

# 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

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: Robert Sterling  
Lender: To be determined

|      |             | Policy Owner's<br>Income Tax Bracket<br>40.00% | Indexed UL<br>Interest Rate<br>7.00%  | Initial<br>Premium<br>1,000,000   | Initial Policy<br>Death Benefit<br>21,081,365 |                                     |
|------|-------------|--|---------------------------------------|-----------------------------------|---|-------------------------------------|
| Year | Male<br>Age | (1)<br>Policy<br>Premium                       | (2)<br>Net Policy<br>Loan<br>Proceeds | (3)<br>Cash<br>Value*<br>Increase | (4)<br>Year End<br>Cash<br>Value*             | (5)<br>Year End<br>Death<br>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: Robert Sterling  
Lender: To be determined

|      |             | Policy Owner's<br>Income Tax Bracket<br>40.00% | Indexed UL<br>Interest Rate<br>7.00%  | Initial<br>Premium<br>1,000,000   | Initial Policy<br>Death Benefit<br>21,081,365 |                                     |  |
|------|-------------|--|---------------------------------------|-----------------------------------|---|-------------------------------------|--|
| Year | Male<br>Age | (1)<br>Policy<br>Premium                       | (2)<br>Net Policy<br>Loan<br>Proceeds | (3)<br>Cash<br>Value*<br>Increase | (4)<br>Year End<br>Cash<br>Value*             | (5)<br>Year End<br>Death<br>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

## Summary

Borrower and Policy Owner: Robert Sterling  
Lender: To be determined

Policy Owner's Income Tax Bracket: 40.00%  
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: Robert Sterling

Lender: To be determined

Policy Owner's  
Income Tax Bracket  
40.00%

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)<br>Policy Premium    | (2)<br>Premium and Loan Repayment Paid by Policy Owner | (3)<br>Balance of Premium Due Borrowed from Bank* | (4)<br>Assumed Bank Loan Interest Rate | (5)<br>Net Policy Loan Proceeds Used to Reduce Loan | (6)<br>Cumulative Loan Due Bank** | (7)<br>Net Loan Policy Proceeds Available for Retirement Income | (8)<br>Year End Policy Cash Value*** | (9)<br>Year End Policy Cash Value*** Net of Bank Loan | (10)<br>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    |

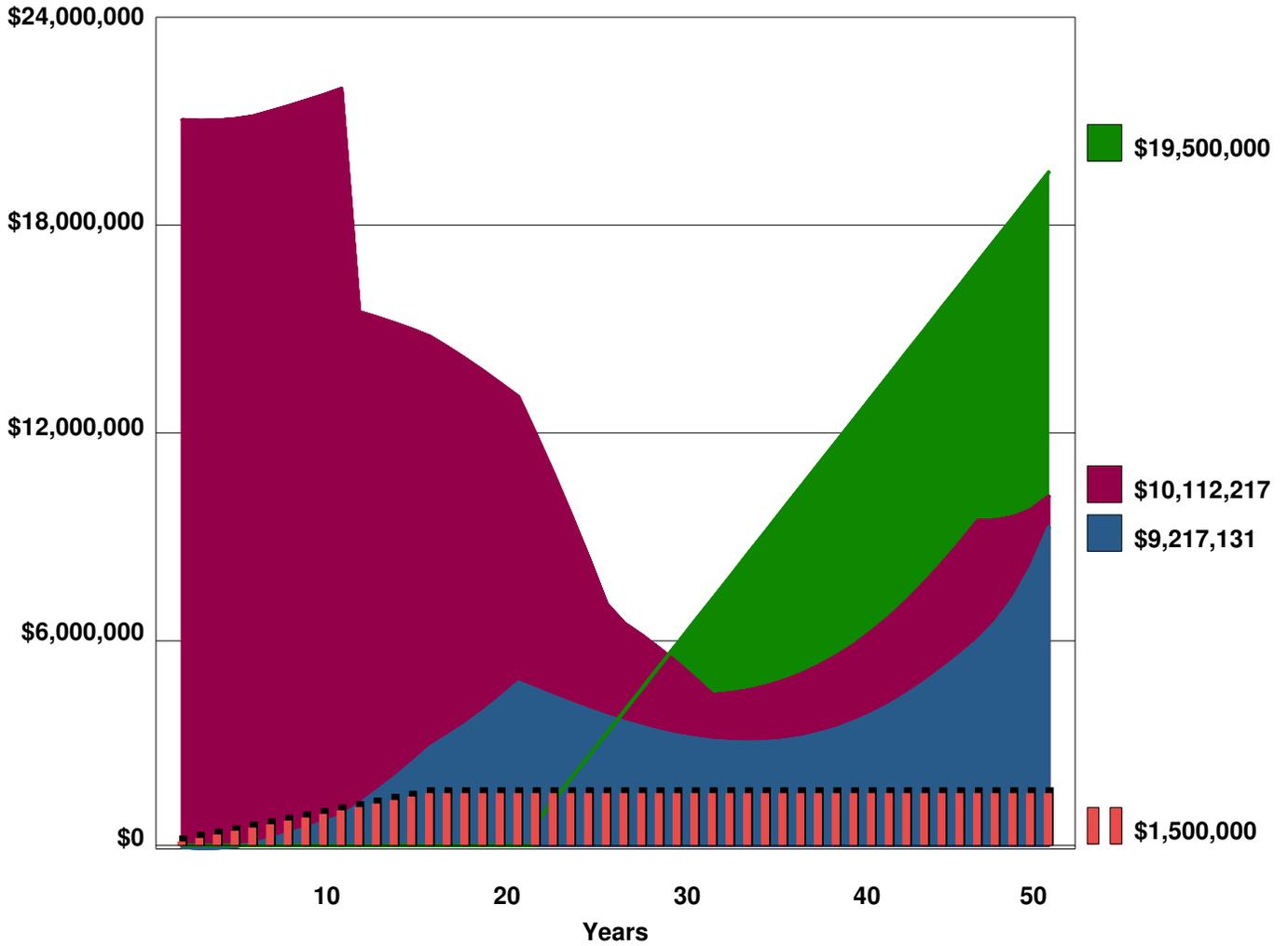
# Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

