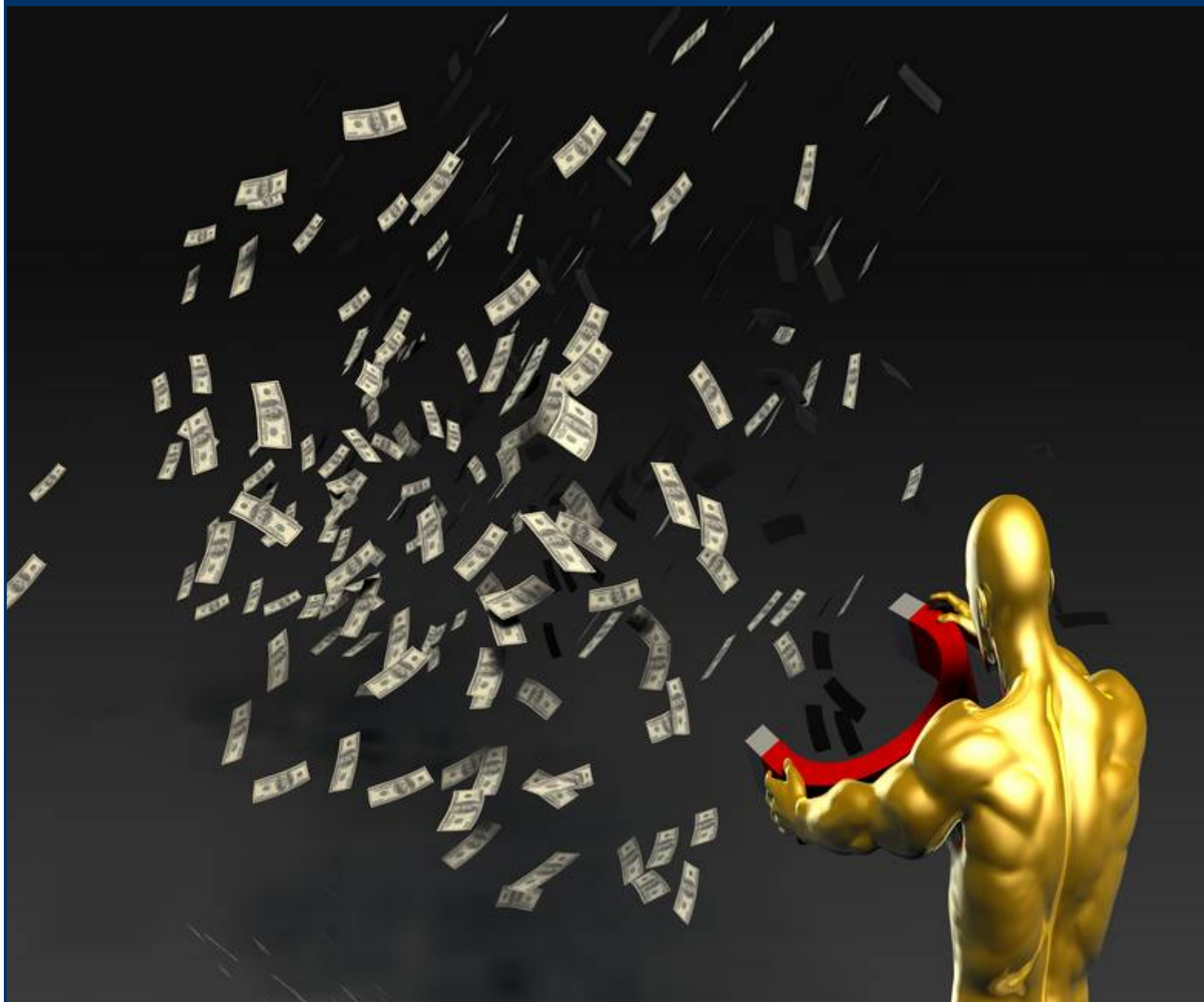


Loan-Based Split Dollar by a C Corporation

For: Harry Stafford / Oliver Belmont



"Money is like a sixth sense which you cannot make complete use of without the other five."

William Somerset Maugham

Presented By: _____

[Licensed user's name appears here]

Table of Contents

1. Harry Stafford	Page 1
2. Oliver Belmont	Page 18

1. Harry Stafford

Preface

This executive fringe benefit involves a series of employer-sponsored loans to a valued executive for the purpose of purchasing a cash value life insurance policy.

Promissory Notes: The loans that are associated with this form of split dollar are evidenced by a series of promissory notes between the employer and the executive, and the life insurance policy is assigned as security for the loans. The loans are typically term loans, i.e., they are due at the end of specific period of years; however, the promissory note calls for the acceleration of repayment should the executive die prior to the date of scheduled loan repayments.

Loan Interest: The interest rate for each loan must bear interest equal to or greater than the Applicable Federal Rate (AFR) established under IRC Sections 7872(f)(2)(A) and 1274(d) at the inception of the loan.

If no interest or an inadequate rate of interest is charged on a loan, the IRS recharacterizes the loan into an “arms-length” transaction and imputes an interest rate that is deemed to have been received by the lender and paid by the borrower. As an additional benefit, the employer may choose to offset the executive's tax on any imputed loan interest by way of a bonus.¹ Alternatively, loan interest may be accrued.

The AFR is determined by the length of the loan transaction, i.e., either the demand loan (blended annual rate), the short-term rate (3 years or less), the mid-term rate (over 3 years but not over 9 years), or the long-term rate (over 9 years).

So long as the loan interest rate paid is equal to or exceeds the Applicable Federal Rate, no interest is imputed by the IRS on the transaction.

The loan interest rate for each new loan will likely be different, and each such loan must bear interest equal to or greater than the selected AFR in effect during the month the new loan is executed. Each new loan should be evidenced by its own promissory note.

There are four ways to deal with unknown future loan interest rates:

1. If the executive is paying tax on imputed interest on the split dollar loan, a bonus¹ can be paid from the employer to the executive to help pay this tax. Depending on the relative income tax brackets between the employer and the executive, this could be an attractive option and help reduce the impact of rising interest rates.
2. If the loan interest rate increases, the executive can be allowed to accrue the additional interest. Alternatively, the executive could also withdraw funds from his or her share of the policy values to make up the difference in the loan interest due.
3. Renegotiate the loans: Wait until a time when AFR dips and recast the series of promissory notes into a new note at the reduced rate.
4. Consolidate all loans at the inception of the plan: In this case, the loaned funds in excess of the amount needed to pay the policy's initial premium should be reserved by the executive to pay the remaining stream of premiums. The employer may want to require some form of custodianship for the reserved funds to be certain they are used for the intended purpose.

AFRs in effect for June 2020

Long-term loans (over 9 years): 1.01%

Mid-term loans (over 3 years; not over 9): 0.43%

Short-term loans (3 years or less): 0.18%

Demand loans (blended annual rate): 2.42%

¹When using a bonus to assist with the payment of tax on imputed loan interest, care must be taken not to have the executive use these bonus payments to make loan interest payments (or loan repayments) back to the employer. This restriction complies with the prohibition against the employer making such payments as provided in the split-dollar final regulations issued in 2003 (TD 9092, 9/11/03 and Rev. Rul. 2003-105). Bonuses used to offset the income tax on imputed income should be acceptable.

Preface (continued)

Repayment of Loans from the Employer

In the event of the executive's death, the employer's loans are repaid from the life insurance policy's death benefit; otherwise, loan repayment is handled in one of the following ways. A check mark indicates the method illustrated in the accompanying material.

- 1. The executive uses personal funds to repay the loans from the employer.
- 2. The executive borrows against the policy or surrenders a portion of policy values to repay the loans from the employer.

Living Benefits for the Executive

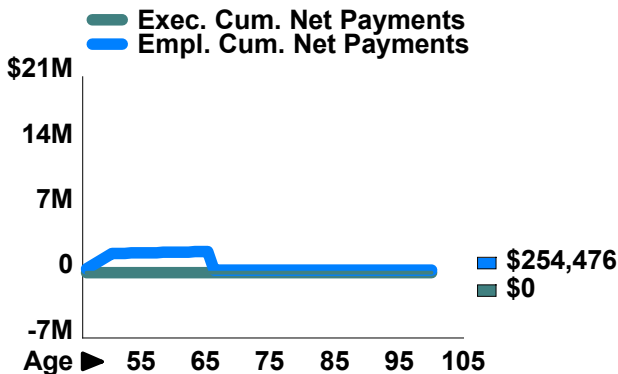
The executive may, if the parties agree, have direct access to policy cash values in excess of the amount required to collateralize the loans from the employer.

If the loans have been repaid, the executive has free access to the cash values. The cash values can be accessed via: 1) policy loans or 2) policy withdrawals or 3) a combination of loans and withdrawals.

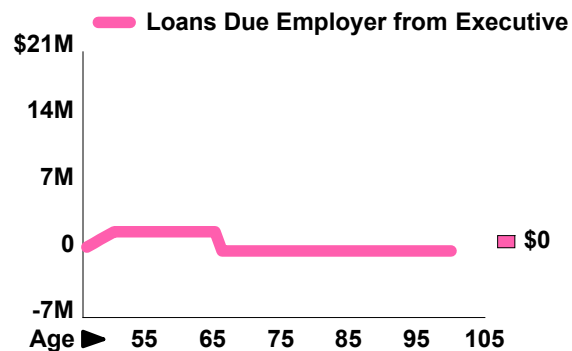
Death Benefits for Beneficiaries

Income tax free death benefits from the executive's share of the life insurance policy's death benefit can produce income streams for the executive's family or liquidity to help offset wealth transfer taxes.

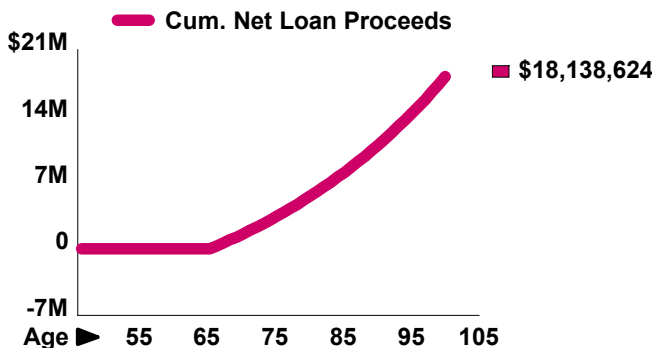
Plan Payments



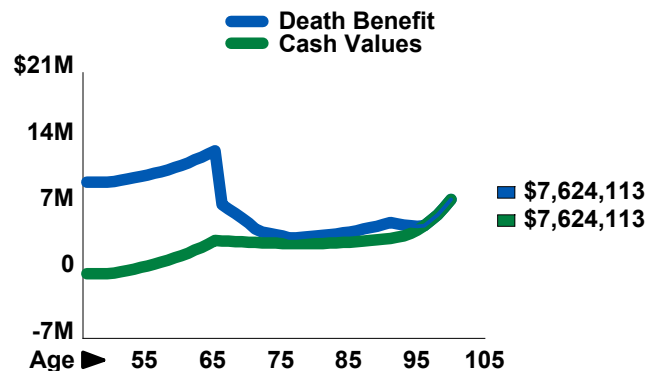
Employer's Loan Receivable



Executive's Cash Flow



Executive's Values



Preface (continued)

SB Chemical Company, Inc.

Important Notes

A dramatic rise in loan interest rates at the maturity of a demand, short-term or mid-term loan may result in less-than-acceptable loan interest rates when the loan is renewed. When you are dealing with a financial arrangement of many years, long-term loans produce more stable interest rates that can be renegotiated downward should rates decline, but are capped at rates that are known as each loan is made. Due to this you may want to establish your arrangement using long-term loans.

IRC Section 409A should not apply to this form of split dollar unless the employer is bound by the agreement between the parties to forgive the loan, waive payments, etc.

Policy loans reduce cash values and death benefits, and the lapse of a policy with loans could result in negative tax consequences. Be sure to consult with your own legal and tax advisers if you have any questions about this issue.

You should also consult with these advisers before entering into this or any other arrangement involving tax, legal, and economic considerations.

Care must be exercised if a hospital and a doctor employed by that hospital use this form of split dollar due to the Medicare-Medicaid Anti-Kickback Rule and the Stark II Rules. A plan should be able to be designed that complies with these rules; however, if this applies to you, be certain to consult with your legal and tax advisers on these issues.

