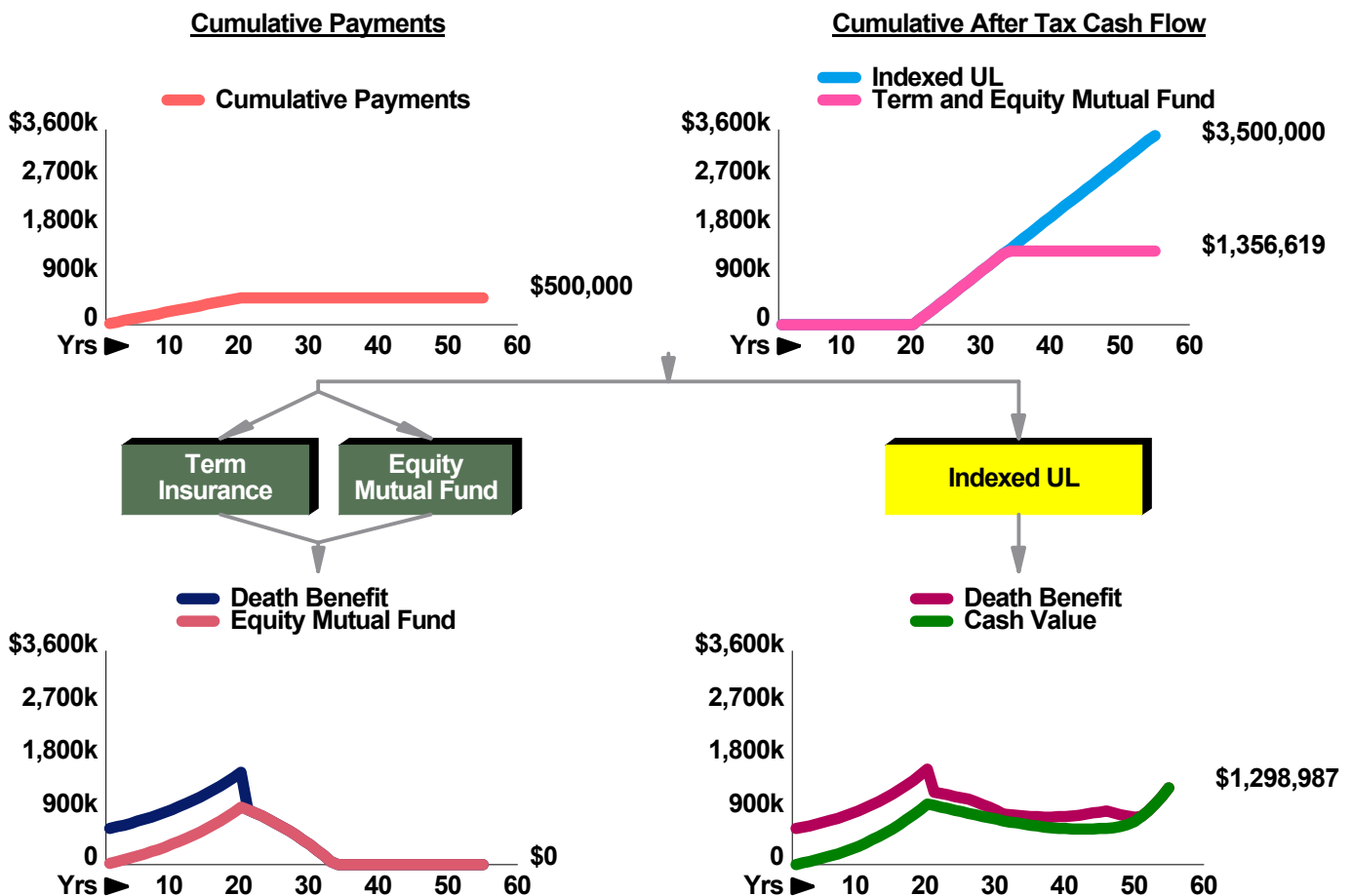
An integrated analysis of these points creates useful information that helps guide your purchasing evaluation. The precision of the conclusions, however, is contingent upon the accuracy of the data utilized. You should be positive that all premises and

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.