## Policy Owner's 50 Year Graphic Analysis

Borrower and Policy Owner: Robert Sterling  
Lender: To be determined



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

<sup>1</sup> For retirement income.

<sup>2</sup> 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: Robert Sterling

Lender: To be determined

| Year | Male Age | (1)<br>Portion of Policy Premium | + | (2)<br>Loan Repayment | - | (3)<br>Net Loan Policy Proceeds Available for Retirement Income | = | (4)<br>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: Robert Sterling

Lender: To be determined

| Year | Male Age | (1)<br>Portion of Policy Premium | + | (2)<br>Loan Repayment | - | (3)<br>Net Loan Policy Proceeds Available for Retirement Income | = | (4)<br>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

## Analysis of Bank Loan

Borrower and Policy Owner: Robert Sterling

Lender: To be determined

|      |             | Policy Owner's<br>Income Tax Bracket<br>40.00%                 |  |   | Loan Interest<br>Payment Method:<br>Accrued in all Years |   |   |  |
|------|-------------|--|--|---|--|---|---|--|
| Year | Male<br>Age | (1)<br>Portion of<br>Policy<br>Premium<br>Paid by<br>Bank Loan | (2)<br>Amount<br>Paid by<br>Policy<br>Owner<br>to Repay<br>Bank Loan | (3)<br>Net Loan<br>Policy<br>Proceeds<br>Used to<br>Reduce<br>Bank Loan | (4)<br>Bank Loan<br>Balance<br>Subject to<br>Interest    | (5)<br>Assumed<br>Bank Loan<br>Interest<br>Rate | (6)<br>Bank Loan<br>Interest<br>to Accrue | (7)<br>Year End<br>Cumulative<br>Loan<br>Due Bank<br>(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: Robert Sterling

Lender: To be determined

|      |             | Policy Owner's<br>Income Tax Bracket<br>40.00%                 |  |   | Loan Interest<br>Payment Method:<br>Accrued in all Years |   |   |  |
|------|-------------|--|--|---|--|---|---|--|
| Year | Male<br>Age | (1)<br>Portion of<br>Policy<br>Premium<br>Paid by<br>Bank Loan | (2)<br>Amount<br>Paid by<br>Policy<br>Owner<br>to Repay<br>Bank Loan | (3)<br>Net Loan<br>Policy<br>Proceeds<br>Used to<br>Reduce<br>Bank Loan | (4)<br>Bank Loan<br>Balance<br>Subject to<br>Interest    | (5)<br>Assumed<br>Bank Loan<br>Interest<br>Rate | (6)<br>Bank Loan<br>Interest<br>to Accrue | (7)<br>Year End<br>Cumulative<br>Loan<br>Due Bank<br>(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

## Rate of Return (ROR) Analysis

Borrower and Policy Owner: Robert Sterling

Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Initial Policy  
Death Benefit  
21,081,365

