

Premium Financing

For: Robert Sterling



"Success isn't about what you accomplish in your life, it's about what you inspire others to accomplish."

Anonymous

Presented By:

[Licensed user's name appears here]

Preface

Borrower and Policy Owner: Sterling Manufacturing, Inc.

The primary benefit of a life insurance premium financing strategy is to obtain a significant amount of life insurance coverage at a reduced cash flow cost, and virtually any cash value life insurance policy can be funded in this manner.

The loan structure, loan interest, fees, collateral requirements, and personal guarantees associated with this technique will be determined by the lender.

A secondary benefit of a premium financing strategy is the opportunity for interest rate arbitrage because the loan interest associated with premium financing may be lower than the policy's non-guaranteed internal rate of return.

There are several risks associated with premium financing, some of which are outlined below:

Lender Risk

- Is the loan a term loan that is due in fewer years than illustrated? If so, the borrower will likely be subject to new loan conditions.
- If the loan is not a term loan, does the lender have the right to demand full satisfaction of the loan at any time? An unlimited right to demand full satisfaction of the loan provides very little security for the borrower.

Collateral Risk

- The lender may limit the form of acceptable collateral requiring only liquid assets be provided.
- Additional collateral may be required based on a change in the loan requirements of the lender.
- The policy cash values shown on pages that follow are not guaranteed and may be higher or lower than illustrated. Additional collateral may be required if the actual policy cash values turn out to be lower than illustrated.
- A personal guarantee may be required.

Interest-Rate Risk

- In some premium financing transactions, the loan interest is a variable rate which resets annually.
- If the loan interest is a fixed rate, how long is it fixed? Is this an acceptable condition?

Exit Strategies

With long-live insureds, repayment of loans associated with premium financing must be considered, and careful planning should be contemplated in advance to ensure a source of funds for this purpose. In some cases, the policy cash value and/or death benefit may be sufficient. Alternatively, the client could use other sources of cash to repay the loans. Finally, the least predictable option includes the life settlement market where some policies can be sold in future years once the client's age exceeds 75 and/or the client develops a medical condition that substantially reduces life expectancy. However, the specific amount of any such sale is unknowable when the policy is first placed in force.

Conclusion

Based on creditworthiness of the borrower, the terms of the lender, and the life insurance company involved, the actual terms of a premium financing arrangement will be different. It is important that the right combination of these three issues be carefully evaluated.

Important Note

In all cases, be sure to consult with your own legal and tax advisers before entering into this or any other arrangement involving tax, legal, and economic considerations. The approval of these advisers must be secured regarding the implementation or modification of any planning technique as well as the applicability and consequences of new cases, rulings, or legislation upon existing or impending plans.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Illustration of Policy Values Funding the Plan

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

		Policy Owner's Income Tax Bracket 34.00%	Indexed UL Interest Rate 7.00%	Initial Premium 1,000,000	Initial Policy Death Benefit 21,081,365	
Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Cash Value* Increase	(4) Year End Cash Value*	(5) Year End Death Benefit
1	45	1,000,000	0	871,585	871,585	21,952,950
2	46	1,000,000	0	932,827	1,804,412	22,885,777
3	47	1,000,000	0	999,244	2,803,656	23,885,021
4	48	1,000,000	0	1,071,042	3,874,698	24,956,063
5	49	1,000,000	0	1,147,719	5,022,417	26,103,782
6	50	0	0	223,953	5,246,370	26,327,735
7	51	0	0	241,475	5,487,845	26,569,210
8	52	0	0	260,625	5,748,470	26,829,835
9	53	0	0	281,590	6,030,060	27,111,425
10	54	0	0	303,180	6,333,240	27,414,605
11	55	0	0	488,232	6,821,472	21,081,365
12	56	0	0	525,362	7,346,834	21,081,365
13	57	0	0	565,477	7,912,311	21,081,365
14	58	0	0	608,977	8,521,288	21,081,365
15	59	0	0	656,147	9,177,435	21,081,365
16	60	0	6,335,535	-6,022,265	3,155,170	14,429,053
17	61	0	0	342,002	3,497,172	14,096,438
18	62	0	0	372,738	3,869,910	13,747,191
19	63	0	0	406,417	4,276,327	13,380,483
20	64	0	0	443,621	4,719,948	12,995,438
21	65	0	650,000	-205,805	4,514,143	11,908,642
22	66	0	650,000	-203,352	4,310,791	10,767,506
23	67	0	650,000	-198,624	4,112,167	9,569,313
24	68	0	650,000	-191,028	3,921,139	8,311,210
25	69	0	650,000	-179,611	3,741,528	6,990,203
26	70	0	650,000	-163,466	3,578,062	6,436,505
27	71	0	650,000	-146,241	3,431,821	6,079,459
28	72	0	650,000	-131,697	3,300,124	5,694,163
29	73	0	650,000	-113,537	3,186,587	5,279,640
30	74	0	650,000	-90,996	3,095,591	4,835,170
		5,000,000	12,835,535			

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Illustration of Policy Values Funding the Plan

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

		Policy Owner's Income Tax Bracket 34.00%	Indexed UL Interest Rate 7.00%	Initial Premium 1,000,000	Initial Policy Death Benefit 21,081,365	
Year	Male Age	(1) Policy Premium	(2) Net Policy Loan Proceeds	(3) Cash Value* Increase	(4) Year End Cash Value*	(5) Year End Death Benefit
31	75	0	650,000	-63,227	3,032,364	4,360,272
32	76	0	650,000	-40,167	2,992,197	4,411,037
33	77	0	650,000	-14,450	2,977,747	4,493,451
34	78	0	650,000	14,080	2,991,827	4,610,701
35	79	0	650,000	45,606	3,037,433	4,766,176
36	80	0	650,000	80,177	3,117,610	4,963,330
37	81	0	650,000	115,165	3,232,775	5,202,871
38	82	0	650,000	152,168	3,384,943	5,487,195
39	83	0	650,000	190,876	3,575,819	5,818,390
40	84	0	650,000	230,126	3,805,945	6,197,336
41	85	0	650,000	267,821	4,073,766	6,622,728
42	86	0	650,000	307,281	4,381,047	7,096,762
43	87	0	650,000	344,499	4,725,546	7,617,444
44	88	0	650,000	377,377	5,102,923	8,180,596
45	89	0	650,000	404,574	5,507,497	8,780,650
46	90	0	650,000	422,935	5,930,432	9,408,746
47	91	0	650,000	535,183	6,465,615	9,424,245
48	92	0	650,000	687,472	7,153,087	9,514,409
49	93	0	650,000	893,677	8,046,764	9,724,060
50	94	0	650,000	1,170,367	9,217,131	10,112,217
		5,000,000	25,835,535			