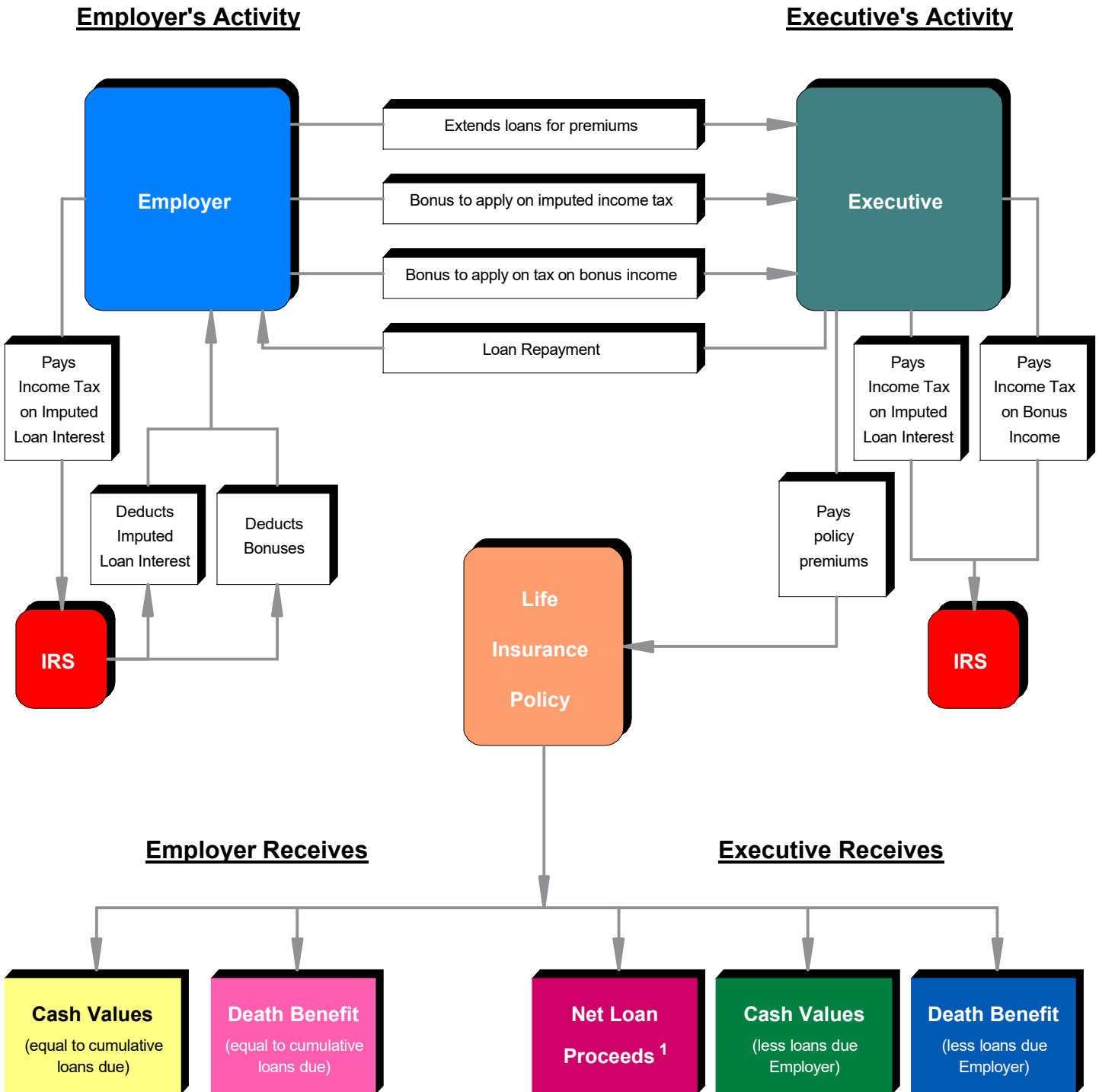
Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Flow Chart



Note: If the loan interest rate on each loan is equal to or greater than the Applicable Federal Rate established under IRC Sections 7872(f)(2)(A) and 1274(d), then no additional loan interest will be imputed to the Executive.

¹ For loan repayment and retirement income for the executive.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Illustration of Policy Values Funding the Plan

		Indexed UL Interest Rate 6.50%	Initial Premium 400,000	Initial Policy Death Benefit 9,500,000		
Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
1	45	400,000	0	347,057	208,974	9,847,057
2	46	400,000	0	722,070	585,935	10,222,070
3	47	400,000	0	1,127,293	993,200	10,627,293
4	48	400,000	0	1,565,158	1,433,203	11,065,158
5	49	400,000	0	2,038,295	1,908,525	11,538,295
6	50	0	0	2,151,902	2,024,364	11,651,902
7	51	0	0	2,274,660	2,149,402	11,774,660
8	52	0	0	2,407,306	2,302,949	11,907,306
9	53	0	0	2,550,638	2,467,133	12,050,638
10	54	0	0	2,705,516	2,642,911	12,205,516
11	55	0	0	2,872,870	2,831,117	12,372,870
12	56	0	0	3,053,705	3,032,853	12,553,705
13	57	0	0	3,257,949	3,257,949	12,757,949
14	58	0	0	3,478,646	3,478,646	12,978,646
15	59	0	0	3,715,660	3,715,660	13,215,660
16	60	0	0	3,989,637	3,989,637	13,489,637
17	61	0	0	4,282,817	4,282,817	13,782,817
18	62	0	0	4,596,175	4,596,175	14,096,175
19	63	0	0	4,930,357	4,930,357	14,430,357
20	64	0	0	5,286,592	5,286,592	14,786,592
21	65	0	2,300,000	5,674,757	3,259,757	7,085,000
22	66	0	309,000	6,090,566	3,230,366	6,639,800
23	67	0	318,270	6,536,468	3,199,074	6,162,607
24	68	0	327,818	7,015,126	3,166,654	5,651,528
25	69	0	337,653	7,529,100	3,133,669	5,104,569
26	70	0	347,782	8,081,962	3,101,588	4,519,626
27	71	0	358,216	8,678,520	3,073,000	4,201,208
28	72	0	368,962	9,322,615	3,049,410	4,074,898
29	73	0	380,031	10,013,825	3,027,927	3,929,171
30	74	0	391,432	10,756,140	3,009,943	3,762,873
		2,000,000	5,439,164			

30 Year Summary

Cum. Payments	2,000,000
Cum. Net Policy Loan Proceeds	5,439,164
Cash Value	3,009,943
Death Benefit	3,762,873

*This illustration assumes that the currently 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.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Illustration of Policy Values Funding the Plan

Indexed UL Interest Rate 6.50% Initial Premium 400,000 Initial Policy Death Benefit 9,500,000

Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
31	75	0	403,175	11,554,046	2,997,206	3,574,908
32	76	0	415,270	12,408,488	2,987,772	3,608,196
33	77	0	427,728	13,323,314	2,982,448	3,648,613
34	78	0	440,560	14,302,591	2,982,093	3,697,223
35	79	0	453,777	15,350,648	2,987,659	3,755,192
36	80	0	467,390	16,471,964	3,000,066	3,823,664
37	81	0	481,412	17,671,015	3,020,040	3,903,591
38	82	0	495,854	18,952,706	3,048,536	3,996,171
39	83	0	510,730	20,322,120	3,086,474	4,102,580
40	84	0	526,052	21,783,503	3,133,720	4,222,895
41	85	0	541,833	23,340,311	3,189,115	4,356,131
42	86	0	558,088	24,997,721	3,252,972	4,502,858
43	87	0	574,831	26,759,779	3,324,220	4,662,209
44	88	0	592,076	28,628,991	3,399,975	4,831,424
45	89	0	609,838	30,607,872	3,477,074	5,007,468
46	90	0	628,133	32,697,629	3,550,751	5,185,632
47	91	0	646,977	34,940,869	3,657,321	5,054,956
48	92	0	666,387	37,360,623	3,813,192	4,934,010
49	93	0	686,378	39,987,363	4,041,863	4,841,611
50	94	0	706,970	42,859,671	4,374,577	4,803,174
51	95	0	728,179	46,023,890	4,849,954	4,849,954
52	96	0	750,024	49,423,076	5,402,919	5,402,919
53	97	0	772,525	53,074,997	6,042,680	6,042,680
54	98	0	795,701	56,998,786	6,779,368	6,779,368
55	99	0	819,572	61,215,052	7,624,113	7,624,113
		2,000,000	20,138,624			

55 Year Summary

Cum. Payments	2,000,000
Cum. Net Policy Loan Proceeds	20,138,624
Cash Value	7,624,113
Death Benefit	7,624,113

*This illustration assumes that the currently 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.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Summary

Employer's Tax Bracket 28.00% Executive's Tax Bracket 40.00% Indexed UL Interest Rate 6.50% Initial Policy Death Benefit 9,500,000 Assumed Applicable Federal Rate*

Year	Male Age	Employer				Executive					
		(1) Net Payment**	(2) Cumulative Net Payments	(3) Portion of Col. (2) Due as a Loan Receivable	(4) Cumulative Charge to Earnings (2) - (3)	(5) Net Payment**	(6) Net Policy Loan Proceeds* Available for Retirement Income	(7) Year End Policy Accum Value***	(8) Year End Policy Cash Value***	(9) Year End Policy Cash Value*** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
1	45	401,939	401,939	400,000	1,939	0	0	347,057	208,974	-191,026	9,447,057
2	46	404,339	806,278	800,000	6,278	0	0	722,070	585,935	-214,065	9,422,070
3	47	407,200	1,213,478	1,200,000	13,478	0	0	1,127,293	993,200	-206,800	9,427,293
4	48	410,598	1,624,076	1,600,000	24,076	0	0	1,565,158	1,433,203	-166,797	9,465,158
5	49	414,400	2,038,476	2,000,000	38,476	0	0	2,038,295	1,908,525	-91,475	9,538,295
6	50	14,400	2,052,876	2,000,000	52,876	0	0	2,151,902	2,024,364	24,364	9,651,902
7	51	14,400	2,067,276	2,000,000	67,276	0	0	2,274,660	2,149,402	149,402	9,774,660
8	52	14,400	2,081,676	2,000,000	81,676	0	0	2,407,306	2,302,949	302,949	9,907,306
9	53	14,400	2,096,076	2,000,000	96,076	0	0	2,550,638	2,467,133	467,133	10,050,638
10	54	14,400	2,110,476	2,000,000	110,476	0	0	2,705,516	2,642,911	642,911	10,205,516
11	55	14,400	2,124,876	2,000,000	124,876	0	0	2,872,870	2,831,117	831,117	10,372,870
12	56	14,400	2,139,276	2,000,000	139,276	0	0	3,053,705	3,032,853	1,032,853	10,553,705
13	57	14,400	2,153,676	2,000,000	153,676	0	0	3,257,949	3,257,949	1,257,949	10,757,949
14	58	14,400	2,168,076	2,000,000	168,076	0	0	3,478,646	3,478,646	1,478,646	10,978,646
15	59	14,400	2,182,476	2,000,000	182,476	0	0	3,715,660	3,715,660	1,715,660	11,215,660
16	60	14,400	2,196,876	2,000,000	196,876	0	0	3,989,637	3,989,637	1,989,637	11,489,637
17	61	14,400	2,211,276	2,000,000	211,276	0	0	4,282,817	4,282,817	2,282,817	11,782,817
18	62	14,400	2,225,676	2,000,000	225,676	0	0	4,596,175	4,596,175	2,596,175	12,096,175
19	63	14,400	2,240,076	2,000,000	240,076	0	0	4,930,357	4,930,357	2,930,357	12,430,357
20	64	14,400	2,254,476	2,000,000	254,476	0	0	5,286,592	5,286,592	3,286,592	12,786,592
21	65	-2,000,000	254,476	0	254,476	0	300,000	5,674,757	3,259,757	3,259,757	7,085,000
22	66	0	254,476	0	254,476	0	309,000	6,090,566	3,230,366	3,230,366	6,639,800
23	67	0	254,476	0	254,476	0	318,270	6,536,468	3,199,074	3,199,074	6,162,607
24	68	0	254,476	0	254,476	0	327,818	7,015,126	3,166,654	3,166,654	5,651,528
25	69	0	254,476	0	254,476	0	337,653	7,529,100	3,133,669	3,133,669	5,104,569
26	70	0	254,476	0	254,476	0	347,782	8,081,962	3,101,588	3,101,588	4,519,626
27	71	0	254,476	0	254,476	0	358,216	8,678,520	3,073,000	3,073,000	4,201,208
28	72	0	254,476	0	254,476	0	368,962	9,322,615	3,049,410	3,049,410	4,074,898
29	73	0	254,476	0	254,476	0	380,031	10,013,825	3,027,927	3,027,927	3,929,171
30	74	0	254,476	0	254,476	0	391,432	10,756,140	3,009,943	3,009,943	3,762,873
		254,476				0	3,439,164				

Executive's 30 Year Summary

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

**See appropriate Net Payment Analysis for details.

***This illustration assumes that the currently 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.

Living Values † Death Benefit

Indexed Universal Life:	3,009,943	3,762,873
Less Loan Repayment Due Employer:	0	0
Equals Executive's Net Value:	3,009,943	3,762,873
Plus Cumulative After Tax Cash Flow:	3,439,164	3,439,164
Equals Executive's Total Net Value:	6,449,107	7,202,037

†Cash value less employer's loans plus cum. net policy loans.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Summary

Employer's Tax Bracket 28.00% Executive's Tax Bracket 40.00% Indexed UL Interest Rate 6.50% Initial Policy Death Benefit 9,500,000 Assumed Applicable Federal Rate*