Policy Owner's  
Income Tax  
Bracket  
40.00%

Loan Interest  
Payment Method:  
Accrued in all Years

| Yr | Male<br>Age | Cash Flow Required from Policy Owner           |   |  |  | Policy Owner's Year End Cash Value |  |   | Policy Owner's Year End Death Benefit |   |   |
|----|-------------|--|---|--|--|------------------------------------|--|---|---------------------------------------|---|---|
|    |             | (1)<br>Portion of Premium Paid by Policy Owner | (2)<br>Net Loan Policy Proceeds Available for Retirement Income | (3)<br>Combined Cash Flow Required from Policy Owner | (4)<br>Cumulative Cash Flow Required from Policy Owner | (5)<br>Net Policy Cash Value*      | (6)<br>Pre-Tax** Equivalent ROR of Net Policy Cash Value | (7)<br>Net ROR of Net Policy Cash Value | (8)<br>Net Policy Death Benefit*      | (9)<br>Pre-Tax** Equivalent ROR of Net Policy Death Benefit | (10)<br>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                            | 34,876.58%  | 20,925.95%                                  |
| 2  | 46          | 100,000  | 0   | 100,000  | 200,000  | -79,956                            | -100.00%   | -100.00%                                | 21,001,409                            | 2,166.75%   | 1,300.05%                                   |
| 3  | 47          | 100,000  | 0   | 100,000  | 300,000  | -72,318                            | -100.00%   | -100.00%                                | 21,009,047                            | 762.75%   | 457.65%                                     |
| 4  | 48          | 100,000  | 0   | 100,000  | 400,000  | -30,792                            | -100.00%   | -100.00%                                | 21,050,573                            | 418.06%   | 250.84%                                     |
| 5  | 49          | 100,000  | 0   | 100,000  | 500,000  | 45,371                             | -68.72%  | -68.72%                                 | 21,126,736                            | 276.42%   | 165.85%                                     |
| 6  | 50          | 100,000  | 0   | 100,000  | 600,000  | 188,386                            | -32.45%  | -32.45%                                 | 21,269,751                            | 202.24%   | 121.35%                                     |
| 7  | 51          | 100,000  | 0   | 100,000  | 700,000  | 338,483                            | -18.26%  | -18.26%                                 | 21,419,848                            | 157.38%   | 94.43%                                      |
| 8  | 52          | 100,000  | 0   | 100,000  | 800,000  | 497,134                            | -10.70%  | -10.70%                                 | 21,578,499                            | 127.66%   | 76.60%                                      |
| 9  | 53          | 100,000  | 0   | 100,000  | 900,000  | 665,459                            | -6.11%   | -6.11%                                  | 21,746,824                            | 106.69%   | 64.01%                                      |
| 10 | 54          | 100,000  | 0   | 100,000  | 1,000,000  | 842,788                            | -3.14%   | -3.14%                                  | 21,924,153                            | 91.17%  | 54.70%                                      |
| 11 | 55          | 100,000  | 0   | 100,000  | 1,100,000  | 1,192,223                          | 2.23%  | 1.34%                                   | 15,452,116                            | 69.63%  | 41.78%                                      |
| 12 | 56          | 100,000  | 0   | 100,000  | 1,200,000  | 1,564,898                          | 6.70%  | 4.02%                                   | 15,299,429                            | 60.87%  | 36.52%                                      |
| 13 | 57          | 100,000  | 0   | 100,000  | 1,300,000  | 1,962,756                          | 9.56%  | 5.73%                                   | 15,131,810                            | 53.78%  | 32.27%                                      |
| 14 | 58          | 100,000  | 0   | 100,000  | 1,400,000  | 2,387,445                          | 11.45%   | 6.87%                                   | 14,947,522                            | 47.91%  | 28.74%                                      |
| 15 | 59          | 100,000  | 0   | 100,000  | 1,500,000  | 2,841,900                          | 12.73%   | 7.64%                                   | 14,745,830                            | 42.98%  | 25.79%                                      |
| 16 | 60          | 0  | 0   | 0  | 1,500,000  | 3,155,170                          | 13.27%   | 7.96%                                   | 14,429,053                            | 38.81%  | 23.29%                                      |
| 17 | 61          | 0  | 0   | 0  | 1,500,000  | 3,497,172                          | 13.68%   | 8.21%                                   | 14,096,438                            | 35.24%  | 21.14%                                      |
| 18 | 62          | 0  | 0   | 0  | 1,500,000  | 3,869,910                          | 14.01%   | 8.40%                                   | 13,747,191                            | 32.15%  | 19.29%                                      |
| 19 | 63          | 0  | 0   | 0  | 1,500,000  | 4,276,327                          | 14.26%   | 8.56%                                   | 13,380,483                            | 29.45%  | 17.67%                                      |
| 20 | 64          | 0  | 0   | 0  | 1,500,000  | 4,719,948                          | 14.47%   | 8.68%                                   | 12,995,438                            | 27.06%  | 16.24%                                      |
| 21 | 65          | 0  | 650,000   | -650,000   | 850,000  | 4,514,143                          | 14.68%   | 8.81%                                   | 11,908,642                            | 25.00%  | 15.00%                                      |
| 22 | 66          | 0  | 650,000   | -650,000   | 200,000  | 4,310,791                          | 14.89%   | 8.93%                                   | 10,767,506                            | 23.20%  | 13.92%                                      |
| 23 | 67          | 0  | 650,000   | -650,000   | -450,000   | 4,112,167                          | 15.10%   | 9.06%                                   | 9,569,313                             | 21.61%  | 12.96%                                      |
| 24 | 68          | 0  | 650,000   | -650,000   | -1,100,000   | 3,921,139                          | 15.31%   | 9.19%                                   | 8,311,210                             | 20.19%  | 12.11%                                      |
| 25 | 69          | 0  | 650,000   | -650,000   | -1,750,000   | 3,741,528                          | 15.53%   | 9.32%                                   | 6,990,203                             | 18.90%  | 11.34%                                      |
| 26 | 70          | 0  | 650,000   | -650,000   | -2,400,000   | 3,578,062                          | 15.75%   | 9.45%                                   | 6,436,505                             | 18.42%  | 11.05%                                      |
| 27 | 71          | 0  | 650,000   | -650,000   | -3,050,000   | 3,431,821                          | 15.97%   | 9.58%                                   | 6,079,459                             | 18.17%  | 10.90%                                      |
| 28 | 72          | 0  | 650,000   | -650,000   | -3,700,000   | 3,300,124                          | 16.19%   | 9.71%                                   | 5,694,163                             | 17.96%  | 10.78%                                      |
| 29 | 73          | 0  | 650,000   | -650,000   | -4,350,000   | 3,186,587                          | 16.40%   | 9.84%                                   | 5,279,640                             | 17.78%  | 10.67%                                      |
| 30 | 74          | 0  | 650,000   | -650,000   | -5,000,000   | 3,095,591                          | 16.60%   | 9.96%                                   | 4,835,170                             | 17.62%  | 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 40.00% 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: Robert Sterling

Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Initial Policy  
Death Benefit  
21,081,365

Policy Owner's  
Income Tax  
Bracket  
40.00%

Loan Interest  
Payment Method:  
Accrued in all Years

| Yr | Male<br>Age | Cash Flow Required from Policy Owner           |   |  |  | Policy Owner's Year End Cash Value |   |   | Policy Owner's Year End Death Benefit |  |   |
|----|-------------|--|---|--|--|------------------------------------|---|---|---------------------------------------|--|---|
|    |             | (1)<br>Portion of Premium Paid by Policy Owner | (2)<br>Net Loan Policy Proceeds Available for Retirement Income | (3)<br>Combined Cash Flow Required from Policy Owner | (4)<br>Cumulative Cash Flow Required from Policy Owner | (5)<br>Net Policy Cash Value*      | (6)<br>Pre-Tax**<br>Equivalent ROR of Net Policy Cash Value | (7)<br>Net ROR of Net Policy Cash Value | (8)<br>Net Policy Death Benefit*      | (9)<br>Pre-Tax**<br>Equivalent ROR of Net Policy Death Benefit | (10)<br>Net ROR of Net Policy Death Benefit |
| 31 | 75          | 0  | 650,000   | -650,000   | -5,650,000   | 3,032,364                          | 16.79%  | 10.08%                                  | 4,360,272                             | 17.49%   | 10.50%                                      |
| 32 | 76          | 0  | 650,000   | -650,000   | -6,300,000   | 2,992,197                          | 16.98%  | 10.19%                                  | 4,411,037                             | 17.63%   | 10.58%                                      |
| 33 | 77          | 0  | 650,000   | -650,000   | -6,950,000   | 2,977,747                          | 17.15%  | 10.29%                                  | 4,493,451                             | 17.76%   | 10.66%                                      |
| 34 | 78          | 0  | 650,000   | -650,000   | -7,600,000   | 2,991,827                          | 17.31%  | 10.39%                                  | 4,610,701                             | 17.88%   | 10.73%                                      |
| 35 | 79          | 0  | 650,000   | -650,000   | -8,250,000   | 3,037,433                          | 17.46%  | 10.48%                                  | 4,766,176                             | 17.99%   | 10.80%                                      |
| 36 | 80          | 0  | 650,000   | -650,000   | -8,900,000   | 3,117,610                          | 17.60%  | 10.56%                                  | 4,963,330                             | 18.10%   | 10.86%                                      |
| 37 | 81          | 0  | 650,000   | -650,000   | -9,550,000   | 3,232,775                          | 17.73%  | 10.64%                                  | 5,202,871                             | 18.19%   | 10.92%                                      |
| 38 | 82          | 0  | 650,000   | -650,000   | -10,200,000  | 3,384,943                          | 17.84%  | 10.71%                                  | 5,487,195                             | 18.28%   | 10.97%                                      |
| 39 | 83          | 0  | 650,000   | -650,000   | -10,850,000  | 3,575,819                          | 17.95%  | 10.77%                                  | 5,818,390                             | 18.36%   | 11.02%                                      |
| 40 | 84          | 0  | 650,000   | -650,000   | -11,500,000  | 3,805,945                          | 18.05%  | 10.83%                                  | 6,197,336                             | 18.43%   | 11.06%                                      |
| 41 | 85          | 0  | 650,000   | -650,000   | -12,150,000  | 4,073,766                          | 18.13%  | 10.88%                                  | 6,622,728                             | 18.50%   | 11.10%                                      |
| 42 | 86          | 0  | 650,000   | -650,000   | -12,800,000  | 4,381,047                          | 18.21%  | 10.93%                                  | 7,096,762                             | 18.55%   | 11.13%                                      |
| 43 | 87          | 0  | 650,000   | -650,000   | -13,450,000  | 4,725,546                          | 18.28%  | 10.97%                                  | 7,617,444                             | 18.60%   | 11.16%                                      |
| 44 | 88          | 0  | 650,000   | -650,000   | -14,100,000  | 5,102,923                          | 18.34%  | 11.00%                                  | 8,180,596                             | 18.64%   | 11.18%                                      |
| 45 | 89          | 0  | 650,000   | -650,000   | -14,750,000  | 5,507,497                          | 18.39%  | 11.03%                                  | 8,780,650                             | 18.68%   | 11.21%                                      |
| 46 | 90          | 0  | 650,000   | -650,000   | -15,400,000  | 5,930,432                          | 18.43%  | 11.06%                                  | 9,408,746                             | 18.70%   | 11.22%                                      |
| 47 | 91          | 0  | 650,000   | -650,000   | -16,050,000  | 6,465,615                          | 18.48%  | 11.09%                                  | 9,424,245                             | 18.68%   | 11.21%                                      |
| 48 | 92          | 0  | 650,000   | -650,000   | -16,700,000  | 7,153,087                          | 18.52%  | 11.11%                                  | 9,514,409                             | 18.67%   | 11.20%                                      |
| 49 | 93          | 0  | 650,000   | -650,000   | -17,350,000  | 8,046,764                          | 18.57%  | 11.14%                                  | 9,724,060                             | 18.66%   | 11.20%                                      |
| 50 | 94          | 0  | 650,000   | -650,000   | -18,000,000  | 9,217,131                          | 18.62%  | 11.17%                                  | 10,112,217                            | 18.66%   | 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 40.00% income tax bracket.

