Case Data

Personal

Client:	Male, Age 50
Client Retirement Age:	65
Client Health Class for Insurance:	Preferred Best Nonsmoker
Spouse:	Female, Age 50

An important element of the analysis in this report is to consider income to survivors produced by insurance proceeds at Client's death.

Survivor Income Column (Benefits to Surviving Spouse analysis) : Reflects the annual income to a surviving spouse, over the income period, assuming Client died that year.

Method for determining duration of Survivor's income:	Survivor's life expectancy
Initial number of years for Survivor income:	34
Asset rate of return to calculate Survivor income:	4.55%

Financial

Annual deposit for retirement:	$50,000
Number of deposit years:	10

Traditional Investing

Gross rate of return on traditional investment assets:	7.00%
Income tax rate:	35.00%
Net after-tax rate of return:	4.55%
Annual inflation rate:	3.00%
Method for Calculating Retirement Income	Liquidate account over income period, at after-tax rate of return

Life Insurance as a Funding Asset

Projected Health class for Insurance:	Preferred Best Nonsmoker
Rate of return on Insurance cash value:	7.00%
Insurance product type:	Variable UL
Initial Death Benefit	$1,172,192

Strategy Comparison

The following chart and tables compare purchasing life insurance to investing the premium dollars in an alternative investment. The alternative investment is a hypothetical fund which is assumed to grow at the composite rate of return and includes assets which may be subject to income tax at the individual's ordinary income tax or capital gains tax bracket.

Product:	Variable UL
Insured:	Male, Age 50, Preferred Best Nonsmoker
Initial Premium:	$50,000
Initial Face Amount:	$1,172,192
Assumed Alternative Growth Rate:	7.00%
Summary Year:	36 (age 85)

Accumulation

Annual contribution of $50,000 for 10 years | Total contribution: $500,000

Alternative Investment		Life Insurance
Distribution Annual after-tax income of $59,396 for 20 years*		**Distribution** Annual after-tax income of $71,628 for 20 years
Total after-tax distributions: $1,187,929		Total after-tax distributions: $1,432,560
	VS	
Account Balance After-tax remainder in year 36 $0		**Death Benefit Protection** Death benefit in year 36 $205,483
Total distributions and remainder: $1,187,929		Total distributions and death benefit: $1,638,043

IRR on Total Distributions and Death Benefit:

5.98%

Life Insurance Advantage:

$450,114

* May include partial payment year.

Internal Rate of Return on death benefit is equivalent to the interest rate required for illustrated deposits to accumulate the death benefit at the illustrated age, assuming the death benefit was an investment balance.

Traditional Asset Investment vs Life Insurance

		Traditional Assets				*Life Insurance*			
Year	Age	Alternate Investment Deposits	Net Withdrawals	Gross Growth Rate	Net Alternate Investment (EOY)	Life Insurance Premium	Withdrawals And Loans	Net Cash Value	Net Death Benefit
1	50	50,000	0	7.00%	52,275	50,000	0	1,461	1,218,196
2	51	50,000	0	7.00%	106,929	50,000	0	51,397	1,266,960
3	52	50,000	0	7.00%	164,069	50,000	0	103,856	1,318,540
4	53	50,000	0	7.00%	223,809	50,000	0	159,705	1,373,216
5	54	50,000	0	7.00%	286,267	50,000	0	218,537	1,431,170
6	55	50,000	0	7.00%	351,567	50,000	0	287,888	1,492,608
7	56	50,000	0	7.00%	419,839	50,000	0	361,102	1,558,790
8	57	50,000	0	7.00%	491,216	50,000	0	438,556	1,629,210
9	58	50,000	0	7.00%	565,842	50,000	0	520,118	1,704,032
10	59	50,000	0	7.00%	643,862	50,000	0	605,699	1,783,459
11	60	0	0	7.00%	673,158	0	0	651,607	1,172,192
12	61	0	0	7.00%	703,787	0	0	694,727	1,172,192
13	62	0	0	7.00%	735,809	0	0	740,823	1,172,192
14	63	0	0	7.00%	769,289	0	0	790,096	1,172,192
15	64	0	0	7.00%	804,291	0	0	842,784	1,172,192
16	65	0	59,396	7.00%	778,787	0	71,628	824,583	1,100,564
17	66	0	59,396	7.00%	752,123	0	71,628	805,267	1,028,936
18	67	0	59,396	7.00%	724,246	0	71,628	784,770	957,308
19	68	0	59,396	7.00%	695,100	0	71,628	763,010	885,680
20	69	0	59,396	7.00%	664,628	0	71,628	739,833	850,808
21	70	0	59,396	7.00%	632,770	0	71,628	715,073	808,032
22	71	0	59,396	7.00%	599,462	0	71,628	688,637	764,543
23	72	0	59,396	7.00%	564,638	0	71,628	660,736	726,884
24	73	0	59,396	7.00%	528,230	0	71,628	630,971	685,587
25	74	0	59,396	7.00%	490,166	0	71,628	599,223	640,511
26	75	0	59,396	7.00%	450,370	0	71,628	565,411	608,987
27	76	0	59,396	7.00%	408,762	0	71,628	529,272	575,140
28	77	0	59,396	7.00%	365,262	0	71,628	490,640	538,797
29	78	0	59,396	7.00%	319,783	0	71,628	449,334	499,774
30	79	0	59,396	7.00%	272,234	0	71,628	405,156	457,866
31	80	0	59,396	7.00%	222,521	0	71,628	357,880	412,839
32	81	0	59,396	7.00%	170,547	0	71,628	307,266	364,446
33	82	0	59,396	7.00%	116,208	0	71,628	253,058	312,421
34	83	0	59,396	7.00%	59,396	0	71,628	194,941	256,438
35	84	0	59,396	7.00%	0	0	71,628	132,586	196,158
36	85	0	0	7.00%	0	0	0	139,840	205,483
37	86	0	0	7.00%	0	0	0	147,069	214,832
38	87	0	0	7.00%	0	0	0	154,143	224,072
40	89	0	0	7.00%	0	0	0	167,399	241,780
41	90	0	0	7.00%	0	0	0	173,278	234,603
44	93	0	0	7.00%	0	0	0	197,018	213,848
46	95	0	0	7.00%	0	0	0	223,700	223,700
50	99	0	0	7.00%	0	0	0	293,473	293,473

