

# **Executive Trifecta®**

## **(for Key Partners of Partnerships)**

### **Key Partner Coverage, a Survivor Income Benefit, and Subsequent Distribution of Policy to the Key Partner**

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

- 1) Selected partners whose deaths would cause a serious financial loss for the Partnership are insured in favor of the Partnership thereby providing indemnification for such a loss.
- 2) During their participation, each insured partner is provided with Partnership-paid survivor income benefits should death occur while employed.
- 3) At a prearranged date, as described in the Agreement between the parties, the life insurance policy is distributed to the participating partner (as a K-1 distribution) thereby creating a supplemental retirement asset. After the policy transfer, any payment of the life insurance death benefit is made directly to the partner's personal beneficiaries.

### **Part 1: Key Partner 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 partner, a life insurance policy on the partner's life made payable to the Partnership 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 partner is "irreplaceable";
- d) Assure creditors and suppliers that their loans and receivables are safe;
- e) Assure customers that the Partnership will continue its operations;
- f) Fund a buyout of the partner's interest in the firm.

Features of this coverage for the Partnership 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 Partnership contractually agrees to pay scheduled amounts of income to the survivors of a participating partner. This provides the partner with:

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

Features of this coverage for the Partnership are:

- a) Discriminatory participation as to the selection of participants;
- b) Deductible benefit payments (Partner's legal and tax advisers may find it advantageous to treat the death benefit proceeds allocated for the survivor income benefit as a lump sum K-1 distribution);
- 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 Partnership transfers ownership of the policy to the participating executive who, in turn, names personal beneficiaries. This provides the partner 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 partners while simultaneously providing indemnification for the Partnership 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: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Male Age	Eq. Indexed UL Interest Rate	Initial Premium	Initial Death Benefit	
	45	8.50%	25,000	1,529,322	
Year	(1) Premium Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Policy Death 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: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Male Age	Eq. Indexed UL Interest Rate	Initial Premium	Initial Death Benefit	
	45	8.50%	25,000	1,529,322	
Year	(1) Premium Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Policy Death Benefit
21	0	100,000	1,076,889	1,076,889	1,429,297
22	0	100,000	1,059,410	1,059,410	1,329,272
23	0	100,000	1,041,374	1,041,374	1,229,247
24	0	100,000	1,022,677	1,022,677	1,196,532
25	0	100,000	1,002,260	1,002,260	1,162,622
26	0	100,000	979,551	979,551	1,142,384
27	0	100,000	954,602	954,602	1,107,087
28	0	100,000	927,309	927,309	1,066,433
29	0	100,000	897,595	897,595	1,020,113
30	0	100,000	865,424	865,424	967,831
31	0	100,000	830,813	830,813	909,323
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33	0	100,000	749,945	749,945	839,899
34	0	100,000	702,788	702,788	798,832
35	0	100,000	650,460	650,460	752,841
36	0	100,000	592,365	592,365	701,333
37	0	100,000	527,833	527,832	643,635
38	0	100,000	456,116	456,116	578,997
39	0	100,000	376,373	376,373	506,572
40	0	100,000	287,663	287,663	425,408
	500,000	2,000,000			

### 40 Year Summary

Cum. Premium Payments	500,000
Cum. Pre-Tax Cash Flow	2,000,000
Accum Value	287,663
Death Benefit	425,408

\*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: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Male Age 45	Eq. Indexed UL Interest Rate 8.50%	Initial Premium 25,000	Initial Death Benefit 1,529,322	
Year	(1) Premium Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Policy Death Benefit
41	0	0	298,019	298,019	443,684
42	0	0	307,066	307,066	461,029
43	0	0	314,344	314,344	476,988
44	0	0	319,310	319,310	491,018
45	0	0	321,311	321,311	502,464
46	0	0	319,573	319,573	510,544
47	0	0	320,067	320,067	481,263
48	0	0	324,610	324,610	452,321
49	0	0	335,294	335,294	425,367
50	0	0	354,687	354,687	402,419

500,000

2,000,000

### 50 Year Summary

Cum. Premium Payments	500,000
Cum. Pre-Tax Cash Flow	2,000,000
Accum Value	354,687
Death Benefit	402,419

\*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.