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

Comparison of Values

		Equity Mutual Fund Growth 6.90%	Equity Mutual Fund Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 37.00%	Indexed UL Interest Rate 6.90%	Initial Death Benefit 586,790					
		Payment Allocation			586,790 Scheduled Term Insurance Along with Equity Mutual Fund*				Indexed UL			
Yr	Male Age	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Equity Mutual Fund (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 Accum Value**	(10) Year End Cash Value**	(11) Death Benefit
1	45	25,000	600	24,400	0	26,068	586,790	612,858	0	22,156	5,098	608,946
2	46	25,000	600	24,400	0	53,812	586,790	640,602	0	46,058	29,240	632,848
3	47	25,000	600	24,400	0	83,287	586,790	670,077	0	71,856	55,291	658,646
4	48	25,000	600	24,400	0	114,573	586,790	701,363	0	99,701	83,400	686,491
5	49	25,000	600	24,400	0	147,770	586,790	734,560	0	129,755	113,724	716,545
6	50	25,000	600	24,400	0	182,987	586,790	769,777	0	162,195	146,440	748,985
7	51	25,000	600	24,400	0	220,342	586,790	807,132	0	197,208	181,735	783,998
8	52	25,000	600	24,400	0	259,964	586,790	846,754	0	235,000	222,108	821,790
9	53	25,000	600	24,400	0	301,988	586,790	888,778	0	275,791	265,475	862,581
10	54	25,000	600	24,400	0	346,562	586,790	933,352	0	320,897	313,163	907,687
11	55	25,000	600	24,400	0	393,838	586,790	980,628	0	369,576	364,418	956,366
12	56	25,000	600	24,400	0	443,981	586,790	1,030,771	0	422,107	419,531	1,008,897
13	57	25,000	600	24,400	0	497,165	586,790	1,083,955	0	478,788	478,788	1,065,578
14	58	25,000	600	24,400	0	553,573	586,790	1,140,363	0	539,964	539,964	1,126,754
15	59	25,000	600	24,400	0	613,403	586,790	1,200,193	0	605,996	605,996	1,192,786
16	60	25,000	600	24,400	0	676,860	586,790	1,263,650	0	678,238	678,238	1,265,028
17	61	25,000	600	24,400	0	744,165	586,790	1,330,955	0	755,956	755,956	1,342,746
18	62	25,000	600	24,400	0	815,551	586,790	1,402,341	0	839,556	839,556	1,426,346
19	63	25,000	600	24,400	0	891,266	586,790	1,478,056	0	929,480	929,480	1,516,270
20	64	25,000	600	24,400	0	971,572	586,790	1,558,362	0	1,026,199	1,026,199	1,612,989
21	65	0	0	0	100,000	924,057	0	924,057	100,000	1,105,321	1,000,321	1,221,385
22	66	0	0	0	100,000	873,362	0	873,362	100,000	1,189,410	974,160	1,200,147
23	67	0	0	0	100,000	819,425	0	819,425	100,000	1,278,787	947,775	1,177,957
24	68	0	0	0	100,000	762,107	0	762,107	100,000	1,373,793	921,230	1,154,775
25	69	0	0	0	100,000	701,230	0	701,230	100,000	1,474,802	894,610	1,130,579
26	70	0	0	0	100,000	636,588	0	636,588	100,000	1,582,232	868,031	1,105,366
27	71	0	0	0	100,000	567,954	0	567,954	100,000	1,696,679	841,768	1,062,336
28	72	0	0	0	100,000	495,086	0	495,086	100,000	1,818,665	816,008	1,016,061
29	73	0	0	0	100,000	417,724	0	417,724	100,000	1,948,787	790,998	966,388
30	74	0	0	0	100,000	335,592	0	335,592	100,000	2,087,712	767,034	913,173
		500,000	12,000	488,000	1,000,000				1,000,000			

Management fees reflected in column (5): 0.50%

30 Year Summary

*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 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.

	Term/Equity Mutual Fund	Indexed UL
After Tax Payments	500,000	500,000
After Tax Cash Flow	1,000,000	1,000,000
Living Values	335,592	767,034
Death Benefit	335,592	913,173

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

Comparison of Values

		Equity Mutual Fund Growth 6.90%	Equity Mutual Fund Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 37.00%	Indexed UL Interest Rate 6.90%	Initial Death Benefit 586,790					
		Payment Allocation			586,790 Scheduled Term Insurance Along with Equity Mutual Fund*				Indexed UL			
Yr	Male Age	(1) Cost of the Proposed Premium	(2) Alternative Term Policy Premium	(3) Net to Equity Mutual Fund (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 Accum Value**	(10) Year End Cash Value**	(11) Death Benefit
31	75	0	0	0	100,000	248,395	0	248,395	100,000	2,236,190	744,477	856,286
32	76	0	0	0	100,000	155,820	0	155,820	100,000	2,394,276	722,978	842,691
33	77	0	0	0	100,000	57,538	0	57,538	100,000	2,562,587	702,724	830,853
34	78	0	0	0	56,619	0	0	0	100,000	2,741,769	683,912	821,001
35	79	0	0	0	0	0	0	0	100,000	2,932,510	666,761	813,386
36	80	0	0	0	0	0	0	0	100,000	3,135,502	651,465	808,240
37	81	0	0	0	0	0	0	0	100,000	3,351,399	638,160	805,730
38	82	0	0	0	0	0	0	0	100,000	3,580,945	627,045	806,092
39	83	0	0	0	0	0	0	0	100,000	3,824,896	618,300	809,545
40	84	0	0	0	0	0	0	0	100,000	4,083,789	611,864	816,053
41	85	0	0	0	0	0	0	0	100,000	4,358,136	607,615	825,522
42	86	0	0	0	0	0	0	0	100,000	4,648,685	605,637	838,072
43	87	0	0	0	0	0	0	0	100,000	4,955,954	605,754	853,552
44	88	0	0	0	0	0	0	0	100,000	5,280,160	607,451	871,459
45	89	0	0	0	0	0	0	0	100,000	5,621,514	610,168	891,244
46	90	0	0	0	0	0	0	0	100,000	5,979,971	613,058	912,057
47	91	0	0	0	0	0	0	0	100,000	6,363,158	622,900	877,426
48	92	0	0	0	0	0	0	0	100,000	6,774,977	642,706	845,955
49	93	0	0	0	0	0	0	0	100,000	7,220,641	676,756	821,169
50	94	0	0	0	0	0	0	0	100,000	7,706,770	730,691	807,759
51	95	0	0	0	0	0	0	0	100,000	8,241,309	811,426	811,426
52	96	0	0	0	0	0	0	0	100,000	8,813,332	906,955	906,955
53	97	0	0	0	0	0	0	0	100,000	9,425,567	1,018,871	1,018,871
54	98	0	0	0	0	0	0	0	100,000	10,080,945	1,148,915	1,148,915
55	99	0	0	0	0	0	0	0	100,000	10,782,619	1,298,987	1,298,987
		500,000	12,000	488,000	1,356,619				3,500,000			