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Analysis of Bank Loan

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

		Policy Owner's Income Tax Bracket 34.00%			Loan Interest Payment Method: Accrued in all Years			
Year	Male Age	(1) Portion of Policy Premium Paid by Bank Loan	(2) Amount Paid by Policy Owner to Repay Bank Loan	(3) Net Loan Policy Proceeds Used to Reduce Bank Loan	(4) Bank Loan Balance Subject to Interest	(5) Assumed Bank Loan Interest Rate	(6) Bank Loan Interest to Accrue	(7) Year End Cumulative Loan Due Bank (4)+(6)
1	45	900,000	0	0	900,000	3.00%	27,000	927,000
2	46	900,000	0	0	1,827,000	3.14%	57,368	1,884,368
3	47	900,000	0	0	2,784,368	3.29%	91,606	2,875,974
4	48	900,000	0	0	3,775,974	3.43%	129,516	3,905,490
5	49	900,000	0	0	4,805,490	3.57%	171,556	4,977,046
6	50	0	100,000	0	4,877,046	3.71%	180,938	5,057,984
7	51	0	100,000	0	4,957,984	3.86%	191,378	5,149,362
8	52	0	100,000	0	5,049,362	4.00%	201,974	5,251,336
9	53	0	100,000	0	5,151,336	4.14%	213,265	5,364,601
10	54	0	100,000	0	5,264,601	4.29%	225,851	5,490,452
11	55	0	100,000	0	5,390,452	4.43%	238,797	5,629,249
12	56	0	100,000	0	5,529,249	4.57%	252,687	5,781,936
13	57	0	100,000	0	5,681,936	4.71%	267,619	5,949,555
14	58	0	100,000	0	5,849,555	4.86%	284,288	6,133,843
15	59	0	100,000	0	6,033,843	5.00%	301,692	6,335,535
16	60	0	0	6,335,535	0	0	0	0
17	61	0	0	0	0	0	0	0
18	62	0	0	0	0	0	0	0
19	63	0	0	0	0	0	0	0
20	64	0	0	0	0	0	0	0
21	65	0	0	0	0	0	0	0
22	66	0	0	0	0	0	0	0
23	67	0	0	0	0	0	0	0
24	68	0	0	0	0	0	0	0
25	69	0	0	0	0	0	0	0
26	70	0	0	0	0	0	0	0
27	71	0	0	0	0	0	0	0
28	72	0	0	0	0	0	0	0
29	73	0	0	0	0	0	0	0
30	74	0	0	0	0	0	0	0
		4,500,000	1,000,000	6,335,535			2,835,535	

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Analysis of Bank Loan

Borrower and Policy Owner: Sterling Manufacturing, Inc.
 Lender: To be determined

		Policy Owner's Income Tax Bracket 34.00%			Loan Interest Payment Method: Accrued in all Years			
Year	Male Age	(1) Portion of Policy Premium Paid by Bank Loan	(2) Amount Paid by Policy Owner to Repay Bank Loan	(3) Net Loan Policy Proceeds Used to Reduce Bank Loan	(4) Bank Loan Balance Subject to Interest	(5) Assumed Bank Loan Interest Rate	(6) Bank Loan Interest to Accrue	(7) Year End Cumulative Loan Due Bank (4)+(6)
31	75	0	0	0	0		0	0
32	76	0	0	0	0		0	0
33	77	0	0	0	0		0	0
34	78	0	0	0	0		0	0
35	79	0	0	0	0		0	0
36	80	0	0	0	0		0	0
37	81	0	0	0	0		0	0
38	82	0	0	0	0		0	0
39	83	0	0	0	0		0	0
40	84	0	0	0	0		0	0
41	85	0	0	0	0		0	0
42	86	0	0	0	0		0	0
43	87	0	0	0	0		0	0
44	88	0	0	0	0		0	0
45	89	0	0	0	0		0	0
46	90	0	0	0	0		0	0
47	91	0	0	0	0		0	0
48	92	0	0	0	0		0	0
49	93	0	0	0	0		0	0
50	94	0	0	0	0		0	0
		<u>4,500,000</u>	<u>1,000,000</u>	<u>6,335,535</u>			<u>2,835,535</u>	

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Summary

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

Policy Owner's
Income Tax Bracket
34.00%

Indexed UL
Interest Rate
7.00%

Initial Policy
Death Benefit
21,081,365

		Premium and Loan Summary					Policy Owner's Values				
Yr	Male Age	(1) Policy Premium	(2) Premium and Loan Repayment Paid by Policy Owner	(3) Balance of Premium Due Borrowed from Bank*	(4) Assumed Bank Loan Interest Rate	(5) Net Policy Loan Proceeds Used to Reduce Loan	(6) Cumulative Loan Due Bank**	(7) Net Loan Policy Proceeds Available for Retirement Income	(8) Year End Policy Cash Value***	(9) Year End Policy Cash Value*** Net of Bank Loan	(10) Year End Policy Death Benefit Net of Bank Loan
1	45	1,000,000	100,000	900,000	3.00%	0	927,000	0	871,585	-55,415	21,025,950
2	46	1,000,000	100,000	900,000	3.14%	0	1,884,368	0	1,804,412	-79,956	21,001,409
3	47	1,000,000	100,000	900,000	3.29%	0	2,875,974	0	2,803,656	-72,318	21,009,047
4	48	1,000,000	100,000	900,000	3.43%	0	3,905,490	0	3,874,698	-30,792	21,050,573
5	49	1,000,000	100,000	900,000	3.57%	0	4,977,046	0	5,022,417	45,371	21,126,736
6	50	0	100,000	-100,000	3.71%	0	5,057,984	0	5,246,370	188,386	21,269,751
7	51	0	100,000	-100,000	3.86%	0	5,149,362	0	5,487,845	338,483	21,419,848
8	52	0	100,000	-100,000	4.00%	0	5,251,336	0	5,748,470	497,134	21,578,499
9	53	0	100,000	-100,000	4.14%	0	5,364,601	0	6,030,060	665,459	21,746,824
10	54	0	100,000	-100,000	4.29%	0	5,490,452	0	6,333,240	842,788	21,924,153
11	55	0	100,000	-100,000	4.43%	0	5,629,249	0	6,821,472	1,192,223	15,452,116
12	56	0	100,000	-100,000	4.57%	0	5,781,936	0	7,346,834	1,564,898	15,299,429
13	57	0	100,000	-100,000	4.71%	0	5,949,555	0	7,912,311	1,962,756	15,131,810
14	58	0	100,000	-100,000	4.86%	0	6,133,843	0	8,521,288	2,387,445	14,947,522
15	59	0	100,000	-100,000	5.00%	0	6,335,535	0	9,177,435	2,841,900	14,745,830
16	60	0	0	0		6,335,535	0	0	3,155,170	3,155,170	14,429,053
17	61	0	0	0		0	0	0	3,497,172	3,497,172	14,096,438
18	62	0	0	0		0	0	0	3,869,910	3,869,910	13,747,191
19	63	0	0	0		0	0	0	4,276,327	4,276,327	13,380,483
20	64	0	0	0		0	0	0	4,719,948	4,719,948	12,995,438
21	65	0	0	0		0	0	650,000	4,514,143	4,514,143	11,908,642
22	66	0	0	0		0	0	650,000	4,310,791	4,310,791	10,767,506
23	67	0	0	0		0	0	650,000	4,112,167	4,112,167	9,569,313
24	68	0	0	0		0	0	650,000	3,921,139	3,921,139	8,311,210
25	69	0	0	0		0	0	650,000	3,741,528	3,741,528	6,990,203
26	70	0	0	0		0	0	650,000	3,578,062	3,578,062	6,436,505
27	71	0	0	0		0	0	650,000	3,431,821	3,431,821	6,079,459
28	72	0	0	0		0	0	650,000	3,300,124	3,300,124	5,694,163
29	73	0	0	0		0	0	650,000	3,186,587	3,186,587	5,279,640
30	74	0	0	0		0	0	650,000	3,095,591	3,095,591	4,835,170
		5,000,000	1,500,000	3,500,000		6,335,535		6,500,000			