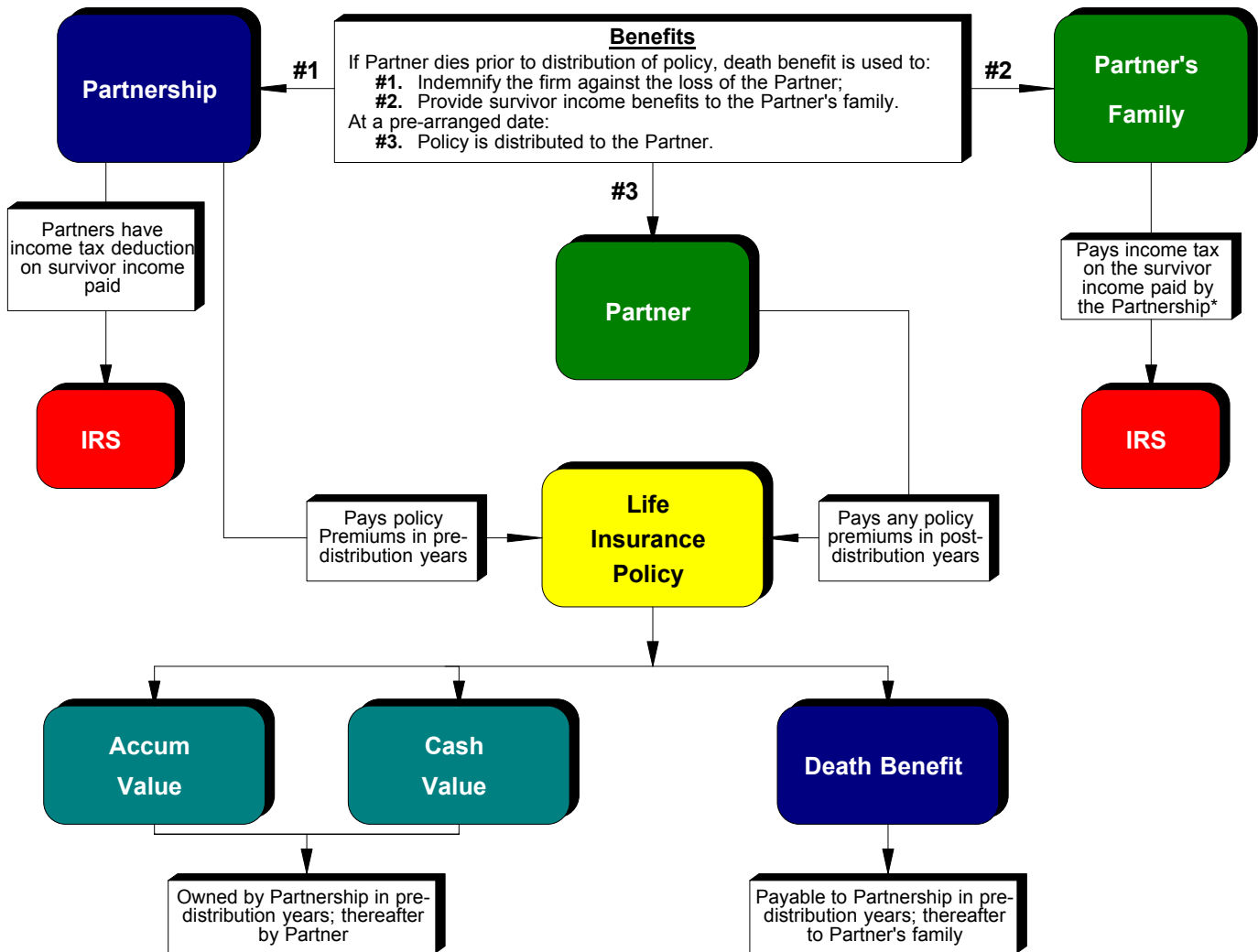
# Executive Trifecta Using Equity Indexed Universal Life

## Who Pays What - Who Receives What

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

### Flow Chart Analysis



\*Partner's legal and tax advisers may find it advantageous to treat the death benefit proceeds allocated for the survivor income benefit as a lump sum K-1 distribution.

