

Leveraged Estate Preservation Plan

An efficient life insurance funding strategy to plan for estate taxes and leave a legacy



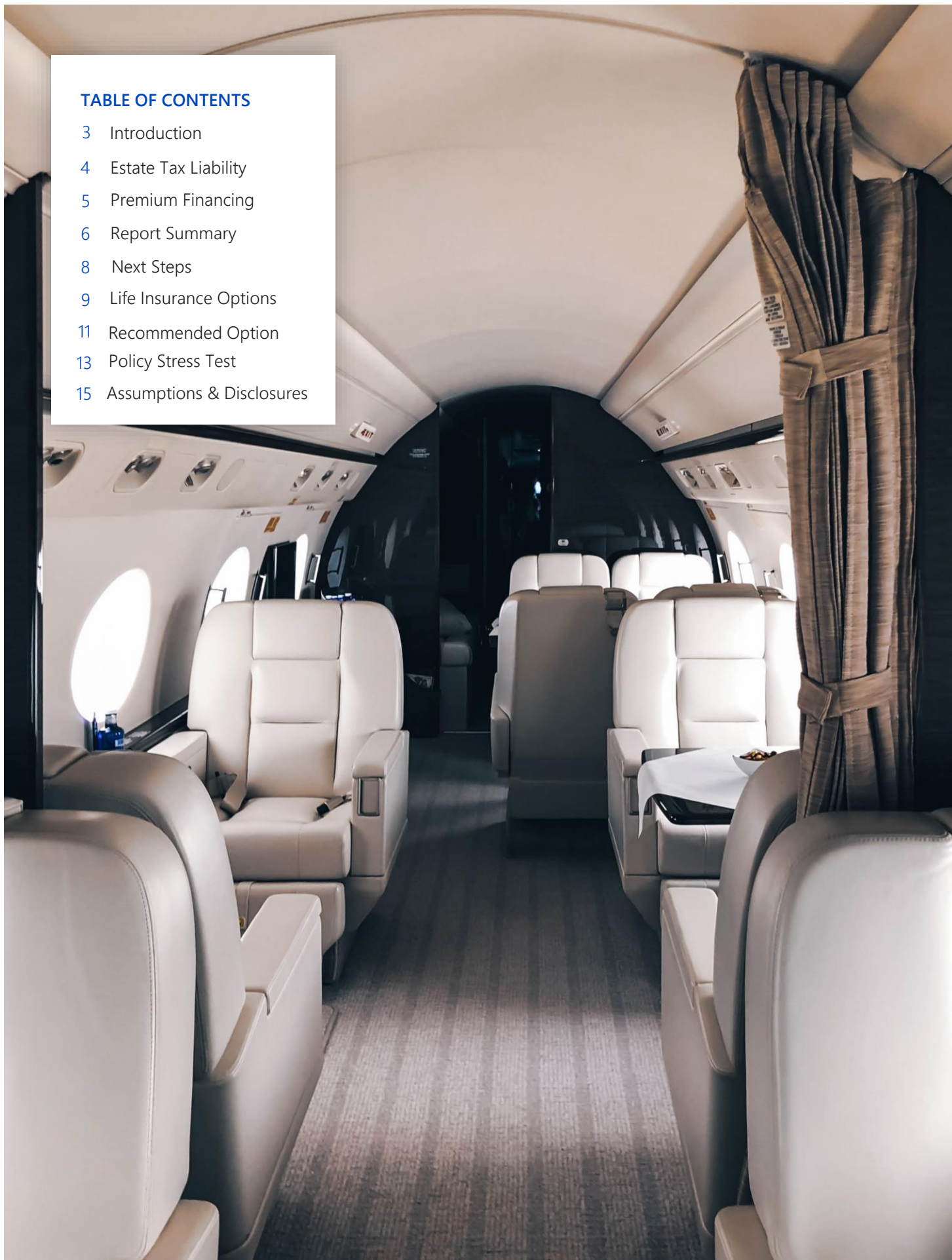
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Introduction



Sample Agent

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Helping you protect and secure your legacy while creating an enduring impact for future generations.

If you are like many of my clients, you have achieved considerable wealth and assets over your lifetime and are looking to preserve or pass your estate to those who matter most.

Life insurance as the center for a sound estate plan can help provide you with the protection you need to secure your legacy while creating an enduring impact for future generations.

However, your high net worth may require you to obtain a significant level of life insurance which could force you to liquidate your assets to pay the high premiums. That's where my team and I can help you.

We specialize in assisting wealthy individuals and families obtain the level of protection they need with a smaller impact on their assets through an exclusive leveraging strategy called premium financing.

With sufficient collateral, premium financing can be an effective estate planning tool which can help you pay for the life insurance you need today while financially protecting your heirs in the future.

Meet My Back Office



Advanced Designers

Designs conservative premium financing strategies built for longevity and efficiency.



Business Support

Researches and trains staff on the latest life insurance strategies and products.



Account Management

Oversees all account activity within premium financed life insurance policies.



Operations

Assists with back-office needs and helps with overall business processes and activities.

Estate Tax Liability



It's important to note that today's tax laws may change at any given time. The national debt is currently on an unsustainable path and the government may look towards increased taxes as a way to help offset the debt. **Increased federal estate taxes may be considered.**

The Future Impact of Estate Taxes

Federal estate taxes can be a huge burden and unexpected expense for your beneficiaries - unless it's properly planned for.

For many high net worth individuals, a large concentration of their wealth tends to be tied up in relatively illiquid assets such as businesses, closely held stock, real estate, art, etc.

