

# **Executive Trifecta® (for Key Executives of C Corporations)**

## **Key Executive Coverage, Survivor Income Benefit, and Subsequent Transfer of Policy to Key Executive**

"Trifecta" refers to a winning sequence of three, and Executive Trifecta delivers three, very powerful, sequential benefits:

- 1) Selected executives whose deaths would cause a serious financial loss for the Corporation are insured in favor of the Corporation thereby providing indemnification for such a loss.
- 2) During their participation, each insured executive is provided with corporate-paid survivor income benefits should death occur while employed.
- 3) At the executive's retirement, disability, or involuntary severance from employment without cause, all as described in the Agreement between the parties, the life insurance policy is contractually transferred to the participating executive (as a deferred bonus) thereby creating a supplemental retirement asset. After the policy transfer, any payment of the life insurance death benefit is made directly to the executive's personal beneficiaries.

### **Part 1: Key Executive Coverage**

Most firms would not consider operating without insuring against the loss of its property. The same logic should apply to its human capital -- a far more vital asset to the successful continuation of any business. Property can be rebuilt; not so with a human life.

In order to recognize the value of a key executive, a life insurance policy on the executive's life made payable to the Corporation is a prudent strategy. This coverage can provide needed cash to:

- a) Recover the costs of locating a replacement;
- b) Recover the loss of profits while training a replacement;
- c) Recover the permanent loss of profits if the executive is "irreplaceable";
- d) Assure creditors and suppliers that their loans and receivables are safe;
- e) Assure customers that the Corporation will continue its operations;
- f) Fund a stock buyout if the executive is a stockholder.

Features of this coverage for the Corporation are:

- a) Discriminatory participation as to the selection of participants;
- b) Income tax free policy death benefits;
- c) No regulatory approval required and negligible plan administration.

## **Part 2: Survivor Income Benefit**

With Executive Trifecta, the Corporation contractually agrees to pay scheduled amounts of income to the survivors of a participating executive. This provides the executive with:

- a) A source of continuing family income;
- b) Relief from purchasing expensive personal life insurance.

Features of this coverage for the Corporation are:

- a) Discriminatory participation as to the selection of participants;
- b) Deductible benefit payments;
- c) No regulatory approval required and negligible plan administration.

## **Part 3: Policy Transfer**

At the executive's retirement, disability, or involuntary severance from employment without cause, all as described in the Agreement between the parties, the Corporation transfers ownership of the policy to the participating executive who, in turn, names personal beneficiaries. This provides the executive with:

- a) Policy cash values for use as a supplemental retirement asset;
- b) Income tax free policy death benefits for personal beneficiaries.

## **Conclusion**

Executive Trifecta facilitates a nurturing environment that rewards key executives while simultaneously providing indemnification for the Corporation in the event of the untimely death of a covered participant.

Be sure to consult with your own tax attorney and accountant before entering into this or any other arrangement involving tax, legal, and economic considerations.

# Executive Trifecta Using Equity Indexed Universal Life

## Illustration of Values of The Policy Used in the Plan

Values Page: 1  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|      | Male<br>Age<br>45         | Eq. Indexed UL<br>Interest Rate<br>8.50% | Initial<br>Premium<br>25,000       | Initial<br>Death Benefit<br>1,529,322 |                                   |
|------|---------------------------|--|------------------------------------|---------------------------------------|-----------------------------------|
| Year | (1)<br>Premium<br>Payment | (2)<br>Pre-Tax<br>Policy<br>Cash Flow    | (3)<br>Year End<br>Accum<br>Value* | (4)<br>Year End<br>Cash<br>Value*     | (5)<br>Policy<br>Death<br>Benefit |
| 1    | 25,000                    | 0  | 23,148                             | 1,737                                 | 1,529,322                         |
| 2    | 25,000                    | 0  | 48,241                             | 5,420                                 | 1,529,322                         |
| 3    | 25,000                    | 0  | 75,337                             | 29,764                                | 1,529,322                         |
| 4    | 25,000                    | 0  | 104,601                            | 59,027                                | 1,529,322                         |
| 5    | 25,000                    | 0  | 136,213                            | 90,639                                | 1,529,322                         |
| 6    | 25,000                    | 0  | 170,395                            | 127,100                               | 1,529,322                         |
| 7    | 25,000                    | 0  | 207,290                            | 166,730                               | 1,529,322                         |
| 8    | 25,000                    | 0  | 247,152                            | 209,781                               | 1,529,322                         |
| 9    | 25,000                    | 0  | 290,229                            | 256,505                               | 1,529,322                         |
| 10   | 25,000                    | 0  | 336,808                            | 307,185                               | 1,529,322                         |
| 11   | 25,000                    | 0  | 387,227                            | 362,162                               | 1,529,322                         |
| 12   | 25,000                    | 0  | 441,856                            | 421,804                               | 1,529,322                         |
| 13   | 25,000                    | 0  | 501,089                            | 486,506                               | 1,529,322                         |
| 14   | 25,000                    | 0  | 565,406                            | 556,746                               | 1,529,322                         |
| 15   | 25,000                    | 0  | 635,340                            | 635,340                               | 1,529,322                         |
| 16   | 25,000                    | 0  | 711,475                            | 711,475                               | 1,529,322                         |
| 17   | 25,000                    | 0  | 794,519                            | 794,519                               | 1,529,322                         |
| 18   | 25,000                    | 0  | 885,267                            | 885,267                               | 1,529,322                         |
| 19   | 25,000                    | 0  | 984,629                            | 984,629                               | 1,529,322                         |
| 20   | 25,000                    | 0  | 1,093,671                          | 1,093,671                             | 1,529,322                         |
|      | 500,000                   | 0  |                                    |                                       |                                   |

### 20 Year Summary

|                        |           |
|------------------------|-----------|
| Cum. Premium Payments  | 500,000   |
| Cum. Pre-Tax Cash Flow | 0         |
| Accum Value            | 1,093,671 |
| Death Benefit          | 1,529,322 |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

# Executive Trifecta Using Equity Indexed Universal Life

## Illustration of Values of The Policy Used in the Plan

Values Page: 2  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|    | Male<br>Age<br>45         | Eq. Indexed UL<br>Interest Rate<br>8.50% | Initial<br>Premium<br>25,000       | Initial<br>Death Benefit<br>1,529,322 |                                   |
|----|---------------------------|--|------------------------------------|---------------------------------------|-----------------------------------|
|    | (1)<br>Premium<br>Payment | (2)<br>Pre-Tax<br>Policy<br>Cash Flow    | (3)<br>Year End<br>Accum<br>Value* | (4)<br>Year End<br>Cash<br>Value*     | (5)<br>Policy<br>Death<br>Benefit |
| 21 | 0                         | 443,785                                  | 701,932                            | 701,932                               | 1,085,512                         |
| 22 | 0                         | 61,000                                   | 692,433                            | 692,433                               | 1,020,852                         |
| 23 | 0                         | 61,000                                   | 682,486                            | 682,486                               | 952,312                           |
| 24 | 0                         | 61,000                                   | 672,276                            | 672,276                               | 879,660                           |
| 25 | 0                         | 61,000                                   | 662,777                            | 662,777                               | 814,079                           |
| 26 | 0                         | 61,000                                   | 652,012                            | 652,012                               | 804,488                           |
| 27 | 0                         | 61,000                                   | 640,137                            | 640,137                               | 781,988                           |
| 28 | 0                         | 61,000                                   | 627,141                            | 627,141                               | 755,828                           |
| 29 | 0                         | 61,000                                   | 613,045                            | 613,045                               | 725,816                           |
| 30 | 0                         | 61,000                                   | 597,913                            | 597,913                               | 691,779                           |
| 31 | 0                         | 61,000                                   | 581,867                            | 581,867                               | 653,573                           |
| 32 | 0                         | 61,000                                   | 563,833                            | 563,833                               | 640,428                           |
| 33 | 0                         | 61,000                                   | 543,557                            | 543,557                               | 625,276                           |
| 34 | 0                         | 61,000                                   | 520,746                            | 520,746                               | 607,830                           |
| 35 | 0                         | 61,000                                   | 495,071                            | 495,071                               | 587,766                           |
| 36 | 0                         | 61,000                                   | 466,158                            | 466,158                               | 564,717                           |
| 37 | 0                         | 61,000                                   | 433,579                            | 433,579                               | 538,257                           |
| 38 | 0                         | 61,000                                   | 396,852                            | 396,852                               | 507,906                           |
| 39 | 0                         | 61,000                                   | 355,427                            | 355,427                               | 473,116                           |
| 40 | 0                         | 61,000                                   | 308,681                            | 308,681                               | 433,261                           |
|    | 500,000                   | 1,602,785                                |                                    |                                       |                                   |