*Negative in Column (3) assumes bank repayment.

**Includes accrued loan interest. See "Analysis of Bank Loan" for details.

***This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

30 Year Analysis

	Living Values	Death Benefit
Indexed Universal Life	3,095,591	4,835,170
Less Loan Repayment Due:	0	0
Plus Cumulative Net Loan Proceeds:	6,500,000	6,500,000
Equals Value to Policy Owner:	9,595,591	11,335,170

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Summary

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

Policy Owner's
Income Tax Bracket
34.00%

Indexed UL
Interest Rate
7.00%

Initial Policy
Death Benefit
21,081,365

		Premium and Loan Summary					Policy Owner's Values				
Yr	Male Age	(1) Policy Premium	(2) Premium and Loan Repayment Paid by Policy Owner	(3) Balance of Premium Due Borrowed from Bank*	(4) Assumed Bank Loan Interest Rate	(5) Net Policy Loan Proceeds Used to Reduce Loan	(6) Cumulative Loan Due Bank**	(7) Net Loan Policy Proceeds Available for Retirement Income	(8) Year End Policy Cash Value***	(9) Year End Policy Cash Value*** Net of Bank Loan	(10) Year End Policy Death Benefit Net of Bank Loan
31	75	0	0	0		0	0	650,000	3,032,364	3,032,364	4,360,272
32	76	0	0	0		0	0	650,000	2,992,197	2,992,197	4,411,037
33	77	0	0	0		0	0	650,000	2,977,747	2,977,747	4,493,451
34	78	0	0	0		0	0	650,000	2,991,827	2,991,827	4,610,701
35	79	0	0	0		0	0	650,000	3,037,433	3,037,433	4,766,176
36	80	0	0	0		0	0	650,000	3,117,610	3,117,610	4,963,330
37	81	0	0	0		0	0	650,000	3,232,775	3,232,775	5,202,871
38	82	0	0	0		0	0	650,000	3,384,943	3,384,943	5,487,195
39	83	0	0	0		0	0	650,000	3,575,819	3,575,819	5,818,390
40	84	0	0	0		0	0	650,000	3,805,945	3,805,945	6,197,336
41	85	0	0	0		0	0	650,000	4,073,766	4,073,766	6,622,728
42	86	0	0	0		0	0	650,000	4,381,047	4,381,047	7,096,762
43	87	0	0	0		0	0	650,000	4,725,546	4,725,546	7,617,444
44	88	0	0	0		0	0	650,000	5,102,923	5,102,923	8,180,596
45	89	0	0	0		0	0	650,000	5,507,497	5,507,497	8,780,650
46	90	0	0	0		0	0	650,000	5,930,432	5,930,432	9,408,746
47	91	0	0	0		0	0	650,000	6,465,615	6,465,615	9,424,245
48	92	0	0	0		0	0	650,000	7,153,087	7,153,087	9,514,409
49	93	0	0	0		0	0	650,000	8,046,764	8,046,764	9,724,060
50	94	0	0	0		0	0	650,000	9,217,131	9,217,131	10,112,217
		5,000,000	1,500,000	3,500,000		6,335,535		19,500,000			

*Negative in Column (3) assumes bank repayment.

**Includes accrued loan interest. See "Analysis of Bank Loan" for details.

***This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

50 Year Analysis

	Living Values	Death Benefit
Indexed Universal Life	9,217,131	10,112,217
Less Loan Repayment Due:	0	0
Plus Cumulative Net Loan Proceeds:	19,500,000	19,500,000
Equals Value to Policy Owner:	28,717,131	29,612,217