Faced with such a large federal estate tax bill, beneficiaries may be forced to sell assets at a large discount to pay the taxes if they are not provided with an ample amount of liquidity (see stat below).

While your current federal estate tax bill may - or may not - be high, it could be a sizeable amount in the near future.

The table to the right illustrates the amount of federal estate taxes one may owe in this fiscal year, in 2026 and beyond. The reason for such a large tax increase is because the unified credit will fall off a fiscal cliff on January 1, 2026 due to the expiration of the Tax Cuts and Jobs Act (TCJA). The unified credit is the amount of assets that's allowed to be gifted to other parties without having to pay federal gift tax or estate taxes.

At that point in time, the unified credit will drop down to the amount prior to the TCJA - indexed for inflation. Also, keep in mind that your estate may be subject to state income taxes.

Estimated Federal Estate Taxes Due (1)

Year	Age	Total Estate Value	Unified Federal Estate Credit*	Federal Estate Tax Exposure	Federal Estate Tax
2022	51	\$15,450,000	\$23,160,000	\$0	\$0
2023	52	\$15,913,500	\$23,507,400	\$0	\$0
2024	53	\$16,390,905	\$23,860,011	\$0	\$0
2025	54	\$16,882,632	\$24,217,911	\$0	\$0
2026	55	\$17,389,111	\$24,581,180	\$0	\$0
2027	56	\$17,910,784	\$12,620,000	\$5,290,784	\$2,116,314
2028	57	\$18,448,108	\$12,809,300	\$5,638,808	\$2,255,523
2029	58	\$19,001,551	\$13,001,440	\$6,000,112	\$2,400,045
2030	59	\$19,571,598	\$13,196,461	\$6,375,137	\$2,550,055
2031	60	\$20,158,746	\$13,394,408	\$6,764,338	\$2,705,735
2041	70	\$27,091,669	\$15,544,757	\$11,546,911	\$4,618,764
2051	80	\$36,408,937	\$18,040,325	\$18,368,612	\$7,347,445
2061	90	\$48,930,567	\$20,936,534	\$27,994,033	\$11,197,613

Tax Cuts and Jobs Act (TCJA) Sunsets

Assumptions used for above estimates:

Current Estate Value: \$15,000,000

Tax Rate: 40.0% - Expected Annual Estate Growth: 3.0%

Annual Estimated Cost of Living Adjustment and Inflation: 1.5%

* In these estimates, the cost of living adjustment increases the Unified Credit each year. At the current time, in 2026 the Tax Cuts and Jobs Act (TCJA) sunsets and the value will decrease. Each year after that we have increasing at that same assumed cost of living adjustment.

⚠ For people with a net worth of \$10 million plus, on average, more than 50% of their net worth is not liquid

Source: Federal Reserve Survey of Consumer Finances

Premium Financing

Introduction

One way to protect future heirs is to insure your life so that at your passing estate taxes can be paid with proceeds from a high-value life insurance policy. Typically, in such arrangements, the policy is held separate from the rest of your estate - in a trust¹.

An insurance policy can directly benefit your heirs and other beneficiaries. The proceeds of the policy can be used to:

- **Cover estate taxes** and thereby avoid liquidating assets or disrupting an investment portfolio
- **Retain control of significant or illiquid assets**, such as a concentrated stock position
- **Provide funds** to sustain a business

Why Borrow?

Putting such protection in place comes at a significant cost in the form of annual policy premiums. As a result, many clients elect to finance those costs with a loan collateralized by the cash surrender value of the policy, in addition to marketable securities. This approach has the added benefit of being tax efficient. The funds that the trust borrows to pay the annual premiums and interest expenses generally are available free of gift taxes.

Key Benefits

Financing the cost of an Indexed Universal Life insurance policy can benefit you and ultimately your estate in many ways, now and in the future, by allowing you to:

- **Maximize insurance coverage** without adversely affecting your current cash flow (or lifestyle).
- **Avoid having to sell assets** - and potentially triggering a taxable event - to cover the cost of the premiums.
- **Allow investments within the policy to grow** free of income taxes.
- **Gain access to liquidity** at an interest rate that is often less expensive than a "policy loan".

What are the Risks?

With this plan there are some potential risks. In order to reduce these risks, we stress test the plan in order to ensure it will still provide favorable results in suboptimal conditions. See additional details about these risks on the last page.

- **Interest Rate Risk**
- **Policy Earnings Risk**
- **Collateral Risk**

HOW DOES PREMIUM FINANCING WORK?

Understanding how premium financing works can demonstrate why it can be cost-effective for you. Here's how this strategy can help you maximize wealth passed to your heirs:

1 Client (Individual, Trust, or Business) with a large need for life insurance



2 Applies for life insurance policy with an insurance carrier



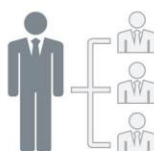
4 After accepted, client uses policy cash value and other assets for collateral while paying loan



3 Once approved, applies for loan to finance premiums with a qualified lender



5 Lender gets paid back through cash value build up inside insurance policy



6 At insured's death, client's beneficiaries receive tax-free death benefit for required insurance need

* If death occurs prior to planned loan repayment.

¹ Trust should be with an independent, non-subordinated party to avoid exposure to insurance contract indirect "incidences of ownership" rules set forth under IRS Sec. 2042.

Report Summary

Overview

This premium financing report analyzes three specific life insurance policies that are available in order to begin to plan for estate taxes. The three comparisons included in this report are:

- 30 Year Level Term
- Guaranteed Universal Life
- Premium Finance at 5.73%

An additional calculation was done to the premium financing option. It is a “stress test” that accounts for a less favorable interest rate. This is a beneficial way for you to see how premium financing can withstand such unforeseen events including stock market fluctuation and insurance carrier modifications.