### 40 Year Summary

|                        |           |
|------------------------|-----------|
| Cum. Premium Payments  | 500,000   |
| Cum. Pre-Tax Cash Flow | 1,602,785 |
| Accum Value            | 308,681   |
| Death Benefit          | 433,261   |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

# Executive Trifecta Using Equity Indexed Universal Life

## Illustration of Values of The Policy Used in the Plan

Values Page: 3  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|      | Male Age               | Eq. Indexed UL Interest Rate    | Initial Premium              | Initial Death Benefit       |                             |
|------|------------------------|---------------------------------|------------------------------|-----------------------------|-----------------------------|
|      | 45                     | 8.50%                           | 25,000                       | 1,529,322                   |                             |
| Year | (1)<br>Premium Payment | (2)<br>Pre-Tax Policy Cash Flow | (3)<br>Year End Accum Value* | (4)<br>Year End Cash Value* | (5)<br>Policy Death Benefit |
| 41   | 0                      | 0                               | 322,452                      | 322,452                     | 454,269                     |
| 42   | 0                      | 0                               | 335,429                      | 335,429                     | 474,837                     |
| 43   | 0                      | 0                               | 347,230                      | 347,230                     | 494,587                     |
| 44   | 0                      | 0                               | 357,397                      | 357,397                     | 513,061                     |
| 45   | 0                      | 0                               | 365,379                      | 365,379                     | 529,710                     |
| 46   | 0                      | 0                               | 370,512                      | 370,512                     | 543,863                     |
| 47   | 0                      | 0                               | 378,264                      | 378,264                     | 524,686                     |
| 48   | 0                      | 0                               | 390,341                      | 390,341                     | 506,428                     |
| 49   | 0                      | 0                               | 408,710                      | 408,710                     | 490,644                     |
| 50   | 0                      | 0                               | 435,778                      | 435,778                     | 479,228                     |
|      | 500,000                | 1,602,785                       |                              |                             |                             |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

### 50 Year Summary

|                        |           |
|------------------------|-----------|
| Cum. Premium Payments  | 500,000   |
| Cum. Pre-Tax Cash Flow | 1,602,785 |
| Accum Value            | 435,778   |
| Death Benefit          | 479,228   |

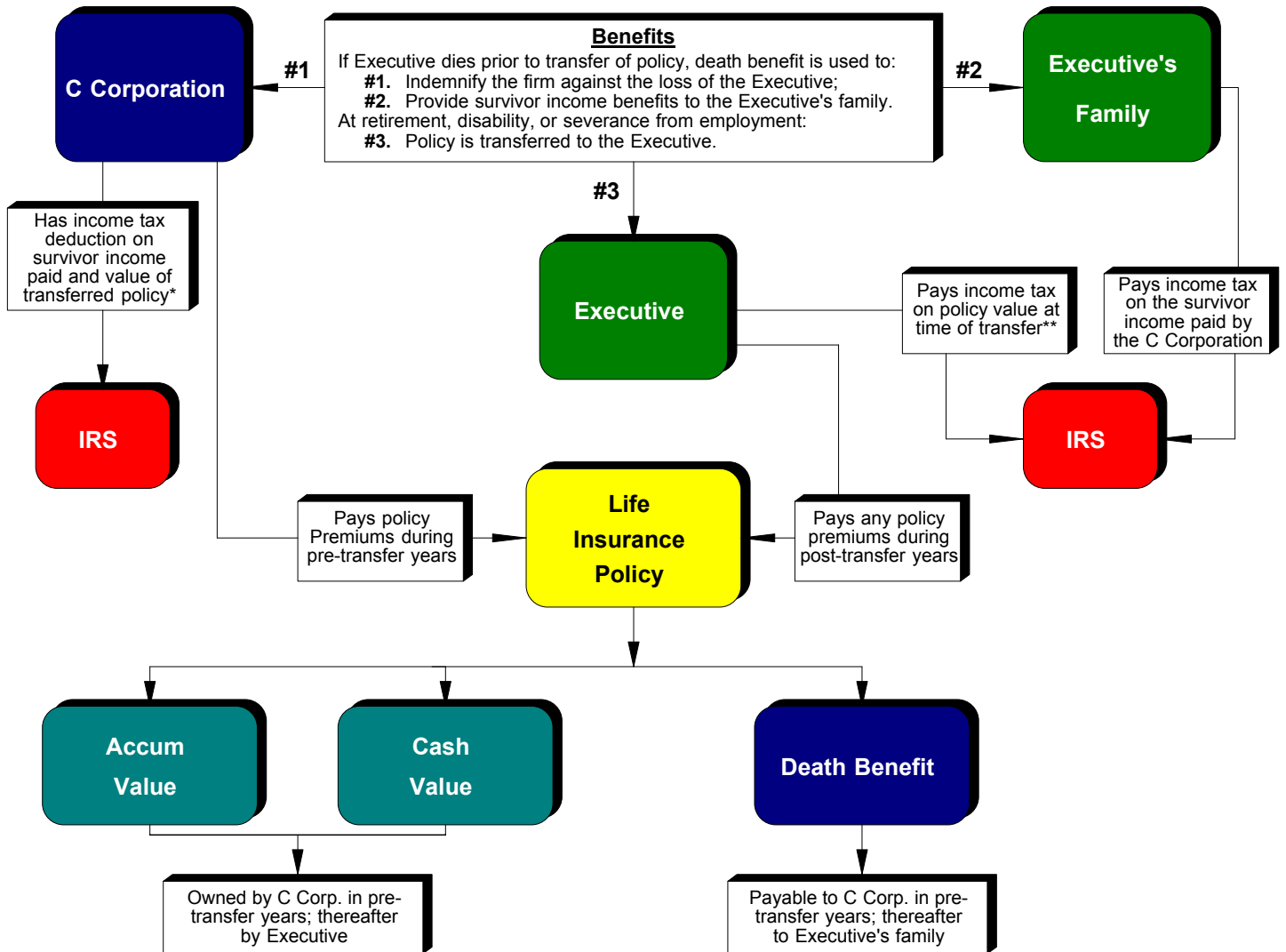
# Executive Trifecta Using Equity Indexed Universal Life

## Who Pays What - Who Receives What

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

### Flow Chart Analysis



\*When the policy is transferred, the C Corporation must recognize gain to the extent that the policy value exceeds the C Corporation's premium payments; however, the C Corporation is entitled to a deduction equal to the amount the executive includes in income on the transfer - which is generally approximated by the policy value without regard to any surrender charges (IRS Rev. Proc. 2005-25).