# Premium Financing Using Indexed Universal Life

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

Insured: Robert Sterling

## Policy Loan Analysis

Borrower and Policy Owner: Robert Sterling  
Lender: To be determined

Policy Owner's  
Income Tax Bracket  
40.00%

| Year | Male Age | (1)<br>Total Net Loan Policy Proceeds | = | (2)<br>Net Loan Policy Proceeds Used to Reduce Loan | + | (3)<br>Net Loan Policy Proceeds Available for Retirement Income | (4)<br>Year End Policy Cash Value* | (5)<br>Year End Policy Death Benefit |
|------|----------|---------------------------------------|---|---|---|---|------------------------------------|--------------------------------------|
| 1    | 45       | 0                                     |   | 0   |   | 0   | 871,585                            | 21,952,950                           |
| 2    | 46       | 0                                     |   | 0   |   | 0   | 1,804,412                          | 22,885,777                           |
| 3    | 47       | 0                                     |   | 0   |   | 0   | 2,803,656                          | 23,885,021                           |
| 4    | 48       | 0                                     |   | 0   |   | 0   | 3,874,698                          | 24,956,063                           |
| 5    | 49       | 0                                     |   | 0   |   | 0   | 5,022,417                          | 26,103,782                           |
| 6    | 50       | 0                                     |   | 0   |   | 0   | 5,246,370                          | 26,327,735                           |
| 7    | 51       | 0                                     |   | 0   |   | 0   | 5,487,845                          | 26,569,210                           |
| 8    | 52       | 0                                     |   | 0   |   | 0   | 5,748,470                          | 26,829,835                           |
| 9    | 53       | 0                                     |   | 0   |   | 0   | 6,030,060                          | 27,111,425                           |
| 10   | 54       | 0                                     |   | 0   |   | 0   | 6,333,240                          | 27,414,605                           |
| 11   | 55       | 0                                     |   | 0   |   | 0   | 6,821,472                          | 21,081,365                           |
| 12   | 56       | 0                                     |   | 0   |   | 0   | 7,346,834                          | 21,081,365                           |
| 13   | 57       | 0                                     |   | 0   |   | 0   | 7,912,311                          | 21,081,365                           |
| 14   | 58       | 0                                     |   | 0   |   | 0   | 8,521,288                          | 21,081,365                           |
| 15   | 59       | 0                                     |   | 0   |   | 0   | 9,177,435                          | 21,081,365                           |
| 16   | 60       | 6,335,535                             |   | 6,335,535   |   | 0   | 3,155,170                          | 14,429,053                           |
| 17   | 61       | 0                                     |   | 0   |   | 0   | 3,497,172                          | 14,096,438                           |
| 18   | 62       | 0                                     |   | 0   |   | 0   | 3,869,910                          | 13,747,191                           |
| 19   | 63       | 0                                     |   | 0   |   | 0   | 4,276,327                          | 13,380,483                           |
| 20   | 64       | 0                                     |   | 0   |   | 0   | 4,719,948                          | 12,995,438                           |
| 21   | 65       | 650,000                               |   | 0   |   | 650,000   | 4,514,143                          | 11,908,642                           |
| 22   | 66       | 650,000                               |   | 0   |   | 650,000   | 4,310,791                          | 10,767,506                           |
| 23   | 67       | 650,000                               |   | 0   |   | 650,000   | 4,112,167                          | 9,569,313                            |
| 24   | 68       | 650,000                               |   | 0   |   | 650,000   | 3,921,139                          | 8,311,210                            |
| 25   | 69       | 650,000                               |   | 0   |   | 650,000   | 3,741,528                          | 6,990,203                            |
| 26   | 70       | 650,000                               |   | 0   |   | 650,000   | 3,578,062                          | 6,436,505                            |
| 27   | 71       | 650,000                               |   | 0   |   | 650,000   | 3,431,821                          | 6,079,459                            |
| 28   | 72       | 650,000                               |   | 0   |   | 650,000   | 3,300,124                          | 5,694,163                            |
| 29   | 73       | 650,000                               |   | 0   |   | 650,000   | 3,186,587                          | 5,279,640                            |
| 30   | 74       | 650,000                               |   | 0   |   | 650,000   | 3,095,591                          | 4,835,170                            |
|      |          | <b>12,835,535</b>                     |   | <b>6,335,535</b>                                    |   | <b>6,500,000</b>  |                                    |                                      |