The goal is to show you the ability to leverage a life insurance policy that provides the liquidity needed for estate taxes. This also helps minimize the out of pocket expense normally incurred when paying annual premiums.

By pledging collateral in lieu of paying premiums and interest, you gain the unique ability to maintain control of your assets, minimize opportunity costs associated with payments, and minimize gift taxes.

In summary, we recommend the premium financing option of an indexed universal life (IUL) insurance policy so you can have the flexibility to plan for estate taxes while maintaining control of your assets and cash flow.

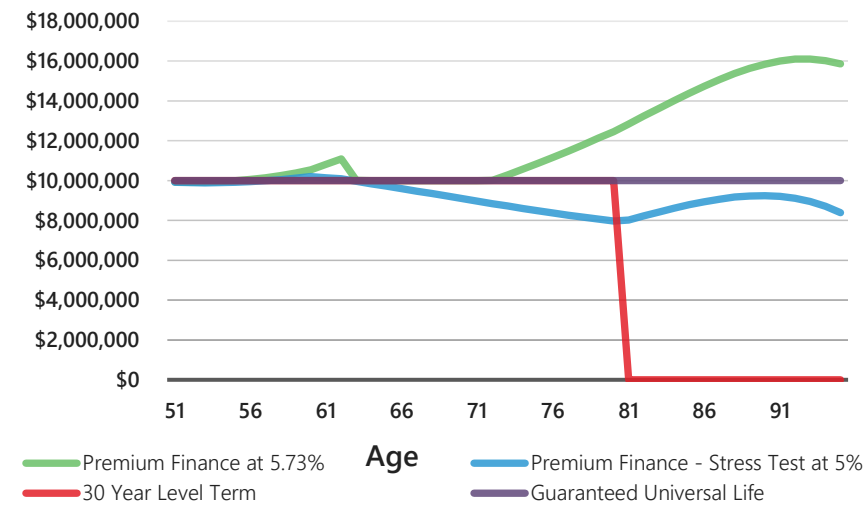
Summary Values at Age 90 **

The chart below summarizes the key values of the three life insurance policy options at age 90 . An additional stress test (blue) was conducted to the premium financing option to illustrate when a less favorable interest rate may be received.

	NO ACTION TAKEN*	30 YEAR LEVEL TERM	GUARANTEED UNIVERSAL LIFE	PREMIUM FINANCE AT 5.73%	PREMIUM FINANCE - STRESS TEST AT 5%
Out of Pocket Costs	\$11,197,613	\$1,107,779	\$4,113,600	\$900,000	\$900,000
Death Benefit	\$0	\$0	\$10,000,000	\$15,845,956	\$9,247,044
Cost Compared to Benefit	100%	100%	41.14%	5.68%	9.73%
Death Benefit Internal Rate of Return	No Death Benefit	No Death Benefit	4.1%	8.8%	7.1%
Cash Value	\$0	\$0	\$0	\$9,526,956	\$4,414,452
Cash Value Internal Rate of Return	No Cash Value	No Cash Value	No Cash Value	7.2%	4.8%
⚠️ ALERT: *If no action is taken, the estate taxes would be paid out of pocket which means assets may need to be liquidated					

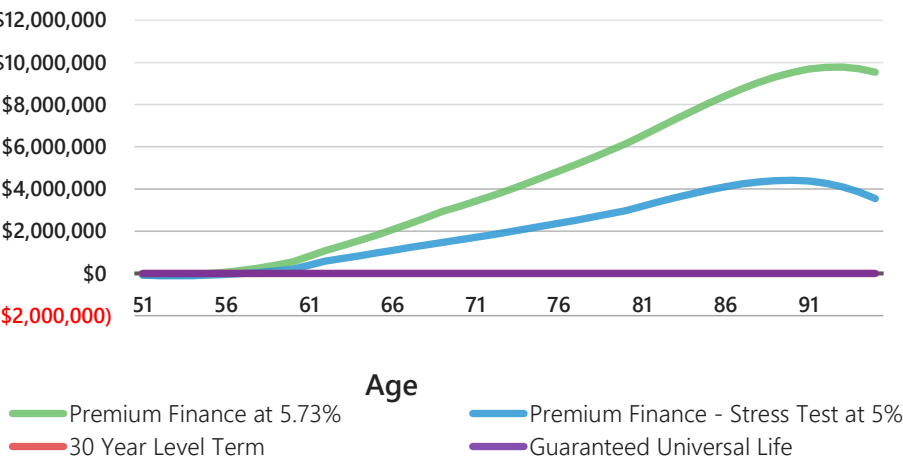
This summary is not an offer, contract, or promise of future policy performance. Actual policy values may be more or less favorable than the nonguaranteed values shown. Coverage is subject to the terms and conditions of the policy. The assumptions on which this summary is based are subject to change on an annual basis. **The selected age can be customized upon request.