When the policy is distributed to the Partner as a K-1 distribution, no gain or loss need be recognized by the Partnership on a distribution of property or money to a Partner (IRC Sec. 731(b)). Likewise, no gain or loss need be recognized by the Partner receiving the policy, regardless of whether the value of the policy is higher or lower than the Partner's adjusted basis in the Partnership. (IRC Sec. 731(a)). The basis of property (the policy in this case) distributed by the Partnership to a Partner, other than in liquidation of the Partner's interest, is its adjusted basis to the Partnership immediately before the distribution (which is the sum of the premiums paid by the Partnership less any withdrawals made by the Partnership prior to the distribution (IRS Rev. Proc. 2005-25)). The distributee Partner's basis in the property cannot exceed the adjusted basis of the Partnership's interest in the Partnership reduced by any money distributed in the same transaction (IRC Sec. 732(a)). (If multiple Partners are insured, the tax consequences of each distributed policy should be the same.)

# Executive Trifecta

## Details of the Tax Consequences When the Policy is Distributed to the Key Partner

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

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partner's Tax Bracket 34.00%
Age 45			

### K-1 Distribution Details:

Year the K-1 Distribution is illustrated: Beginning of year 21  
Accumulation value of policy when distributed: \$1,093,671  
Partnership's cumulative premiums prior to distribution: \$500,000  
Partner's cumulative premiums prior to distribution: \$0

### Tax Consequences of the K-1 Distribution:

*(The following taxation remarks apply whether one partner or multiple partners are insured\*.)*

When the policy is distributed, no gain or loss need be recognized by the Partnership on a distribution of property or money to a partner (IRC Sec. 731(b)). Likewise, no gain or loss need be recognized by the partner receiving the policy, regardless of whether the value of the policy is higher or lower than the partner's adjusted basis in the partner's interest in the Partnership (IRC Sec. 731(a)).

The basis of property (the policy in this case) distributed by the Partnership to a partner, other than in liquidation of the partner's interest, is its adjusted basis to the Partnership immediately before the distribution (which is the sum of the premiums paid by the Partnership less any withdrawals made by the Partnership prior to the distribution (IRS Rev. Proc. 2005-25)). The distributee partner's basis in the property cannot exceed the adjusted basis of the partner's interest in the Partnership reduced by any money distributed in the same transaction (IRC Sec. 732(a)). (If multiple partners are insured, the tax consequences of each distributed policy should be the same.)

For this case, the partner's illustrated basis in the policy at the point of distribution is \$500,000.

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

\*A Partnership has significant flexibility in how it accounts for assets, and the taxation of policy distributions should be able to be arranged in this manner.

\*Partnership accounting is complex and should only be done by a qualified professional. Be sure to consult with your own legal and tax advisers before entering into this or any other arrangement involving legal, tax, and economic considerations.

## Key Partner's Summary of Costs and Benefits

### Executive Trifecta Using Equity Indexed Universal Life

Key Partner's Summary Page: 1  
Date: 03/28/2008

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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Year	(1) Premium Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income 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 Key Partner.

# Key Partner's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Key Partner's Summary Page: 2  
Date: 03/28/2008

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%		
Year	(1) Premium Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
21	0	100,000	1,076,889	1,076,889	1,429,297	0
22	0	100,000	1,059,410	1,059,410	1,329,272	0
23	0	100,000	1,041,374	1,041,374	1,229,247	0
24	0	100,000	1,022,677	1,022,677	1,196,532	0
25	0	100,000	1,002,260	1,002,260	1,162,622	0
26	0	100,000	979,551	979,551	1,142,384	0
27	0	100,000	954,602	954,602	1,107,087	0
28	0	100,000	927,309	927,309	1,066,433	0
29	0	100,000	897,595	897,595	1,020,113	0
30	0	100,000	865,424	865,424	967,831	0
31	0	100,000	830,813	830,813	909,323	0
32	0	100,000	792,461	792,461	876,571	0
33	0	100,000	749,945	749,945	839,899	0
34	0	100,000	702,788	702,788	798,832	0
35	0	100,000	650,460	650,460	752,841	0
36	0	100,000	592,365	592,365	701,333	0
37	0	100,000	527,833	527,832	643,635	0
38	0	100,000	456,116	456,116	578,997	0
39	0	100,000	376,373	376,373	506,572	0
40	0	100,000	287,663	287,663	425,408	0
	0	2,000,000				

\*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 Key Partner.