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 continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

55 Year Summary

	Term/Equity Mutual Fund	Indexed UL
After Tax Payments	500,000	500,000
After Tax Cash Flow	1,356,619	3,500,000
Living Values	0	1,298,987
Death Benefit	0	1,298,987

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

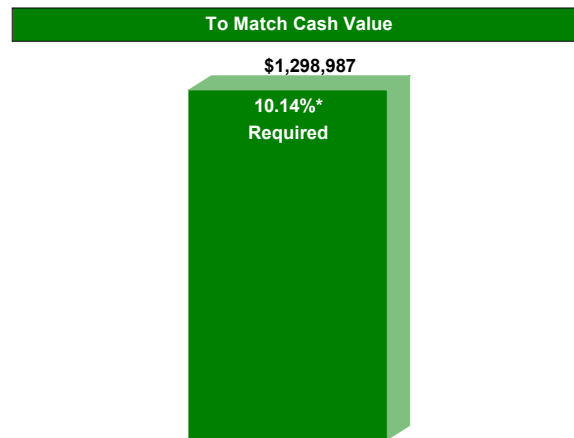
Insured: Jack Hudson

Matching Values at Age 99 (Year 55)

Equity Mutual Fund Growth	Equity Mutual Fund Dividend	Dividend Tax Rate	Income Tax Rate	Indexed UL Interest Rate	Initial Death Benefit
6.90%	2.00%	25.00%	37.00%	6.90%	586,790

Growth Required on Equity Mutual Fund in Addition to the Dividend Illustrated to Match Indexed Universal Life Policy Values over 55 Years After Applying the Term Payment Illustrated

To match Cash Value of: \$1,298,987	Growth Required (Plus 2.00% Dividend) 10.14%
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*Plus 2.00% dividend.

Income Tax Considerations

1. Equity Mutual Fund: 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(A)) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

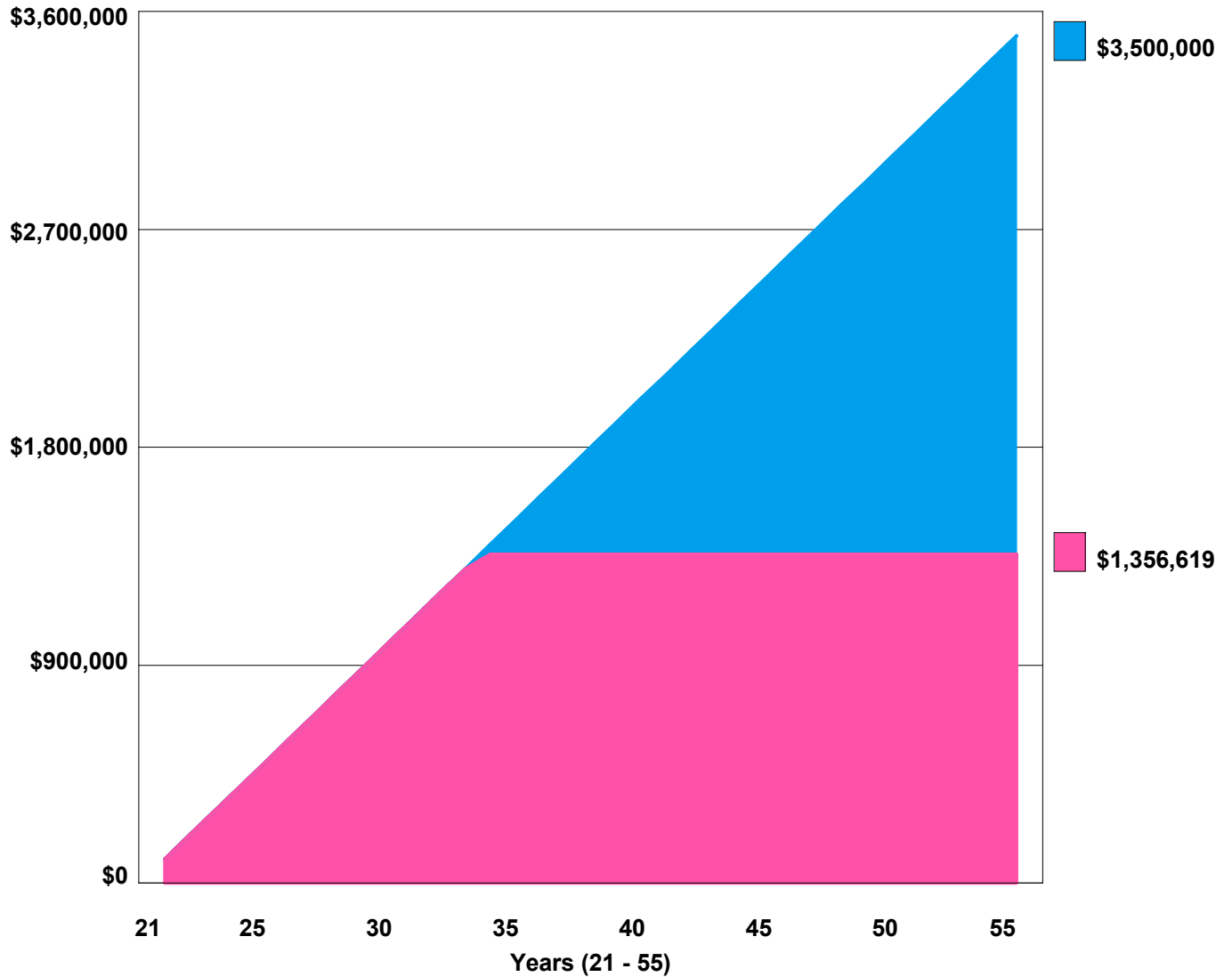
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Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