Report Summary



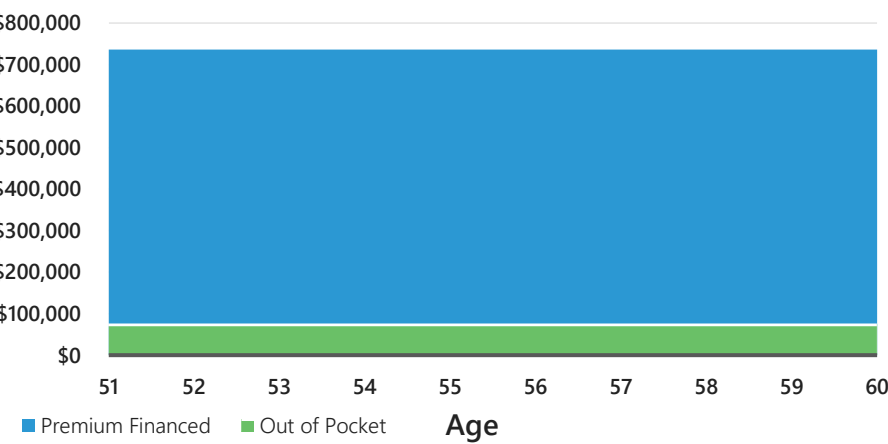
Death Benefit By Age

The graph to the left demonstrates the amount of death benefit your beneficiaries would receive at your passing. Pursuant to the terms of the trust, the assets - less the loan repayment amount - are distributed to them free of estate and income taxes.



Cash Value By Age

The graph to the left demonstrates the additional cash value that comes with the purchase of a permanent life insurance policy. You may use the policy's cash value as part of the collateral for the loan or access the money if an unforeseen event occurs. Notice that some life insurance policies don't contain a cash value component.



Annual Amount Paid by Year

The graph to the left illustrates the amount of policy premium that will be financed (blue) and the amount that will be paid out of pocket (green). Keep in mind, the client is responsible for the out of pocket amount shown, which can be used to pay either the policy premium or the loan interest.

Key Premium Finance Values

Total Out of Pocket	Total Borrowed	Total Premiums	Leverage Ratio	Estimated Loan Pay off Amount	Loan Years
\$900,000	\$7,361,760	\$7,361,760	8.2/1	\$11,115,580	20

This summary is not an offer, contract, or promise of future policy performance. Actual policy values may be more or less favorable than the nonguaranteed values shown. Cover is subject to the terms and conditions of the policy. The assumptions on which this summary is based are subject to change on an annual basis. This summary is not valid without the corresponding insurance carrier illustration.

Report Summary

Below is a year by year breakdown of the three life insurance options to help solve your estate tax liability. Included is the loan assumption for your premium financing policy as well as a stress test (blue) with a less favorable interest rate.

Client Age	Year	30 YEAR LEVEL TERM			GUARANTEED UNIVERSAL LIFE			PREMIUM FINANCE AT 5.73%			PREMIUM FINANCE - STRESS TEST AT 5%		
		Premium	Cash Value	Death Benefit	Premium	Cash Value	Death Benefit	Out of Pocket Costs	Net Cash Value After Loan Repayment	Net Death Benefit After Loan Repayment	Out of Pocket Costs	Net Cash Value After Loan Repayment	Net Death Benefit After Loan Repayment
51	1	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	(\$74,592)	\$9,925,408	\$75,000	(\$78,797)	\$9,921,203
52	2	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	(\$88,159)	\$9,911,841	\$75,000	(\$101,478)	\$9,898,522
53	3	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	(\$82,085)	\$9,917,915	\$75,000	(\$109,996)	\$9,890,004
54	4	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	(\$55,573)	\$9,944,427	\$75,000	(\$104,148)	\$9,895,852
55	5	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	(\$7,986)	\$9,992,014	\$75,000	(\$83,942)	\$9,916,058
56	6	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	\$58,421	\$10,058,421	\$75,000	(\$52,300)	\$9,947,700
57	7	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	\$146,274	\$10,146,274	\$75,000	(\$7,354)	\$9,992,646
58	8	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	\$255,743	\$10,255,743	\$75,000	\$50,261	\$10,050,261
59	9	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	\$386,816	\$10,386,816	\$75,000	\$119,661	\$10,119,661
60	10	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	\$539,550	\$10,539,550	\$75,000	\$199,971	\$10,199,971
61	11	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	\$812,151	\$10,812,151	\$75,000	\$391,740	\$10,141,740
62	12	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$75,000	\$1,095,919	\$11,095,919	\$75,000	\$587,539	\$10,087,539
63	13	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$1,322,284	\$10,006,284	\$0	\$712,439	\$9,962,439
64	14	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$1,560,162	\$10,002,162	\$0	\$838,616	\$9,838,616
65	15	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$1,810,196	\$10,002,196	\$0	\$965,809	\$9,715,809
66	16	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$2,073,032	\$10,002,032	\$0	\$1,093,638	\$9,593,638
67	17	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$2,349,205	\$10,002,205	\$0	\$1,221,488	\$9,471,488
68	18	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$2,639,076	\$10,003,076	\$0	\$1,348,431	\$9,348,431
69	19	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$2,942,874	\$10,002,874	\$0	\$1,473,221	\$9,223,221
70	20	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$3,174,348	\$10,003,348	\$0	\$1,589,874	\$9,089,874
71	21	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$3,421,618	\$10,003,618	\$0	\$1,712,090	\$8,962,090
72	22	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$3,685,139	\$10,004,139	\$0	\$1,839,116	\$8,839,116
73	23	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$3,961,142	\$10,280,142	\$0	\$1,970,270	\$8,720,270
74	24	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$4,248,415	\$10,567,415	\$0	\$2,104,699	\$8,604,699
75	25	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$4,545,575	\$10,864,575	\$0	\$2,241,702	\$8,491,702
76	26	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$4,846,897	\$11,165,897	\$0	\$2,376,832	\$8,376,832
77	27	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$5,158,270	\$11,477,270	\$0	\$2,517,013	\$8,267,013
78	28	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$5,478,406	\$11,797,406	\$0	\$2,662,435	\$8,162,435
79	29	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$5,805,752	\$12,124,752	\$0	\$2,813,445	\$8,063,445
80	30	\$36,926	\$0	\$10,000,000	\$102,840	\$0	\$10,000,000	\$0	\$6,138,476	\$12,457,476	\$0	\$2,970,594	\$7,970,594

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Report Summary

Below is a year by year breakdown of the three life insurance options to help solve your estate tax liability. Included is the loan assumption for your premium financing policy as well as a stress test (blue) with a less favorable interest rate.