## Key Partner's Summary of Costs and Benefits

### Executive Trifecta Using Equity Indexed Universal Life

Key Partner's Summary Page: 3  
Date: 03/28/2008

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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	(1) Premium Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
Year						
41	0	0	298,019	298,019	443,684	0
42	0	0	307,066	307,066	461,029	0
43	0	0	314,344	314,344	476,988	0
44	0	0	319,310	319,310	491,018	0
45	0	0	321,311	321,311	502,464	0
46	0	0	319,573	319,573	510,544	0
47	0	0	320,067	320,067	481,263	0
48	0	0	324,610	324,610	452,321	0
49	0	0	335,294	335,294	425,367	0
50	0	0	354,687	354,687	402,419	0

0      2,000,000

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

# Key Partner's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

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

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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Year	Key Partner's Costs		Key Partner's Values			
	(1) Premium Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income 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				

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\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the Partnership to the Key Partner's beneficiaries.

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

# Key Partner's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

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

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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	(1) Premium Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
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\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the Partnership to the Key Partner's beneficiaries.

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

# Key Partner's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

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

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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Year	Key Partner's Costs		Key Partner's Values			
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\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the Partnership to the Key Partner's beneficiaries.

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# Partnership's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

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

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)		Policy Distribution to Key Partner is Illustrated at Beginning of Year 21		Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Year	Premium Payment	Cumulative Premium Payments	Policy Accum Value*	Policy Cash Value*	Portion of Death Benefit Allocated for Key Partner Coverage	Portion of Death Benefit Allocated for Survivor Income Benefit**	Total Policy Death Benefit Required (5) + (6)	Total Policy Death Benefit 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 Partner Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the Key Partner.

# Partnership's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

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

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Year	Premium Payment	Cumulative Premium Payments	Policy Accum Value*	Policy Cash Value*	Portion of Death Benefit Allocated for Key Partner Coverage	Portion of Death Benefit Allocated for Survivor Income Benefit**	Total Policy Death Benefit Required (5) + (6)	Total Policy Death Benefit Provided				
21	0	500,000	0	0	0	0	0	0				
22	0	500,000	0	0	0	0	0	0				
23	0	500,000	0	0	0	0	0	0				
24	0	500,000	0	0	0	0	0	0				
25	0	500,000	0	0	0	0	0	0				
26	0	500,000	0	0	0	0	0	0				
27	0	500,000	0	0	0	0	0	0				
28	0	500,000	0	0	0	0	0	0				
29	0	500,000	0	0	0	0	0	0				
30	0	500,000	0	0	0	0	0	0				
31	0	500,000	0	0	0	0	0	0				
32	0	500,000	0	0	0	0	0	0				
33	0	500,000	0	0	0	0	0	0				
34	0	500,000	0	0	0	0	0	0				
35	0	500,000	0	0	0	0	0	0				
36	0	500,000	0	0	0	0	0	0				
37	0	500,000	0	0	0	0	0	0				
38	0	500,000	0	0	0	0	0	0				
39	0	500,000	0	0	0	0	0	0				
40	0	500,000	0	0	0	0	0	0				
	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 Partner Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the Key Partner.

# Partnership's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

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

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Partner Coverage with Deferred K-1 Distribution of Policy to Key Partner)	Policy Distribution to Key Partner is Illustrated at Beginning of Year 21	Partnership's (Key Partner's) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Year	Premium Payment	Cumulative Premium Payments	Policy Accum Value*	Policy Cash Value*	Portion of Policy Death Benefit Allocated for Key Partner Coverage	Portion of Policy Death Benefit Allocated for Survivor Income Benefit**	Total Policy Death Benefit Required (5) + (6)	Total Policy Death Benefit Provided
41	0	500,000	0	0	0	0	0	0
42	0	500,000	0	0	0	0	0	0
43	0	500,000	0	0	0	0	0	0
44	0	500,000	0	0	0	0	0	0
45	0	500,000	0	0	0	0	0	0
46	0	500,000	0	0	0	0	0	0
47	0	500,000	0	0	0	0	0	0
48	0	500,000	0	0	0	0	0	0
49	0	500,000	0	0	0	0	0	0
50	0	500,000	0	0	0	0	0	0