Cash Flow Comparison of Years 21 - 55



At Year 55

Cumulative After Tax Cash Flow - Equity Mutual Fund ■ \$1,356,619

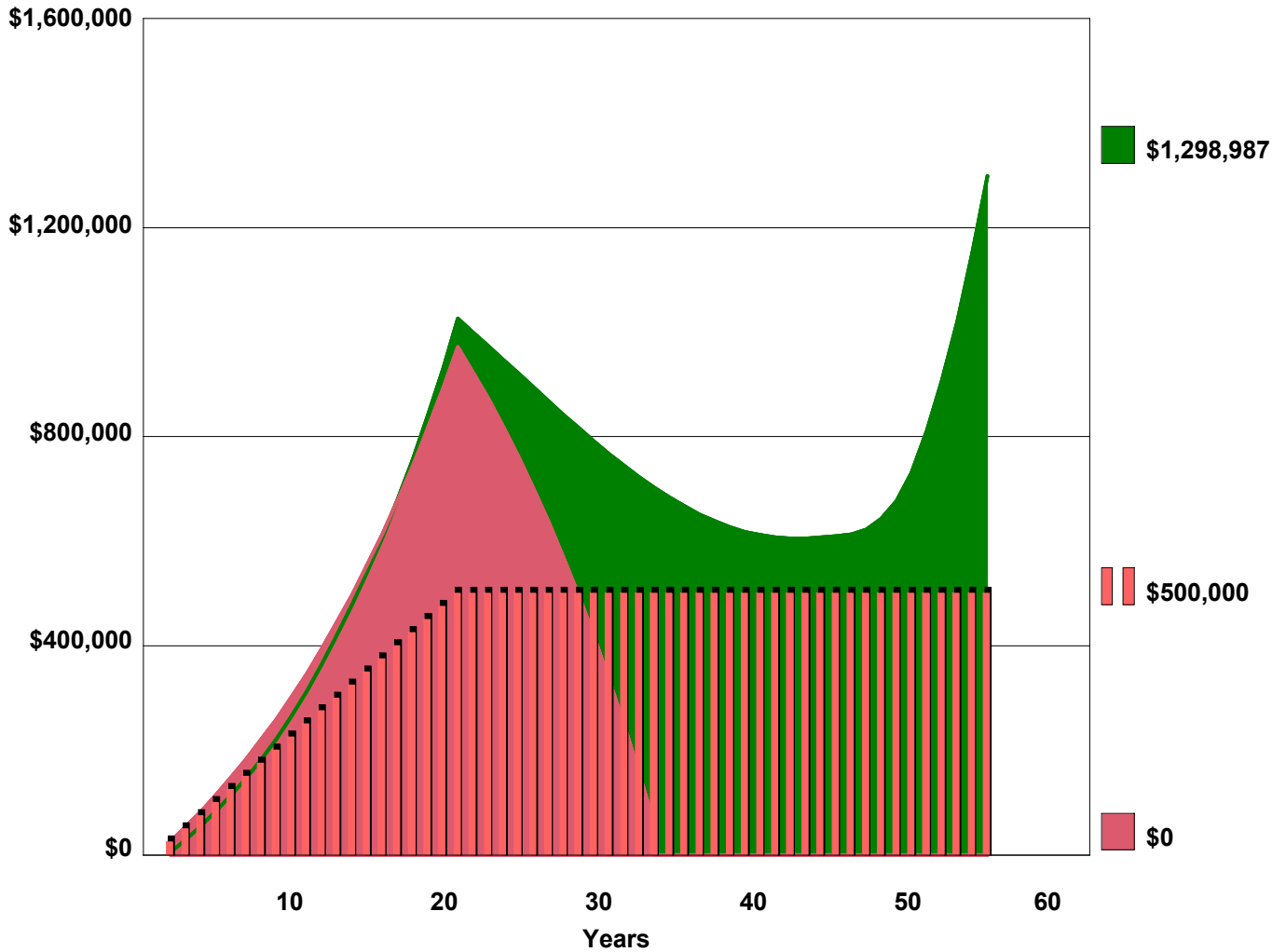
Cumulative After Tax Policy Cash Flow - Indexed UL ■ \$3,500,000