Client Age	Year	30 YEAR LEVEL TERM			GUARANTEED UNIVERSAL LIFE			PREMIUM FINANCE AT 5.73%			PREMIUM FINANCE - STRESS TEST AT 5%		
		Premium	Cash Value	Death Benefit	Premium	Cash Value	Death Benefit	Out of Pocket Costs	Net Cash Value After Loan Repayment	Net Death Benefit After Loan Repayment	Out of Pocket Costs	Net Cash Value After Loan Repayment	Net Death Benefit After Loan Repayment
81	31	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$6,525,564	\$12,844,564	\$0	\$3,181,577	\$8,014,169
82	32	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$6,915,049	\$13,234,049	\$0	\$3,388,629	\$8,221,221
83	33	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$7,303,623	\$13,622,623	\$0	\$3,588,890	\$8,421,482
84	34	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$7,687,455	\$14,006,455	\$0	\$3,779,103	\$8,611,695
85	35	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$8,062,014	\$14,381,014	\$0	\$3,955,482	\$8,788,074
86	36	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$8,416,292	\$14,735,292	\$0	\$4,109,327	\$8,941,919
87	37	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$8,748,853	\$15,067,853	\$0	\$4,239,231	\$9,071,823
88	38	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,051,510	\$15,370,510	\$0	\$4,338,662	\$9,171,254
89	39	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,312,954	\$15,631,954	\$0	\$4,398,732	\$9,231,324
90	40	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,526,956	\$15,845,956	\$0	\$4,414,452	\$9,247,044
91	41	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,686,051	\$16,005,051	\$0	\$4,379,912	\$9,212,504
92	42	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,773,657	\$16,092,657	\$0	\$4,282,304	\$9,114,896
93	43	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,781,634	\$16,100,634	\$0	\$4,115,292	\$8,947,884
94	44	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,701,821	\$16,020,821	\$0	\$3,872,564	\$8,705,156
95	45	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,534,955	\$15,853,955	\$0	\$3,554,576	\$8,387,168
96	46	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$9,293,649	\$15,612,649	\$0	\$3,170,772	\$8,003,364
97	47	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$8,915,523	\$15,234,523	\$0	\$2,673,658	\$7,506,250
98	48	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$8,388,801	\$14,707,801	\$0	\$2,054,424	\$6,887,016
99	49	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$7,673,707	\$13,992,707	\$0	\$1,283,099	\$6,115,691
100	50	\$0	\$0	\$0	\$102,840	\$0	\$10,000,000	\$0	\$6,729,413	\$13,048,413	\$0	\$329,133	\$5,161,725

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Premium Finance at 5.73%

Below are the premium financing details of the recommended option of an indexed universal life (IUL) insurance policy.