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

# Partnership'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: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Partnership's (Key Partner's) Tax Bracket 34.00%	Assumed Use of Money 8.00%	Cost to Provide the Benefit* 529,322	Total Survivor Benefit Scheduled 1,000,000	
	Benefits and Costs**		Survivor Income Account Activity		
	(1)	(2)	(3)	(4)	(5)
Year Following Key Partner's Death	Annual Benefit Payment to Key Partner's Survivors	Annual After Tax Cost of Payment to Survivors	Beginning of Year Balance in Survivor Benefit Account	Balance in Account to Accrue (3) - (2)	Year End After Tax Accrual 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
	1,000,000	660,000			

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

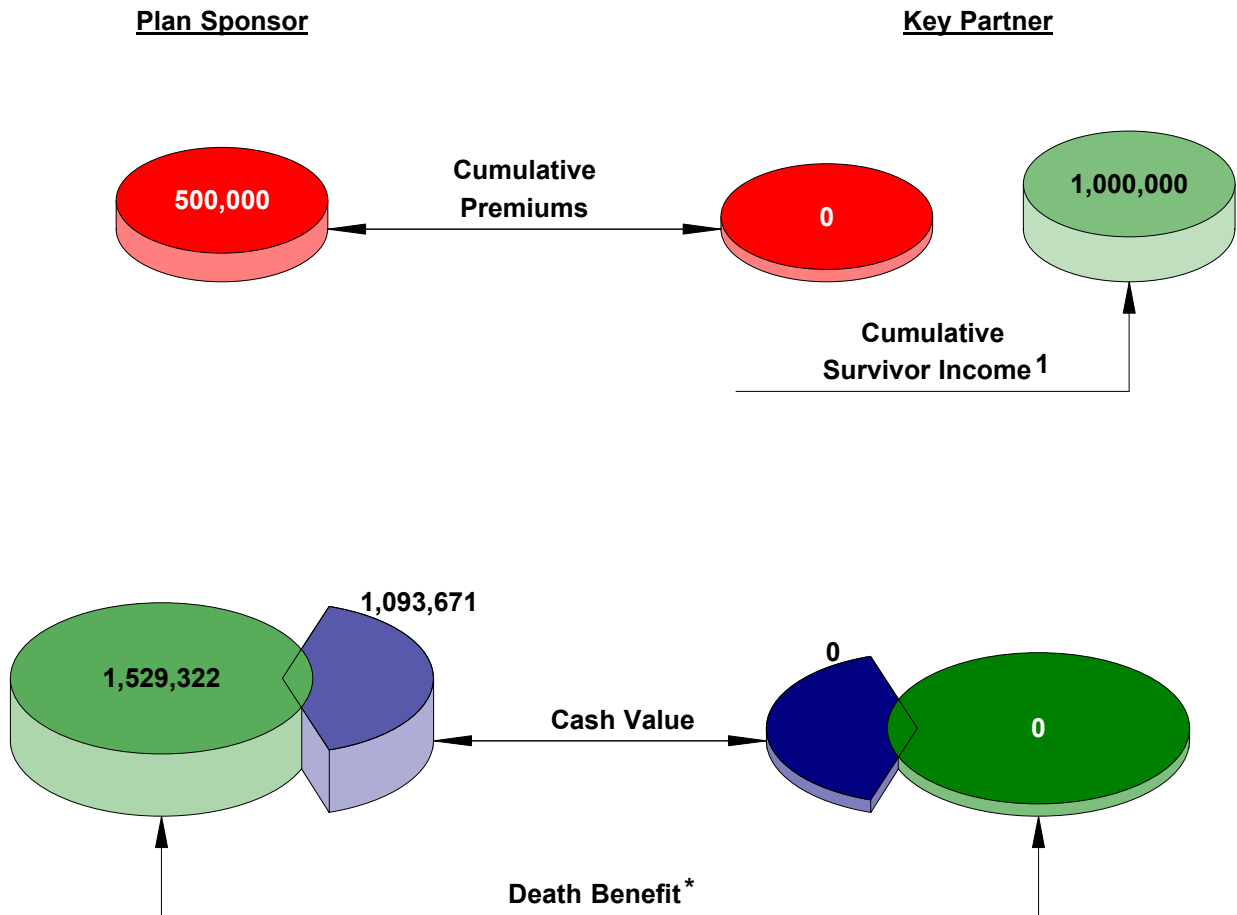
\*\*Partner's legal and tax advisers may find it advantageous to treat the allocated 529,322 of death benefit as a lump sum K-1 distribution.

