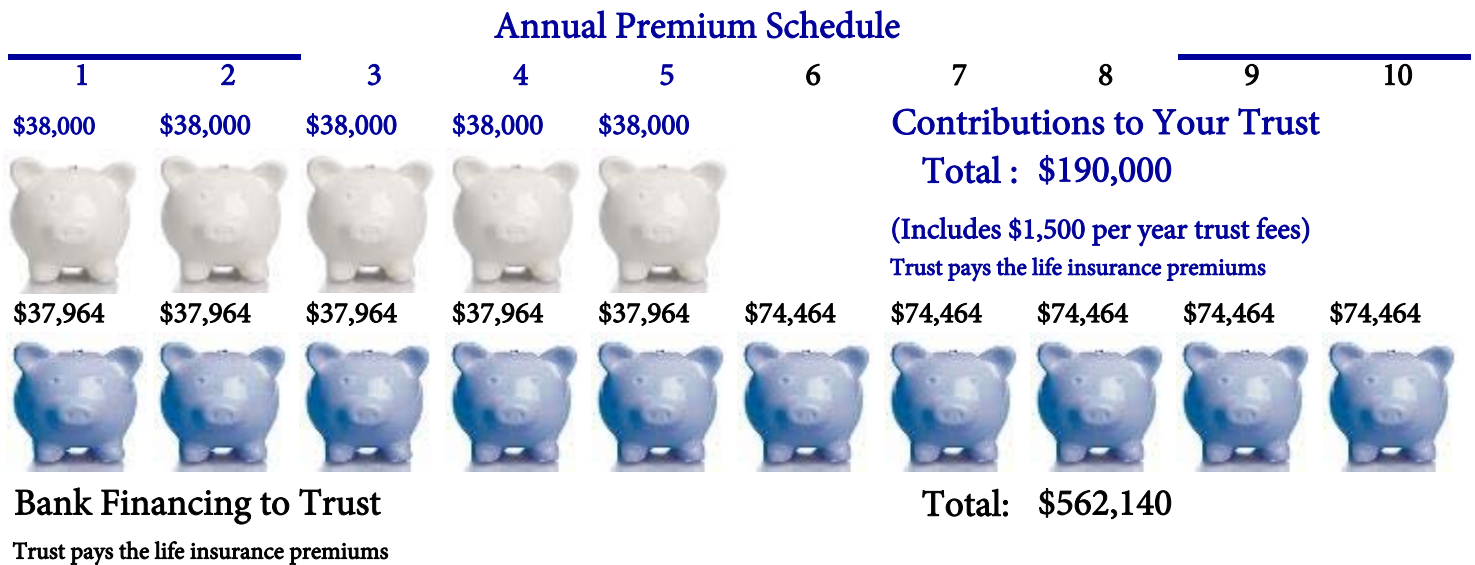


The most compelling aspect of this Strategy is that the participant's contributions are leveraged 3:1.



How this Financed Strategy Works

The Strategy is simple:

A life insurance policy is jointly funded by the executive and bank financing. The bank financing provides approximately 60-75% of the total premiums to the policy. No collateral is required.

Now executives can realize benefits far beyond what their annual contributions alone could afford them.

The Use of Leverage

This concept is not much different than using a bank mortgage to leverage assets to purchase a home. Money is borrowed to buy a bigger house than one could purchase with assets on hand. The amount funded into the policy has the potential for market growth without the risk of market losses due to declines in an index and uses the policy's cash value as the sole collateral for the loan.

Years 1-5

During the first 5 years, the participant contributes their portion and the lender finances the additional premiums into the insurance policy.

Years 6-10

After year 5, the participant's obligation is projected to be complete and the lender makes the remaining premium payments.

Years 11-15

During this time, the policy has the potential to accumulate more value and the lender's note is projected to be satisfied approximately by the end of the 15th year.

Years 16 and beyond

Potential policy cash value accumulation is projected for distributions for lifestyle needs such as supplemental retirement income.

Client	Age: 53	Female PNS
Death Benefit Amount:	\$1,500,000	Premium: \$ 74,464

Projected Participant Contributions with Trust/Admin Fees for 5 years:		Projected Bank Financing for 10 years:	
1	\$38,000	1	\$37,964
2	\$38,000	2	\$37,964
3	\$38,000	3	\$37,964
4	\$38,000	4	\$37,964
5	\$38,000	5	\$37,964
6	\$0	6	\$74,464
7	\$0	7	\$74,464
8	\$0	8	\$74,464
9	\$0	9	\$74,464
10	\$0	10	\$74,464
Total	\$190,000	Total	\$562,140

Illustrated Projection Summary

Potential Net Death Benefit after Loan Repayment and Total Supplemental Income Paid:	\$2,519,709
Projected Annual Supplemental Income:	\$54,000
Projected Total Supplemental Income:	\$1,188,000
Projected Bank Loan Repayment from Policy in the 15th Year:	\$875,000

Stress Test Using Historical Interest Rates/Policy Performance:

1980s Stress Test Annual Supplemental Income:*	\$46,000
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*The 1980 simulation assumes a gradual cap increases to 15%

Great Depression Annual Supplemental Income:	\$37,000
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(Bank Loan payoff from policy could vary based on actual policy performance and bank loan terms.)

Policy loans and withdrawals will reduce the policy's cash value and death benefit and may result in a taxable event.