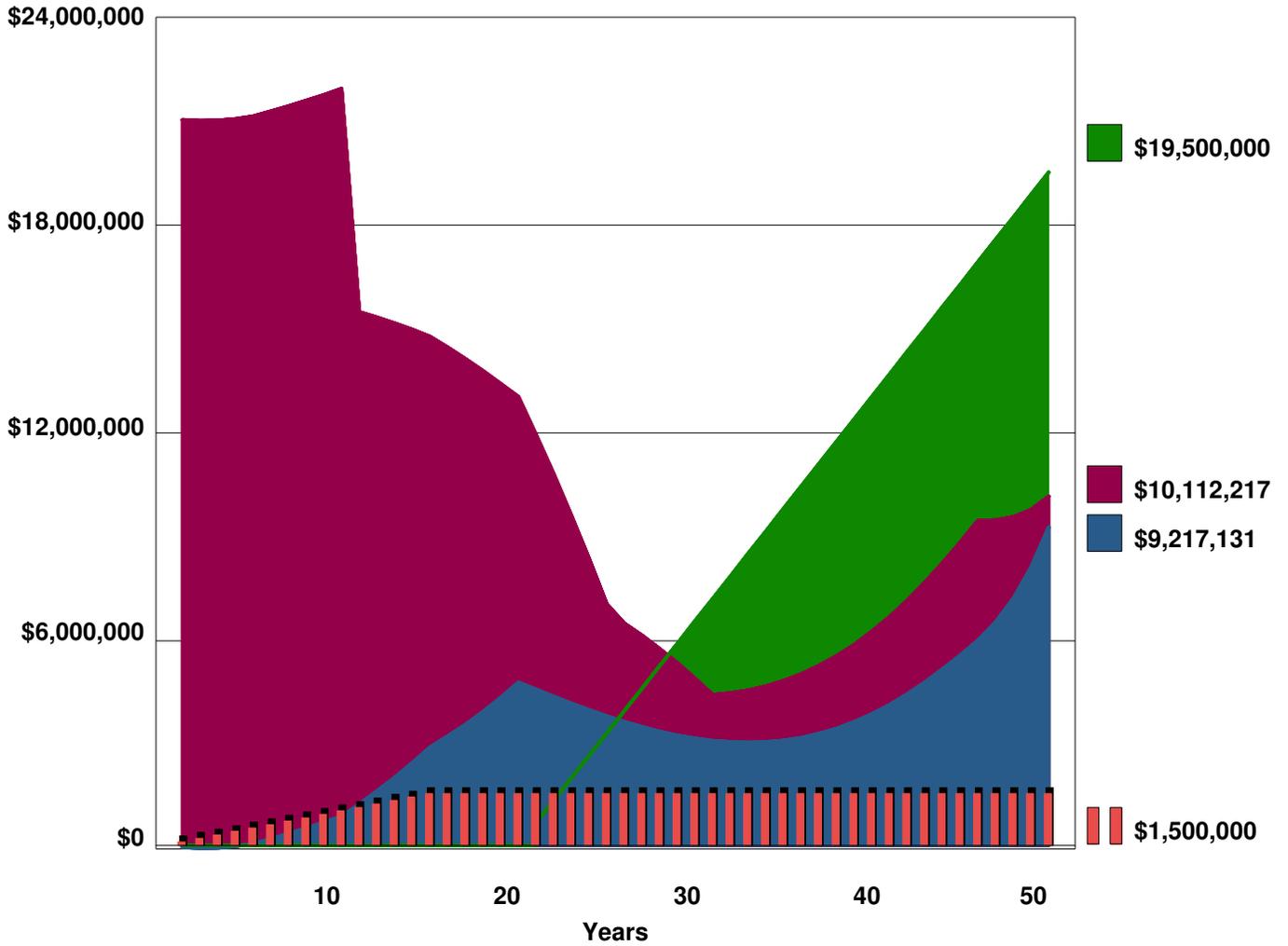
Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Policy Owner's 50 Year Graphic Analysis

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined



At Year 50	
Cumulative Payments for Premiums	\$1,500,000
Cumulative Net Loan Proceeds ¹	\$19,500,000
Cash Value Less Loan Due Bank ²	\$9,217,131
Death Benefit Less Loan Due Bank ²	\$10,112,217

¹ For retirement income.

² The cumulative loan due bank of \$6,335,535 is assumed paid off at the beginning of year 16 from policy loans.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Policy Owner's Required Cash Flow

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

Year	Male Age	(1) Portion of Policy Premium	+	(2) Loan Repayment	-	(3) Net Loan Policy Proceeds Available for Retirement Income	=	(4) Policy Owner's Required Cash Flow
1	45	100,000		0		0		100,000
2	46	100,000		0		0		100,000
3	47	100,000		0		0		100,000
4	48	100,000		0		0		100,000
5	49	100,000		0		0		100,000
6	50	0		100,000		0		100,000
7	51	0		100,000		0		100,000
8	52	0		100,000		0		100,000
9	53	0		100,000		0		100,000
10	54	0		100,000		0		100,000
11	55	0		100,000		0		100,000
12	56	0		100,000		0		100,000
13	57	0		100,000		0		100,000
14	58	0		100,000		0		100,000
15	59	0		100,000		0		100,000
16	60	0		0		0		0
17	61	0		0		0		0
18	62	0		0		0		0
19	63	0		0		0		0
20	64	0		0		0		0
21	65	0		0		650,000		-650,000
22	66	0		0		650,000		-650,000
23	67	0		0		650,000		-650,000
24	68	0		0		650,000		-650,000
25	69	0		0		650,000		-650,000
26	70	0		0		650,000		-650,000
27	71	0		0		650,000		-650,000
28	72	0		0		650,000		-650,000
29	73	0		0		650,000		-650,000
30	74	0		0		650,000		-650,000
		<u>500,000</u>		<u>1,000,000</u>		<u>6,500,000</u>		<u>-5,000,000</u>

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Policy Owner's Required Cash Flow

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

Year	Male Age	(1) Portion of Policy Premium	+	(2) Loan Repayment	-	(3) Net Loan Policy Proceeds Available for Retirement Income	=	(4) Policy Owner's Required Cash Flow
31	75	0		0		650,000		-650,000
32	76	0		0		650,000		-650,000
33	77	0		0		650,000		-650,000
34	78	0		0		650,000		-650,000
35	79	0		0		650,000		-650,000
36	80	0		0		650,000		-650,000
37	81	0		0		650,000		-650,000
38	82	0		0		650,000		-650,000
39	83	0		0		650,000		-650,000
40	84	0		0		650,000		-650,000
41	85	0		0		650,000		-650,000
42	86	0		0		650,000		-650,000
43	87	0		0		650,000		-650,000
44	88	0		0		650,000		-650,000
45	89	0		0		650,000		-650,000
46	90	0		0		650,000		-650,000
47	91	0		0		650,000		-650,000
48	92	0		0		650,000		-650,000
49	93	0		0		650,000		-650,000
50	94	0		0		650,000		-650,000
		<u>500,000</u>		<u>1,000,000</u>		<u>19,500,000</u>		<u>-18,000,000</u>

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Rate of Return (ROR) Analysis