Client Age	Year	LOAN AND PREMIUM SUMMARY						POLICY VALUES				
		Policy Annual Premium	Client Annual Contribution	Borrowed from Lender	Projected Year End Loan Balance	Projected Loan Interest	Estimated Interest Rate *	Cash Value Net of Loan	Cash Value Internal Rate of Return	Death Benefit Net of Loan	Death Benefit Internal Rate of Return	Outside Collateral
51	1	\$736,176	\$75,000	\$736,176	\$721,259	\$19,593	2.50%	(\$74,592)		\$9,925,408		\$134,033
52	2	\$736,176	\$75,000	\$736,176	\$1,424,535	\$38,420	2.60%	(\$88,159)		\$9,911,841	13115.79%	\$238,532
53	3	\$736,176	\$75,000	\$736,176	\$2,148,540	\$59,148	2.70%	(\$82,085)		\$9,917,915	1001.04%	\$303,195
54	4	\$736,176	\$75,000	\$736,176	\$2,895,292	\$81,895	2.80%	(\$55,573)		\$9,944,427	372.57%	\$359,423
55	5	\$736,176	\$75,000	\$736,176	\$3,666,922	\$106,773	2.90%	(\$7,986)		\$9,992,014	208.95%	\$399,492
56	6	\$736,176	\$75,000	\$736,176	\$4,465,705	\$133,926	3.00%	\$58,421	-55.79%	\$10,058,421	139.72%	\$425,660
57	7	\$736,176	\$75,000	\$736,176	\$5,294,060	\$163,498	3.10%	\$146,274		\$10,146,274	102.80%	\$435,842
58	8	\$736,176	\$75,000	\$736,176	\$6,154,564	\$195,647	3.20%	\$255,743	-18.07%	\$10,255,743	80.28%	\$430,160
59	9	\$736,176	\$75,000	\$736,176	\$7,049,973	\$230,552	3.30%	\$386,816	-9.86%	\$10,386,816	65.29%	\$408,921
60	10	\$736,176	\$75,000	\$736,176	\$7,983,236	\$268,406	3.40%	\$539,550	-4.52%	\$10,539,550	54.68%	\$372,388
61	11	\$0	\$75,000	\$0	\$8,191,531	\$283,295	3.50%	\$812,151	1.44%	\$10,812,151	46.99%	\$151,243
62	12	\$0	\$75,000	\$0	\$8,415,521	\$298,990	3.60%	\$1,095,919	4.67%	\$11,095,919	41.08%	\$0
63	13	\$0	\$0	\$0	\$8,731,220	\$315,699	3.70%	\$1,322,284	5.79%	\$10,006,284	34.57%	\$0
64	14	\$0	\$0	\$0	\$9,067,615	\$336,395	3.80%	\$1,560,162	7.20%	\$10,002,162	30.76%	\$0
65	15	\$0	\$0	\$0	\$9,426,162	\$358,547	3.90%	\$1,810,196	8.11%	\$10,002,196	27.66%	\$0
66	16	\$0	\$0	\$0	\$9,808,445	\$382,283	4.00%	\$2,073,032	8.71%	\$10,002,032	25.08%	\$0
67	17	\$0	\$0	\$0	\$10,216,176	\$407,731	4.10%	\$2,349,205	9.10%	\$10,002,205	22.92%	\$0
68	18	\$0	\$0	\$0	\$10,651,216	\$435,040	4.20%	\$2,639,076	9.36%	\$10,003,076	21.07%	\$0
69	19	\$0	\$0	\$0	\$11,115,580	\$464,364	4.30%	\$2,942,874	9.51%	\$10,002,874	19.49%	\$0
70	20	\$0	\$0					\$3,174,348	9.40%	\$10,003,348	18.12%	\$0
71	21	\$0	\$0					\$3,421,618	9.30%	\$10,003,618	16.92%	\$0
72	22	\$0	\$0					\$3,685,139	9.20%	\$10,004,139	15.86%	\$0
73	23	\$0	\$0					\$3,961,142	9.10%	\$10,280,142	15.10%	\$0
74	24	\$0	\$0					\$4,248,415	9.00%	\$10,567,415	14.42%	\$0
75	25	\$0	\$0					\$4,545,575	8.90%	\$10,864,575	13.81%	\$0
76	26	\$0	\$0					\$4,846,897	8.78%	\$11,165,897	13.26%	\$0
77	27	\$0	\$0					\$5,158,270	8.67%	\$11,477,270	12.76%	\$0
78	28	\$0	\$0					\$5,478,406	8.56%	\$11,797,406	12.30%	\$0
79	29	\$0	\$0					\$5,805,752	8.45%	\$12,124,752	11.88%	\$0
80	30	\$0	\$0					\$6,138,476	8.34%	\$12,457,476	11.50%	\$0

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Premium Finance at 5.73%

Below are the premium financing details of the recommended option of an indexed universal life (IUL) insurance policy.

Client Age	Year	LOAN AND PREMIUM SUMMARY						POLICY VALUES				
		Policy Annual Premium	Client Annual Contribution	Borrowed from Lender	Projected Year End Loan Balance	Projected Loan Interest	Estimated Interest Rate *	Cash Value Net of Loan	Cash Value Internal Rate of Return	Death Benefit Net of Loan	Death Benefit Internal Rate of Return	Outside Collateral
81	31	\$0	\$0					\$6,525,564	8.26%	\$12,844,564	11.16%	\$0
82	32	\$0	\$0					\$6,915,049	8.17%	\$13,234,049	10.85%	\$0
83	33	\$0	\$0					\$7,303,623	8.08%	\$13,622,623	10.55%	\$0
84	34	\$0	\$0					\$7,687,455	7.98%	\$14,006,455	10.27%	\$0
85	35	\$0	\$0					\$8,062,014	7.87%	\$14,381,014	10.01%	\$0
86	36	\$0	\$0					\$8,416,292	7.75%	\$14,735,292	9.75%	\$0
87	37	\$0	\$0					\$8,748,853	7.63%	\$15,067,853	9.50%	\$0
88	38	\$0	\$0					\$9,051,510	7.50%	\$15,370,510	9.27%	\$0
89	39	\$0	\$0					\$9,312,954	7.36%	\$15,631,954	9.03%	\$0
90	40	\$0	\$0					\$9,526,956	7.21%	\$15,845,956	8.80%	\$0
91	41	\$0	\$0					\$9,686,051	7.04%	\$16,005,051	8.57%	\$0
92	42	\$0	\$0					\$9,773,657	6.87%	\$16,092,657	8.35%	\$0
93	43	\$0	\$0					\$9,781,634	6.68%	\$16,100,634	8.12%	\$0
94	44	\$0	\$0					\$9,701,821	6.48%	\$16,020,821	7.88%	\$0
95	45	\$0	\$0					\$9,534,955	6.26%	\$15,853,955	7.65%	\$0
96	46	\$0	\$0					\$9,293,649	6.03%	\$15,612,649	7.41%	\$0
97	47	\$0	\$0					\$8,915,523	5.78%	\$15,234,523	7.16%	\$0
98	48	\$0	\$0					\$8,388,801	5.48%	\$14,707,801	6.90%	\$0
99	49	\$0	\$0					\$7,673,707	5.14%	\$13,992,707	6.61%	\$0
100	50	\$0	\$0					\$6,729,413	4.70%	\$13,048,413	6.29%	\$0

Projections and information in this report regarding potential outcomes are hypothetical and are not intended to reflect actual results nor guarantee future results. Results may be more or less favorable due to uncontrollable future data such as investment returns, inflation rates, tax rates and product expenses. *The initial estimated interest rate is 2.50% with a simple annual increase of .10% and a cap of 5.50%

Premium Finance - Stress Test at 5%

Below is a stress test of the recommended option of an indexed universal life (IUL) insurance policy.