\*\*The executive has taxable income to the extent of the policy's fair market value (IRC Section 83) which is generally approximated by the policy value without reduction for surrender charges (IRS Rev. Proc. 2005-25).

# Executive Trifecta

## Details of the Tax Consequences

### When the Policy is Transferred to the Executive

Tax Details Page: 1  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|      |                                |                          |                 |             |
|------|--------------------------------|--------------------------|-----------------|-------------|
|      | Form of Transaction            | Policy Transfer to       |                 |             |
| Male | (Key Executive Coverage with   | Executive is Illustrated | C Corporation's | Executive's |
| Age  | Deferred Transfer of Policy to | at Beginning of Year     | Tax Bracket     | Tax Bracket |
| 45   | Executive as Compensation)     | 21                       | 34.00%          | 35.00%      |

#### Transfer Details:

Year the transfer is illustrated: Beginning of year 21  
 Accumulation value of policy when transferred: \$1,093,671  
 C Corporation's cumulative premiums prior to transfer: \$500,000  
 Executive's cumulative premiums prior to transfer: \$0

#### C Corporation's Transfer Tax Consequences:

When the policy is transferred, the C Corporation must recognize gain to the extent that the policy value exceeds the C Corporation's premium payments; however, the C Corporation is entitled to a deduction under IRC Section 162 equal to the amount the executive includes in income on the transfer -- which is generally approximated by the policy value without regard to any surrender charges.

Therefore, for this case:

1. The C Corporation has a taxable gain of the difference between \$1,093,671 (accumulation value of policy) and \$500,000 (C Corporation's cumulative premium share) which equals \$593,671 in taxable gain.  $\$593,671 \times 34.00\%$  (the C Corporation's tax bracket) = \$201,848 of income tax due.
2. In addition, the C Corporation has an income tax deduction of the difference between \$1,093,671 (policy accumulation value) and \$0 (Executive's cumulative premium share) which equals \$1,093,671 in taxable gain.  $\$1,093,671 \times 34.00\%$  = \$371,848 of income tax savings.
3. \$371,848 of income tax savings less \$201,848 of income tax due = \$170,000 of net income tax savings to the C Corporation at transfer.

#### Executive's Transfer Tax Consequences:

The executive has taxable income to the extent of the policy's fair market value (IRC Section 83) which is generally approximated by the policy's accumulation value without reduction for surrender charges (IRS Rev. Proc. 2005-25).

Therefore, for this case:

1. The executive has a taxable income of \$1,093,671 (the policy accumulation value).
2.  $\$1,093,671 \times 35.00\%$  = \$382,785 of income tax due.
3. The executive has basis in the policy of \$1,093,671 (the amount of taxable income).

Note: Any premium payments, increase in policy values, or policy activity (loans, withdrawals, etc.) in the year of transfer are presumed to occur after the transfer takes place.

# Executive's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Summary Page: 1  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

| Year | (1)<br>Net<br>Payment | (2)<br>Retirement<br>Income<br>After Tax<br>Policy<br>Cash Flow | (3)<br>Policy<br>Accum<br>Value* | (4)<br>Policy<br>Cash<br>Value* | (5)<br>Policy<br>Death<br>Benefit | (6)<br>Total<br>Survivor<br>Income<br>Benefit** |
|------|-----------------------|---|----------------------------------|---------------------------------|-----------------------------------|---|
| 1    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 2    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 3    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 4    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 5    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 6    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 7    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 8    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 9    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 10   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 11   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 12   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 13   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 14   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 15   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 16   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 17   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 18   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 19   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 20   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
|      | 0                     | 0   |                                  |                                 |                                   |   |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

## Executive's Summary of Costs and Benefits

### Executive Trifecta Using Equity Indexed Universal Life

Executive's Summary Page: 2  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|           |   |  |                                      |  |
|-----------|---|--|--------------------------------------|--|
| Male      | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
| Age<br>45 |   |  |                                      |  |

| Year | (1)<br>Net<br>Payment | (2)<br>Retirement<br>Income<br>After Tax<br>Policy<br>Cash Flow | (3)<br>Policy<br>Accum<br>Value* | (4)<br>Policy<br>Cash<br>Value* | (5)<br>Policy<br>Death<br>Benefit | (6)<br>Total<br>Survivor<br>Income<br>Benefit** |
|------|-----------------------|---|----------------------------------|---------------------------------|-----------------------------------|---|
| 21   | 0                     | 61,000  | 701,932                          | 701,932                         | 1,085,512                         | 0   |
| 22   | 0                     | 61,000  | 692,433                          | 692,433                         | 1,020,852                         | 0   |
| 23   | 0                     | 61,000  | 682,486                          | 682,486                         | 952,312                           | 0   |
| 24   | 0                     | 61,000  | 672,276                          | 672,276                         | 879,660                           | 0   |
| 25   | 0                     | 61,000  | 662,777                          | 662,777                         | 814,079                           | 0   |
| 26   | 0                     | 61,000  | 652,012                          | 652,012                         | 804,488                           | 0   |
| 27   | 0                     | 61,000  | 640,137                          | 640,137                         | 781,988                           | 0   |
| 28   | 0                     | 61,000  | 627,141                          | 627,141                         | 755,828                           | 0   |
| 29   | 0                     | 61,000  | 613,045                          | 613,045                         | 725,816                           | 0   |
| 30   | 0                     | 61,000  | 597,913                          | 597,913                         | 691,779                           | 0   |
| 31   | 0                     | 61,000  | 581,867                          | 581,867                         | 653,573                           | 0   |
| 32   | 0                     | 61,000  | 563,833                          | 563,833                         | 640,428                           | 0   |
| 33   | 0                     | 61,000  | 543,557                          | 543,557                         | 625,276                           | 0   |
| 34   | 0                     | 61,000  | 520,746                          | 520,746                         | 607,830                           | 0   |
| 35   | 0                     | 61,000  | 495,071                          | 495,071                         | 587,766                           | 0   |
| 36   | 0                     | 61,000  | 466,158                          | 466,158                         | 564,717                           | 0   |
| 37   | 0                     | 61,000  | 433,579                          | 433,579                         | 538,257                           | 0   |
| 38   | 0                     | 61,000  | 396,852                          | 396,852                         | 507,906                           | 0   |
| 39   | 0                     | 61,000  | 355,427                          | 355,427                         | 473,116                           | 0   |
| 40   | 0                     | 61,000  | 308,681                          | 308,681                         | 433,261                           | 0   |
|      | 0                     | 1,220,000   |                                  |                                 |                                   |   |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Summary Page: 3  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

| Year | (1)<br>Net<br>Payment | (2)<br>Retirement<br>Income<br>After Tax<br>Policy<br>Cash Flow | (3)<br>Policy<br>Accum<br>Value* | (4)<br>Policy<br>Cash<br>Value* | (5)<br>Policy<br>Death<br>Benefit | (6)<br>Total<br>Survivor<br>Income<br>Benefit** |
|------|-----------------------|---|----------------------------------|---------------------------------|-----------------------------------|---|
| 41   | 0                     | 0   | 322,452                          | 322,452                         | 454,269                           | 0   |
| 42   | 0                     | 0   | 335,429                          | 335,429                         | 474,837                           | 0   |
| 43   | 0                     | 0   | 347,230                          | 347,230                         | 494,587                           | 0   |
| 44   | 0                     | 0   | 357,397                          | 357,397                         | 513,061                           | 0   |
| 45   | 0                     | 0   | 365,379                          | 365,379                         | 529,710                           | 0   |
| 46   | 0                     | 0   | 370,512                          | 370,512                         | 543,863                           | 0   |
| 47   | 0                     | 0   | 378,264                          | 378,264                         | 524,686                           | 0   |
| 48   | 0                     | 0   | 390,341                          | 390,341                         | 506,428                           | 0   |
| 49   | 0                     | 0   | 408,710                          | 408,710                         | 490,644                           | 0   |
| 50   | 0                     | 0   | 435,778                          | 435,778                         | 479,228                           | 0   |