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

Indexed UL
Interest Rate
7.00%

Initial Policy
Death Benefit
21,081,365

Policy Owner's
Income Tax
Bracket
34.00%

Loan Interest
Payment Method:
Accrued in all Years

Yr	Male Age	Cash Flow Required from Policy Owner				Policy Owner's Year End Cash Value			Policy Owner's Year End Death Benefit		
		(1) Portion of Premium Paid by Policy Owner	(2) Net Loan Policy Proceeds Available for Retirement Income	(3) Combined Cash Flow Required from Policy Owner	(4) Cumulative Cash Flow Required from Policy Owner	(5) Net Policy Cash Value*	(6) Pre-Tax** Equivalent ROR of Net Policy Cash Value	(7) Net ROR of Net Policy Cash Value	(8) Net Policy Death Benefit*	(9) Pre-Tax** Equivalent ROR of Net Policy Death Benefit	(10) Net ROR of Net Policy Death Benefit
1	45	100,000	0	100,000	100,000	-55,415	-100.00%	-100.00%	21,025,950	31,705.98%	20,925.95%
2	46	100,000	0	100,000	200,000	-79,956	-100.00%	-100.00%	21,001,409	1,969.77%	1,300.05%
3	47	100,000	0	100,000	300,000	-72,318	-100.00%	-100.00%	21,009,047	693.41%	457.65%
4	48	100,000	0	100,000	400,000	-30,792	-100.00%	-100.00%	21,050,573	380.06%	250.84%
5	49	100,000	0	100,000	500,000	45,371	-68.72%	-68.72%	21,126,736	251.29%	165.85%
6	50	100,000	0	100,000	600,000	188,386	-32.45%	-32.45%	21,269,751	183.86%	121.35%
7	51	100,000	0	100,000	700,000	338,483	-18.26%	-18.26%	21,419,848	143.07%	94.43%
8	52	100,000	0	100,000	800,000	497,134	-10.70%	-10.70%	21,578,499	116.06%	76.60%
9	53	100,000	0	100,000	900,000	665,459	-6.11%	-6.11%	21,746,824	96.99%	64.01%
10	54	100,000	0	100,000	1,000,000	842,788	-3.14%	-3.14%	21,924,153	82.88%	54.70%
11	55	100,000	0	100,000	1,100,000	1,192,223	2.02%	1.34%	15,452,116	63.30%	41.78%
12	56	100,000	0	100,000	1,200,000	1,564,898	6.09%	4.02%	15,299,429	55.34%	36.52%
13	57	100,000	0	100,000	1,300,000	1,962,756	8.69%	5.73%	15,131,810	48.89%	32.27%
14	58	100,000	0	100,000	1,400,000	2,387,445	10.41%	6.87%	14,947,522	43.55%	28.74%
15	59	100,000	0	100,000	1,500,000	2,841,900	11.57%	7.64%	14,745,830	39.07%	25.79%
16	60	0	0	0	1,500,000	3,155,170	12.06%	7.96%	14,429,053	35.28%	23.29%
17	61	0	0	0	1,500,000	3,497,172	12.44%	8.21%	14,096,438	32.04%	21.14%
18	62	0	0	0	1,500,000	3,869,910	12.73%	8.40%	13,747,191	29.23%	19.29%
19	63	0	0	0	1,500,000	4,276,327	12.97%	8.56%	13,380,483	26.77%	17.67%
20	64	0	0	0	1,500,000	4,719,948	13.16%	8.68%	12,995,438	24.60%	16.24%
21	65	0	650,000	-650,000	850,000	4,514,143	13.34%	8.81%	11,908,642	22.73%	15.00%
22	66	0	650,000	-650,000	200,000	4,310,791	13.53%	8.93%	10,767,506	21.09%	13.92%
23	67	0	650,000	-650,000	-450,000	4,112,167	13.73%	9.06%	9,569,313	19.64%	12.96%
24	68	0	650,000	-650,000	-1,100,000	3,921,139	13.92%	9.19%	8,311,210	18.35%	12.11%
25	69	0	650,000	-650,000	-1,750,000	3,741,528	14.12%	9.32%	6,990,203	17.18%	11.34%
26	70	0	650,000	-650,000	-2,400,000	3,578,062	14.32%	9.45%	6,436,505	16.75%	11.05%
27	71	0	650,000	-650,000	-3,050,000	3,431,821	14.52%	9.58%	6,079,459	16.52%	10.90%
28	72	0	650,000	-650,000	-3,700,000	3,300,124	14.72%	9.71%	5,694,163	16.33%	10.78%
29	73	0	650,000	-650,000	-4,350,000	3,186,587	14.91%	9.84%	5,279,640	16.16%	10.67%
30	74	0	650,000	-650,000	-5,000,000	3,095,591	15.09%	9.96%	4,835,170	16.02%	10.57%
		1,500,000	6,500,000	-5,000,000							

*After deducting the cumulative loan due to the bank.

**Including a factor for a 34.00% income tax bracket.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Rate of Return (ROR) Analysis

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

Indexed UL
Interest Rate
7.00%

Initial Policy
Death Benefit
21,081,365

Policy Owner's
Income Tax
Bracket
34.00%

Loan Interest
Payment Method:
Accrued in all Years

Yr	Male Age	Cash Flow Required from Policy Owner				Policy Owner's Year End Cash Value			Policy Owner's Year End Death Benefit		
		(1) Portion of Premium Paid by Policy Owner	(2) Net Loan Policy Proceeds Available for Retirement Income	(3) Combined Cash Flow Required from Policy Owner	(4) Cumulative Cash Flow Required from Policy Owner	(5) Net Policy Cash Value*	(6) Pre-Tax** Equivalent ROR of Net Policy Cash Value	(7) Net ROR of Net Policy Cash Value	(8) Net Policy Death Benefit*	(9) Pre-Tax** Equivalent ROR of Net Policy Death Benefit	(10) Net ROR of Net Policy Death Benefit
31	75	0	650,000	-650,000	-5,650,000	3,032,364	15.27%	10.08%	4,360,272	15.90%	10.50%
32	76	0	650,000	-650,000	-6,300,000	2,992,197	15.43%	10.19%	4,411,037	16.03%	10.58%
33	77	0	650,000	-650,000	-6,950,000	2,977,747	15.59%	10.29%	4,493,451	16.14%	10.66%
34	78	0	650,000	-650,000	-7,600,000	2,991,827	15.74%	10.39%	4,610,701	16.25%	10.73%
35	79	0	650,000	-650,000	-8,250,000	3,037,433	15.87%	10.48%	4,766,176	16.36%	10.80%
36	80	0	650,000	-650,000	-8,900,000	3,117,610	16.00%	10.56%	4,963,330	16.45%	10.86%
37	81	0	650,000	-650,000	-9,550,000	3,232,775	16.11%	10.64%	5,202,871	16.54%	10.92%
38	82	0	650,000	-650,000	-10,200,000	3,384,943	16.22%	10.71%	5,487,195	16.62%	10.97%
39	83	0	650,000	-650,000	-10,850,000	3,575,819	16.32%	10.77%	5,818,390	16.69%	11.02%
40	84	0	650,000	-650,000	-11,500,000	3,805,945	16.41%	10.83%	6,197,336	16.76%	11.06%
41	85	0	650,000	-650,000	-12,150,000	4,073,766	16.49%	10.88%	6,622,728	16.81%	11.10%
42	86	0	650,000	-650,000	-12,800,000	4,381,047	16.56%	10.93%	7,096,762	16.87%	11.13%
43	87	0	650,000	-650,000	-13,450,000	4,725,546	16.62%	10.97%	7,617,444	16.91%	11.16%
44	88	0	650,000	-650,000	-14,100,000	5,102,923	16.67%	11.00%	8,180,596	16.95%	11.18%
45	89	0	650,000	-650,000	-14,750,000	5,507,497	16.72%	11.03%	8,780,650	16.98%	11.21%
46	90	0	650,000	-650,000	-15,400,000	5,930,432	16.76%	11.06%	9,408,746	17.00%	11.22%
47	91	0	650,000	-650,000	-16,050,000	6,465,615	16.80%	11.09%	9,424,245	16.98%	11.21%
48	92	0	650,000	-650,000	-16,700,000	7,153,087	16.84%	11.11%	9,514,409	16.97%	11.20%
49	93	0	650,000	-650,000	-17,350,000	8,046,764	16.88%	11.14%	9,724,060	16.96%	11.20%
50	94	0	650,000	-650,000	-18,000,000	9,217,131	16.92%	11.17%	10,112,217	16.96%	11.20%