# Executive Trifecta Using Equity Indexed Universal Life

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## 20th Year Summary Analysis



(1) For Family Income

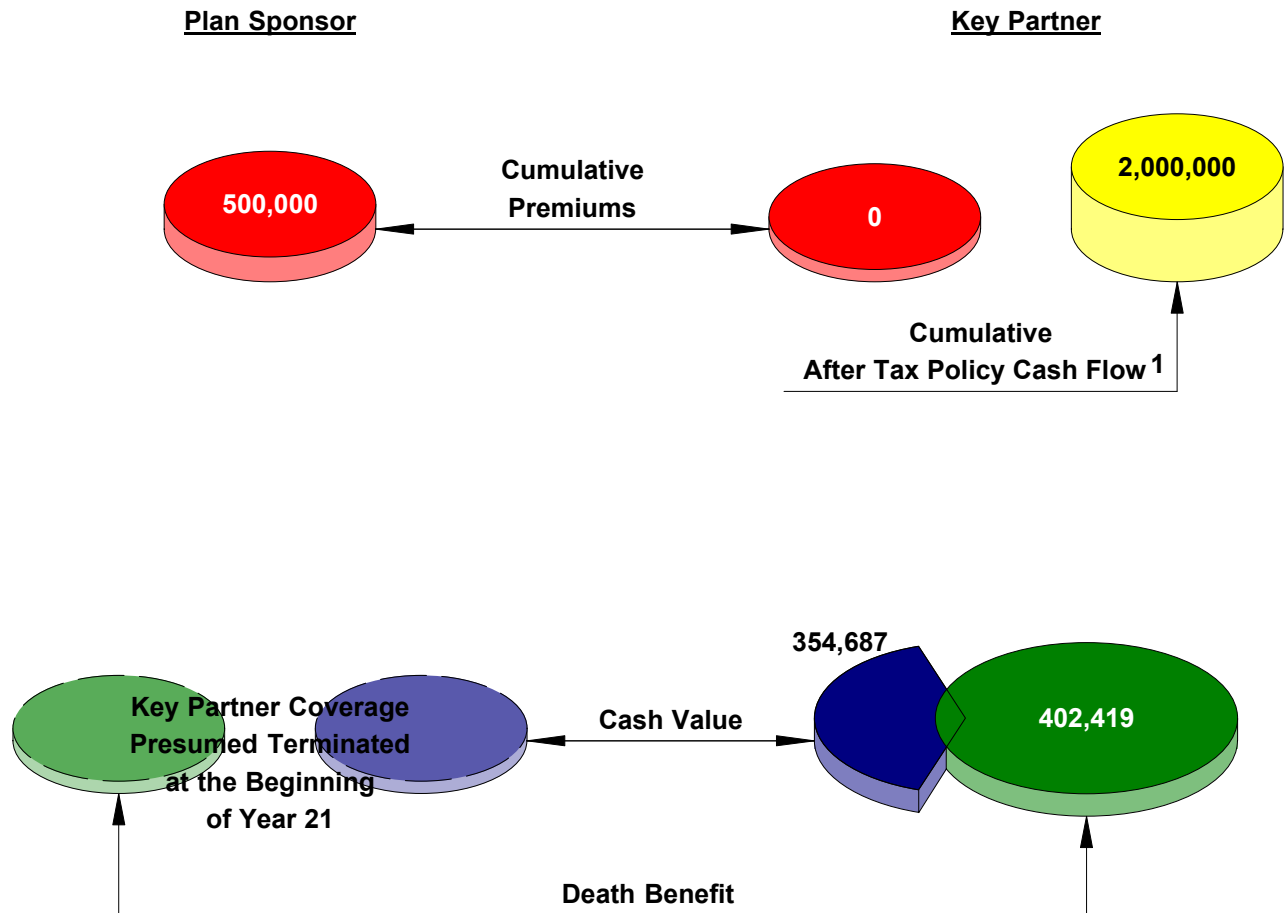
\* Plan Sponsor's Death Benefit includes an amount allocated for funding the survivor income benefit for the Key Partner's beneficiaries.