0      1,220,000

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Personal Report Page: 1  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

| Year | Executive's Costs     |   | Executive's Values               |                                 |                                   |   |
|------|-----------------------|---|----------------------------------|---------------------------------|-----------------------------------|---|
|      | (1)<br>Net<br>Payment | (2)<br>Retirement<br>Income<br>After Tax<br>Policy<br>Cash Flow | (3)<br>Policy<br>Accum<br>Value* | (4)<br>Policy<br>Cash<br>Value* | (5)<br>Policy<br>Death<br>Benefit | (6)<br>Total<br>Survivor<br>Income<br>Benefit** |
| 1    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 2    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 3    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 4    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 5    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 6    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 7    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 8    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 9    | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 10   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 11   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 12   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 13   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 14   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 15   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 16   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 17   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 18   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 19   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
| 20   | 0                     | 0   | 0                                | 0                               | 0                                 | 1,000,000                                       |
|      | 0                     | 0   |                                  |                                 |                                   |   |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the C Corporation to the executive's beneficiaries.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Personal Report Page: 2  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

| Year | Executive's Costs     |   | Executive's Values               |                                 |                                   |   |
|------|-----------------------|---|----------------------------------|---------------------------------|-----------------------------------|---|
|      | (1)<br>Net<br>Payment | (2)<br>Retirement<br>Income<br>After Tax<br>Policy<br>Cash Flow | (3)<br>Policy<br>Accum<br>Value* | (4)<br>Policy<br>Cash<br>Value* | (5)<br>Policy<br>Death<br>Benefit | (6)<br>Total<br>Survivor<br>Income<br>Benefit** |
| 21   | 0                     | 61,000  | 701,932                          | 701,932                         | 1,085,512                         | 0   |
| 22   | 0                     | 61,000  | 692,433                          | 692,433                         | 1,020,852                         | 0   |
| 23   | 0                     | 61,000  | 682,486                          | 682,486                         | 952,312                           | 0   |
| 24   | 0                     | 61,000  | 672,276                          | 672,276                         | 879,660                           | 0   |
| 25   | 0                     | 61,000  | 662,777                          | 662,777                         | 814,079                           | 0   |
| 26   | 0                     | 61,000  | 652,012                          | 652,012                         | 804,488                           | 0   |
| 27   | 0                     | 61,000  | 640,137                          | 640,137                         | 781,988                           | 0   |
| 28   | 0                     | 61,000  | 627,141                          | 627,141                         | 755,828                           | 0   |
| 29   | 0                     | 61,000  | 613,045                          | 613,045                         | 725,816                           | 0   |
| 30   | 0                     | 61,000  | 597,913                          | 597,913                         | 691,779                           | 0   |
| 31   | 0                     | 61,000  | 581,867                          | 581,867                         | 653,573                           | 0   |
| 32   | 0                     | 61,000  | 563,833                          | 563,833                         | 640,428                           | 0   |
| 33   | 0                     | 61,000  | 543,557                          | 543,557                         | 625,276                           | 0   |
| 34   | 0                     | 61,000  | 520,746                          | 520,746                         | 607,830                           | 0   |
| 35   | 0                     | 61,000  | 495,071                          | 495,071                         | 587,766                           | 0   |
| 36   | 0                     | 61,000  | 466,158                          | 466,158                         | 564,717                           | 0   |
| 37   | 0                     | 61,000  | 433,579                          | 433,579                         | 538,257                           | 0   |
| 38   | 0                     | 61,000  | 396,852                          | 396,852                         | 507,906                           | 0   |
| 39   | 0                     | 61,000  | 355,427                          | 355,427                         | 473,116                           | 0   |
| 40   | 0                     | 61,000  | 308,681                          | 308,681                         | 433,261                           | 0   |
|      | 0                     | 1,220,000   |                                  |                                 |                                   |   |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the C Corporation to the executive's beneficiaries.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Personal Report Page: 3  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

| Year | Executive's Costs     | Executive's Values  |                                  |                                 |                                   |   |
|------|-----------------------|---|----------------------------------|---------------------------------|-----------------------------------|---|
|      | (1)<br>Net<br>Payment | (2)<br>Retirement<br>Income<br>After Tax<br>Policy<br>Cash Flow | (3)<br>Policy<br>Accum<br>Value* | (4)<br>Policy<br>Cash<br>Value* | (5)<br>Policy<br>Death<br>Benefit | (6)<br>Total<br>Survivor<br>Income<br>Benefit** |
| 41   | 0                     | 0   | 322,452                          | 322,452                         | 454,269                           | 0   |
| 42   | 0                     | 0   | 335,429                          | 335,429                         | 474,837                           | 0   |
| 43   | 0                     | 0   | 347,230                          | 347,230                         | 494,587                           | 0   |
| 44   | 0                     | 0   | 357,397                          | 357,397                         | 513,061                           | 0   |
| 45   | 0                     | 0   | 365,379                          | 365,379                         | 529,710                           | 0   |
| 46   | 0                     | 0   | 370,512                          | 370,512                         | 543,863                           | 0   |
| 47   | 0                     | 0   | 378,264                          | 378,264                         | 524,686                           | 0   |
| 48   | 0                     | 0   | 390,341                          | 390,341                         | 506,428                           | 0   |
| 49   | 0                     | 0   | 408,710                          | 408,710                         | 490,644                           | 0   |
| 50   | 0                     | 0   | 435,778                          | 435,778                         | 479,228                           | 0   |

|   |           |
|---|-----------|
| 0 | 1,220,000 |
|---|-----------|

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the C Corporation to the executive's beneficiaries.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Cost Analysis

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Cost Analysis Page: 1  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

| Year | (1)<br>Premium<br>Payment | (2)<br>Income<br>from<br>Transfer* | (3)<br>Income<br>Tax Due on<br>Col (2) | (4)<br>After Tax<br>Policy<br>Cash Flow | (5)<br>Net<br>Payment<br>(1)+(3)-(4) |
|------|---------------------------|------------------------------------|--|---|--------------------------------------|
| 1    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 2    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 3    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 4    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 5    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 6    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 7    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 8    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 9    | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 10   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 11   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 12   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 13   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 14   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 15   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 16   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 17   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 18   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 19   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 20   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
|      | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces taxable income to the executive equal to the accumulation value transferred without regard to surrender charges. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

# Executive's Cost Analysis

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Cost Analysis Page: 2  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

|      | (1)                | (2)                         | (3)                             | (4)                              | (5)                           |
|------|--------------------|-----------------------------|---------------------------------|----------------------------------|-------------------------------|
| Year | Premium<br>Payment | Income<br>from<br>Transfer* | Income<br>Tax Due on<br>Col (2) | After Tax<br>Policy<br>Cash Flow | Net<br>Payment<br>(1)+(3)-(4) |
| 21   | 0                  | 1,093,671                   | 382,785                         | 382,785                          | 0                             |
| 22   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 23   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 24   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 25   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 26   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 27   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 28   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 29   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 30   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 31   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 32   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 33   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 34   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 35   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 36   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 37   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 38   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 39   | 0                  | 0                           | 0                               | 0                                | 0                             |
| 40   | 0                  | 0                           | 0                               | 0                                | 0                             |
|      | 0                  | 1,093,671                   | 382,785                         | 382,785                          | 0                             |