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

55 Year Analysis



At Year 55

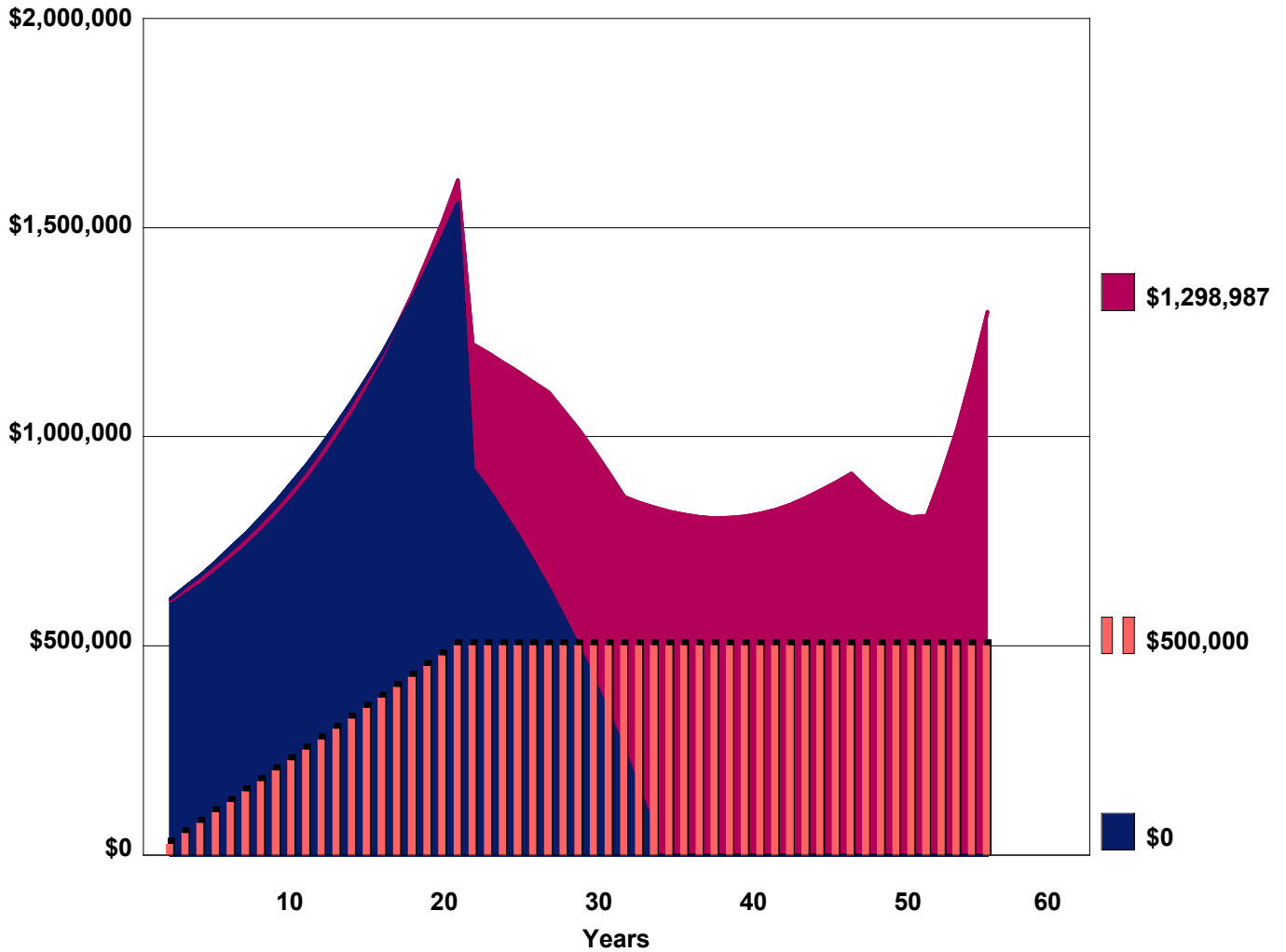
Payments (Cumulative)	\$500,000
Equity Mutual Fund Values	\$0
Indexed UL Cash Values	\$1,298,987

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

55 Year Analysis



At Year 55

Payments (Cumulative)	\$500,000
Term Plus Equity Mutual Fund Death Benefit	\$0
Indexed UL Policy Death Benefit	\$1,298,987

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

Comparison of Plan Costs

		Equity Mutual Fund Growth 6.90%	Equity Mutual Fund Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 37.00%	Composite Capital Gains Tax Rate 29.80%	Portfolio Turnover 50.00%	Indexed UL Interest Rate 6.90%	
		Term and Equity Mutual Fund						Indexed UL*	
Year	Male Age	(1) Policy Premium	(2) Term Insurance Cost	(3) Mgmt Fee	(4) Taxes	(5) Term & Equity Mutual Fund Annual Costs	(6) Term & Equity Mutual Fund Cumulative Total Costs	(7) Policy Total Annual Costs	(8) Policy Cumulative Total Costs
1	45	25,000	600	130	373	1,103	1,103	4,559	4,559
2	46	25,000	600	269	877	1,746	2,849	4,571	9,130
3	47	25,000	600	416	1,467	2,483	5,333	4,571	13,701
4	48	25,000	600	573	2,121	3,294	8,627	4,571	18,272
5	49	25,000	600	739	2,829	4,168	12,795	4,571	22,843
6	50	25,000	600	915	3,588	5,103	17,897	4,571	27,414
7	51	25,000	600	1,102	4,396	6,098	23,995	4,571	31,985
8	52	25,000	600	1,300	5,254	7,154	31,149	4,571	36,556
9	53	25,000	600	1,510	6,166	8,276	39,425	4,571	41,127
10	54	25,000	600	1,733	7,134	9,467	48,892	3,572	44,699
11	55	25,000	600	1,969	8,160	10,729	59,621	3,578	48,277
12	56	25,000	600	2,220	9,249	12,069	71,690	3,588	51,865
13	57	25,000	600	2,486	10,404	13,490	85,180	3,605	55,470
14	58	25,000	600	2,768	11,629	14,997	100,177	3,607	59,077
15	59	25,000	600	3,067	12,928	16,595	116,772	3,607	62,684
16	60	25,000	600	3,384	14,306	18,290	135,062	2,675	65,359
17	61	25,000	600	3,721	15,767	20,088	155,150	2,922	68,281
18	62	25,000	600	4,078	17,318	21,996	177,145	3,196	71,477
19	63	25,000	600	4,456	18,963	24,019	201,165	3,493	74,970
20	64	25,000	600	4,858	20,706	26,164	227,329	3,818	78,788
21	65	0	0	4,620	21,502	26,122	253,451	1,170	79,958
22	66	0	0	4,367	20,639	25,006	278,457	1,334	81,292
23	67	0	0	4,097	19,570	23,667	302,124	1,511	82,803
24	68	0	0	3,811	18,363	22,174	324,297	1,709	84,512
25	69	0	0	3,506	17,047	20,553	344,851	1,915	86,427
26	70	0	0	3,183	15,634	18,817	363,667	2,113	88,540
27	71	0	0	2,840	14,128	16,968	380,635	2,162	90,702
28	72	0	0	2,475	12,526	15,001	395,637	2,175	92,877
29	73	0	0	2,089	10,823	12,912	408,548	2,115	94,992
30	74	0	0	1,678	9,014	10,692	419,240	1,958	96,950
		500,000	12,000	74,360	332,881	419,241		96,950	