# Executive Trifecta Using Equity Indexed Universal Life

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## 50th Year Summary Analysis



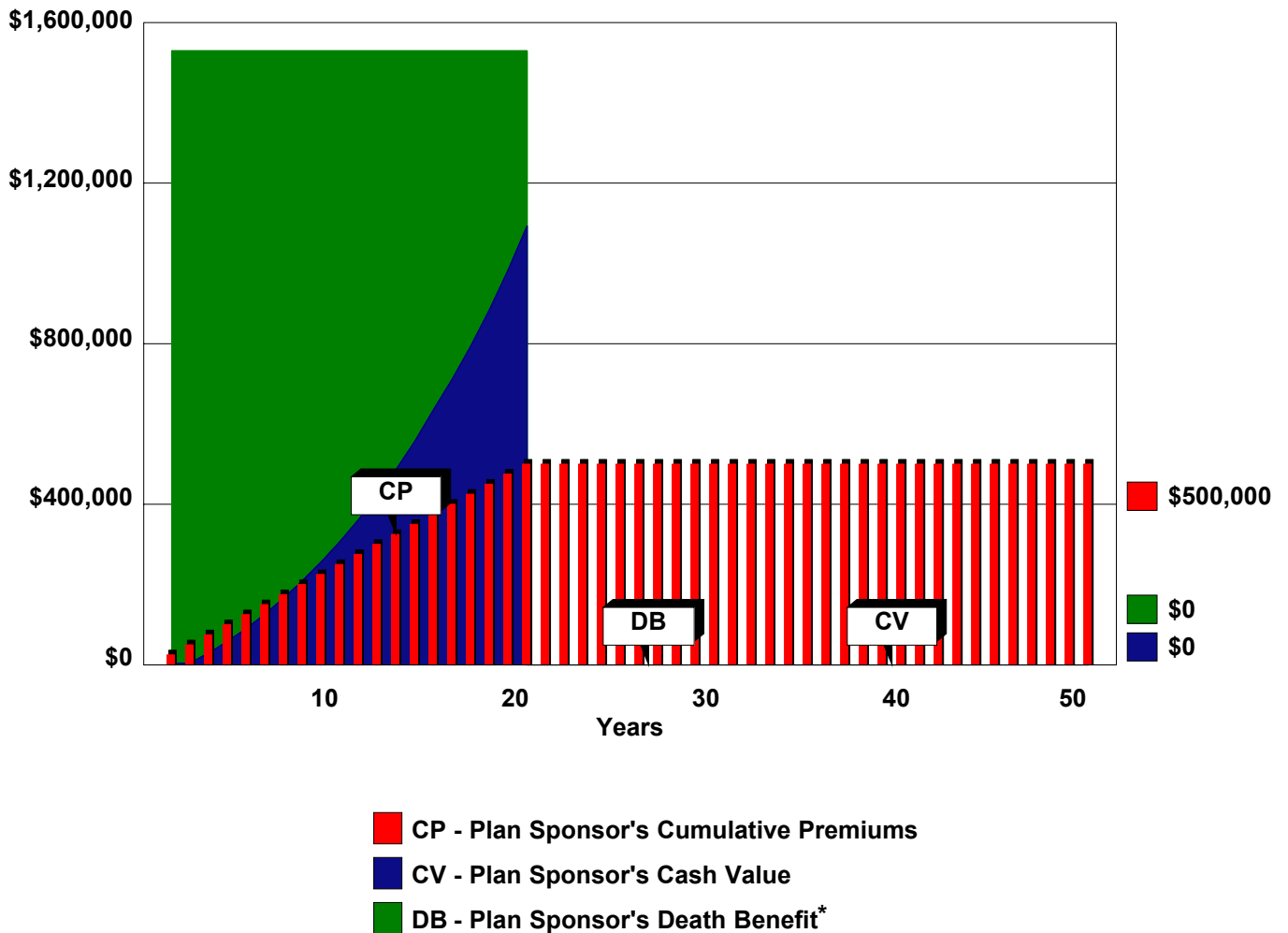
(1) For Retirement Income.