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces taxable income to the executive equal to the accumulation value transferred without regard to surrender charges. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

# Executive's Cost Analysis

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Cost Analysis Page: 3  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |                                      |  |
|-------------------|---|--|--------------------------------------|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | Executive's<br>Tax Bracket<br>35.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--------------------------------------|--|

| Year | (1)<br>Premium<br>Payment | (2)<br>Income<br>from<br>Transfer* | (3)<br>Income<br>Tax Due on<br>Col (2) | (4)<br>After Tax<br>Policy<br>Cash Flow | (5)<br>Net<br>Payment<br>(1)+(3)-(4) |
|------|---------------------------|------------------------------------|--|---|--------------------------------------|
| 41   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 42   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 43   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 44   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 45   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 46   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 47   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 48   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 49   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
| 50   | 0                         | 0                                  | 0                                      | 0                                       | 0                                    |
|      | 0                         | 1,093,671                          | 382,785                                | 382,785                                 | 0                                    |

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces taxable income to the executive equal to the accumulation value transferred without regard to surrender charges. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

# C Corporation's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

C Corporation's Summary Page: 1  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) |                               |                           | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 |  | C Corporation's<br>Tax Bracket<br>34.00%  | Eq. Indexed UL<br>Interest Rate<br>8.50%                     |   |
|-------------------|---|-------------------------------|---------------------------|--|--|---|--|---|
|                   | (1)   | (2)                           | (3)                       | (4)  | (5)  | (6)   | (7)  | (8)   |
| Year              | Net<br>Payment  | Cumulative<br>Net<br>Payments | Policy<br>Accum<br>Value* | Policy<br>Cash<br>Value*   | Portion of<br>Policy<br>Death Benefit<br>Allocated for<br>Key<br>Executive<br>Coverage | Portion of<br>Policy<br>Death Benefit<br>Allocated for<br>Survivor<br>Income<br>Benefit** | Total<br>Policy<br>Death<br>Benefit<br>Required<br>(5) + (6) | Total<br>Policy<br>Death<br>Benefit<br>Provided |
| 1                 | 25,000  | 25,000                        | 23,148                    | 1,737  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 2                 | 25,000  | 50,000                        | 48,241                    | 5,420  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 3                 | 25,000  | 75,000                        | 75,337                    | 29,764   | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 4                 | 25,000  | 100,000                       | 104,601                   | 59,027   | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 5                 | 25,000  | 125,000                       | 136,213                   | 90,639   | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 6                 | 25,000  | 150,000                       | 170,395                   | 127,100  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 7                 | 25,000  | 175,000                       | 207,290                   | 166,730  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 8                 | 25,000  | 200,000                       | 247,152                   | 209,781  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 9                 | 25,000  | 225,000                       | 290,229                   | 256,505  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 10                | 25,000  | 250,000                       | 336,808                   | 307,185  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 11                | 25,000  | 275,000                       | 387,227                   | 362,162  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 12                | 25,000  | 300,000                       | 441,856                   | 421,804  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 13                | 25,000  | 325,000                       | 501,089                   | 486,506  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 14                | 25,000  | 350,000                       | 565,406                   | 556,746  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 15                | 25,000  | 375,000                       | 635,340                   | 635,340  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 16                | 25,000  | 400,000                       | 711,475                   | 711,475  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 17                | 25,000  | 425,000                       | 794,519                   | 794,519  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 18                | 25,000  | 450,000                       | 885,267                   | 885,267  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 19                | 25,000  | 475,000                       | 984,629                   | 984,629  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
| 20                | 25,000  | 500,000                       | 1,093,671                 | 1,093,671  | 1,000,000  | 529,322   | 1,529,322  | 1,529,322                                       |
|                   | 500,000   |                               |                           |  |  |   |  |   |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

# C Corporation's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

C Corporation's Summary Page: 2  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

| Male Age | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) |                               | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year |                          | C Corporation's<br>Tax Bracket   | Eq. Indexed UL<br>Interest Rate   |  |   |
|----------|---|-------------------------------|--|--------------------------|--|---|--|---|
| 45       | (1)   | (2)                           | (3)  | (4)                      | (5)  | (6)   | (7)  | (8)   |
| Year     | Net<br>Payment  | Cumulative<br>Net<br>Payments | Policy<br>Accum<br>Value*  | Policy<br>Cash<br>Value* | Portion of<br>Policy<br>Death Benefit<br>Allocated for<br>Key<br>Executive<br>Coverage | Portion of<br>Policy<br>Death Benefit<br>Allocated for<br>Survivor<br>Income<br>Benefit** | Total<br>Policy<br>Death<br>Benefit<br>Required<br>(5) + (6) | Total<br>Policy<br>Death<br>Benefit<br>Provided |
| 21       | -170,000  | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 22       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 23       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 24       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 25       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 26       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 27       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 28       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 29       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 30       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 31       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 32       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 33       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 34       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 35       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 36       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 37       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 38       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 39       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
| 40       | 0   | 330,000                       | 0  | 0                        | 0  | 0   | 0  | 0   |
|          | 330,000   |                               |  |                          |  |   |  |   |

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

# C Corporation's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

C Corporation's Summary Page: 3  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

| Male Age 45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) |                                      | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 |                                 | C Corporation's<br>Tax Bracket<br>34.00%  | Eq. Indexed UL<br>Interest Rate<br>8.50%   |   |  |
|-------------|---|--------------------------------------|--|---------------------------------|---|--|---|--|
| Year        | (1)<br>Net<br>Payment   | (2)<br>Cumulative<br>Net<br>Payments | (3)<br>Policy<br>Accum<br>Value*   | (4)<br>Policy<br>Cash<br>Value* | (5)<br>Portion of<br>Policy<br>Death Benefit<br>Allocated for<br>Key<br>Executive<br>Coverage | (6)<br>Portion of<br>Policy<br>Death Benefit<br>Allocated for<br>Survivor<br>Income<br>Benefit** | (7)<br>Total<br>Policy<br>Death<br>Benefit<br>Required<br>(5) + (6) | (8)<br>Total<br>Policy<br>Death<br>Benefit<br>Provided |
| 41          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 42          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 43          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 44          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 45          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 46          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 47          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 48          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 49          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |
| 50          | 0   | 330,000                              | 0  | 0                               | 0   | 0  | 0   | 0  |