Year	Male Age	Employer				Executive					
		(1) Net Payment**	(2) Cumulative Net Payments	(3) Portion of Col. (2) Due as a Loan Receivable	(4) Cumulative Charge to Earnings (2) - (3)	(5) Net Payment**	(6) Net Policy Loan Proceeds* Available for Retirement Income	(7) Year End Policy Accum Value***	(8) Year End Policy Cash Value***	(9) Year End Policy Cash Value*** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
31	75	0	254,476	0	254,476	0	403,175	11,554,046	2,997,206	2,997,206	3,574,908
32	76	0	254,476	0	254,476	0	415,270	12,408,488	2,987,772	2,987,772	3,608,196
33	77	0	254,476	0	254,476	0	427,728	13,323,314	2,982,448	2,982,448	3,648,613
34	78	0	254,476	0	254,476	0	440,560	14,302,591	2,982,093	2,982,093	3,697,223
35	79	0	254,476	0	254,476	0	453,777	15,350,648	2,987,659	2,987,659	3,755,192
36	80	0	254,476	0	254,476	0	467,390	16,471,964	3,000,066	3,000,066	3,823,664
37	81	0	254,476	0	254,476	0	481,412	17,671,015	3,020,040	3,020,040	3,903,591
38	82	0	254,476	0	254,476	0	495,854	18,952,706	3,048,536	3,048,536	3,996,171
39	83	0	254,476	0	254,476	0	510,730	20,322,120	3,086,474	3,086,474	4,102,580
40	84	0	254,476	0	254,476	0	526,052	21,783,503	3,133,720	3,133,720	4,222,895
41	85	0	254,476	0	254,476	0	541,833	23,340,311	3,189,115	3,189,115	4,356,131
42	86	0	254,476	0	254,476	0	558,088	24,997,721	3,252,972	3,252,972	4,502,858
43	87	0	254,476	0	254,476	0	574,831	26,759,779	3,324,220	3,324,220	4,662,209
44	88	0	254,476	0	254,476	0	592,076	28,628,991	3,399,975	3,399,975	4,831,424
45	89	0	254,476	0	254,476	0	609,838	30,607,872	3,477,074	3,477,074	5,007,468
46	90	0	254,476	0	254,476	0	628,133	32,697,629	3,550,751	3,550,751	5,185,632
47	91	0	254,476	0	254,476	0	646,977	34,940,869	3,657,321	3,657,321	5,054,956
48	92	0	254,476	0	254,476	0	666,387	37,360,623	3,813,192	3,813,192	4,934,010
49	93	0	254,476	0	254,476	0	686,378	39,987,363	4,041,863	4,041,863	4,841,611
50	94	0	254,476	0	254,476	0	706,970	42,859,671	4,374,577	4,374,577	4,803,174
51	95	0	254,476	0	254,476	0	728,179	46,023,890	4,849,954	4,849,954	4,849,954
52	96	0	254,476	0	254,476	0	750,024	49,423,076	5,402,919	5,402,919	5,402,919
53	97	0	254,476	0	254,476	0	772,525	53,074,997	6,042,680	6,042,680	6,042,680
54	98	0	254,476	0	254,476	0	795,701	56,998,786	6,779,368	6,779,368	6,779,368
55	99	0	254,476	0	254,476	0	819,572	61,215,052	7,624,113	7,624,113	7,624,113
		254,476				0 18,138,624					

Executive's 55 Year Summary

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

**See appropriate Net Payment Analysis for details.

***This illustration assumes that the currently 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.

	Living Values [†]	Death Benefit
Indexed Universal Life:	7,624,113	7,624,113
Less Loan Repayment Due Employer:	0	0
Equals Executive's Net Value:	7,624,113	7,624,113
Plus Cumulative After Tax Cash Flow:	18,138,624	18,138,624
Equals Executive's Total Net Value:	25,762,737	25,762,737

†Cash value less employer's loans plus cum. net policy loans.

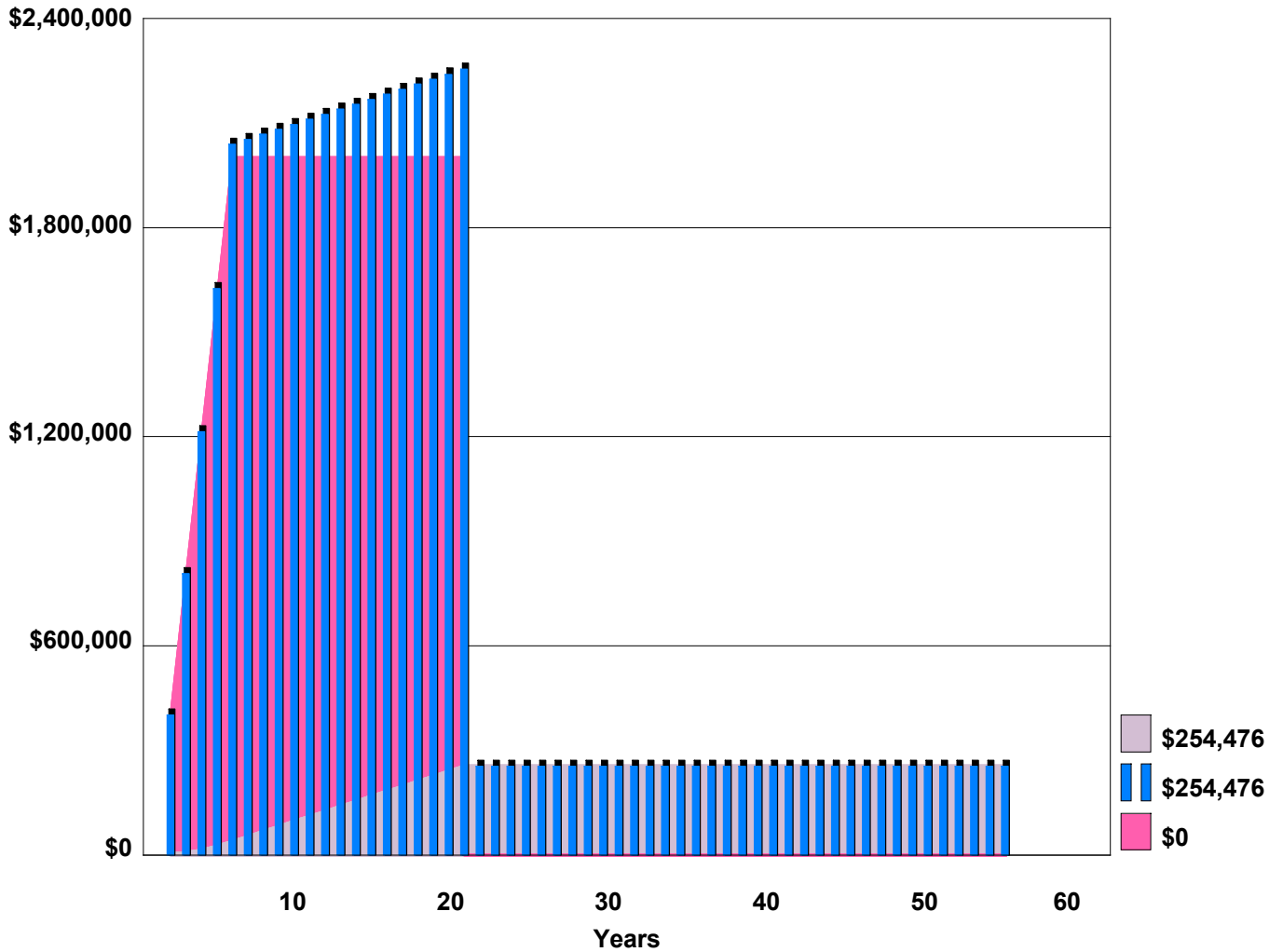
Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer's 55 Year Analysis

Employer: SB Chemical Company, Inc.



At Year 55

Employer's Cumulative Net Payments ■ \$254,476

Cumulative Charge to Earnings ■ \$254,476

Loans Due Employer from Executive ■ \$0

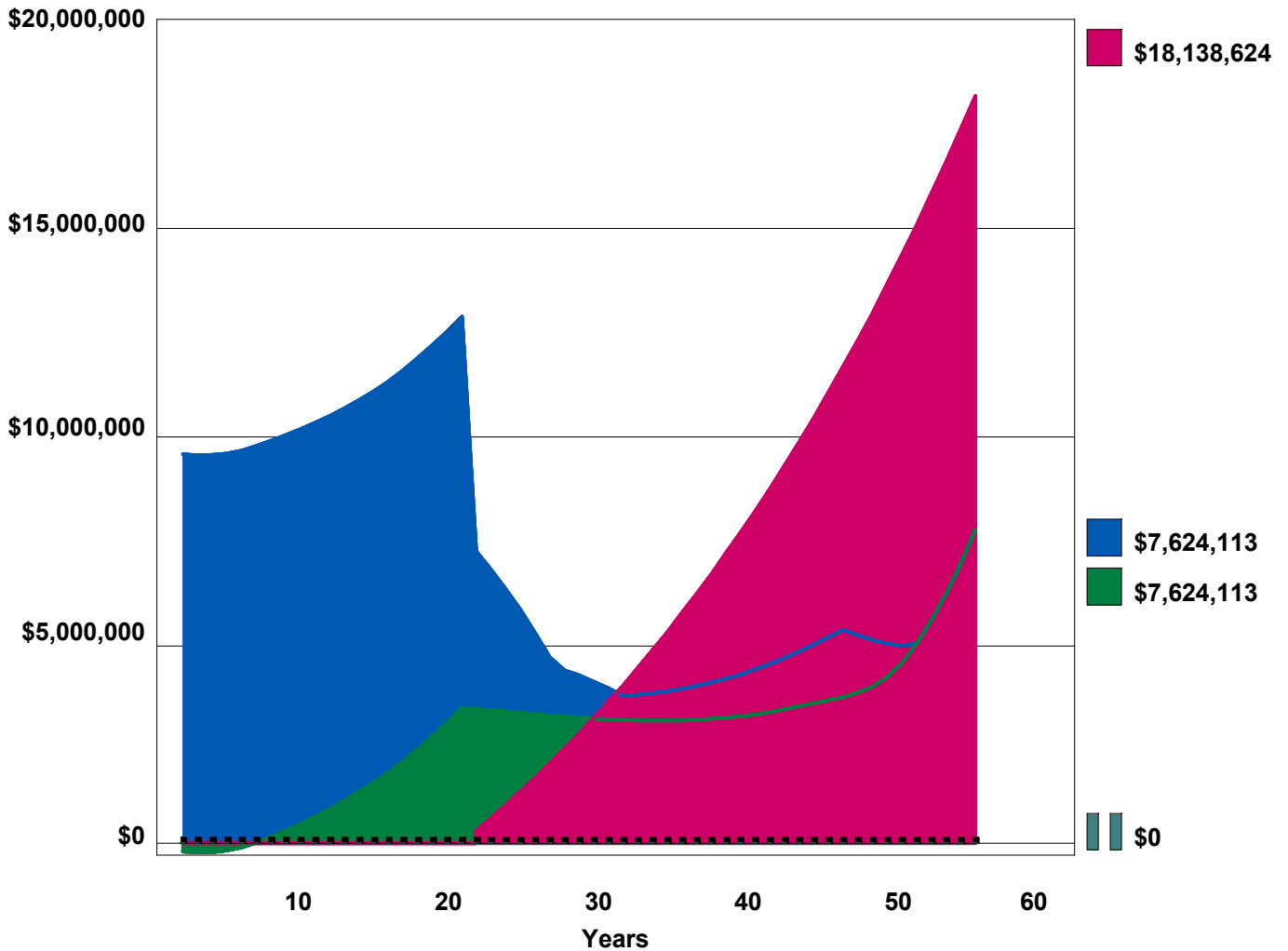
Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Executive's 55 Year Analysis

Employer: SB Chemical Company, Inc.



	At Year 55
Executive's Cumulative Net Payments	\$0
Executive's Cumulative Net Loan Proceeds ¹	\$18,138,624
Executive's Cash Value Less Cum. Loan Due Employer	\$7,624,113
Executive's Death Benefit Less Cum. Loan Due Employer	\$7,624,113

¹For retirement income.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer's Net Payment Analysis

Employer: SB Chemical Company, Inc.

