

Funding Gifts to Children's Hospital With Discounted Dollars

For: Alex Snow/Susie Snow



Presented By: _____

[Licensed user's name appears here]

Preface

Donor: Alex and Susie Snow

Policy Owner and Beneficiary: Children's Hospital

In the accompanying presentation, you will see the financial data from an illustration of a cash value life insurance policy owned by Children's Hospital with premiums gifted by Alex and Susie Snow (the "donor").

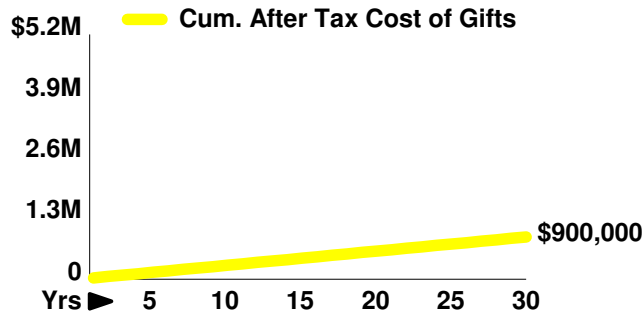
In the presentation, the sum of the after tax cost of the donor's gift, divided by the policy's death benefits, gives a "cost-per-dollar-of-benefit" solution (from the donor's perspective) that is very helpful when analyzing the economics of the transaction.

For example, if the first premium for a \$2,005,009 life insurance policy is \$50,000, the after tax cost of the donor's gift is \$30,000 (assuming a 40.00% income tax bracket). The discounted dollars calculation divides the donor's after tax cost of \$30,000 by the \$2,005,009.

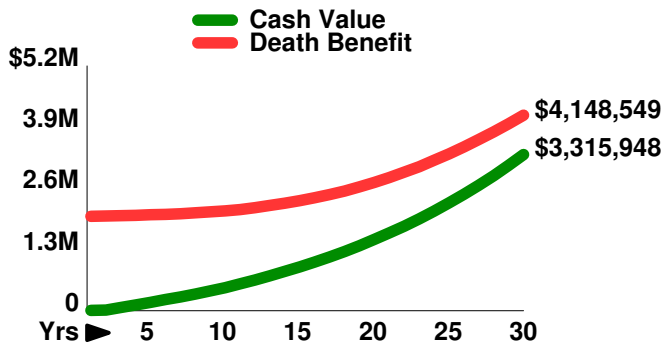
This results in an answer of 1.5 cents, meaning if death should occur during year 1, each \$1.00 of the death benefit to Children's Hospital has cost the donor 1.5 cents. This figure changes from year to year for as long as premiums are illustrated.

Favorable income tax consequences combine with significant policy values to produce an effective life insurance benefit for Children's Hospital that couples with a considerable amount of financial leverage for the donor. This is particularly evident in the following presentation.

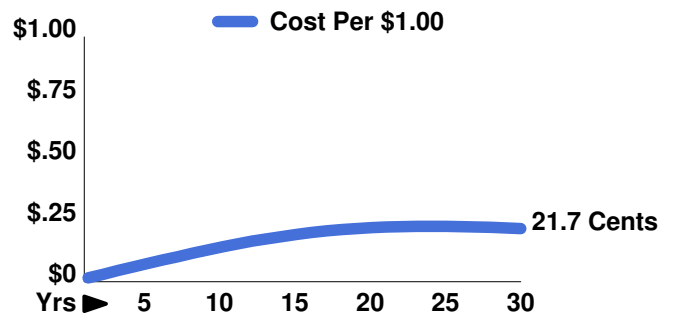
Cumulative After Tax Cost of Donor's Gift



Policy Values for Children's Hospital



Donor's Cost per \$1.00 of Funding



This graphic assumes the non-guaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable.

Funding Gifts to Children's Hospital With Discounted Dollars Using Survivor Whole Life