\*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

## Policy Loan Analysis

Borrower and Policy Owner: Robert Sterling  
Lender: To be determined

Policy Owner's  
Income Tax Bracket  
40.00%

| Year | Male Age | (1)<br>Total Net Loan Policy Proceeds | = | (2)<br>Net Loan Policy Proceeds Used to Reduce Loan | + | (3)<br>Net Loan Policy Proceeds Available for Retirement Income | (4)<br>Year End Policy Cash Value* | (5)<br>Year End Policy Death Benefit |
|------|----------|---------------------------------------|---|---|---|---|------------------------------------|--------------------------------------|
| 31   | 75       | 650,000                               |   | 0   |   | 650,000   | 3,032,364                          | 4,360,272                            |
| 32   | 76       | 650,000                               |   | 0   |   | 650,000   | 2,992,197                          | 4,411,037                            |
| 33   | 77       | 650,000                               |   | 0   |   | 650,000   | 2,977,747                          | 4,493,451                            |
| 34   | 78       | 650,000                               |   | 0   |   | 650,000   | 2,991,827                          | 4,610,701                            |
| 35   | 79       | 650,000                               |   | 0   |   | 650,000   | 3,037,433                          | 4,766,176                            |
| 36   | 80       | 650,000                               |   | 0   |   | 650,000   | 3,117,610                          | 4,963,330                            |
| 37   | 81       | 650,000                               |   | 0   |   | 650,000   | 3,232,775                          | 5,202,871                            |
| 38   | 82       | 650,000                               |   | 0   |   | 650,000   | 3,384,943                          | 5,487,195                            |
| 39   | 83       | 650,000                               |   | 0   |   | 650,000   | 3,575,819                          | 5,818,390                            |
| 40   | 84       | 650,000                               |   | 0   |   | 650,000   | 3,805,945                          | 6,197,336                            |
| 41   | 85       | 650,000                               |   | 0   |   | 650,000   | 4,073,766                          | 6,622,728                            |
| 42   | 86       | 650,000                               |   | 0   |   | 650,000   | 4,381,047                          | 7,096,762                            |
| 43   | 87       | 650,000                               |   | 0   |   | 650,000   | 4,725,546                          | 7,617,444                            |
| 44   | 88       | 650,000                               |   | 0   |   | 650,000   | 5,102,923                          | 8,180,596                            |
| 45   | 89       | 650,000                               |   | 0   |   | 650,000   | 5,507,497                          | 8,780,650                            |
| 46   | 90       | 650,000                               |   | 0   |   | 650,000   | 5,930,432                          | 9,408,746                            |
| 47   | 91       | 650,000                               |   | 0   |   | 650,000   | 6,465,615                          | 9,424,245                            |
| 48   | 92       | 650,000                               |   | 0   |   | 650,000   | 7,153,087                          | 9,514,409                            |
| 49   | 93       | 650,000                               |   | 0   |   | 650,000   | 8,046,764                          | 9,724,060                            |
| 50   | 94       | 650,000                               |   | 0   |   | 650,000   | 9,217,131                          | 10,112,217                           |
|      |          | <u>25,835,535</u>                     |   | <u>6,335,535</u>                                    |   | <u>19,500,000</u>   |                                    |                                      |

\*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

## Comparison of Premium Financing vs. Pay Full Premium

Borrower and Policy Owner: Robert Sterling  
Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Indexed UL  
Interest Rate  
7.00%

|      |             | Premium Financing<br>Indexed Universal Life |   |  | Pay Full Premium<br>Indexed Universal Life |  |   |
|------|-------------|---|---|--|--|--|---|
| Year | Male<br>Age | (1)<br>Net<br>Payment                       | (2)<br>Year End<br>Net Policy<br>Cash<br>Value* | (3)<br>Year End<br>Net Policy<br>Death<br>Benefit* | (4)<br>Net<br>Payment                      | (5)<br>Year End<br>Policy<br>Cash<br>Value | (6)<br>Year End<br>Policy<br>Death<br>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: Robert Sterling  
Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Indexed UL  
Interest Rate  
7.00%

|      |             | Premium Financing<br>Indexed Universal Life |   |  | Pay Full Premium<br>Indexed Universal Life |  |   |
|------|-------------|---|---|--|--|--|---|
| Year | Male<br>Age | (1)<br>Net<br>Payment                       | (2)<br>Year End<br>Net Policy<br>Cash<br>Value* | (3)<br>Year End<br>Net Policy<br>Death<br>Benefit* | (4)<br>Net<br>Payment                      | (5)<br>Year End<br>Policy<br>Cash<br>Value | (6)<br>Year End<br>Policy<br>Death<br>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: Robert Sterling  
Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Policy Owner's  
Income Tax  
Bracket  
40.00%