30 Year Summary

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

	Cumulative Plan Costs	After Tax Cash Flow	Living Value	Death Benefit
Term & Equity Mutual Fund	419,240	1,000,000	335,592	335,592
Indexed UL	96,950	1,000,000	767,034	913,173

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

Comparison of Plan Costs

		Equity Mutual Fund Growth 6.90%	Equity Mutual Fund Dividend 2.00%	Dividend Tax Rate 25.00%	Income Tax Rate 37.00%	Composite Capital Gains Tax Rate 29.80%	Portfolio Turnover 50.00%	Indexed UL Interest Rate 6.90%		
		Term and Equity Mutual Fund						Indexed UL*		
Year	Male Age	(1) Policy Premium	(2) Term Insurance Cost	(3) Mgmt Fee	(4) Taxes	(5) Term & Equity Mutual Fund Annual Costs	(6) Term & Equity Mutual Fund Cumulative Total Costs	(7) Policy Total Annual Costs	(8) Policy Cumulative Total Costs	
31	75	0	0	1,242	7,095	8,337	427,577	1,672	98,622	
32	76	0	0	779	5,055	5,834	433,411	1,973	100,595	
33	77	0	0	288	2,890	3,178	436,589	2,325	102,920	
34	78	0	0	0	919	919	437,508	2,743	105,663	
35	79	0	0	0	0	0	437,508	3,229	108,892	
36	80	0	0	0	0	0	437,508	3,829	112,721	
37	81	0	0	0	0	0	437,508	4,624	117,345	
38	82	0	0	0	0	0	437,508	5,575	122,920	
39	83	0	0	0	0	0	437,508	6,720	129,640	
40	84	0	0	0	0	0	437,508	8,320	137,960	
41	85	0	0	0	0	0	437,508	10,435	148,395	
42	86	0	0	0	0	0	437,508	12,870	161,265	
43	87	0	0	0	0	0	437,508	15,896	177,161	
44	88	0	0	0	0	0	437,508	19,833	196,994	
45	89	0	0	0	0	0	437,508	24,698	221,692	
46	90	0	0	0	0	0	437,508	30,740	252,432	
47	91	0	0	0	0	0	437,508	30,596	283,028	
48	92	0	0	0	0	0	437,508	28,406	311,434	
49	93	0	0	0	0	0	437,508	23,204	334,638	
50	94	0	0	0	0	0	437,508	14,023	348,661	
51	95	0	0	0	0	0	437,508	90	348,751	
52	96	0	0	0	0	0	437,508	90	348,841	
53	97	0	0	0	0	0	437,508	90	348,931	
54	98	0	0	0	0	0	437,508	90	349,021	
55	99	0	0	0	0	0	437,508	90	349,111	
		500,000	12,000	76,669	348,840	437,509		349,111		

55 Year Summary

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	Cumulative Plan Costs	After Tax Cash Flow	Living Value	Death Benefit
Term & Equity Mutual Fund	437,508	1,356,619	0	0
Indexed UL	349,111	3,500,000	1,298,987	1,298,987