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Loan Repayment from Executive	(3) Cumulative Loan to Executive	Employer's Tax Bracket 28.00%		Assumed Applicable Federal Rate*		(6) Bonus Paid to Executive	(7) After Tax Cost of Bonus Paid to Executive	(8) Employer's Net Payment (1)-(2)+(4)-(5)+(7)	(9) Employer's Annual Charge to Earnings (8) - (1) + (2)	(10) Employer's Cumulative Charge to Earnings
					(4) Employer's Deemed Loan Interest Income	(5) Employer's Deemed Loan Interest Expense	(1) 28.00%	(2) 28.00%					
1	45	400,000	0	400,000	4,040	4,040	2,693	1,939	401,939	1,939	1,939	1,939	
2	46	400,000	0	800,000	9,040	9,040	6,027	4,339	404,339	4,339	6,278	6,278	
3	47	400,000	0	1,200,000	15,000	15,000	10,000	7,200	407,200	7,200	13,478	13,478	
4	48	400,000	0	1,600,000	22,080	22,080	14,720	10,598	410,598	10,598	24,076	24,076	
5	49	400,000	0	2,000,000	30,000	30,000	20,000	14,400	414,400	14,400	38,476	38,476	
6	50	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	52,876	52,876	
7	51	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	67,276	67,276	
8	52	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	81,676	81,676	
9	53	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	96,076	96,076	
10	54	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	110,476	110,476	
11	55	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	124,876	124,876	
12	56	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	139,276	139,276	
13	57	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	153,676	153,676	
14	58	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	168,076	168,076	
15	59	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	182,476	182,476	
16	60	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	196,876	196,876	
17	61	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	211,276	211,276	
18	62	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	225,676	225,676	
19	63	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	240,076	240,076	
20	64	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	254,476	254,476	
21	65	0	2,000,000	0	0	0	0	0	-2,000,000	0	254,476	254,476	
22	66	0	0	0	0	0	0	0	0	0	254,476	254,476	
23	67	0	0	0	0	0	0	0	0	0	254,476	254,476	
24	68	0	0	0	0	0	0	0	0	0	254,476	254,476	
25	69	0	0	0	0	0	0	0	0	0	254,476	254,476	
26	70	0	0	0	0	0	0	0	0	0	254,476	254,476	
27	71	0	0	0	0	0	0	0	0	0	254,476	254,476	
28	72	0	0	0	0	0	0	0	0	0	254,476	254,476	
29	73	0	0	0	0	0	0	0	0	0	254,476	254,476	
30	74	0	0	0	0	0	0	0	0	0	254,476	254,476	
		2,000,000	2,000,000		530,160	530,160	353,440	254,476	254,476	254,476			

*See Promissory Note Analysis for assumed Applicable Fed. Rate. See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer's Net Payment Analysis

Employer: SB Chemical Company, Inc.

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Loan Repayment from Executive	(3) Cumulative Loan to Executive	(4) Employer's Deemed Loan Interest Income	(5) Employer's Deemed Loan Interest Expense	(6) Bonus Paid to Executive	(7) After Tax Cost of Bonus Paid to Executive	(8) Employer's Net Payment (1)-(2)+(4) -(5)+(7)	(9) Employer's Annual Charge to Earnings (8) - (1) + (2)	(10) Employer's Cumulative Charge to Earnings	Employer's Tax Bracket	Assumed Applicable Federal Rate*
												28.00%	
31	75	0	0	0	0	0	0	0	0	0	0	254,476	
32	76	0	0	0	0	0	0	0	0	0	0	254,476	
33	77	0	0	0	0	0	0	0	0	0	0	254,476	
34	78	0	0	0	0	0	0	0	0	0	0	254,476	
35	79	0	0	0	0	0	0	0	0	0	0	254,476	
36	80	0	0	0	0	0	0	0	0	0	0	254,476	
37	81	0	0	0	0	0	0	0	0	0	0	254,476	
38	82	0	0	0	0	0	0	0	0	0	0	254,476	
39	83	0	0	0	0	0	0	0	0	0	0	254,476	
40	84	0	0	0	0	0	0	0	0	0	0	254,476	
41	85	0	0	0	0	0	0	0	0	0	0	254,476	
42	86	0	0	0	0	0	0	0	0	0	0	254,476	
43	87	0	0	0	0	0	0	0	0	0	0	254,476	
44	88	0	0	0	0	0	0	0	0	0	0	254,476	
45	89	0	0	0	0	0	0	0	0	0	0	254,476	
46	90	0	0	0	0	0	0	0	0	0	0	254,476	
47	91	0	0	0	0	0	0	0	0	0	0	254,476	
48	92	0	0	0	0	0	0	0	0	0	0	254,476	
49	93	0	0	0	0	0	0	0	0	0	0	254,476	
50	94	0	0	0	0	0	0	0	0	0	0	254,476	
51	95	0	0	0	0	0	0	0	0	0	0	254,476	
52	96	0	0	0	0	0	0	0	0	0	0	254,476	
53	97	0	0	0	0	0	0	0	0	0	0	254,476	
54	98	0	0	0	0	0	0	0	0	0	0	254,476	
55	99	0	0	0	0	0	0	0	0	0	0	254,476	
		2,000,000	2,000,000		530,160	530,160	353,440	254,476	254,476	254,476			

*See Promissory Note Analysis for assumed Applicable Fed. Rate. See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Executive's Net Payment Analysis

Yr	Male Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer	(3) Net Policy Loan Proceeds Available for Loan Repayment	(4) Loan Repayment	Executive's Tax Bracket 40.00%		Assumed Applicable Federal Rate*		(9) Executive's Net Payment (1)-(2)-(3) + (4)+(7)-(8)	(10) Net Policy Loan Proceeds Available for Retirement Income
						(5) Cumulative Loan Due Employer	(6) Executive's Split Dollar Imputed Loan Interest	(7) Income Tax on Split Dollar Imputed Loan Interest	(8) After Tax Bonus Received from Employer		
1	45	400,000	400,000	0	0	400,000	4,040	1,616	1,616	0	0
2	46	400,000	400,000	0	0	800,000	9,040	3,616	3,616	0	0
3	47	400,000	400,000	0	0	1,200,000	15,000	6,000	6,000	0	0
4	48	400,000	400,000	0	0	1,600,000	22,080	8,832	8,832	0	0
5	49	400,000	400,000	0	0	2,000,000	30,000	12,000	12,000	0	0
6	50	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
7	51	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
8	52	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
9	53	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
10	54	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
11	55	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
12	56	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
13	57	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
14	58	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
15	59	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
16	60	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
17	61	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
18	62	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
19	63	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
20	64	0	0	0	0	2,000,000	30,000	12,000	12,000	0	0
21	65	0	0	2,000,000	2,000,000	0	0	0	0	0	300,000
22	66	0	0	0	0	0	0	0	0	0	309,000
23	67	0	0	0	0	0	0	0	0	0	318,270
24	68	0	0	0	0	0	0	0	0	0	327,818
25	69	0	0	0	0	0	0	0	0	0	337,653
26	70	0	0	0	0	0	0	0	0	0	347,782
27	71	0	0	0	0	0	0	0	0	0	358,216
28	72	0	0	0	0	0	0	0	0	0	368,962
29	73	0	0	0	0	0	0	0	0	0	380,031
30	74	0	0	0	0	0	0	0	0	0	391,432
		2,000,000	2,000,000	2,000,000	2,000,000		530,160	212,064	212,064	0	3,439,164

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Executive's Net Payment Analysis

Yr	Male Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer	(3) Net Policy Loan Proceeds Available for Loan Repayment	(4) Loan Repayment	(5) Cumulative Loan Due Employer	(6) Executive's Split Dollar Imputed Loan Interest	(7) Income Tax on Split Dollar Imputed Loan Interest	(8) After Tax Bonus Received from Employer	(9) Executive's Net Payment (1)-(2)-(3) + (4)+(7)-(8)	(10) Net Policy Loan Proceeds Available for Retirement Income
31	75	0	0	0	0	0	0	0	0	0	403,175
32	76	0	0	0	0	0	0	0	0	0	415,270
33	77	0	0	0	0	0	0	0	0	0	427,728
34	78	0	0	0	0	0	0	0	0	0	440,560
35	79	0	0	0	0	0	0	0	0	0	453,777
36	80	0	0	0	0	0	0	0	0	0	467,390
37	81	0	0	0	0	0	0	0	0	0	481,412
38	82	0	0	0	0	0	0	0	0	0	495,854
39	83	0	0	0	0	0	0	0	0	0	510,730
40	84	0	0	0	0	0	0	0	0	0	526,052
41	85	0	0	0	0	0	0	0	0	0	541,833
42	86	0	0	0	0	0	0	0	0	0	558,088
43	87	0	0	0	0	0	0	0	0	0	574,831
44	88	0	0	0	0	0	0	0	0	0	592,076
45	89	0	0	0	0	0	0	0	0	0	609,838
46	90	0	0	0	0	0	0	0	0	0	628,133
47	91	0	0	0	0	0	0	0	0	0	646,977
48	92	0	0	0	0	0	0	0	0	0	666,387
49	93	0	0	0	0	0	0	0	0	0	686,378
50	94	0	0	0	0	0	0	0	0	0	706,970
51	95	0	0	0	0	0	0	0	0	0	728,179
52	96	0	0	0	0	0	0	0	0	0	750,024
53	97	0	0	0	0	0	0	0	0	0	772,525
54	98	0	0	0	0	0	0	0	0	0	795,701
55	99	0	0	0	0	0	0	0	0	0	819,572
		2,000,000	2,000,000	2,000,000	2,000,000		530,160	212,064	212,064	0	18,138,624

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Promissory Note Analysis

Assumed
Applicable
Federal Rate**
(See Col. 2)

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Year End Cumulative Loan to Executive	(8) Year End Policy Accum Value* Net of Loan	(9) Year End Policy Cash Value* Net of Loan	(10) Year End Policy Death Benefit* Net of Loan
1	45	400,000	1.01%	0	0	0	0	400,000	-52,943	-191,026	9,447,057
2	46	400,000	1.13%	0	0	0	0	800,000	-77,930	-214,065	9,422,070
3	47	400,000	1.25%	0	0	0	0	1,200,000	-72,707	-206,800	9,427,293
4	48	400,000	1.38%	0	0	0	0	1,600,000	-34,842	-166,797	9,465,158
5	49	400,000	1.50%	0	0	0	0	2,000,000	38,295	-91,475	9,538,295
6	50	0	1.50%	0	0	0	0	2,000,000	151,902	24,364	9,651,902
7	51	0	1.50%	0	0	0	0	2,000,000	274,660	149,402	9,774,660
8	52	0	1.50%	0	0	0	0	2,000,000	407,306	302,949	9,907,306
9	53	0	1.50%	0	0	0	0	2,000,000	550,638	467,133	10,050,638
10	54	0	1.50%	0	0	0	0	2,000,000	705,516	642,911	10,205,516
11	55	0	1.50%	0	0	0	0	2,000,000	872,870	831,117	10,372,870
12	56	0	1.50%	0	0	0	0	2,000,000	1,053,705	1,032,853	10,553,705
13	57	0	1.50%	0	0	0	0	2,000,000	1,257,949	1,257,949	10,757,949
14	58	0	1.50%	0	0	0	0	2,000,000	1,478,646	1,478,646	10,978,646
15	59	0	1.50%	0	0	0	0	2,000,000	1,715,660	1,715,660	11,215,660
16	60	0	1.50%	0	0	0	0	2,000,000	1,989,637	1,989,637	11,489,637
17	61	0	1.50%	0	0	0	0	2,000,000	2,282,817	2,282,817	11,782,817
18	62	0	1.50%	0	0	0	0	2,000,000	2,596,175	2,596,175	12,096,175
19	63	0	1.50%	0	0	0	0	2,000,000	2,930,357	2,930,357	12,430,357
20	64	0	1.50%	0	0	0	0	2,000,000	3,286,592	3,286,592	12,786,592
21	65	0	n/a	0	0	0	2,000,000	0	5,674,757	3,259,757	7,085,000
22	66	0	n/a	0	0	0	0	0	6,090,566	3,230,366	6,639,800
23	67	0	n/a	0	0	0	0	0	6,536,468	3,199,074	6,162,607
24	68	0	n/a	0	0	0	0	0	7,015,126	3,166,654	5,651,528
25	69	0	n/a	0	0	0	0	0	7,529,100	3,133,669	5,104,569
26	70	0	n/a	0	0	0	0	0	8,081,962	3,101,588	4,519,626
27	71	0	n/a	0	0	0	0	0	8,678,520	3,073,000	4,201,208
28	72	0	n/a	0	0	0	0	0	9,322,615	3,049,410	4,074,898
29	73	0	n/a	0	0	0	0	0	10,013,825	3,027,927	3,929,171
30	74	0	n/a	0	0	0	0	0	10,756,140	3,009,943	3,762,873
		2,000,000		0	0	0	2,000,000				

*This illustration assumes that the currently 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.

**See Preface for notes regarding loan interest rates.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Harry Stafford

Employer: SB Chemical Company, Inc.