Client Age	Year	LOAN AND PREMIUM SUMMARY						POLICY VALUES				
		Policy Annual Premium	Client Annual Contribution	Borrowed from Lender	Projected Year End Loan Balance	Projected Loan Interest	Estimated Interest Rate *	Cash Value Net of Loan	Cash Value Internal Rate of Return	Death Benefit Net of Loan	Death Benefit Internal Rate of Return	Outside Collateral
51	1	\$736,176	\$75,000	\$736,176	\$721,259	\$19,593	2.50%	(\$78,797)		\$9,921,203		\$134,033
52	2	\$736,176	\$75,000	\$736,176	\$1,424,535	\$38,420	2.60%	(\$101,478)		\$9,898,522	13098.03%	\$238,532
53	3	\$736,176	\$75,000	\$736,176	\$2,148,540	\$59,148	2.70%	(\$109,996)		\$9,890,004	999.42%	\$303,195
54	4	\$736,176	\$75,000	\$736,176	\$2,895,292	\$81,895	2.80%	(\$104,148)		\$9,895,852	371.73%	\$359,423
55	5	\$736,176	\$75,000	\$736,176	\$3,666,922	\$106,773	2.90%	(\$83,942)		\$9,916,058	208.29%	\$399,492
56	6	\$736,176	\$75,000	\$736,176	\$4,465,705	\$133,926	3.00%	(\$52,300)		\$9,947,700	139.11%	\$425,660
57	7	\$736,176	\$75,000	\$736,176	\$5,294,060	\$163,498	3.10%	(\$7,354)		\$9,992,646	102.20%	\$435,842
58	8	\$736,176	\$75,000	\$736,176	\$6,154,564	\$195,647	3.20%	\$50,261		\$10,050,261	79.66%	\$430,160
59	9	\$736,176	\$75,000	\$736,176	\$7,049,973	\$230,552	3.30%	\$119,661		\$10,119,661	64.63%	\$408,921
60	10	\$736,176	\$75,000	\$736,176	\$7,983,236	\$268,406	3.40%	\$199,971		\$10,199,971	53.99%	\$372,388
61	11	\$0	\$75,000	\$0	\$8,191,531	\$283,295	3.50%	\$391,740	-12.25%	\$10,141,740	45.83%	\$151,243
62	12	\$0	\$75,000	\$0	\$8,415,521	\$298,990	3.60%	\$587,539	-5.78%	\$10,087,539	39.56%	\$0
63	13	\$0	\$0	\$0	\$8,731,220	\$315,699	3.70%	\$712,439	-3.65%	\$9,962,439	34.51%	\$0
64	14	\$0	\$0	\$0	\$9,067,615	\$336,395	3.80%	\$838,616	-0.94%	\$9,838,616	30.55%	\$0
65	15	\$0	\$0	\$0	\$9,426,162	\$358,547	3.90%	\$965,809	0.83%	\$9,715,809	27.32%	\$0
66	16	\$0	\$0	\$0	\$9,808,445	\$382,283	4.00%	\$1,093,638	2.05%	\$9,593,638	24.64%	\$0
67	17	\$0	\$0	\$0	\$10,216,176	\$407,731	4.10%	\$1,221,488	2.90%	\$9,471,488	22.39%	\$0
68	18	\$0	\$0	\$0	\$10,651,216	\$435,040	4.20%	\$1,348,431	3.51%	\$9,348,431	20.47%	\$0
69	19	\$0	\$0	\$0	\$11,115,580	\$464,364	4.30%	\$1,473,221	3.95%	\$9,223,221	18.82%	\$0
70	20	\$0	\$0					\$1,589,874	4.23%	\$9,089,874	17.39%	\$0
71	21	\$0	\$0					\$1,712,090	4.45%	\$8,962,090	16.13%	\$0
72	22	\$0	\$0					\$1,839,116	4.64%	\$8,839,116	15.03%	\$0
73	23	\$0	\$0					\$1,970,270	4.78%	\$8,720,270	14.06%	\$0
74	24	\$0	\$0					\$2,104,699	4.89%	\$8,604,699	13.19%	\$0
75	25	\$0	\$0					\$2,241,702	4.98%	\$8,491,702	12.41%	\$0
76	26	\$0	\$0					\$2,376,832	5.03%	\$8,376,832	11.71%	\$0
77	27	\$0	\$0					\$2,517,013	5.07%	\$8,267,013	11.07%	\$0
78	28	\$0	\$0					\$2,662,435	5.10%	\$8,162,435	10.50%	\$0
79	29	\$0	\$0					\$2,813,445	5.13%	\$8,063,445	9.98%	\$0
80	30	\$0	\$0					\$2,970,594	5.15%	\$7,970,594	9.50%	\$0

Projections and information in this report regarding potential outcomes are hypothetical and are not intended to reflect actual results nor guarantee future results. Results may be more or less favorable due to uncontrollable future data such as investment returns, inflation rates, tax rates and product expenses. *The initial estimated interest rate is 2.50% with a simple annual increase of .10% and a cap of 5.50%

Premium Finance - Stress Test at 5%

Below is a stress test of the recommended option of an indexed universal life (IUL) insurance policy.