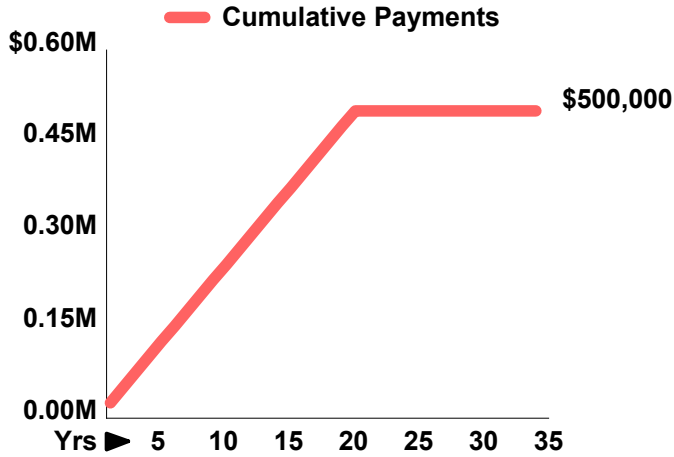
Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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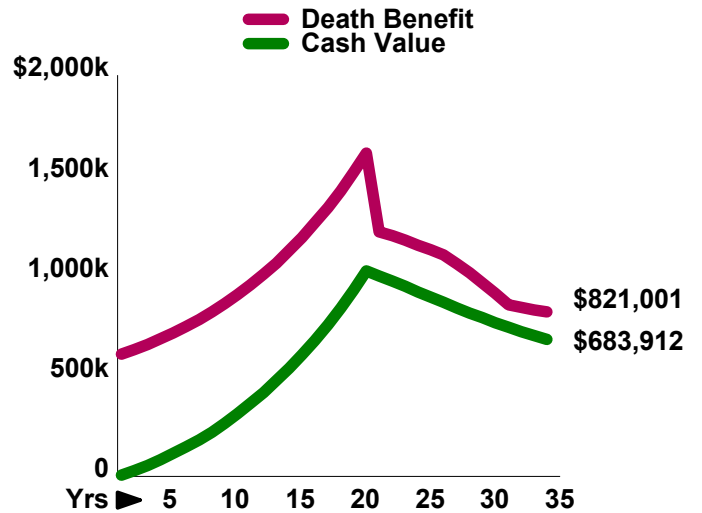
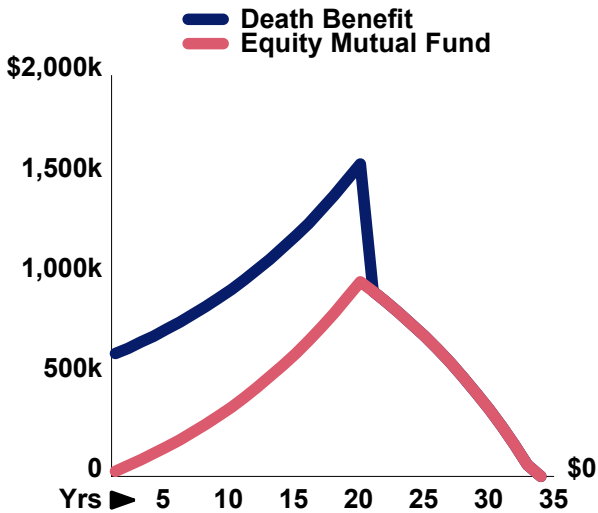
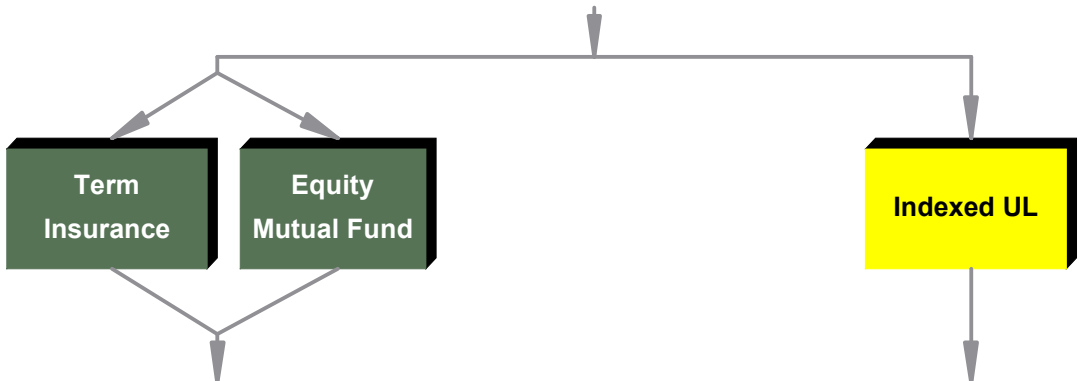
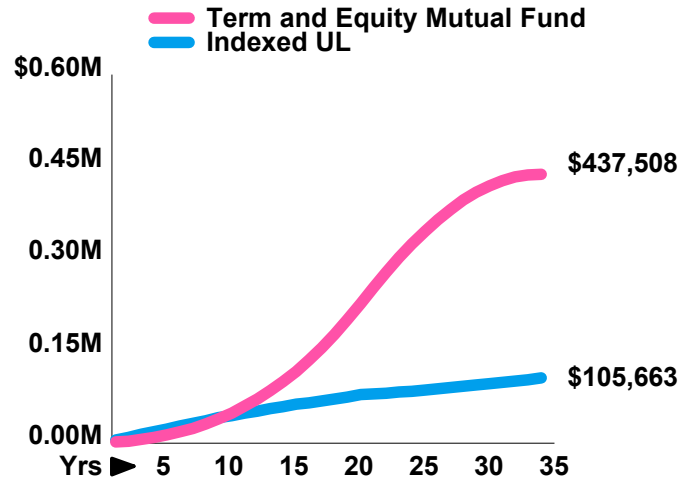
Insured: Jack Hudson

