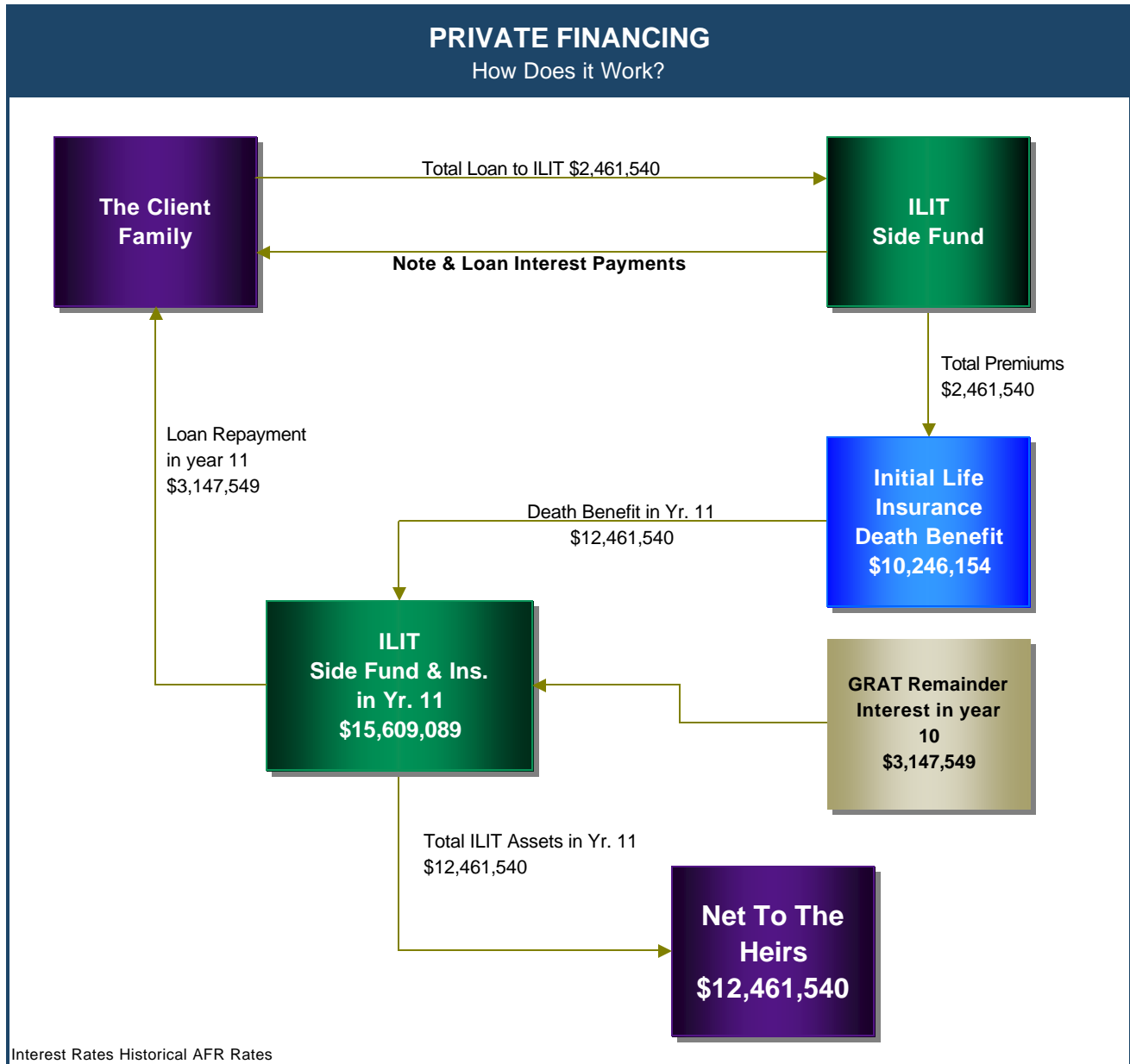


**PRIVATE FINANCING**

**POLICY DETAILS**

Product: Survivorship UL - G Initial Premium: \$246,154  
 Insured(s): Mr. and Mrs. Client Initial Death Benefit: \$10,246,154  
*Male Age 60, Preferred NonTobacco/Female Age 60, Preferred NonTobacco*



This is a SUPPLEMENTAL illustration only and is not intended to predict or project actual performance. This illustration is not valid unless accompanied by the BASIC PERSONALIZED HYPOTHETICAL individual illustration. Product and/or product features may not be available in all states. Current interest rates and/or dividend rates and values (unless indicated otherwise) are not guaranteed. This illustration is not intended to be accounting, legal, or tax advice. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations.