Indexed UL  
Interest Rate  
7.00%

|      |             | Premium Financing<br>Indexed Universal Life<br>Pre-tax Equivalent Rate of Return Required<br>on Column (1) to Match Net Policy Values |   |  | Pay Full Premium<br>Indexed Universal Life<br>Pre-tax Equivalent Rate of Return Required<br>on Column (4) to Match Policy Values |  |   |
|------|-------------|---|---|--|--|--|---|
| Year | Male<br>Age | (1)<br>Net<br>Payment   | (2)<br>Year End<br>Net Policy<br>Cash<br>Value* | (3)<br>Year End<br>Net Policy<br>Death<br>Benefit* | (4)<br>Net<br>Payment  | (5)<br>Year End<br>Policy<br>Cash<br>Value | (6)<br>Year End<br>Policy<br>Death<br>Benefit |
| 1    | 45          | 100,000   | -100.00%  | 34,876.58%   | 1,000,000  | -12.84%                                    | 3,492.16%                                     |
| 2    | 46          | 100,000   | -100.00%  | 2,166.75%  | 1,000,000  | -6.67%                                     | 551.66%                                       |
| 3    | 47          | 100,000   | -100.00%  | 762.75%  | 1,000,000  | -3.35%                                     | 246.68%                                       |
| 4    | 48          | 100,000   | -100.00%  | 418.06%  | 1,000,000  | -1.27%                                     | 148.27%                                       |
| 5    | 49          | 100,000   | -68.72%   | 276.42%  | 1,000,000  | 0.25%                                      | 102.18%                                       |
| 6    | 50          | 100,000   | -32.45%   | 202.24%  | 0  | 2.01%                                      | 77.10%  |
| 7    | 51          | 100,000   | -18.26%   | 157.38%  | 0  | 3.12%                                      | 61.63%  |
| 8    | 52          | 100,000   | -10.70%   | 127.66%  | 0  | 3.91%                                      | 51.27%  |
| 9    | 53          | 100,000   | -6.11%  | 106.69%  | 0  | 4.50%                                      | 43.90%  |
| 10   | 54          | 100,000   | -3.14%  | 91.17%   | 0  | 4.98%                                      | 38.41%  |
| 11   | 55          | 100,000   | 2.23%   | 69.63%   | 0  | 5.83%                                      | 28.36%  |
| 12   | 56          | 100,000   | 6.70%   | 60.87%   | 0  | 6.51%                                      | 25.41%  |
| 13   | 57          | 100,000   | 9.56%   | 53.78%   | 0  | 7.07%                                      | 23.01%  |
| 14   | 58          | 100,000   | 11.45%  | 47.91%   | 0  | 7.54%                                      | 21.01%  |
| 15   | 59          | 100,000   | 12.73%  | 42.98%   | 0  | 7.94%                                      | 19.34%  |
| 16   | 60          | 0   | 13.27%  | 38.81%   | -6,335,535   | 8.18%                                      | 18.13%  |
| 17   | 61          | 0   | 13.68%  | 35.24%   | 0  | 8.41%                                      | 17.07%  |
| 18   | 62          | 0   | 14.01%  | 32.15%   | 0  | 8.63%                                      | 16.13%  |
| 19   | 63          | 0   | 14.26%  | 29.45%   | 0  | 8.84%                                      | 15.28%  |
| 20   | 64          | 0   | 14.47%  | 27.06%   | 0  | 9.04%                                      | 14.50%  |
| 21   | 65          | -650,000  | 14.68%  | 25.00%   | -650,000   | 9.22%                                      | 13.81%  |
| 22   | 66          | -650,000  | 14.89%  | 23.20%   | -650,000   | 9.40%                                      | 13.17%  |
| 23   | 67          | -650,000  | 15.10%  | 21.61%   | -650,000   | 9.57%                                      | 12.58%  |
| 24   | 68          | -650,000  | 15.31%  | 20.19%   | -650,000   | 9.73%                                      | 12.03%  |
| 25   | 69          | -650,000  | 15.53%  | 18.90%   | -650,000   | 9.89%                                      | 11.51%  |
| 26   | 70          | -650,000  | 15.75%  | 18.42%   | -650,000   | 10.05%                                     | 11.37%  |
| 27   | 71          | -650,000  | 15.97%  | 18.17%   | -650,000   | 10.21%                                     | 11.33%  |
| 28   | 72          | -650,000  | 16.19%  | 17.96%   | -650,000   | 10.36%                                     | 11.29%  |
| 29   | 73          | -650,000  | 16.40%  | 17.78%   | -650,000   | 10.50%                                     | 11.26%  |
| 30   | 74          | -650,000  | 16.60%  | 17.62%   | -650,000   | 10.65%                                     | 11.22%  |
|      |             | -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: Robert Sterling  
Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Policy Owner's  
Income Tax  
Bracket  
40.00%