Comparison: Benefits to Surviving Spouse

Survivor income from traditional assets compared to Survivor income from investment in life insurance

			Traditional Assets			*Life Insurance*			
Year	Spouse Age	Life Expectancy Yrs.*	Investment Contribution /Income	Investment Account Balance @ 4.55%	Survivor Income from Investment	Insurance Premium/ Income	Insurance Cash Value	Insurance Death Benefit	Survivor Income @ After-tax 4.55%
1	50	34	50,000	52,275	2,918	50,000	1,461	1,218,196	67,994
2	51	33	50,000	106,929	6,046	50,000	51,397	1,266,960	71,636
3	52	32	50,000	164,069	9,405	50,000	103,856	1,318,540	75,582
4	53	31	50,000	223,809	13,017	50,000	159,705	1,373,216	79,868
5	54	31	50,000	286,267	16,650	50,000	218,537	1,431,170	83,239
6	55	30	50,000	351,567	20,766	50,000	287,888	1,492,608	88,162
7	56	29	50,000	419,839	25,208	50,000	361,102	1,558,790	93,592
8	57	28	50,000	491,216	30,012	50,000	438,556	1,629,210	99,540
9	58	27	50,000	565,842	35,218	50,000	520,118	1,704,032	106,060
10	59	26	50,000	643,862	40,874	50,000	605,699	1,783,459	113,220
11	60	25	0	673,158	43,645	0	651,607	1,172,192	76,001
12	61	24	0	703,787	46,671	0	694,727	1,172,192	77,733
13	62	24	0	735,809	48,795	0	740,823	1,172,192	77,733
14	63	23	0	769,289	52,260	0	790,096	1,172,192	79,631
15	64	22	0	804,291	56,069	0	842,784	1,172,192	81,717
16	65	21	-59,396	778,787	55,820	-71,628	824,583	1,100,564	78,884
17	66	20	-59,396	752,123	55,544	-71,628	805,267	1,028,936	75,986
18	67	19	-59,396	724,246	55,237	-71,628	784,770	957,308	73,012
19	68	19	-59,396	695,100	53,014	-71,628	763,010	885,680	67,549
20	69	18	-59,396	664,628	52,487	-71,628	739,833	850,808	67,190
21	70	17	-59,396	632,770	51,894	-71,628	715,073	808,032	66,268
22	71	16	-59,396	599,462	51,224	-71,628	688,637	764,543	65,330
23	72	16	-59,396	564,638	48,248	-71,628	660,736	726,884	62,112
24	73	15	-59,396	528,230	47,207	-71,628	630,971	685,587	61,269
25	74	14	-59,396	490,166	46,011	-71,628	599,223	640,511	60,123
26	75	13	-59,396	450,370	44,624	-71,628	565,411	608,987	60,340
27	76	13	-59,396	408,762	40,501	-71,628	529,272	575,140	56,987
29	78	11	-59,396	319,783	35,958	-71,628	449,334	499,774	56,197
30	79	11	-59,396	272,234	30,611	-71,628	405,156	457,866	51,484
31	80	10	-59,396	222,521	26,964	-71,628	357,880	412,839	50,026
32	81	10	-59,396	170,547	20,666	-71,628	307,266	364,446	44,162
33	82	9	-59,396	116,208	15,326	-71,628	253,058	312,421	41,203
34	83	9	-59,396	59,396	7,833	-71,628	194,941	256,438	33,820
35	84	8	-59,396	0	0	-71,628	132,586	196,158	28,503
37	86	7	0	0	0	0	147,069	214,832	34,935
39	88	6	0	0	0	0	160,967	233,105	43,297
41	90	6	0	0	0	0	173,278	234,603	43,575
43	92	5	0	0	0	0	187,609	220,214	48,047
45	94	4	0	0	0	0	208,827	208,827	55,741

* Life Expectancy from IRS Table 1, derived to determine the anticipated future lifetime over which to receive required IRA distributions