330,000

\*This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

# C Corporation's Cost Analysis

## Executive Trifecta Using Equity Indexed Universal Life

C Corporation's Cost Analysis Page: 1  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |  |  |
|-------------------|---|--|--|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | C Corporation's<br>Tax Bracket<br>34.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--|--|

| Year | (1)<br>Premium<br>Payment | (2)<br>Cumulative<br>Premium<br>Payment | (3)<br>Income Tax<br>Savings<br>from<br>Transfer* | (4)<br>Net<br>Payment<br>(1) - (3) | (5)<br>Cumulative<br>Net<br>Payments |
|------|---------------------------|---|---|------------------------------------|--------------------------------------|
| 1    | 25,000                    | 25,000                                  | 0   | 25,000                             | 25,000                               |
| 2    | 25,000                    | 50,000                                  | 0   | 25,000                             | 50,000                               |
| 3    | 25,000                    | 75,000                                  | 0   | 25,000                             | 75,000                               |
| 4    | 25,000                    | 100,000                                 | 0   | 25,000                             | 100,000                              |
| 5    | 25,000                    | 125,000                                 | 0   | 25,000                             | 125,000                              |
| 6    | 25,000                    | 150,000                                 | 0   | 25,000                             | 150,000                              |
| 7    | 25,000                    | 175,000                                 | 0   | 25,000                             | 175,000                              |
| 8    | 25,000                    | 200,000                                 | 0   | 25,000                             | 200,000                              |
| 9    | 25,000                    | 225,000                                 | 0   | 25,000                             | 225,000                              |
| 10   | 25,000                    | 250,000                                 | 0   | 25,000                             | 250,000                              |
| 11   | 25,000                    | 275,000                                 | 0   | 25,000                             | 275,000                              |
| 12   | 25,000                    | 300,000                                 | 0   | 25,000                             | 300,000                              |
| 13   | 25,000                    | 325,000                                 | 0   | 25,000                             | 325,000                              |
| 14   | 25,000                    | 350,000                                 | 0   | 25,000                             | 350,000                              |
| 15   | 25,000                    | 375,000                                 | 0   | 25,000                             | 375,000                              |
| 16   | 25,000                    | 400,000                                 | 0   | 25,000                             | 400,000                              |
| 17   | 25,000                    | 425,000                                 | 0   | 25,000                             | 425,000                              |
| 18   | 25,000                    | 450,000                                 | 0   | 25,000                             | 450,000                              |
| 19   | 25,000                    | 475,000                                 | 0   | 25,000                             | 475,000                              |
| 20   | 25,000                    | 500,000                                 | 0   | 25,000                             | 500,000                              |
|      | 500,000                   |   |   | 500,000                            |                                      |

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces: 1) taxable income to the C Corporation to the extent its accumulation value (without regard to surrender charges) exceeds its cost basis and 2) an income tax deduction equal to the amount the executive includes in income. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

# C Corporation's Cost Analysis

## Executive Trifecta Using Equity Indexed Universal Life

C Corporation's Cost Analysis Page: 2  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |  |  |
|-------------------|---|--|--|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | C Corporation's<br>Tax Bracket<br>34.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--|--|

| Year | (1)<br>Premium<br>Payment | (2)<br>Cumulative<br>Premium<br>Payment | (3)<br>Income Tax<br>Savings<br>from<br>Transfer* | (4)<br>Net<br>Payment<br>(1) - (3) | (5)<br>Cumulative<br>Net<br>Payments |
|------|---------------------------|---|---|------------------------------------|--------------------------------------|
| 21   | 0                         | 0                                       | 170,000   | -170,000                           | 330,000                              |
| 22   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 23   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 24   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 25   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 26   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 27   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 28   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 29   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 30   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 31   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 32   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 33   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 34   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 35   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 36   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 37   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 38   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 39   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 40   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
|      | 500,000                   |   |   | 330,000                            |                                      |

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

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# C Corporation's Cost Analysis

## Executive Trifecta Using Equity Indexed Universal Life

C Corporation's Cost Analysis Page: 3  
Date: 03/28/2008

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

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|                   |   |  |  |  |
|-------------------|---|--|--|--|
| Male<br>Age<br>45 | Form of Transaction<br>(Key Executive Coverage with<br>Deferred Transfer of Policy<br>To Executive) | Policy Transfer to<br>Executive is Illustrated<br>at Beginning of Year<br>21 | C Corporation's<br>Tax Bracket<br>34.00% | Eq. Indexed UL<br>Interest Rate<br>8.50% |
|-------------------|---|--|--|--|

| Year | (1)<br>Premium<br>Payment | (2)<br>Cumulative<br>Premium<br>Payment | (3)<br>Income Tax<br>Savings<br>from<br>Transfer* | (4)<br>Net<br>Payment<br>(1) - (3) | (5)<br>Cumulative<br>Net<br>Payments |
|------|---------------------------|---|---|------------------------------------|--------------------------------------|
| 41   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 42   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 43   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 44   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 45   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 46   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 47   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 48   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 49   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |
| 50   | 0                         | 0                                       | 0   | 0                                  | 330,000                              |

500,000

330,000

This is an example of an InsMark supplemental illustration for equity indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces: 1) taxable income to the C Corporation to the extent its accumulation value (without regard to surrender charges) exceeds its cost basis and 2) an income tax deduction equal to the amount the executive includes in income. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

# C Corporation's Analysis of Survivor Income Benefit

## Executive Trifecta Using Equity Indexed Universal Life

Analysis Page: 1  
Date: 03/28/2008

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

For the Beneficiaries of: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

|  |                                  |  |  |
|--|----------------------------------|--|--|
| C Corporation's<br>Tax Bracket<br>34.00% | Assumed<br>Use of Money<br>8.00% | Cost to<br>Provide the Benefit*<br>529,322 | Total Survivor<br>Benefit Scheduled<br>1,000,000 |
|--|----------------------------------|--|--|

| Year<br>Following<br>Executive's<br>Death | Benefits and Costs   |  | Survivor Income Account Activity   |  |   |
|---|--|--|--|--|---|
|   | (1)<br>Annual<br>Benefit<br>Payment to<br>Executive's<br>Survivors | (2)<br>Annual<br>After Tax<br>Cost of<br>Payment to<br>Survivors | (3)<br>Beginning<br>of Year<br>Balance<br>in Survivor<br>Benefit Account | (4)<br>Balance in<br>Account<br>to Accrue<br>(3) - (2) | (5)<br>Year End<br>After Tax<br>Accrual<br>of Account |
| 1   | 100,000  | 66,000   | 529,322  | 463,322  | 487,785   |
| 2   | 100,000  | 66,000   | 487,785  | 421,785  | 444,055   |
| 3   | 100,000  | 66,000   | 444,055  | 378,055  | 398,017   |
| 4   | 100,000  | 66,000   | 398,017  | 332,017  | 349,547   |
| 5   | 100,000  | 66,000   | 349,547  | 283,547  | 298,519   |
| 6   | 100,000  | 66,000   | 298,519  | 232,519  | 244,796   |
| 7   | 100,000  | 66,000   | 244,796  | 178,796  | 188,236   |
| 8   | 100,000  | 66,000   | 188,236  | 122,236  | 128,690   |
| 9   | 100,000  | 66,000   | 128,690  | 62,690   | 66,000  |
| 10  | 100,000  | 66,000   | 66,000   | 0  | 0   |
|   | <u>1,000,000</u>   | <u>660,000</u>   |  |  |   |

\*See Column (3), year 1. (Funding source is a portion of the proceeds from the Key Executive coverage.)