Indexed UL  
Interest Rate  
7.00%

|      |             | Premium Financing<br>Indexed Universal Life<br>Pre-tax Equivalent Rate of Return Required<br>on Column (1) to Match Net Policy Values |   |  | Pay Full Premium<br>Indexed Universal Life<br>Pre-tax Equivalent Rate of Return Required<br>on Column (4) to Match Policy Values |  |   |
|------|-------------|---|---|--|--|--|---|
| Year | Male<br>Age | (1)<br>Net<br>Payment   | (2)<br>Year End<br>Net Policy<br>Cash<br>Value* | (3)<br>Year End<br>Net Policy<br>Death<br>Benefit* | (4)<br>Net<br>Payment  | (5)<br>Year End<br>Policy<br>Cash<br>Value | (6)<br>Year End<br>Policy<br>Death<br>Benefit |
| 31   | 75          | -650,000  | 16.79%  | 17.49%   | -650,000   | 10.79%                                     | 11.19%  |
| 32   | 76          | -650,000  | 16.98%  | 17.63%   | -650,000   | 10.92%                                     | 11.31%  |
| 33   | 77          | -650,000  | 17.15%  | 17.76%   | -650,000   | 11.05%                                     | 11.43%  |
| 34   | 78          | -650,000  | 17.31%  | 17.88%   | -650,000   | 11.17%                                     | 11.54%  |
| 35   | 79          | -650,000  | 17.46%  | 17.99%   | -650,000   | 11.29%                                     | 11.65%  |
| 36   | 80          | -650,000  | 17.60%  | 18.10%   | -650,000   | 11.41%                                     | 11.75%  |
| 37   | 81          | -650,000  | 17.73%  | 18.19%   | -650,000   | 11.51%                                     | 11.85%  |
| 38   | 82          | -650,000  | 17.84%  | 18.28%   | -650,000   | 11.62%                                     | 11.94%  |
| 39   | 83          | -650,000  | 17.95%  | 18.36%   | -650,000   | 11.71%                                     | 12.03%  |
| 40   | 84          | -650,000  | 18.05%  | 18.43%   | -650,000   | 11.80%                                     | 12.11%  |
| 41   | 85          | -650,000  | 18.13%  | 18.50%   | -650,000   | 11.89%                                     | 12.18%  |
| 42   | 86          | -650,000  | 18.21%  | 18.55%   | -650,000   | 11.97%                                     | 12.25%  |
| 43   | 87          | -650,000  | 18.28%  | 18.60%   | -650,000   | 12.04%                                     | 12.32%  |
| 44   | 88          | -650,000  | 18.34%  | 18.64%   | -650,000   | 12.11%                                     | 12.38%  |
| 45   | 89          | -650,000  | 18.39%  | 18.68%   | -650,000   | 12.17%                                     | 12.43%  |
| 46   | 90          | -650,000  | 18.43%  | 18.70%   | -650,000   | 12.23%                                     | 12.48%  |
| 47   | 91          | -650,000  | 18.48%  | 18.68%   | -650,000   | 12.28%                                     | 12.48%  |
| 48   | 92          | -650,000  | 18.52%  | 18.67%   | -650,000   | 12.34%                                     | 12.48%  |
| 49   | 93          | -650,000  | 18.57%  | 18.66%   | -650,000   | 12.40%                                     | 12.49%  |
| 50   | 94          | -650,000  | 18.62%  | 18.66%   | -650,000   | 12.47%                                     | 12.51%  |
|      |             | -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: Robert Sterling  
Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Indexed UL  
Interest Rate  
7.00%

|      |          | <b>Premium Financing<br/>Indexed Universal Life<br/>Net Rate of Return Required<br/>on Column (1) to Match Net Policy Values</b> |  |   | <b>Pay Full Premium<br/>Indexed Universal Life<br/>Net Rate of Return Required<br/>on Column (4) to Match Policy Values</b> |                                   |                                      |
|------|----------|--|--|---|---|-----------------------------------|--------------------------------------|
| Year | Male Age | (1)<br>Net Payment   | (2)<br>Year End Net Policy Cash Value* | (3)<br>Year End Net Policy Death Benefit* | (4)<br>Net Payment  | (5)<br>Year End Policy Cash Value | (6)<br>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: Robert Sterling  
Lender: To be determined

Indexed UL  
Interest Rate  
7.00%

Indexed UL  
Interest Rate  
7.00%

|      |          | <b>Premium Financing<br/>Indexed Universal Life<br/>Net Rate of Return Required<br/>on Column (1) to Match Net Policy Values</b> |  |   | <b>Pay Full Premium<br/>Indexed Universal Life<br/>Net Rate of Return Required<br/>on Column (4) to Match Policy Values</b> |                                   |                                      |
|------|----------|--|--|---|---|-----------------------------------|--------------------------------------|
| Year | Male Age | (1)<br>Net Payment   | (2)<br>Year End Net Policy Cash Value* | (3)<br>Year End Net Policy Death Benefit* | (4)<br>Net Payment  | (5)<br>Year End Policy Cash Value | (6)<br>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.