1,500,000 19,500,000 -18,000,000

*After deducting the cumulative loan due to the bank.

**Including a factor for a 34.00% income tax bracket.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Rate of Return Calculation Logic

Borrower and Policy Owner: Sterling Manufacturing, Inc.

Lender: To be determined

There are four key columns on the accompanying Rate of Return Analysis report:

Net Rate of Return of Net Policy Cash Value	Net Rate of Return of Net Policy Death Benefit
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Calculations for the Net Rate of Return column show the interest rate that would have to be earned on the out-of-pocket cash flow included in plan funding in order to match the net cash value and net death benefit of the policy. Such out-of-pocket cash flow can include one or more of the following: 1) Loan origination fee and/or other loan fees when not added to the loan; 2) Cost of letter of credit; 3) Premium payments not included in the loan; 4) Payments to the lender for loan interest; and 5) A loan repayment from an outside source. The Net Rate of Return indicated in these columns would be required for the policy owner to produce a similar result using an alternative tax exempt account.

Pre-Tax Equivalent Rate of Return of Net Policy Cash Value	Pre-Tax Equivalent Rate of Return of Net Policy Death Benefit
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Calculations for the Pre-Tax Equivalent Rate of Return column show the pre-tax equivalent interest rate that would have to be earned on the out-of-pocket cash flow included in plan funding in order to match the net cash value and net death benefit of the policy. Such out-of-pocket cash flow can include one or more of the following: 1) Loan origination fee and/or other loan fees when not added to the loan; 2) Cost of letter of credit; 3) Premium payments not included in the loan; 4) Payments to the lender for loan interest; and 5) A loan repayment from an outside source. This calculation grosses up the Net Rate of Return by a factor that accounts for the policy owner's income tax bracket. The Pre-Tax Rate of Return indicated in these columns would be required for the policy owner to produce a similar result using an alternative taxable account.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Comparison of Premium Financing vs. Pay Full Premium

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

Indexed UL
Interest Rate
7.00%

Indexed UL
Interest Rate
7.00%

		Premium Financing Indexed Universal Life			Pay Full Premium Indexed Universal Life		
Year	Male Age	(1) Net Payment	(2) Year End Net Policy Cash Value*	(3) Year End Net Policy Death Benefit*	(4) Net Payment	(5) Year End Policy Cash Value	(6) Year End Policy Death Benefit
1	45	100,000	-55,415	21,025,950	1,000,000	871,585	21,952,950
2	46	100,000	-79,956	21,001,409	1,000,000	1,804,412	22,885,777
3	47	100,000	-72,318	21,009,047	1,000,000	2,803,656	23,885,021
4	48	100,000	-30,792	21,050,573	1,000,000	3,874,698	24,956,063
5	49	100,000	45,371	21,126,736	1,000,000	5,022,417	26,103,782
6	50	100,000	188,386	21,269,751	0	5,246,370	26,327,735
7	51	100,000	338,483	21,419,848	0	5,487,845	26,569,210
8	52	100,000	497,134	21,578,499	0	5,748,470	26,829,835
9	53	100,000	665,459	21,746,824	0	6,030,060	27,111,425
10	54	100,000	842,788	21,924,153	0	6,333,240	27,414,605
11	55	100,000	1,192,223	15,452,116	0	6,821,472	21,081,365
12	56	100,000	1,564,898	15,299,429	0	7,346,834	21,081,365
13	57	100,000	1,962,756	15,131,810	0	7,912,311	21,081,365
14	58	100,000	2,387,445	14,947,522	0	8,521,288	21,081,365
15	59	100,000	2,841,900	14,745,830	0	9,177,435	21,081,365
16	60	0	3,155,170	14,429,053	-6,335,535	3,155,170	14,429,053
17	61	0	3,497,172	14,096,438	0	3,497,172	14,096,438
18	62	0	3,869,910	13,747,191	0	3,869,910	13,747,191
19	63	0	4,276,327	13,380,483	0	4,276,327	13,380,483
20	64	0	4,719,948	12,995,438	0	4,719,948	12,995,438
21	65	-650,000	4,514,143	11,908,642	-650,000	4,514,143	11,908,642
22	66	-650,000	4,310,791	10,767,506	-650,000	4,310,791	10,767,506
23	67	-650,000	4,112,167	9,569,313	-650,000	4,112,167	9,569,313
24	68	-650,000	3,921,139	8,311,210	-650,000	3,921,139	8,311,210
25	69	-650,000	3,741,528	6,990,203	-650,000	3,741,528	6,990,203
26	70	-650,000	3,578,062	6,436,505	-650,000	3,578,062	6,436,505
27	71	-650,000	3,431,821	6,079,459	-650,000	3,431,821	6,079,459
28	72	-650,000	3,300,124	5,694,163	-650,000	3,300,124	5,694,163
29	73	-650,000	3,186,587	5,279,640	-650,000	3,186,587	5,279,640
30	74	-650,000	3,095,591	4,835,170	-650,000	3,095,591	4,835,170
		-5,000,000			-7,835,535		

*After deducting the cumulative loan due to the bank.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Comparison of Premium Financing vs. Pay Full Premium