Promissory Note Analysis

Assumed
Applicable
Federal Rate**
(See Col. 2)

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Year End Cumulative Loan to Executive	(8) Year End Policy Accum Value* Net of Loan	(9) Year End Policy Cash Value* Net of Loan	(10) Year End Policy Death Benefit* Net of Loan
31	75	0	n/a	0	0	0	0	0	11,554,046	2,997,206	3,574,908
32	76	0	n/a	0	0	0	0	0	12,408,488	2,987,772	3,608,196
33	77	0	n/a	0	0	0	0	0	13,323,314	2,982,448	3,648,613
34	78	0	n/a	0	0	0	0	0	14,302,591	2,982,093	3,697,223
35	79	0	n/a	0	0	0	0	0	15,350,648	2,987,659	3,755,192
36	80	0	n/a	0	0	0	0	0	16,471,964	3,000,066	3,823,664
37	81	0	n/a	0	0	0	0	0	17,671,015	3,020,040	3,903,591
38	82	0	n/a	0	0	0	0	0	18,952,706	3,048,536	3,996,171
39	83	0	n/a	0	0	0	0	0	20,322,120	3,086,474	4,102,580
40	84	0	n/a	0	0	0	0	0	21,783,503	3,133,720	4,222,895
41	85	0	n/a	0	0	0	0	0	23,340,311	3,189,115	4,356,131
42	86	0	n/a	0	0	0	0	0	24,997,721	3,252,972	4,502,858
43	87	0	n/a	0	0	0	0	0	26,759,779	3,324,220	4,662,209
44	88	0	n/a	0	0	0	0	0	28,628,991	3,399,975	4,831,424
45	89	0	n/a	0	0	0	0	0	30,607,872	3,477,074	5,007,468
46	90	0	n/a	0	0	0	0	0	32,697,629	3,550,751	5,185,632
47	91	0	n/a	0	0	0	0	0	34,940,869	3,657,321	5,054,956
48	92	0	n/a	0	0	0	0	0	37,360,623	3,813,192	4,934,010
49	93	0	n/a	0	0	0	0	0	39,987,363	4,041,863	4,841,611
50	94	0	n/a	0	0	0	0	0	42,859,671	4,374,577	4,803,174
51	95	0	n/a	0	0	0	0	0	46,023,890	4,849,954	4,849,954
52	96	0	n/a	0	0	0	0	0	49,423,076	5,402,919	5,402,919
53	97	0	n/a	0	0	0	0	0	53,074,997	6,042,680	6,042,680
54	98	0	n/a	0	0	0	0	0	56,998,786	6,779,368	6,779,368
55	99	0	n/a	0	0	0	0	0	61,215,052	7,624,113	7,624,113
		2,000,000		0	0	0	2,000,000				

*This illustration assumes that the currently 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.

**See Preface for notes regarding loan interest rates.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

2. Oliver Belmont

Preface

This executive fringe benefit involves a series of employer-sponsored loans to a valued executive for the purpose of purchasing a cash value life insurance policy.

Promissory Notes: The loans that are associated with this form of split dollar are evidenced by a series of promissory notes between the employer and the executive, and the life insurance policy is assigned as security for the loans. The loans are typically term loans, i.e., they are due at the end of specific period of years; however, the promissory note calls for the acceleration of repayment should the executive die prior to the date of scheduled loan repayments.

Loan Interest: The interest rate for each loan must bear interest equal to or greater than the Applicable Federal Rate (AFR) established under IRC Sections 7872(f)(2)(A) and 1274(d) at the inception of the loan.

If no interest or an inadequate rate of interest is charged on a loan, the IRS recharacterizes the loan into an “arms-length” transaction and imputes an interest rate that is deemed to have been received by the lender and paid by the borrower. As an additional benefit, the employer may choose to offset the executive's tax on any imputed loan interest by way of a bonus.¹ Alternatively, loan interest may be accrued.

The AFR is determined by the length of the loan transaction, i.e., either the demand loan (blended annual rate), the short-term rate (3 years or less), the mid-term rate (over 3 years but not over 9 years), or the long-term rate (over 9 years).

So long as the loan interest rate paid is equal to or exceeds the Applicable Federal Rate, no interest is imputed by the IRS on the transaction.

The loan interest rate for each new loan will likely be different, and each such loan must bear interest equal to or greater than the selected AFR in effect during the month the new loan is executed. Each new loan should be evidenced by its own promissory note.

There are four ways to deal with unknown future loan interest rates:

1. If the executive is paying tax on imputed interest on the split dollar loan, a bonus¹ can be paid from the employer to the executive to help pay this tax. Depending on the relative income tax brackets between the employer and the executive, this could be an attractive option and help reduce the impact of rising interest rates.
2. If the loan interest rate increases, the executive can be allowed to accrue the additional interest. Alternatively, the executive could also withdraw funds from his or her share of the policy values to make up the difference in the loan interest due.
3. Renegotiate the loans: Wait until a time when AFR dips and recast the series of promissory notes into a new note at the reduced rate.
4. Consolidate all loans at the inception of the plan: In this case, the loaned funds in excess of the amount needed to pay the policy's initial premium should be reserved by the executive to pay the remaining stream of premiums. The employer may want to require some form of custodianship for the reserved funds to be certain they are used for the intended purpose.

AFRs in effect for June 2020

Long-term loans (over 9 years): 1.01%

Mid-term loans (over 3 years; not over 9): 0.43%

Short-term loans (3 years or less): 0.18%

Demand loans (blended annual rate): 2.42%

¹When using a bonus to assist with the payment of tax on imputed loan interest, care must be taken not to have the executive use these bonus payments to make loan interest payments (or loan repayments) back to the employer. This restriction complies with the prohibition against the employer making such payments as provided in the split-dollar final regulations issued in 2003 (TD 9092, 9/11/03 and Rev. Rul. 2003-105). Bonuses used to offset the income tax on imputed income should be acceptable.

Preface (continued)

Repayment of Loans from the Employer

In the event of the executive's death, the employer's loans are repaid from the life insurance policy's death benefit; otherwise, loan repayment is handled in one of the following ways. A check mark indicates the method illustrated in the accompanying material.

- 1. The executive uses personal funds to repay the loans from the employer.
- 2. The executive borrows against the policy or surrenders a portion of policy values to repay the loans from the employer.

Living Benefits for the Executive

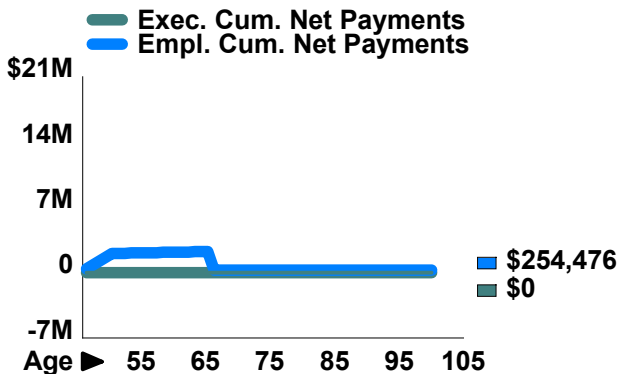
The executive may, if the parties agree, have direct access to policy cash values in excess of the amount required to collateralize the loans from the employer.

If the loans have been repaid, the executive has free access to the cash values. The cash values can be accessed via: 1) policy loans or 2) policy withdrawals or 3) a combination of loans and withdrawals.

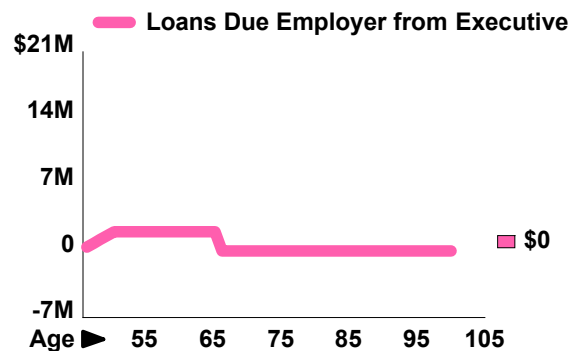
Death Benefits for Beneficiaries

Income tax free death benefits from the executive's share of the life insurance policy's death benefit can produce income streams for the executive's family or liquidity to help offset wealth transfer taxes.

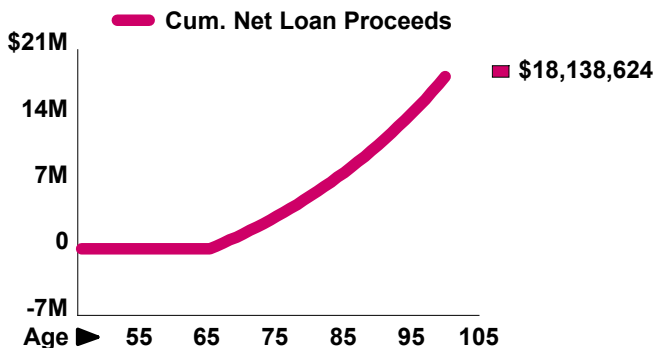
Plan Payments



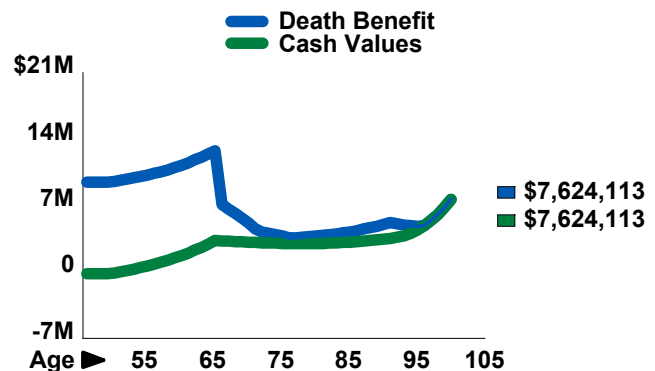
Employer's Loan Receivable



Executive's Cash Flow



Executive's Values



Preface (continued)

Important Notes

A dramatic rise in loan interest rates at the maturity of a demand, short-term or mid-term loan may result in less-than-acceptable loan interest rates when the loan is renewed. When you are dealing with a financial arrangement of many years, long-term loans produce more stable interest rates that can be renegotiated downward should rates decline, but are capped at rates that are known as each loan is made. Due to this you may want to establish your arrangement using long-term loans.

IRC Section 409A should not apply to this form of split dollar unless the employer is bound by the agreement between the parties to forgive the loan, waive payments, etc.

Policy loans reduce cash values and death benefits, and the lapse of a policy with loans could result in negative tax consequences. Be sure to consult with your own legal and tax advisers if you have any questions about this issue.

You should also consult with these advisers before entering into this or any other arrangement involving tax, legal, and economic considerations.

Care must be exercised if a hospital and a doctor employed by that hospital use this form of split dollar due to the Medicare-Medicaid Anti-Kickback Rule and the Stark II Rules. A plan should be able to be designed that complies with these rules; however, if this applies to you, be certain to consult with your legal and tax advisers on these issues.

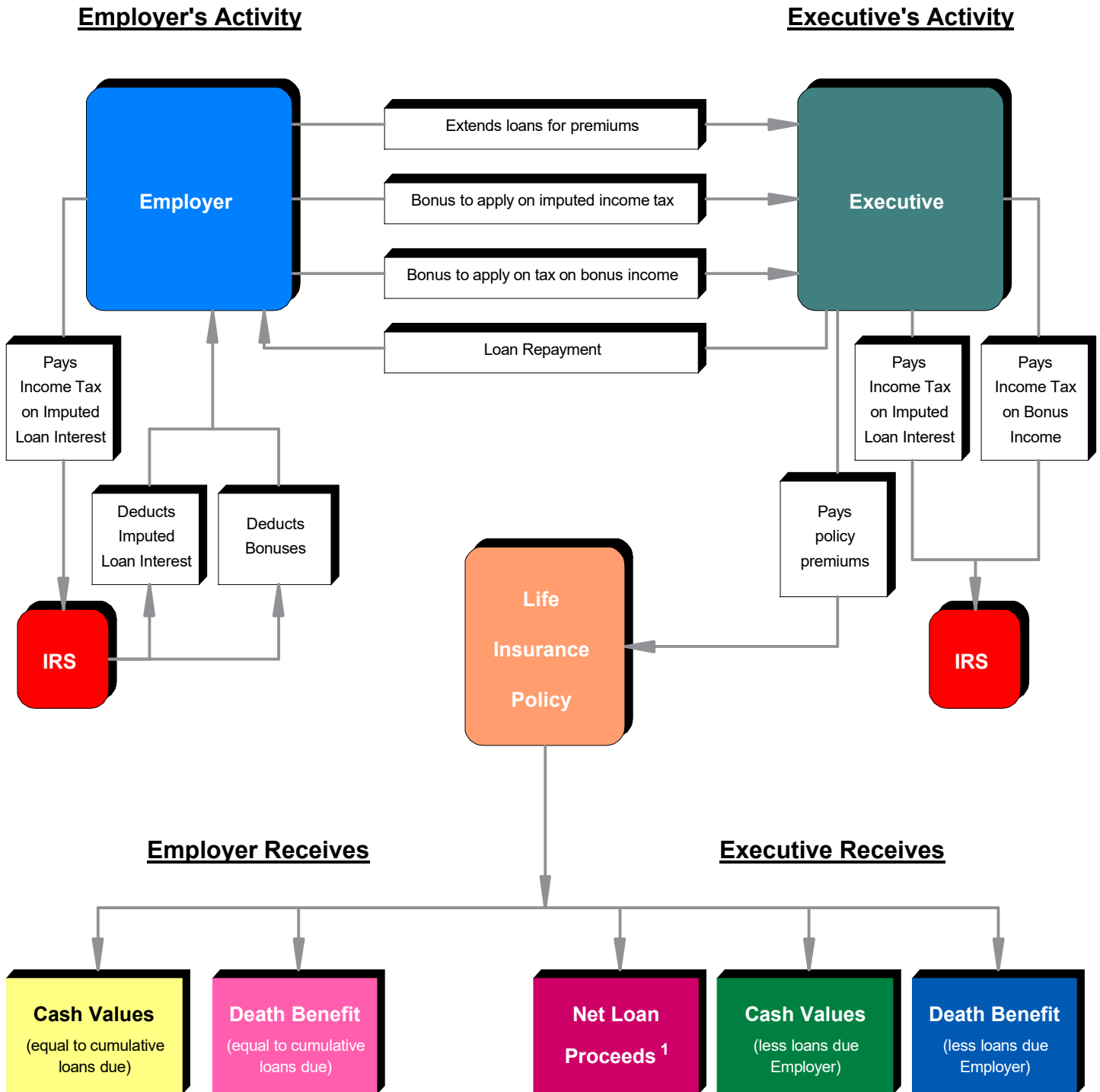
Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer: SB Chemical Company, Inc.