This table shows the escrow calculations (columns 3, 4 and 5) necessary to produce the survivor benefit shown in column (1). Rounding may cause minor math inconsistencies. Calculation formulae are:

Column (2) = column (1) times (1-(tax bracket/100))

Column (4) = column (3) minus column (2)

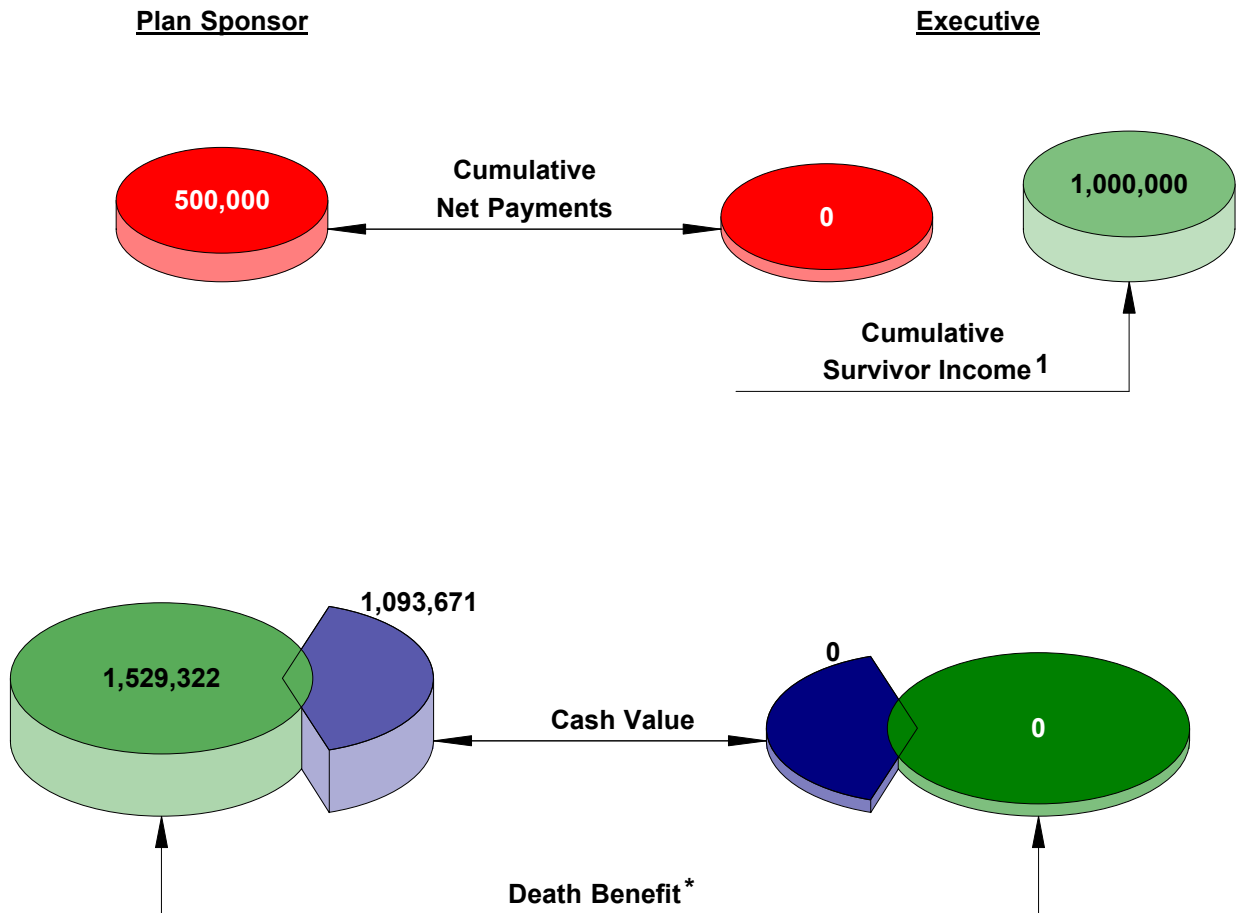
Column (5) = column (4) plus the after tax interest credit

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

## 20th Year Summary Analysis



(1) For Family Income

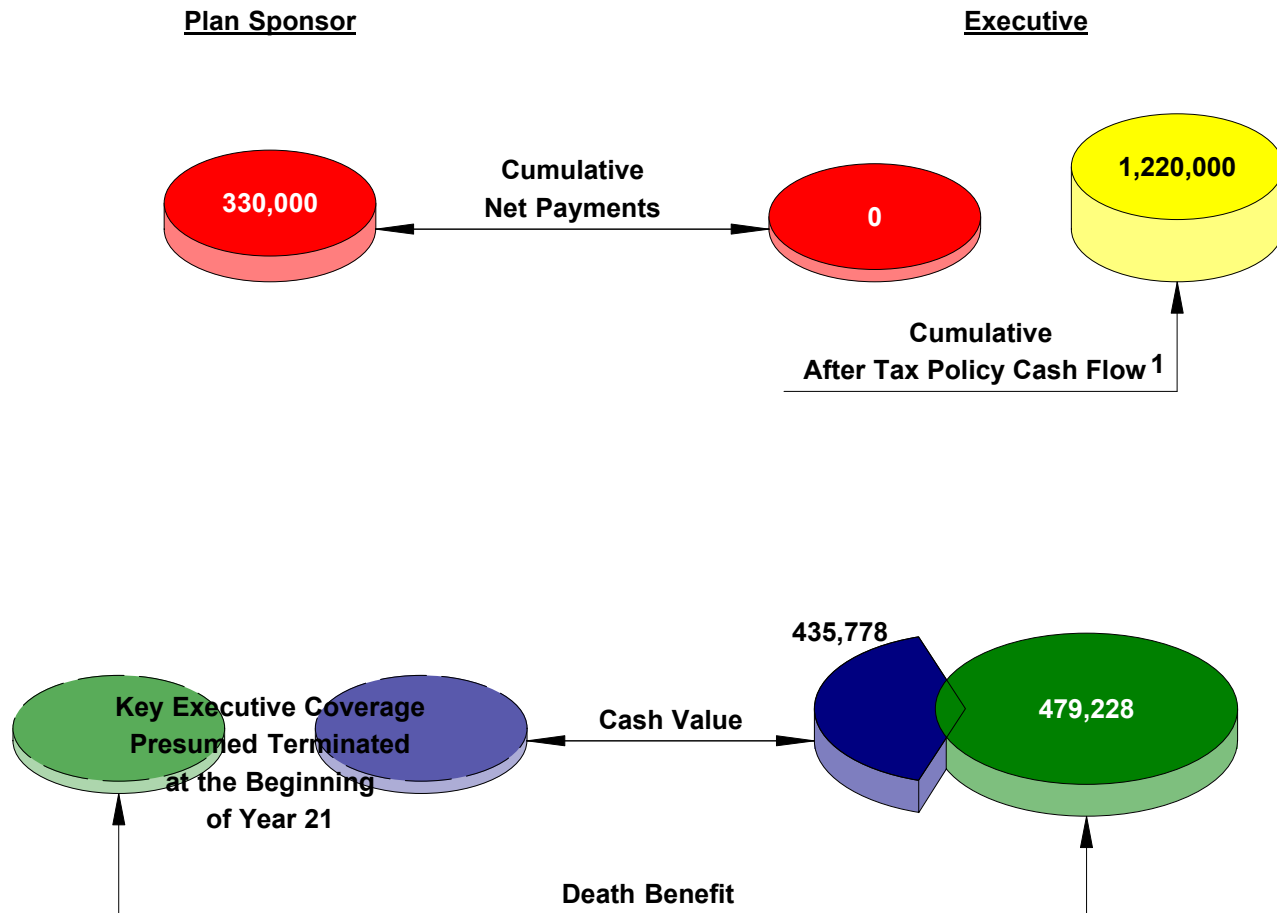
\* Plan Sponsor's Death Benefit includes an amount allocated for funding the survivor income benefit for the executive's beneficiaries.