Client
Female PNS

53
Illustrated Rate 6.73%
Bank Margin 1.75%

Death Benefit Amount: \$ 1,500,000
Option B Increasing

Age	Year	Loan Rate Liber Plus Bank Margin	Total Premium Paid	Client Contribution Plus Trust Fees	Bank Loan Amount	Projected Loan Repayment Using Policy Loan	Projected Cumulative Bank Loan Including Interest	Illustrated Year End Projected Cash Value	Estimated Net Cash Surrender Value After Bank Loan	Illustrated Year End Projected Death Benefit (Gross Amount)	Projected Net Illustrated Year End Death Benefit Minus Bank Loan	Cash Accumulation Potential for Supplemental Retirement Income
		(A)	(B)	(C)	(D)	(E)	(F)	(d)	(G)	(H)	(H-F)	(I)
54	1	4.75%	74,464	38,000	37,964	-	40,447	66,411	25,964	1,566,411	1,525,964	-
55	2	4.90%	74,464	38,000	37,964	-	82,307	137,119	54,812	1,637,119	1,554,812	-
56	3	4.92%	74,464	38,000	37,964	-	126,270	212,338	86,068	1,712,338	1,586,068	-
57	4	4.92%	74,464	38,000	37,964	-	172,458	292,351	119,893	1,792,351	1,619,893	-
58	5	4.92%	74,464	38,000	37,964	-	220,919	377,496	156,577	1,877,496	1,656,577	-
59	6	4.92%	74,464	-	74,464	-	310,117	468,152	158,035	1,968,152	1,658,035	-
60	7	4.92%	74,464	-	74,464	-	403,797	564,750	160,953	2,064,750	1,660,953	-
61	8	4.92%	74,464	-	74,464	-	502,118	667,746	165,628	2,167,746	1,665,628	-
62	9	4.94%	74,464	-	74,464	-	605,461	777,618	172,157	2,277,618	1,672,157	-
63	10	4.97%	74,464	-	74,464	-	714,218	894,878	180,660	2,394,878	1,680,660	-
64	11	4.97%	-	-	-	-	750,208	962,006	211,798	1,562,006	811,798	-
65	12	5.15%	-	-	-	-	789,380	1,034,147	244,767	1,634,147	844,767	-
66	13	5.15%	-	-	-	-	830,630	1,111,645	281,015	1,711,645	881,015	-
67	14	5.15%	-	-	-	-	874,002	1,194,870	320,868	1,794,870	920,868	-
68	15	5.15%	-	-	-	(\$875,000)	-	358,340	358,340	588,216	588,216	-
69	16	-	-	-	-	-	-	343,420	343,420	575,438	575,438	54,000
70	17	-	-	-	-	-	-	329,235	329,235	562,577	562,577	54,000
71	18	-	-	-	-	-	-	315,929	315,929	549,665	549,665	54,000
72	19	-	-	-	-	-	-	303,861	303,861	520,309	520,309	54,000
73	20	-	-	-	-	-	-	293,286	293,286	488,994	488,994	54,000
74	21	-	-	-	-	-	-	284,480	284,480	455,603	455,603	54,000
75	22	-	-	-	-	-	-	277,744	277,744	419,996	419,996	54,000
76	23	-	-	-	-	-	-	273,401	273,401	382,013	382,013	54,000
77	24	-	-	-	-	-	-	271,315	271,315	387,406	387,406	54,000
78	25	-	-	-	-	-	-	271,593	271,593	395,659	395,659	54,000
79	26	-	-	-	-	-	-	274,487	274,487	407,057	407,057	54,000
80	27	-	-	-	-	-	-	280,264	280,264	421,899	421,899	54,000
81	28	-	-	-	-	-	-	289,196	289,196	440,494	440,494	54,000
82	29	-	-	-	-	-	-	301,470	301,470	463,058	463,058	54,000
83	30	-	-	-	-	-	-	317,330	317,330	489,873	489,873	54,000
84	31	-	-	-	-	-	-	337,010	337,010	521,206	521,206	54,000
85	32	-	-	-	-	-	-	360,526	360,526	557,099	557,099	54,000
86	33	-	-	-	-	-	-	387,719	387,719	597,414	597,414	54,000
87	34	-	-	-	-	-	-	418,761	418,761	642,359	642,359	54,000
88	35	-	-	-	-	-	-	453,638	453,638	691,948	691,948	54,000
89	36	-	-	-	-	-	-	492,299	492,299	746,158	746,158	54,000
90	37	-	-	-	-	-	-	534,701	534,701	804,977	804,977	54,000
91	38	-	-	-	-	-	-	638,305	638,305	925,939	925,939	-
92	39	-	-	-	-	-	-	756,134	756,134	1,001,183	1,001,183	-
93	40	-	-	-	-	-	-	891,000	891,000	1,086,888	1,086,888	-
94	41	-	-	-	-	-	-	1,046,386	1,046,386	1,185,725	1,185,725	-
95	42	-	-	-	-	-	-	1,226,618	1,226,618	1,301,050	1,301,050	-
96	43	-	-	-	-	-	-	1,436,963	1,436,963	1,436,963	1,436,963	-
97	44	-	-	-	-	-	-	1,669,363	1,669,363	1,669,363	1,669,363	-
98	45	-	-	-	-	-	-	1,925,814	1,925,814	1,925,814	1,925,814	-
99	46	-	-	-	-	-	-	2,208,481	2,208,481	2,208,481	2,208,481	-
100	47	-	-	-	-	-	-	2,519,709	2,519,709	2,519,709	2,519,709	-

Note: The benefits and values shown in this proposal are not guaranteed. The information above is just an example portion of an illustration and is for producer use only and for visual purposes only.

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