Flow Chart



Note: If the loan interest rate on each loan is equal to or greater than the Applicable Federal Rate established under IRC Sections 7872(f)(2)(A) and 1274(d), then no additional loan interest will be imputed to the Executive.

¹ For loan repayment and retirement income for the executive.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Illustration of Policy Values Funding the Plan

Employer: SB Chemical Company, Inc.

		Indexed UL Interest Rate 6.50%	Initial Premium 400,000	Initial Policy Death Benefit 9,500,000		
Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
1	45	400,000	0	347,057	208,974	9,847,057
2	46	400,000	0	722,070	585,935	10,222,070
3	47	400,000	0	1,127,293	993,200	10,627,293
4	48	400,000	0	1,565,158	1,433,203	11,065,158
5	49	400,000	0	2,038,295	1,908,525	11,538,295
6	50	0	0	2,151,902	2,024,364	11,651,902
7	51	0	0	2,274,660	2,149,402	11,774,660
8	52	0	0	2,407,306	2,302,949	11,907,306
9	53	0	0	2,550,638	2,467,133	12,050,638
10	54	0	0	2,705,516	2,642,911	12,205,516
11	55	0	0	2,872,870	2,831,117	12,372,870
12	56	0	0	3,053,705	3,032,853	12,553,705
13	57	0	0	3,257,949	3,257,949	12,757,949
14	58	0	0	3,478,646	3,478,646	12,978,646
15	59	0	0	3,715,660	3,715,660	13,215,660
16	60	0	0	3,989,637	3,989,637	13,489,637
17	61	0	0	4,282,817	4,282,817	13,782,817
18	62	0	0	4,596,175	4,596,175	14,096,175
19	63	0	0	4,930,357	4,930,357	14,430,357
20	64	0	0	5,286,592	5,286,592	14,786,592
21	65	0	2,300,000	5,674,757	3,259,757	7,085,000
22	66	0	309,000	6,090,566	3,230,366	6,639,800
23	67	0	318,270	6,536,468	3,199,074	6,162,607
24	68	0	327,818	7,015,126	3,166,654	5,651,528
25	69	0	337,653	7,529,100	3,133,669	5,104,569
26	70	0	347,782	8,081,962	3,101,588	4,519,626
27	71	0	358,216	8,678,520	3,073,000	4,201,208
28	72	0	368,962	9,322,615	3,049,410	4,074,898
29	73	0	380,031	10,013,825	3,027,927	3,929,171
30	74	0	391,432	10,756,140	3,009,943	3,762,873
		2,000,000	5,439,164			

30 Year Summary

Cum. Payments	2,000,000
Cum. Net Policy Loan Proceeds	5,439,164
Cash Value	3,009,943
Death Benefit	3,762,873

*This illustration assumes that the currently 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.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer: SB Chemical Company, Inc.

Illustration of Policy Values Funding the Plan

Indexed UL Interest Rate 6.50% Initial Premium 400,000 Initial Policy Death Benefit 9,500,000

Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
31	75	0	403,175	11,554,046	2,997,206	3,574,908
32	76	0	415,270	12,408,488	2,987,772	3,608,196
33	77	0	427,728	13,323,314	2,982,448	3,648,613
34	78	0	440,560	14,302,591	2,982,093	3,697,223
35	79	0	453,777	15,350,648	2,987,659	3,755,192
36	80	0	467,390	16,471,964	3,000,066	3,823,664
37	81	0	481,412	17,671,015	3,020,040	3,903,591
38	82	0	495,854	18,952,706	3,048,536	3,996,171
39	83	0	510,730	20,322,120	3,086,474	4,102,580
40	84	0	526,052	21,783,503	3,133,720	4,222,895
41	85	0	541,833	23,340,311	3,189,115	4,356,131
42	86	0	558,088	24,997,721	3,252,972	4,502,858
43	87	0	574,831	26,759,779	3,324,220	4,662,209
44	88	0	592,076	28,628,991	3,399,975	4,831,424
45	89	0	609,838	30,607,872	3,477,074	5,007,468
46	90	0	628,133	32,697,629	3,550,751	5,185,632
47	91	0	646,977	34,940,869	3,657,321	5,054,956
48	92	0	666,387	37,360,623	3,813,192	4,934,010
49	93	0	686,378	39,987,363	4,041,863	4,841,611
50	94	0	706,970	42,859,671	4,374,577	4,803,174
51	95	0	728,179	46,023,890	4,849,954	4,849,954
52	96	0	750,024	49,423,076	5,402,919	5,402,919
53	97	0	772,525	53,074,997	6,042,680	6,042,680
54	98	0	795,701	56,998,786	6,779,368	6,779,368
55	99	0	819,572	61,215,052	7,624,113	7,624,113
		2,000,000	20,138,624			

55 Year Summary

Cum. Payments	2,000,000
Cum. Net Policy Loan Proceeds	20,138,624
Cash Value	7,624,113
Death Benefit	7,624,113

*This illustration assumes that the currently 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.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer: SB Chemical Company, Inc.

Summary

Employer's Tax Bracket 28.00% Executive's Tax Bracket 40.00% Indexed UL Interest Rate 6.50% Initial Policy Death Benefit 9,500,000 Assumed Applicable Federal Rate*

Year	Male Age	Employer				Executive					
		(1) Net Payment**	(2) Cumulative Net Payments	(3) Portion of Col. (2) Due as a Loan Receivable	(4) Cumulative Charge to Earnings (2) - (3)	(5) Net Payment**	(6) Net Policy Loan Proceeds* Available for Retirement Income	(7) Year End Policy Accum Value***	(8) Year End Policy Cash Value***	(9) Year End Policy Cash Value*** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
1	45	401,939	401,939	400,000	1,939	0	0	347,057	208,974	-191,026	9,447,057
2	46	404,339	806,278	800,000	6,278	0	0	722,070	585,935	-214,065	9,422,070
3	47	407,200	1,213,478	1,200,000	13,478	0	0	1,127,293	993,200	-206,800	9,427,293
4	48	410,598	1,624,076	1,600,000	24,076	0	0	1,565,158	1,433,203	-166,797	9,465,158
5	49	414,400	2,038,476	2,000,000	38,476	0	0	2,038,295	1,908,525	-91,475	9,538,295
6	50	14,400	2,052,876	2,000,000	52,876	0	0	2,151,902	2,024,364	24,364	9,651,902
7	51	14,400	2,067,276	2,000,000	67,276	0	0	2,274,660	2,149,402	149,402	9,774,660
8	52	14,400	2,081,676	2,000,000	81,676	0	0	2,407,306	2,302,949	302,949	9,907,306
9	53	14,400	2,096,076	2,000,000	96,076	0	0	2,550,638	2,467,133	467,133	10,050,638
10	54	14,400	2,110,476	2,000,000	110,476	0	0	2,705,516	2,642,911	642,911	10,205,516
11	55	14,400	2,124,876	2,000,000	124,876	0	0	2,872,870	2,831,117	831,117	10,372,870
12	56	14,400	2,139,276	2,000,000	139,276	0	0	3,053,705	3,032,853	1,032,853	10,553,705
13	57	14,400	2,153,676	2,000,000	153,676	0	0	3,257,949	3,257,949	1,257,949	10,757,949
14	58	14,400	2,168,076	2,000,000	168,076	0	0	3,478,646	3,478,646	1,478,646	10,978,646
15	59	14,400	2,182,476	2,000,000	182,476	0	0	3,715,660	3,715,660	1,715,660	11,215,660
16	60	14,400	2,196,876	2,000,000	196,876	0	0	3,989,637	3,989,637	1,989,637	11,489,637
17	61	14,400	2,211,276	2,000,000	211,276	0	0	4,282,817	4,282,817	2,282,817	11,782,817
18	62	14,400	2,225,676	2,000,000	225,676	0	0	4,596,175	4,596,175	2,596,175	12,096,175
19	63	14,400	2,240,076	2,000,000	240,076	0	0	4,930,357	4,930,357	2,930,357	12,430,357
20	64	14,400	2,254,476	2,000,000	254,476	0	0	5,286,592	5,286,592	3,286,592	12,786,592
21	65	-2,000,000	254,476	0	254,476	0	300,000	5,674,757	3,259,757	3,259,757	7,085,000
22	66	0	254,476	0	254,476	0	309,000	6,090,566	3,230,366	3,230,366	6,639,800
23	67	0	254,476	0	254,476	0	318,270	6,536,468	3,199,074	3,199,074	6,162,607
24	68	0	254,476	0	254,476	0	327,818	7,015,126	3,166,654	3,166,654	5,651,528
25	69	0	254,476	0	254,476	0	337,653	7,529,100	3,133,669	3,133,669	5,104,569
26	70	0	254,476	0	254,476	0	347,782	8,081,962	3,101,588	3,101,588	4,519,626
27	71	0	254,476	0	254,476	0	358,216	8,678,520	3,073,000	3,073,000	4,201,208
28	72	0	254,476	0	254,476	0	368,962	9,322,615	3,049,410	3,049,410	4,074,898
29	73	0	254,476	0	254,476	0	380,031	10,013,825	3,027,927	3,027,927	3,929,171
30	74	0	254,476	0	254,476	0	391,432	10,756,140	3,009,943	3,009,943	3,762,873
		254,476				0	3,439,164				

Executive's 30 Year Summary

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

**See appropriate Net Payment Analysis for details.

***This illustration assumes that the currently 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.

Living Values † Death Benefit

Indexed Universal Life:	3,009,943	3,762,873
Less Loan Repayment Due Employer:	0	0
Equals Executive's Net Value:	3,009,943	3,762,873
Plus Cumulative After Tax Cash Flow:	3,439,164	3,439,164
Equals Executive's Total Net Value:	6,449,107	7,202,037

†Cash value less employer's loans plus cum. net policy loans.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer: SB Chemical Company, Inc.

Summary

Employer's
Tax Bracket
28.00%

Executive's
Tax Bracket
40.00%

Indexed UL
Interest Rate
6.50%

Initial Policy
Death Benefit
9,500,000

Assumed
Applicable
Federal Rate*

Year	Male Age	Employer				Executive					
		(1) Net Payment**	(2) Cumulative Net Payments	(3) Portion of Col. (2) Due as a Loan Receivable	(4) Cumulative Charge to Earnings (2) - (3)	(5) Net Payment**	(6) Net Policy Loan Proceeds* Available for Retirement Income	(7) Year End Policy Accum Value***	(8) Year End Policy Cash Value***	(9) Year End Policy Cash Value*** Net of Loan Due Employer	(10) Year End Policy Death Benefit Net of Loan Due Employer
31	75	0	254,476	0	254,476	0	403,175	11,554,046	2,997,206	2,997,206	3,574,908
32	76	0	254,476	0	254,476	0	415,270	12,408,488	2,987,772	2,987,772	3,608,196
33	77	0	254,476	0	254,476	0	427,728	13,323,314	2,982,448	2,982,448	3,648,613
34	78	0	254,476	0	254,476	0	440,560	14,302,591	2,982,093	2,982,093	3,697,223
35	79	0	254,476	0	254,476	0	453,777	15,350,648	2,987,659	2,987,659	3,755,192
36	80	0	254,476	0	254,476	0	467,390	16,471,964	3,000,066	3,000,066	3,823,664
37	81	0	254,476	0	254,476	0	481,412	17,671,015	3,020,040	3,020,040	3,903,591
38	82	0	254,476	0	254,476	0	495,854	18,952,706	3,048,536	3,048,536	3,996,171
39	83	0	254,476	0	254,476	0	510,730	20,322,120	3,086,474	3,086,474	4,102,580
40	84	0	254,476	0	254,476	0	526,052	21,783,503	3,133,720	3,133,720	4,222,895
41	85	0	254,476	0	254,476	0	541,833	23,340,311	3,189,115	3,189,115	4,356,131
42	86	0	254,476	0	254,476	0	558,088	24,997,721	3,252,972	3,252,972	4,502,858
43	87	0	254,476	0	254,476	0	574,831	26,759,779	3,324,220	3,324,220	4,662,209
44	88	0	254,476	0	254,476	0	592,076	28,628,991	3,399,975	3,399,975	4,831,424
45	89	0	254,476	0	254,476	0	609,838	30,607,872	3,477,074	3,477,074	5,007,468
46	90	0	254,476	0	254,476	0	628,133	32,697,629	3,550,751	3,550,751	5,185,632
47	91	0	254,476	0	254,476	0	646,977	34,940,869	3,657,321	3,657,321	5,054,956
48	92	0	254,476	0	254,476	0	666,387	37,360,623	3,813,192	3,813,192	4,934,010
49	93	0	254,476	0	254,476	0	686,378	39,987,363	4,041,863	4,041,863	4,841,611
50	94	0	254,476	0	254,476	0	706,970	42,859,671	4,374,577	4,374,577	4,803,174
51	95	0	254,476	0	254,476	0	728,179	46,023,890	4,849,954	4,849,954	4,849,954
52	96	0	254,476	0	254,476	0	750,024	49,423,076	5,402,919	5,402,919	5,402,919
53	97	0	254,476	0	254,476	0	772,525	53,074,997	6,042,680	6,042,680	6,042,680
54	98	0	254,476	0	254,476	0	795,701	56,998,786	6,779,368	6,779,368	6,779,368
55	99	0	254,476	0	254,476	0	819,572	61,215,052	7,624,113	7,624,113	7,624,113
		254,476				0 18,138,624					

Executive's 55 Year Summary

*See Promissory Note Analysis for assumed Applicable Fed. Rate.