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

## 50th Year Summary Analysis



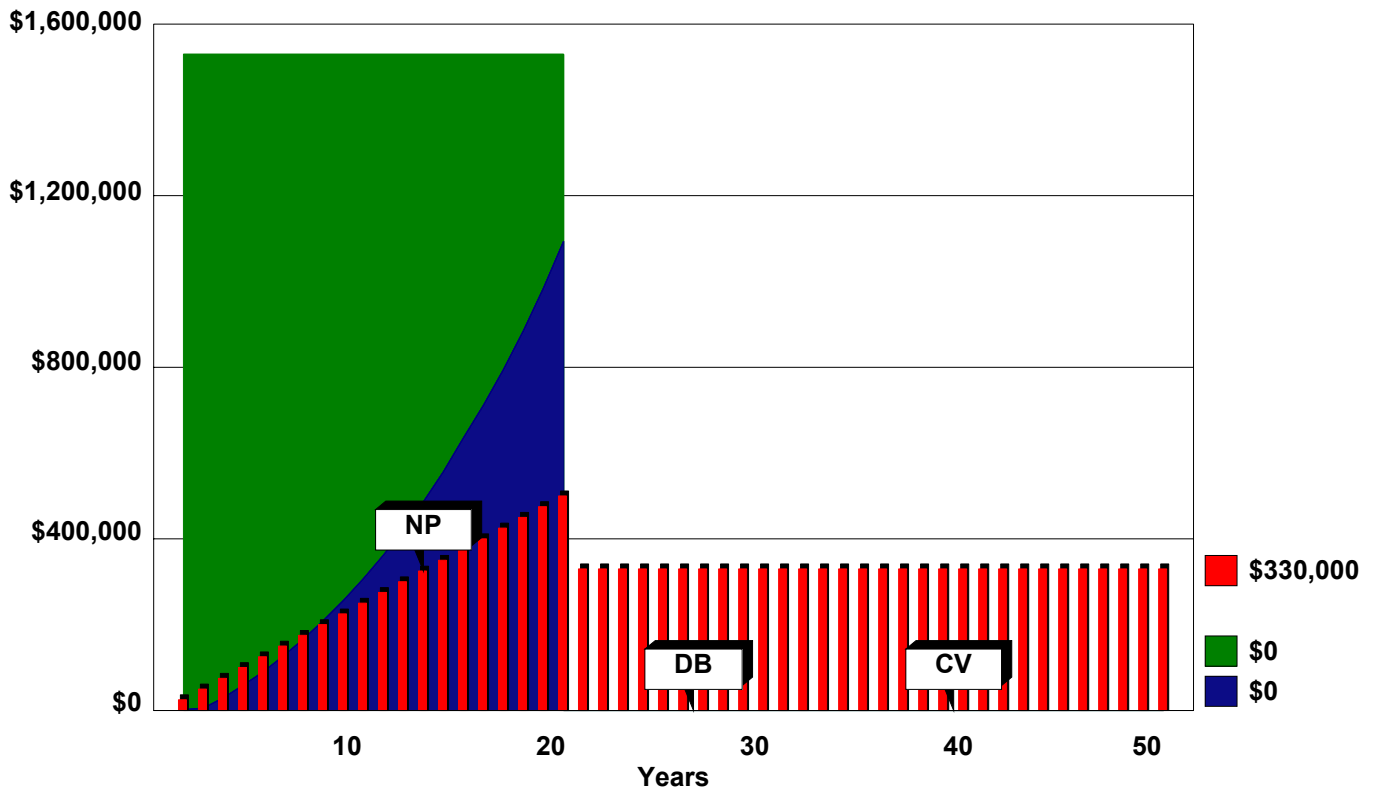
(1) For Retirement Income.

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

## C Corporation's 50 Year Graphic Analysis



- NP - Plan Sponsor's Cumulative Net Payments
- CV - Plan Sponsor's Cash Value
- DB - Plan Sponsor's Death Benefit\*

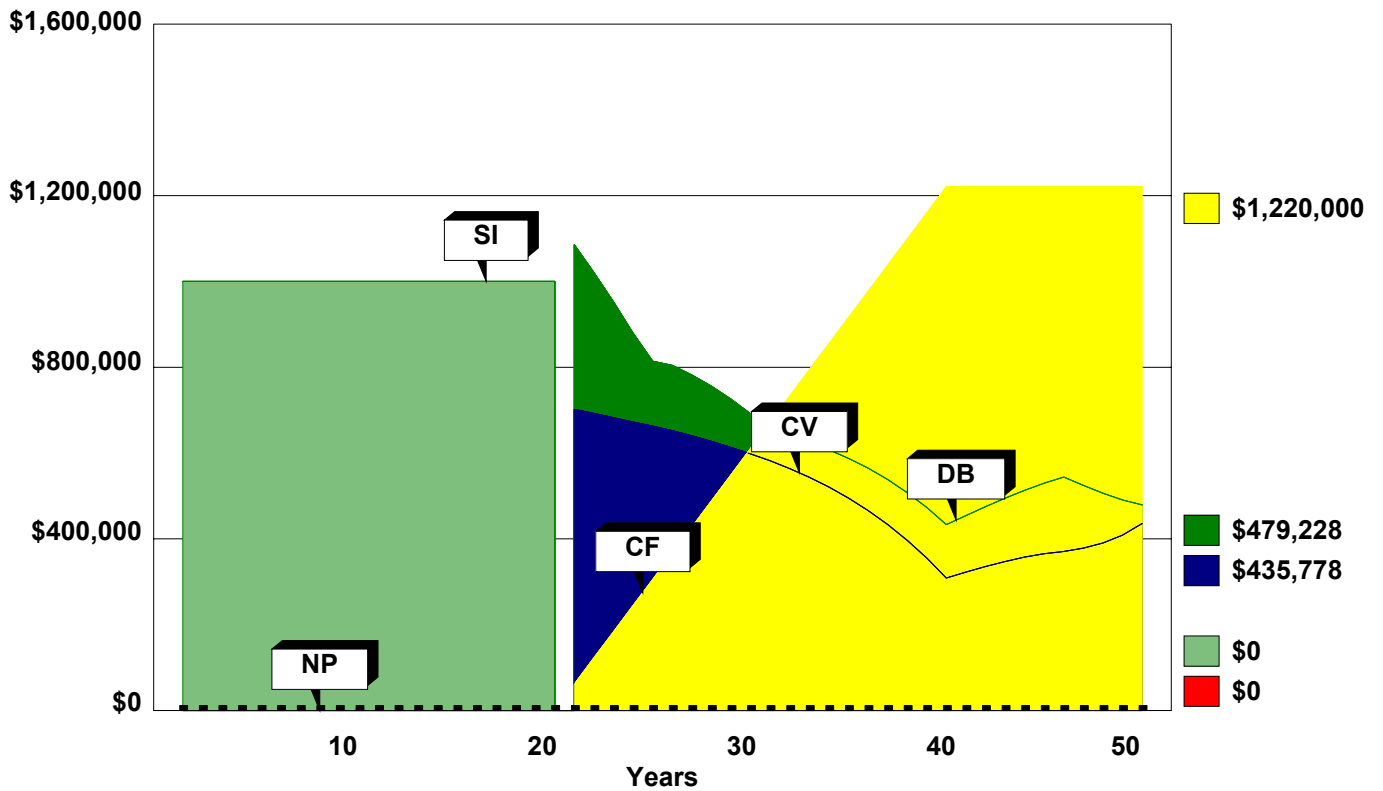
\* Plan Sponsor's Death Benefit includes an amount allocated for funding the survivor income benefit for the executive's beneficiaries.

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Tom Cabot  
Plan Sponsor: Ferris Metallurgical, Inc.  
C Corporation

## Executive's 50 Year Graphic Analysis



- NP - Executive's Cumulative Net Payments
- SI - Executive's Total Survivor Income Benefit
- CF - Executive's Cumulative After Tax Policy Cash Flow<sup>1</sup>
- CV - Executive's Cash Value
- DB - Executive's Death Benefit

(1) For Retirement Income.