# Executive Trifecta Using Equity Indexed Universal Life

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## Partnership's 50 Year Graphic Analysis



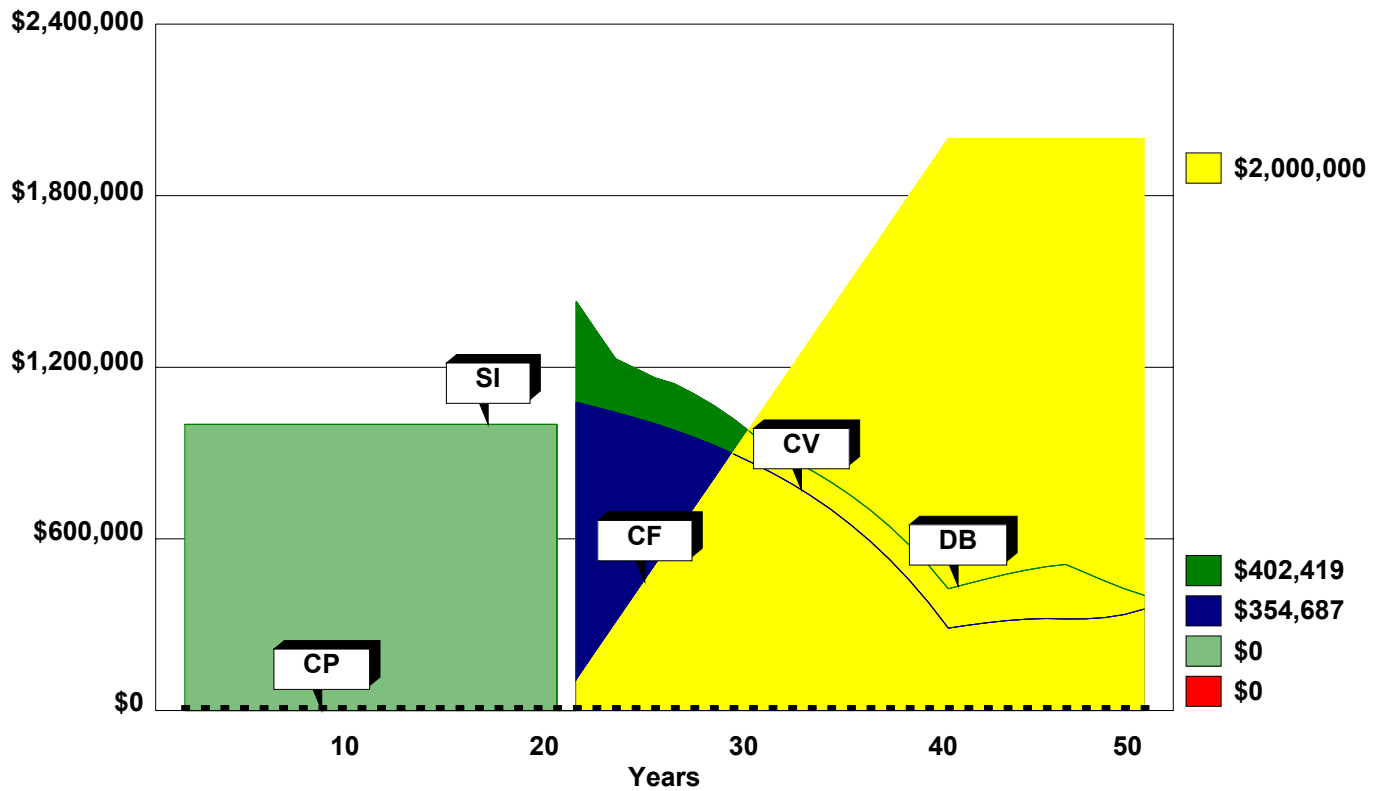
\* Plan Sponsor's Death Benefit includes an amount allocated for funding the survivor income benefit for the Key Partner's beneficiaries.

# Executive Trifecta Using Equity Indexed Universal Life

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

Insured: Jeremy Baker  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## Key Partner's 50 Year Graphic Analysis



- CP - Key Partner's Cumulative Premiums
- SI - Key Partner's Total Survivor Income Benefit
- CF - Key Partner's Cumulative After Tax Policy Cash Flow<sup>1</sup>
- CV - Key Partner's Cash Value
- DB - Key Partner's Death Benefit

(1) For Retirement Income.