**See appropriate Net Payment Analysis for details.

***This illustration assumes that the currently 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.

	Living Values [†]	Death Benefit
Indexed Universal Life:	7,624,113	7,624,113
Less Loan Repayment Due Employer:	0	0
Equals Executive's Net Value:	7,624,113	7,624,113
Plus Cumulative After Tax Cash Flow:	18,138,624	18,138,624
Equals Executive's Total Net Value:	25,762,737	25,762,737

†Cash value less employer's loans plus cum. net policy loans.

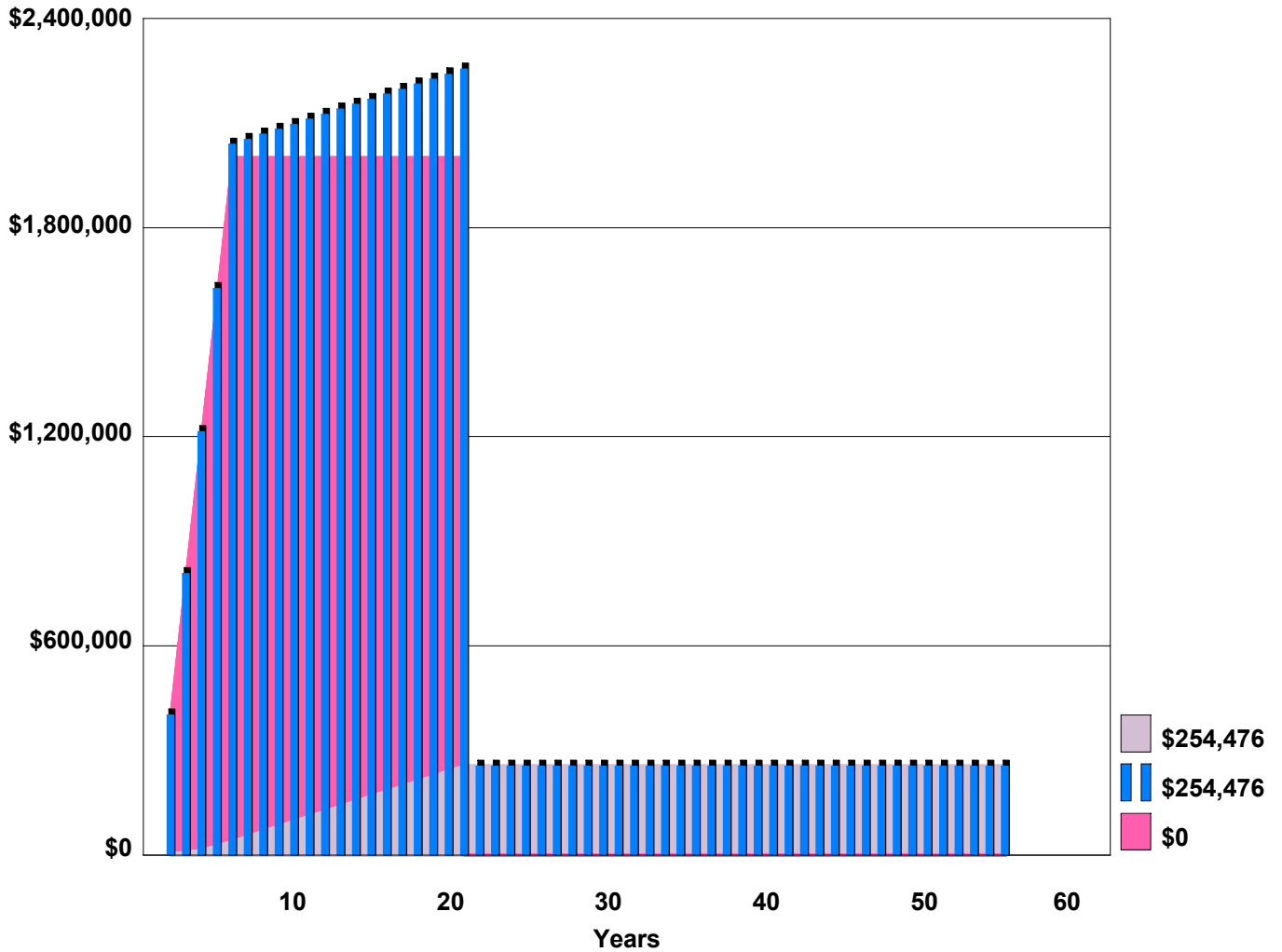
Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer's 55 Year Analysis

Employer: SB Chemical Company, Inc.



At Year 55

Employer's Cumulative Net Payments	\$254,476
Cumulative Charge to Earnings	\$254,476
Loans Due Employer from Executive	\$0

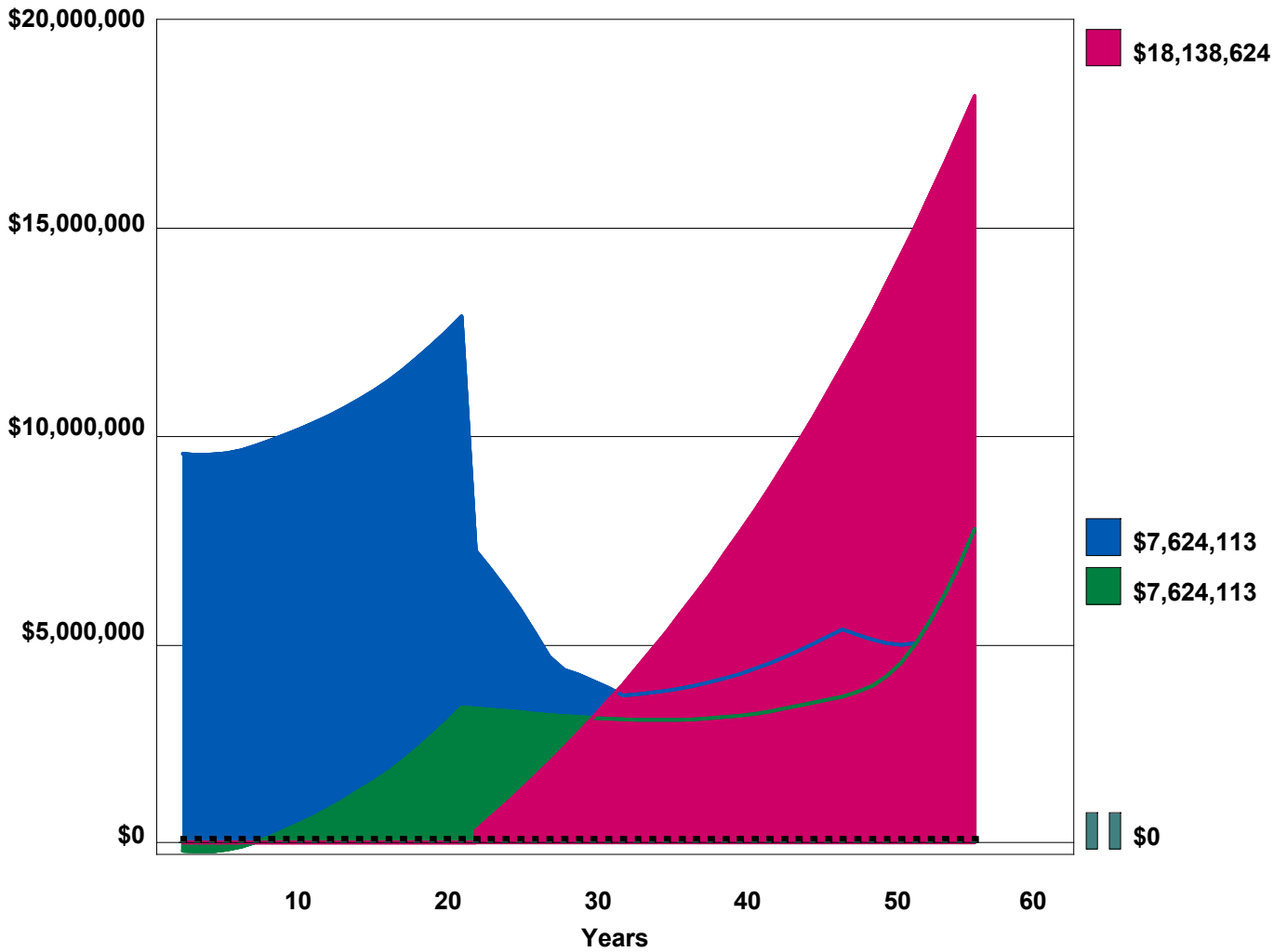
Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Executive's 55 Year Analysis

Employer: SB Chemical Company, Inc.



	At Year 55
Executive's Cumulative Net Payments	\$0
Executive's Cumulative Net Loan Proceeds ¹	\$18,138,624
Executive's Cash Value Less Cum. Loan Due Employer	\$7,624,113
Executive's Death Benefit Less Cum. Loan Due Employer	\$7,624,113

¹For retirement income.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer's Net Payment Analysis

Employer: SB Chemical Company, Inc.

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Loan Repayment from Executive	(3) Cumulative Loan to Executive	Employer's Tax Bracket 28.00%		Assumed Applicable Federal Rate*		(6) Bonus Paid to Executive	(7) After Tax Cost of Bonus Paid to Executive	(8) Employer's Net Payment (1)-(2)+(4)-(5)+(7)	(9) Employer's Annual Charge to Earnings (8) - (1) + (2)	(10) Employer's Cumulative Charge to Earnings
					(4) Employer's Deemed Loan Interest Income	(5) Employer's Deemed Loan Interest Expense	(1) 28.00%	(2) 28.00%					
1	45	400,000	0	400,000	4,040	4,040	2,693	1,939	401,939	1,939	1,939	1,939	
2	46	400,000	0	800,000	9,040	9,040	6,027	4,339	404,339	4,339	4,339	6,278	
3	47	400,000	0	1,200,000	15,000	15,000	10,000	7,200	407,200	7,200	7,200	13,478	
4	48	400,000	0	1,600,000	22,080	22,080	14,720	10,598	410,598	10,598	10,598	24,076	
5	49	400,000	0	2,000,000	30,000	30,000	20,000	14,400	414,400	14,400	14,400	38,476	
6	50	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	52,876	
7	51	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	67,276	
8	52	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	81,676	
9	53	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	96,076	
10	54	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	110,476	
11	55	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	124,876	
12	56	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	139,276	
13	57	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	153,676	
14	58	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	168,076	
15	59	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	182,476	
16	60	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	196,876	
17	61	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	211,276	
18	62	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	225,676	
19	63	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	240,076	
20	64	0	0	2,000,000	30,000	30,000	20,000	14,400	14,400	14,400	14,400	254,476	
21	65	0	2,000,000	0	0	0	0	0	-2,000,000	0	0	254,476	
22	66	0	0	0	0	0	0	0	0	0	0	254,476	
23	67	0	0	0	0	0	0	0	0	0	0	254,476	
24	68	0	0	0	0	0	0	0	0	0	0	254,476	
25	69	0	0	0	0	0	0	0	0	0	0	254,476	
26	70	0	0	0	0	0	0	0	0	0	0	254,476	
27	71	0	0	0	0	0	0	0	0	0	0	254,476	
28	72	0	0	0	0	0	0	0	0	0	0	254,476	
29	73	0	0	0	0	0	0	0	0	0	0	254,476	
30	74	0	0	0	0	0	0	0	0	0	0	254,476	
		2,000,000	2,000,000		530,160	530,160	353,440	254,476	254,476	254,476	254,476		

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer's Net Payment Analysis

Employer: SB Chemical Company, Inc.