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

Indexed UL
Interest Rate
7.00%

Indexed UL
Interest Rate
7.00%

		Premium Financing Indexed Universal Life			Pay Full Premium Indexed Universal Life		
Year	Male Age	(1) Net Payment	(2) Year End Net Policy Cash Value*	(3) Year End Net Policy Death Benefit*	(4) Net Payment	(5) Year End Policy Cash Value	(6) Year End Policy Death Benefit
31	75	-650,000	3,032,364	4,360,272	-650,000	3,032,364	4,360,272
32	76	-650,000	2,992,197	4,411,037	-650,000	2,992,197	4,411,037
33	77	-650,000	2,977,747	4,493,451	-650,000	2,977,747	4,493,451
34	78	-650,000	2,991,827	4,610,701	-650,000	2,991,827	4,610,701
35	79	-650,000	3,037,433	4,766,176	-650,000	3,037,433	4,766,176
36	80	-650,000	3,117,610	4,963,330	-650,000	3,117,610	4,963,330
37	81	-650,000	3,232,775	5,202,871	-650,000	3,232,775	5,202,871
38	82	-650,000	3,384,943	5,487,195	-650,000	3,384,943	5,487,195
39	83	-650,000	3,575,819	5,818,390	-650,000	3,575,819	5,818,390
40	84	-650,000	3,805,945	6,197,336	-650,000	3,805,945	6,197,336
41	85	-650,000	4,073,766	6,622,728	-650,000	4,073,766	6,622,728
42	86	-650,000	4,381,047	7,096,762	-650,000	4,381,047	7,096,762
43	87	-650,000	4,725,546	7,617,444	-650,000	4,725,546	7,617,444
44	88	-650,000	5,102,923	8,180,596	-650,000	5,102,923	8,180,596
45	89	-650,000	5,507,497	8,780,650	-650,000	5,507,497	8,780,650
46	90	-650,000	5,930,432	9,408,746	-650,000	5,930,432	9,408,746
47	91	-650,000	6,465,615	9,424,245	-650,000	6,465,615	9,424,245
48	92	-650,000	7,153,087	9,514,409	-650,000	7,153,087	9,514,409
49	93	-650,000	8,046,764	9,724,060	-650,000	8,046,764	9,724,060
50	94	-650,000	9,217,131	10,112,217	-650,000	9,217,131	10,112,217
		-18,000,000			-20,835,535		

*After deducting the cumulative loan due to the bank.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Comparison of Premium Financing vs. Pay Full Premium

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

Indexed UL
Interest Rate
7.00%

Policy Owner's
Income Tax
Bracket
34.00%

Indexed UL
Interest Rate
7.00%

		Premium Financing Indexed Universal Life Pre-tax Equivalent Rate of Return Required on Column (1) to Match Net Policy Values			Pay Full Premium Indexed Universal Life Pre-tax Equivalent Rate of Return Required on Column (4) to Match Policy Values		
Year	Male Age	(1) Net Payment	(2) Year End Net Policy Cash Value*	(3) Year End Net Policy Death Benefit*	(4) Net Payment	(5) Year End Policy Cash Value	(6) Year End Policy Death Benefit
1	45	100,000	-100.00%	31,705.98%	1,000,000	-12.84%	3,174.69%
2	46	100,000	-100.00%	1,969.77%	1,000,000	-6.67%	501.51%
3	47	100,000	-100.00%	693.41%	1,000,000	-3.35%	224.25%
4	48	100,000	-100.00%	380.06%	1,000,000	-1.27%	134.79%
5	49	100,000	-68.72%	251.29%	1,000,000	0.23%	92.89%
6	50	100,000	-32.45%	183.86%	0	1.83%	70.09%
7	51	100,000	-18.26%	143.07%	0	2.84%	56.03%
8	52	100,000	-10.70%	116.06%	0	3.55%	46.61%
9	53	100,000	-6.11%	96.99%	0	4.09%	39.91%
10	54	100,000	-3.14%	82.88%	0	4.53%	34.92%
11	55	100,000	2.02%	63.30%	0	5.30%	25.78%
12	56	100,000	6.09%	55.34%	0	5.92%	23.10%
13	57	100,000	8.69%	48.89%	0	6.43%	20.91%
14	58	100,000	10.41%	43.55%	0	6.86%	19.10%
15	59	100,000	11.57%	39.07%	0	7.22%	17.58%
16	60	0	12.06%	35.28%	-6,335,535	7.44%	16.48%
17	61	0	12.44%	32.04%	0	7.65%	15.52%
18	62	0	12.73%	29.23%	0	7.84%	14.66%
19	63	0	12.97%	26.77%	0	8.03%	13.89%
20	64	0	13.16%	24.60%	0	8.21%	13.19%
21	65	-650,000	13.34%	22.73%	-650,000	8.38%	12.55%
22	66	-650,000	13.53%	21.09%	-650,000	8.54%	11.97%
23	67	-650,000	13.73%	19.64%	-650,000	8.70%	11.44%
24	68	-650,000	13.92%	18.35%	-650,000	8.85%	10.94%
25	69	-650,000	14.12%	17.18%	-650,000	8.99%	10.46%
26	70	-650,000	14.32%	16.75%	-650,000	9.14%	10.34%
27	71	-650,000	14.52%	16.52%	-650,000	9.28%	10.30%
28	72	-650,000	14.72%	16.33%	-650,000	9.41%	10.27%
29	73	-650,000	14.91%	16.16%	-650,000	9.55%	10.23%
30	74	-650,000	15.09%	16.02%	-650,000	9.68%	10.20%
		-5,000,000			-7,835,535		

*After deducting the cumulative loan due to the bank.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Comparison of Premium Financing vs. Pay Full Premium

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

Indexed UL
Interest Rate
7.00%

Policy Owner's
Income Tax
Bracket
34.00%

Indexed UL
Interest Rate
7.00%

		Premium Financing Indexed Universal Life Pre-tax Equivalent Rate of Return Required on Column (1) to Match Net Policy Values			Pay Full Premium Indexed Universal Life Pre-tax Equivalent Rate of Return Required on Column (4) to Match Policy Values		
Year	Male Age	(1) Net Payment	(2) Year End Net Policy Cash Value*	(3) Year End Net Policy Death Benefit*	(4) Net Payment	(5) Year End Policy Cash Value	(6) Year End Policy Death Benefit
31	75	-650,000	15.27%	15.90%	-650,000	9.81%	10.18%
32	76	-650,000	15.43%	16.03%	-650,000	9.93%	10.29%
33	77	-650,000	15.59%	16.14%	-650,000	10.04%	10.39%
34	78	-650,000	15.74%	16.25%	-650,000	10.16%	10.49%
35	79	-650,000	15.87%	16.36%	-650,000	10.27%	10.59%
36	80	-650,000	16.00%	16.45%	-650,000	10.37%	10.68%
37	81	-650,000	16.11%	16.54%	-650,000	10.47%	10.77%
38	82	-650,000	16.22%	16.62%	-650,000	10.56%	10.86%
39	83	-650,000	16.32%	16.69%	-650,000	10.65%	10.93%
40	84	-650,000	16.41%	16.76%	-650,000	10.73%	11.01%
41	85	-650,000	16.49%	16.81%	-650,000	10.81%	11.08%
42	86	-650,000	16.56%	16.87%	-650,000	10.88%	11.14%
43	87	-650,000	16.62%	16.91%	-650,000	10.95%	11.20%
44	88	-650,000	16.67%	16.95%	-650,000	11.01%	11.25%
45	89	-650,000	16.72%	16.98%	-650,000	11.06%	11.30%
46	90	-650,000	16.76%	17.00%	-650,000	11.11%	11.34%
47	91	-650,000	16.80%	16.98%	-650,000	11.16%	11.34%
48	92	-650,000	16.84%	16.97%	-650,000	11.22%	11.35%
49	93	-650,000	16.88%	16.96%	-650,000	11.27%	11.36%
50	94	-650,000	16.92%	16.96%	-650,000	11.33%	11.37%
		-18,000,000			-20,835,535		