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

Insured: Alex Snow/Susie Snow

Analysis

Donor: Alex and Susie Snow

Policy Owner and Beneficiary: Children's Hospital

		Donor's Analysis			Death Benefit for Children's Hospital		Living Values for Children's Hospital
		(1)	(2)	(3)	(4)	(5)	(6)
		Policy Premium Gifted to Hospital	After Tax Cost of Donor's Gift	Cumulative After Tax Cost of Donor's Gift	Death Benefit for Hospital	Donor's Cost per \$1.00 of Funding**	Year End Cash Value*
Year	M/F Ages						
1	65/60	50,000	30,000	30,000	2,005,009	1.5 Cents	1,960
2	66/61	50,000	30,000	60,000	2,010,592	3.0 Cents	13,775
3	67/62	50,000	30,000	90,000	2,017,020	4.5 Cents	65,349
4	68/63	50,000	30,000	120,000	2,024,779	5.9 Cents	118,756
5	69/64	50,000	30,000	150,000	2,034,281	7.4 Cents	174,169
6	70/65	50,000	30,000	180,000	2,045,829	8.8 Cents	231,753
7	71/66	50,000	30,000	210,000	2,059,253	10.2 Cents	291,513
8	72/67	50,000	30,000	240,000	2,074,924	11.6 Cents	353,710
9	73/68	50,000	30,000	270,000	2,094,596	12.9 Cents	419,386
10	74/69	50,000	30,000	300,000	2,118,687	14.2 Cents	488,911
11	75/70	50,000	30,000	330,000	2,146,675	15.4 Cents	564,973
12	76/71	50,000	30,000	360,000	2,184,375	16.5 Cents	647,810
13	77/72	50,000	30,000	390,000	2,231,525	17.5 Cents	737,589
14	78/73	50,000	30,000	420,000	2,282,032	18.4 Cents	830,843
15	79/74	50,000	30,000	450,000	2,336,705	19.3 Cents	928,045
16	80/75	50,000	30,000	480,000	2,395,281	20.0 Cents	1,029,053
17	81/76	50,000	30,000	510,000	2,463,325	20.7 Cents	1,137,501
18	82/77	50,000	30,000	540,000	2,540,636	21.3 Cents	1,253,592
19	83/78	50,000	30,000	570,000	2,627,033	21.7 Cents	1,377,530
20	84/79	50,000	30,000	600,000	2,722,352	22.0 Cents	1,509,521
21	85/80	50,000	30,000	630,000	2,825,660	22.3 Cents	1,647,281
22	86/81	50,000	30,000	660,000	2,937,451	22.5 Cents	1,793,327
23	87/82	50,000	30,000	690,000	3,058,357	22.6 Cents	1,948,223
24	88/83	50,000	30,000	720,000	3,188,430	22.6 Cents	2,112,213
25	89/84	50,000	30,000	750,000	3,328,024	22.5 Cents	2,285,983
26	90/85	50,000	30,000	780,000	3,476,444	22.4 Cents	2,469,674
27	91/86	50,000	30,000	810,000	3,632,961	22.3 Cents	2,663,581
28	92/87	50,000	30,000	840,000	3,797,307	22.1 Cents	2,868,621
29	93/88	50,000	30,000	870,000	3,969,087	21.9 Cents	3,085,624
30	94/89	50,000	30,000	900,000	4,148,549	21.7 Cents	3,315,948
		1,500,000	900,000				

*This is an example of an InsMark supplemental illustration for Survivor Whole Life (participating). For an actual presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company.