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Loan Repayment from Executive	(3) Cumulative Loan to Executive	(4) Employer's Deemed Loan Interest Income	(5) Employer's Deemed Loan Interest Expense	(6) Bonus Paid to Executive	(7) After Tax Cost of Bonus Paid to Executive	(8) Employer's Net Payment (1)-(2)+(4) -(5)+(7)	(9) Employer's Annual Charge to Earnings (8) - (1) + (2)	(10) Employer's Cumulative Charge to Earnings	Employer's Tax Bracket	Assumed Applicable Federal Rate*
												28.00%	
31	75	0	0	0	0	0	0	0	0	0	0	254,476	
32	76	0	0	0	0	0	0	0	0	0	0	254,476	
33	77	0	0	0	0	0	0	0	0	0	0	254,476	
34	78	0	0	0	0	0	0	0	0	0	0	254,476	
35	79	0	0	0	0	0	0	0	0	0	0	254,476	
36	80	0	0	0	0	0	0	0	0	0	0	254,476	
37	81	0	0	0	0	0	0	0	0	0	0	254,476	
38	82	0	0	0	0	0	0	0	0	0	0	254,476	
39	83	0	0	0	0	0	0	0	0	0	0	254,476	
40	84	0	0	0	0	0	0	0	0	0	0	254,476	
41	85	0	0	0	0	0	0	0	0	0	0	254,476	
42	86	0	0	0	0	0	0	0	0	0	0	254,476	
43	87	0	0	0	0	0	0	0	0	0	0	254,476	
44	88	0	0	0	0	0	0	0	0	0	0	254,476	
45	89	0	0	0	0	0	0	0	0	0	0	254,476	
46	90	0	0	0	0	0	0	0	0	0	0	254,476	
47	91	0	0	0	0	0	0	0	0	0	0	254,476	
48	92	0	0	0	0	0	0	0	0	0	0	254,476	
49	93	0	0	0	0	0	0	0	0	0	0	254,476	
50	94	0	0	0	0	0	0	0	0	0	0	254,476	
51	95	0	0	0	0	0	0	0	0	0	0	254,476	
52	96	0	0	0	0	0	0	0	0	0	0	254,476	
53	97	0	0	0	0	0	0	0	0	0	0	254,476	
54	98	0	0	0	0	0	0	0	0	0	0	254,476	
55	99	0	0	0	0	0	0	0	0	0	0	254,476	
		2,000,000	2,000,000		530,160	530,160	353,440	254,476	254,476	254,476			

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer: SB Chemical Company, Inc.

Executive's Net Payment Analysis

Yr	Male Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer	(3) Net Policy Loan Proceeds Available for Loan Repayment	(4) Loan Repayment	Executive's Tax Bracket	Assumed Applicable Federal Rate*	(5) Cumulative Loan Due Employer	(6) Executive's Split Dollar Imputed Loan Interest	(7) Income Tax on Split Dollar Imputed Loan Interest	(8) After Tax Bonus Received from Employer	(9) Executive's Net Payment (1)-(2)-(3) + (4)+(7)-(8)	(10) Net Policy Loan Proceeds Available for Retirement Income
						40.00%							
1	45	400,000	400,000	0	0			400,000	4,040	1,616	1,616	0	0
2	46	400,000	400,000	0	0			800,000	9,040	3,616	3,616	0	0
3	47	400,000	400,000	0	0			1,200,000	15,000	6,000	6,000	0	0
4	48	400,000	400,000	0	0			1,600,000	22,080	8,832	8,832	0	0
5	49	400,000	400,000	0	0			2,000,000	30,000	12,000	12,000	0	0
6	50	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
7	51	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
8	52	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
9	53	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
10	54	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
11	55	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
12	56	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
13	57	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
14	58	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
15	59	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
16	60	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
17	61	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
18	62	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
19	63	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
20	64	0	0	0	0			2,000,000	30,000	12,000	12,000	0	0
21	65	0	0	2,000,000	2,000,000			0	0	0	0	0	300,000
22	66	0	0	0	0			0	0	0	0	0	309,000
23	67	0	0	0	0			0	0	0	0	0	318,270
24	68	0	0	0	0			0	0	0	0	0	327,818
25	69	0	0	0	0			0	0	0	0	0	337,653
26	70	0	0	0	0			0	0	0	0	0	347,782
27	71	0	0	0	0			0	0	0	0	0	358,216
28	72	0	0	0	0			0	0	0	0	0	368,962
29	73	0	0	0	0			0	0	0	0	0	380,031
30	74	0	0	0	0			0	0	0	0	0	391,432
		2,000,000	2,000,000	2,000,000	2,000,000				530,160	212,064	212,064	0	3,439,164

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Executive's Net Payment Analysis

Employer: SB Chemical Company, Inc.

Yr	Male Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer	(3) Net Policy Loan Proceeds Available for Loan Repayment	(4) Loan Repayment	(5) Cumulative Loan Due Employer	(6) Executive's Split Dollar Imputed Loan Interest	(7) Income Tax on Split Dollar Imputed Loan Interest	(8) After Tax Bonus Received from Employer	(9) Executive's Net Payment (1)-(2)-(3) + (4)+(7)-(8)	(10) Net Policy Loan Proceeds Available for Retirement Income
31	75	0	0	0	0	0	0	0	0	0	403,175
32	76	0	0	0	0	0	0	0	0	0	415,270
33	77	0	0	0	0	0	0	0	0	0	427,728
34	78	0	0	0	0	0	0	0	0	0	440,560
35	79	0	0	0	0	0	0	0	0	0	453,777
36	80	0	0	0	0	0	0	0	0	0	467,390
37	81	0	0	0	0	0	0	0	0	0	481,412
38	82	0	0	0	0	0	0	0	0	0	495,854
39	83	0	0	0	0	0	0	0	0	0	510,730
40	84	0	0	0	0	0	0	0	0	0	526,052
41	85	0	0	0	0	0	0	0	0	0	541,833
42	86	0	0	0	0	0	0	0	0	0	558,088
43	87	0	0	0	0	0	0	0	0	0	574,831
44	88	0	0	0	0	0	0	0	0	0	592,076
45	89	0	0	0	0	0	0	0	0	0	609,838
46	90	0	0	0	0	0	0	0	0	0	628,133
47	91	0	0	0	0	0	0	0	0	0	646,977
48	92	0	0	0	0	0	0	0	0	0	666,387
49	93	0	0	0	0	0	0	0	0	0	686,378
50	94	0	0	0	0	0	0	0	0	0	706,970
51	95	0	0	0	0	0	0	0	0	0	728,179
52	96	0	0	0	0	0	0	0	0	0	750,024
53	97	0	0	0	0	0	0	0	0	0	772,525
54	98	0	0	0	0	0	0	0	0	0	795,701
55	99	0	0	0	0	0	0	0	0	0	819,572
		2,000,000	2,000,000	2,000,000	2,000,000		530,160	212,064	212,064	0	18,138,624

*See Promissory Note Analysis for assumed Applicable Fed. Rate.
See Preface for notes regarding loan interest rates.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Employer: SB Chemical Company, Inc.

Promissory Note Analysis

Assumed
Applicable
Federal Rate**
(See Col. 2)

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Year End Cumulative Loan to Executive	(8) Year End Policy Accum Value* Net of Loan	(9) Year End Policy Cash Value* Net of Loan	(10) Year End Policy Death Benefit* Net of Loan
1	45	400,000	1.01%	0	0	0	0	400,000	-52,943	-191,026	9,447,057
2	46	400,000	1.13%	0	0	0	0	800,000	-77,930	-214,065	9,422,070
3	47	400,000	1.25%	0	0	0	0	1,200,000	-72,707	-206,800	9,427,293
4	48	400,000	1.38%	0	0	0	0	1,600,000	-34,842	-166,797	9,465,158
5	49	400,000	1.50%	0	0	0	0	2,000,000	38,295	-91,475	9,538,295
6	50	0	1.50%	0	0	0	0	2,000,000	151,902	24,364	9,651,902
7	51	0	1.50%	0	0	0	0	2,000,000	274,660	149,402	9,774,660
8	52	0	1.50%	0	0	0	0	2,000,000	407,306	302,949	9,907,306
9	53	0	1.50%	0	0	0	0	2,000,000	550,638	467,133	10,050,638
10	54	0	1.50%	0	0	0	0	2,000,000	705,516	642,911	10,205,516
11	55	0	1.50%	0	0	0	0	2,000,000	872,870	831,117	10,372,870
12	56	0	1.50%	0	0	0	0	2,000,000	1,053,705	1,032,853	10,553,705
13	57	0	1.50%	0	0	0	0	2,000,000	1,257,949	1,257,949	10,757,949
14	58	0	1.50%	0	0	0	0	2,000,000	1,478,646	1,478,646	10,978,646
15	59	0	1.50%	0	0	0	0	2,000,000	1,715,660	1,715,660	11,215,660
16	60	0	1.50%	0	0	0	0	2,000,000	1,989,637	1,989,637	11,489,637
17	61	0	1.50%	0	0	0	0	2,000,000	2,282,817	2,282,817	11,782,817
18	62	0	1.50%	0	0	0	0	2,000,000	2,596,175	2,596,175	12,096,175
19	63	0	1.50%	0	0	0	0	2,000,000	2,930,357	2,930,357	12,430,357
20	64	0	1.50%	0	0	0	0	2,000,000	3,286,592	3,286,592	12,786,592
21	65	0	n/a	0	0	0	2,000,000	0	5,674,757	3,259,757	7,085,000
22	66	0	n/a	0	0	0	0	0	6,090,566	3,230,366	6,639,800
23	67	0	n/a	0	0	0	0	0	6,536,468	3,199,074	6,162,607
24	68	0	n/a	0	0	0	0	0	7,015,126	3,166,654	5,651,528
25	69	0	n/a	0	0	0	0	0	7,529,100	3,133,669	5,104,569
26	70	0	n/a	0	0	0	0	0	8,081,962	3,101,588	4,519,626
27	71	0	n/a	0	0	0	0	0	8,678,520	3,073,000	4,201,208
28	72	0	n/a	0	0	0	0	0	9,322,615	3,049,410	4,074,898
29	73	0	n/a	0	0	0	0	0	10,013,825	3,027,927	3,929,171
30	74	0	n/a	0	0	0	0	0	10,756,140	3,009,943	3,762,873
		2,000,000		0	0	0	2,000,000				

*This illustration assumes that the currently 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.

**See Preface for notes regarding loan interest rates.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Loan-Based Split Dollar by a C Corporation Funded With Indexed Universal Life

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

Insured: Oliver Belmont

Promissory Note Analysis

Employer: SB Chemical Company, Inc.

Assumed
Applicable
Federal Rate**
(See Col. 2)

Yr	Male Age	(1) Beginning of Year Loan to Executive	(2) Assumed Applicable Federal Rate	(3) Annual Loan Interest Paid from Non-Policy Values	(4) Annual Loan Interest Paid from Policy Values	(5) Loan Repayments from Non-Policy Values	(6) Loan Repayments from Policy Values	(7) Year End Cumulative Loan to Executive	(8) Year End Policy Accum Value* Net of Loan	(9) Year End Policy Cash Value* Net of Loan	(10) Year End Policy Death Benefit* Net of Loan
31	75	0	n/a	0	0	0	0	0	11,554,046	2,997,206	3,574,908
32	76	0	n/a	0	0	0	0	0	12,408,488	2,987,772	3,608,196
33	77	0	n/a	0	0	0	0	0	13,323,314	2,982,448	3,648,613
34	78	0	n/a	0	0	0	0	0	14,302,591	2,982,093	3,697,223
35	79	0	n/a	0	0	0	0	0	15,350,648	2,987,659	3,755,192
36	80	0	n/a	0	0	0	0	0	16,471,964	3,000,066	3,823,664
37	81	0	n/a	0	0	0	0	0	17,671,015	3,020,040	3,903,591
38	82	0	n/a	0	0	0	0	0	18,952,706	3,048,536	3,996,171
39	83	0	n/a	0	0	0	0	0	20,322,120	3,086,474	4,102,580
40	84	0	n/a	0	0	0	0	0	21,783,503	3,133,720	4,222,895
41	85	0	n/a	0	0	0	0	0	23,340,311	3,189,115	4,356,131
42	86	0	n/a	0	0	0	0	0	24,997,721	3,252,972	4,502,858
43	87	0	n/a	0	0	0	0	0	26,759,779	3,324,220	4,662,209
44	88	0	n/a	0	0	0	0	0	28,628,991	3,399,975	4,831,424
45	89	0	n/a	0	0	0	0	0	30,607,872	3,477,074	5,007,468
46	90	0	n/a	0	0	0	0	0	32,697,629	3,550,751	5,185,632
47	91	0	n/a	0	0	0	0	0	34,940,869	3,657,321	5,054,956
48	92	0	n/a	0	0	0	0	0	37,360,623	3,813,192	4,934,010
49	93	0	n/a	0	0	0	0	0	39,987,363	4,041,863	4,841,611
50	94	0	n/a	0	0	0	0	0	42,859,671	4,374,577	4,803,174
51	95	0	n/a	0	0	0	0	0	46,023,890	4,849,954	4,849,954
52	96	0	n/a	0	0	0	0	0	49,423,076	5,402,919	5,402,919
53	97	0	n/a	0	0	0	0	0	53,074,997	6,042,680	6,042,680
54	98	0	n/a	0	0	0	0	0	56,998,786	6,779,368	6,779,368
55	99	0	n/a	0	0	0	0	0	61,215,052	7,624,113	7,624,113
		2,000,000		0	0	0	0	2,000,000			

*This illustration assumes that the currently 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.

**See Preface for notes regarding loan interest rates.

Loan arrangement presumed terminated in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.