34 Year Analysis of Cumulative Plan Costs

Cumulative Payments



Plan Costs*



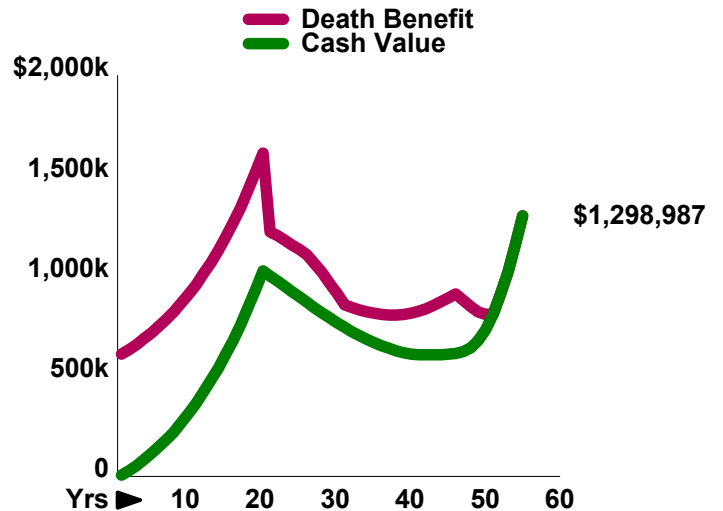
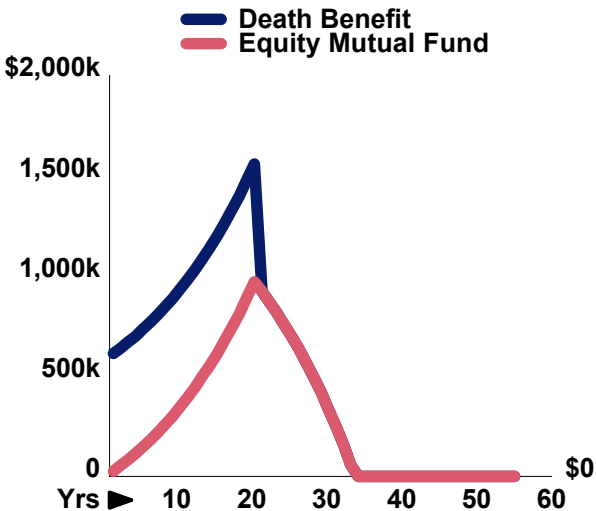
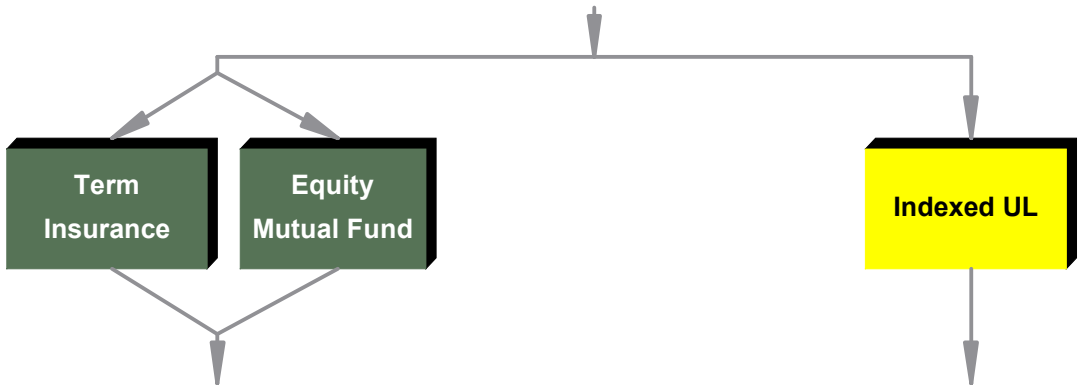
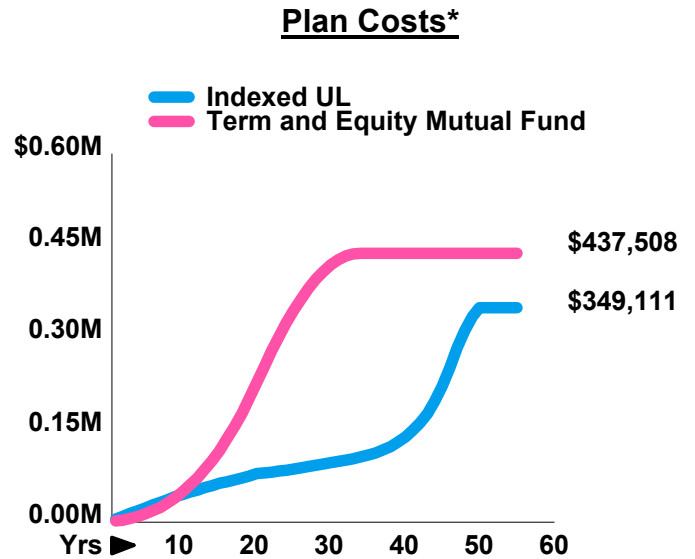
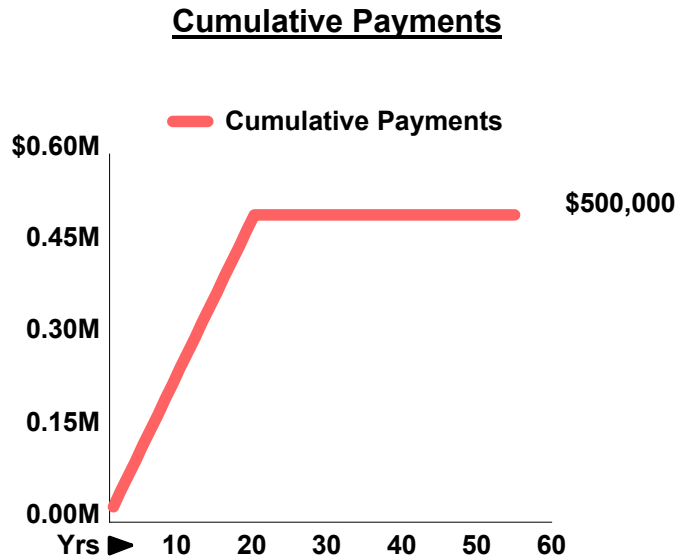
*The Comparison of Plan Costs graphic above compares the management fees and/or taxes of the investment alternative to the mortality charges, policy expenses and income taxes (if applicable) associated with the life insurance policy.

Term Insurance and Equity Mutual Fund vs. Indexed Universal Life

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

Insured: Jack Hudson

55 Year Analysis of Cumulative Plan Costs



*The Comparison of Plan Costs graphic above compares the management fees and/or taxes of the investment alternative to the mortality charges, policy expenses and income taxes (if applicable) associated with the life insurance policy.