**Column (3) divided by column (4) is equal to column (5).

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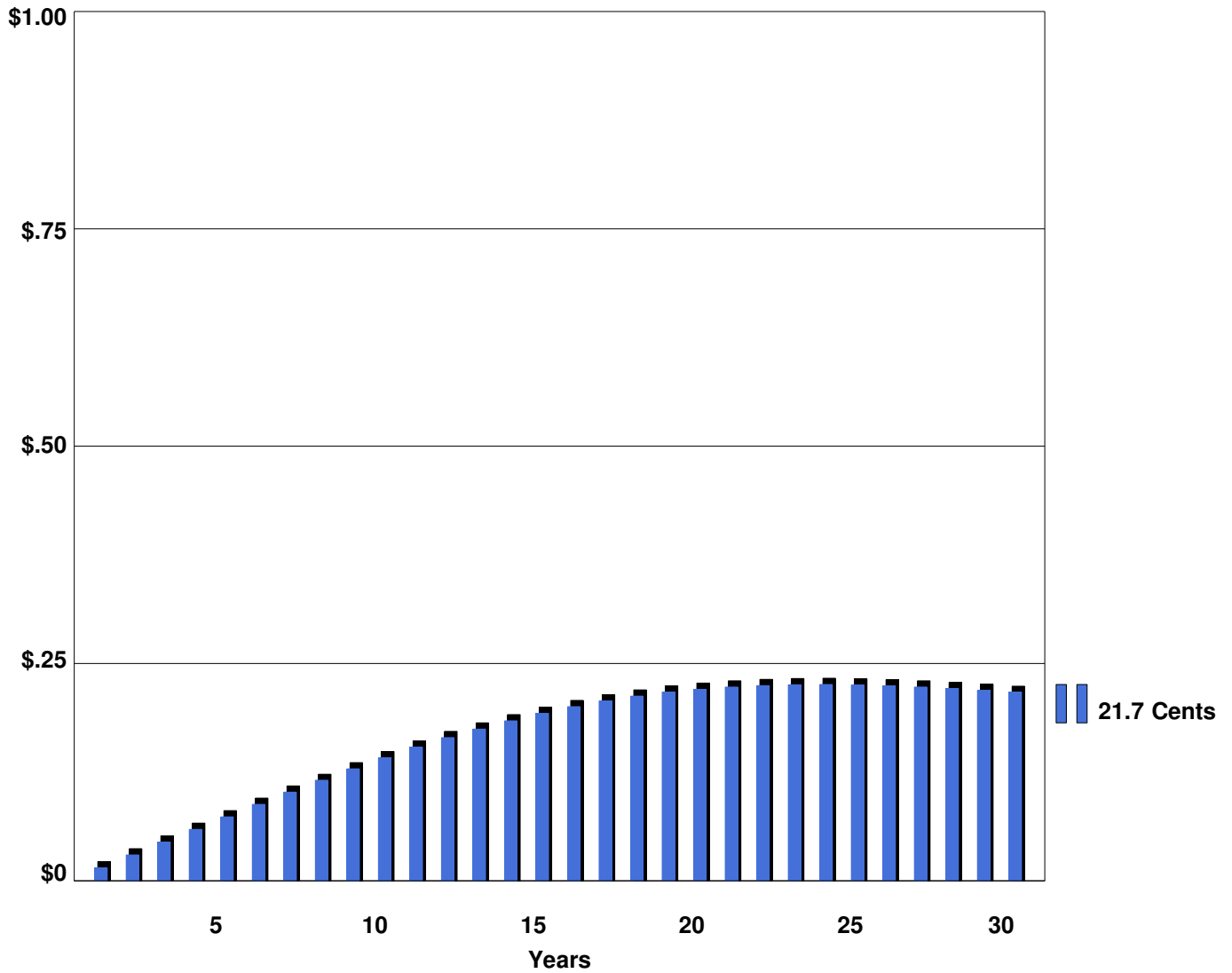
Insured: Alex Snow/Susie Snow

Donor: Alex and Susie Snow

Policy Owner and Beneficiary: Children's Hospital

30 Year Analysis

Cost per \$1.00 of Funding



At Year 30
Cost of Funding Each \$1.00 of Life Insurance for Children's Hospital 21.7 Cents

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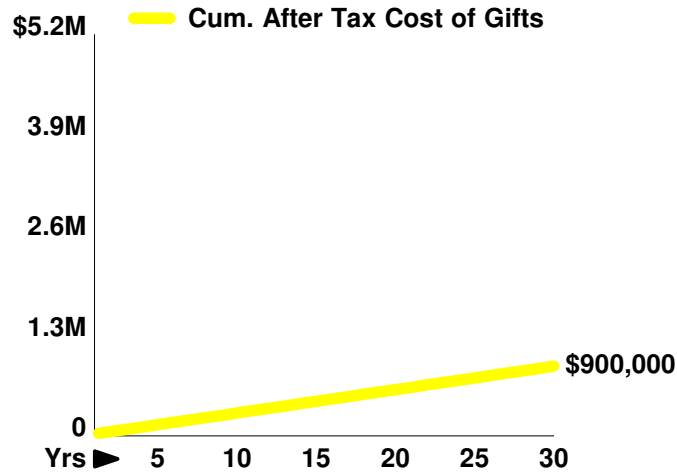
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30 Year Analysis

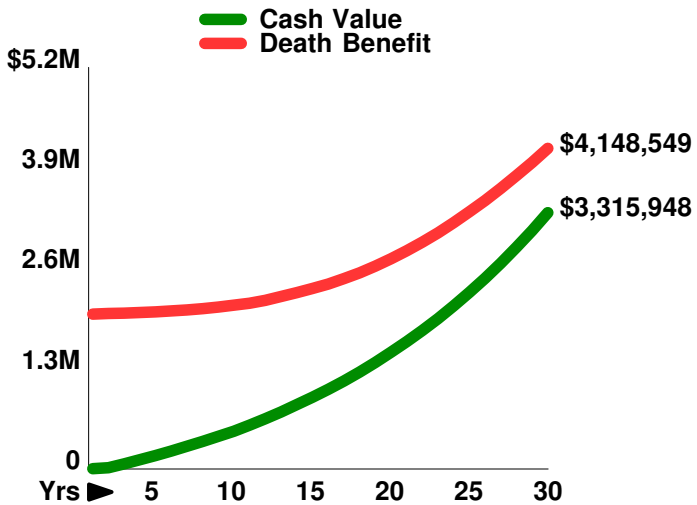
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Cumulative After Tax Cost of Donor's Gift



Policy Values for Children's Hospital



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