*After deducting the cumulative loan due to the bank.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Comparison of Premium Financing vs. Pay Full Premium

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

Indexed UL
Interest Rate
7.00%

Indexed UL
Interest Rate
7.00%

		Premium Financing Indexed Universal Life Net Rate of Return Required on Column (1) to Match Net Policy Values			Pay Full Premium Indexed Universal Life Net Rate of Return Required on Column (4) to Match Policy Values		
Year	Male Age	(1) Net Payment	(2) Year End Net Policy Cash Value*	(3) Year End Net Policy Death Benefit*	(4) Net Payment	(5) Year End Policy Cash Value	(6) Year End Policy Death Benefit
1	45	100,000	-100.00%	20,925.95%	1,000,000	-12.84%	2,095.30%
2	46	100,000	-100.00%	1,300.05%	1,000,000	-6.67%	331.00%
3	47	100,000	-100.00%	457.65%	1,000,000	-3.35%	148.01%
4	48	100,000	-100.00%	250.84%	1,000,000	-1.27%	88.96%
5	49	100,000	-68.72%	165.85%	1,000,000	0.15%	61.31%
6	50	100,000	-32.45%	121.35%	0	1.21%	46.26%
7	51	100,000	-18.26%	94.43%	0	1.87%	36.98%
8	52	100,000	-10.70%	76.60%	0	2.34%	30.76%
9	53	100,000	-6.11%	64.01%	0	2.70%	26.34%
10	54	100,000	-3.14%	54.70%	0	2.99%	23.04%
11	55	100,000	1.34%	41.78%	0	3.50%	17.02%
12	56	100,000	4.02%	36.52%	0	3.91%	15.25%
13	57	100,000	5.73%	32.27%	0	4.24%	13.80%
14	58	100,000	6.87%	28.74%	0	4.53%	12.61%
15	59	100,000	7.64%	25.79%	0	4.77%	11.60%
16	60	0	7.96%	23.29%	-6,335,535	4.91%	10.88%
17	61	0	8.21%	21.14%	0	5.05%	10.24%
18	62	0	8.40%	19.29%	0	5.18%	9.68%
19	63	0	8.56%	17.67%	0	5.30%	9.17%
20	64	0	8.68%	16.24%	0	5.42%	8.70%
21	65	-650,000	8.81%	15.00%	-650,000	5.53%	8.28%
22	66	-650,000	8.93%	13.92%	-650,000	5.64%	7.90%
23	67	-650,000	9.06%	12.96%	-650,000	5.74%	7.55%
24	68	-650,000	9.19%	12.11%	-650,000	5.84%	7.22%
25	69	-650,000	9.32%	11.34%	-650,000	5.94%	6.91%
26	70	-650,000	9.45%	11.05%	-650,000	6.03%	6.82%
27	71	-650,000	9.58%	10.90%	-650,000	6.12%	6.80%
28	72	-650,000	9.71%	10.78%	-650,000	6.21%	6.78%
29	73	-650,000	9.84%	10.67%	-650,000	6.30%	6.75%
30	74	-650,000	9.96%	10.57%	-650,000	6.39%	6.73%
		-5,000,000			-7,835,535		

*After deducting the cumulative loan due to the bank.

Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

Comparison of Premium Financing vs. Pay Full Premium

Borrower and Policy Owner: Sterling Manufacturing, Inc.
Lender: To be determined

Indexed UL
Interest Rate
7.00%

Indexed UL
Interest Rate
7.00%

		Premium Financing Indexed Universal Life Net Rate of Return Required on Column (1) to Match Net Policy Values			Pay Full Premium Indexed Universal Life Net Rate of Return Required on Column (4) to Match Policy Values		
Year	Male Age	(1) Net Payment	(2) Year End Net Policy Cash Value*	(3) Year End Net Policy Death Benefit*	(4) Net Payment	(5) Year End Policy Cash Value	(6) Year End Policy Death Benefit
31	75	-650,000	10.08%	10.50%	-650,000	6.47%	6.72%
32	76	-650,000	10.19%	10.58%	-650,000	6.55%	6.79%
33	77	-650,000	10.29%	10.66%	-650,000	6.63%	6.86%
34	78	-650,000	10.39%	10.73%	-650,000	6.70%	6.93%
35	79	-650,000	10.48%	10.80%	-650,000	6.77%	6.99%
36	80	-650,000	10.56%	10.86%	-650,000	6.84%	7.05%
37	81	-650,000	10.64%	10.92%	-650,000	6.91%	7.11%
38	82	-650,000	10.71%	10.97%	-650,000	6.97%	7.16%
39	83	-650,000	10.77%	11.02%	-650,000	7.03%	7.22%
40	84	-650,000	10.83%	11.06%	-650,000	7.08%	7.27%
41	85	-650,000	10.88%	11.10%	-650,000	7.13%	7.31%
42	86	-650,000	10.93%	11.13%	-650,000	7.18%	7.35%
43	87	-650,000	10.97%	11.16%	-650,000	7.23%	7.39%
44	88	-650,000	11.00%	11.18%	-650,000	7.27%	7.43%
45	89	-650,000	11.03%	11.21%	-650,000	7.30%	7.46%
46	90	-650,000	11.06%	11.22%	-650,000	7.34%	7.49%
47	91	-650,000	11.09%	11.21%	-650,000	7.37%	7.49%
48	92	-650,000	11.11%	11.20%	-650,000	7.40%	7.49%
49	93	-650,000	11.14%	11.20%	-650,000	7.44%	7.50%
50	94	-650,000	11.17%	11.20%	-650,000	7.48%	7.51%
		-18,000,000			-20,835,535		

*After deducting the cumulative loan due to the bank.