		LOAN AND PREMIUM SUMMARY						POLICY VALUES				
Client Age	Year											
		Policy Annual Premium	Client Annual Contribution	Borrowed from Lender	Projected Year End Loan Balance	Projected Loan Interest	Estimated Interest Rate *	Cash Value Net of Loan	Cash Value Internal Rate of Return	Death Benefit Net of Loan	Death Benefit Internal Rate of Return	Outside Collateral
81	31	\$0	\$0					\$3,181,577	5.22%	\$8,014,169	9.13%	\$0
82	32	\$0	\$0					\$3,388,629	5.27%	\$8,221,221	8.88%	\$0
83	33	\$0	\$0					\$3,588,890	5.30%	\$8,421,482	8.64%	\$0
84	34	\$0	\$0					\$3,779,103	5.30%	\$8,611,695	8.41%	\$0
85	35	\$0	\$0					\$3,955,482	5.27%	\$8,788,074	8.18%	\$0
86	36	\$0	\$0					\$4,109,327	5.23%	\$8,941,919	7.97%	\$0
87	37	\$0	\$0					\$4,239,231	5.16%	\$9,071,823	7.75%	\$0
88	38	\$0	\$0					\$4,338,662	5.07%	\$9,171,254	7.54%	\$0
89	39	\$0	\$0					\$4,398,732	4.96%	\$9,231,324	7.33%	\$0
90	40	\$0	\$0					\$4,414,452	4.82%	\$9,247,044	7.11%	\$0
91	41	\$0	\$0					\$4,379,912	4.66%	\$9,212,504	6.89%	\$0
92	42	\$0	\$0					\$4,282,304	4.46%	\$9,114,896	6.67%	\$0
93	43	\$0	\$0					\$4,115,292	4.22%	\$8,947,884	6.43%	\$0
94	44	\$0	\$0					\$3,872,564	3.94%	\$8,705,156	6.18%	\$0
95	45	\$0	\$0					\$3,554,576	3.61%	\$8,387,168	5.91%	\$0
96	46	\$0	\$0					\$3,170,772	3.22%	\$8,003,364	5.64%	\$0
97	47	\$0	\$0					\$2,673,658	2.71%	\$7,506,250	5.34%	\$0
98	48	\$0	\$0					\$2,054,424	2.00%	\$6,887,016	4.99%	\$0
99	49	\$0	\$0					\$1,283,099	0.84%	\$6,115,691	4.58%	\$0
100	50	\$0	\$0					\$329,133	-2.29%	\$5,161,725	4.07%	\$0

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Next Steps

We will work together along the way to put this plan into action or make any adjustments necessary. In addition to these steps, we will check qualifications and go through the documents that will be required on your end. The actual timeline could be quicker or slower than the estimates below, based on a number of factors.

1 STEP ONE

Carrier Underwriting Process (6-12 weeks)

There will be a carrier application which will include a confidential client questionnaire, financial supplement and trust supplement documents. If the trust isn't completely set up yet we will set up the trust at this time. Expect the carrier to come back with more requirements and questions.

2 STEP TWO

Loan Process (4-8 weeks)

Once you are medically approved by the insurance carrier, we will complete the bank loan application and other requirements by the bank. Expect the bank to come back with more requirements and questions.

3 STEP THREE

Closing (1 week)

Set up appointment with client and trustee for closing and policy delivery.

Let's work together to better protect against a potential significant estate tax

Disclosures

(1) It's important to note that today's tax laws could change at any time. A target for future tax rate increases to help pay our nation's growing debt (whether federal estate taxes, federal income tax rates or proposed wealth taxes) are the wealthy.

For the alternatives the values used come directly from the life insurance carrier illustration. For the premium finance and stress test values the numbers are a combination of the values from the insurance carrier illustrations and the premium finance assumptions. This summary is not valid without the corresponding insurance carrier illustration. The insurance carrier is bound only by the term of the life insurance contracts it issues.

Please review that all of the inputs are the same as the completed fact finder and that the assumptions made above for this report and in the corresponding carrier illustrations for accuracy. If you see the need to change these assumptions or have corrections, let me know and the report will be updated.

This report is for informational purposes only. This report and the analysis herein are based on certain assumptions and information selected by the financial professional who provided this report.

Any guarantees are backed by the claims paying ability of the insurance company and are subject to change. No representation is made as to the accurateness of the analysis. Please see a full insurance carrier proposal for any products mentioned in this analysis.

The content of this report is not intended to provide legal, tax, or accounting advice. Tax rules and calculations are not used in this analysis. Please consult your tax advisor for specific tax advice.

The premium finance vendor has relationships with lenders and financial institutions and often times makes introductions and facilitates relationships between clients and such lenders and financial institutions, and such parties may engage to do business together.

Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years. The ability to internally fund a life insurance contract to meet loan requirements will be dependent upon the performance of the contract and is not guaranteed. If remaining policy values and scheduled premiums are insufficient, additional out-of-pocket payments may be needed to keep the policy in force.

The following is some detail on the risks of premium finance.

Interest rate risk – the borrowing interest rates from the lender are generally variable tied to LIBOR plus a spread. The risk is that LIBOR or the prevailing interest rate environment increases which adds to the interest payments and potentially to the loan balance if the loan interest is accruing.

Policy earnings risk – the growth rate assumptions on the life insurance policy are generally tied to stock market based index allocations. Historically the policy earnings have been higher than the borrowing rates from the lender. If the life insurance policy underperforms additional interest and/or collateral may be required.

Collateral risk – outside collateral other than the life insurance policy is often needed with a premium finance transaction. If interest rates increase and/or the life insurance policy underperforms additional collateral may be required to make the lender whole. The outside collateral (stocks, real estate, etc.) may fall in value which may also prompt additional collateral.

Nothing in this document shall be misinterpreted as presenting any sort of guarantee of performance.



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