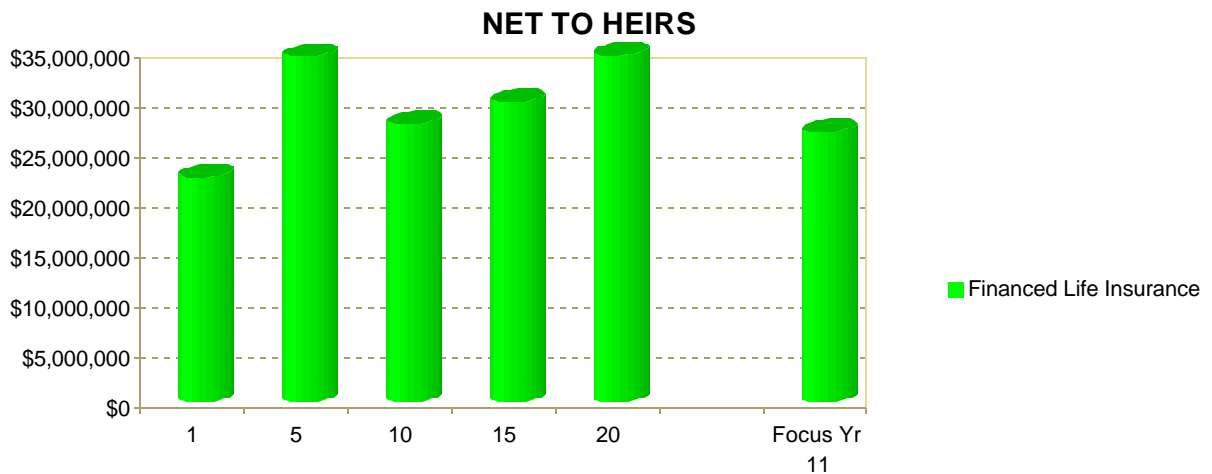
**SUMMARY OF PRIVATE FINANCING**

**POLICY DETAILS**

Product:	Survivorship UL - G	Initial Premium:	\$246,154
Insured(s):	Mr. and Mrs. Client	Initial Death Benefit:	\$10,246,154
	<i>Male Age 60, Preferred NonTobacco/Female Age 60, Preferred NonTobacco</i>		

**COMPARISON OF BENEFITS IN YEAR 11**

Private Financing	
Initial Loan Amount	246,154
Number of Years	10
Total Base Loan in yr. 11	2,461,540
Cumulative Loan interest*	686,009
Outstanding Loan in Year 11	3,147,549
<hr/>	
Initial Gift Amount	-
Cumulative Gifts	-
Cumulative Gift Taxes	-
<hr/>	
Annual Premium	246,154
Life Ins. Death Benefit in Year 11	12,461,540
<hr/>	
Total Estate	30,841,056
Total Estate Taxes	16,066,783
Total Assets from ILIT	12,461,540
<hr/>	
Net to Heirs (EOY Yr. 11)	27,235,813



\* Interest Rates Historical AFR Rates

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**PRIVATE FINANCING - INSURANCE VALUES**

**PRIVATE FINANCING**

**ILIT With Survivorship UI - G (5.05%)**

Yr.	Att. Age	PRIVATE FINANCING						OTHER TRUST ASSETS							
		Loan Amount	Loan Interest Varies*	Actual Loan Interest Paid Varies*	Cumulative Loan	Gifts to Trust	Gift Taxes	BOY Balance	Annual Insurance Premium	Withdrawals to Pay Loan, Premiums, Interest	Other Trust Assets EOY (7.5%)	Life Insurance Death Benefit	Total Trust Assets Net of Loan	Loan Net of Estate Taxes**	Net To Heirs
1	61/61	246,154	0	0	246,154	0	0	0	246,154	246,154	0	10,246,154	10,000,000	155,507	10,155,507
2	62/62	246,154	17,625	0	509,933	0	0	0	246,154	246,154	0	10,492,308	9,982,375	323,787	10,306,162
3	63/63	246,154	17,919	0	774,006	0	0	0	246,154	246,154	0	10,738,462	9,964,456	487,999	10,452,455
4	64/64	246,154	12,344	0	1,032,504	0	0	0	246,154	246,154	0	10,984,616	9,952,112	705,781	10,657,893
5	65/65	246,154	32,478	0	1,311,136	0	0	0	246,154	246,154	0	11,230,770	9,919,634	1,311,136	11,230,770
6	66/66	246,154	61,357	0	1,618,647	0	0	0	246,154	246,154	0	11,476,924	9,858,277	783,646	10,641,923
7	67/67	246,154	118,788	0	1,983,589	0	0	0	246,154	246,154	0	11,723,078	9,739,489	956,722	10,696,211
8	68/68	246,154	121,075	0	2,350,818	0	0	0	246,154	246,154	0	11,969,232	9,618,414	1,129,871	10,748,285
9	69/69	246,154	142,314	0	2,739,286	0	0	0	246,154	246,154	0	12,215,386	9,476,100	1,312,224	10,788,324
10	70/70	246,154	162,109	0	3,147,549	0	0	0	246,154	246,154	3,147,549	12,461,540	12,461,540	1,503,100	13,964,640
11	71/71	(3,147,549)	0	0	0	0	0	3,147,549	0	3,147,549	0	12,461,540	12,461,540	0	12,461,540
12	72/72	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
13	73/73	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
14	74/74	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
15	75/75	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
16	76/76	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
17	77/77	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
18	78/78	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
19	79/79	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
20	80/80	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
21	81/81	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
22	82/82	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
23	83/83	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
24	84/84	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540
25	85	0	0	0	0	0	0	0	0	0	0	12,461,540	12,461,540	0	12,461,540

Interest Rates Historical AFR Rates

Nominal Principal Plus Cash in year 10 of GRAT = \$3,934,437  
Discounted Value = \$3,147,549

See attached Glossary of Ledger Terms

\*\* This calculation is based on the following formula: (total estate taxes/end of year estate)\*cumulative loan=loan net of estate taxes



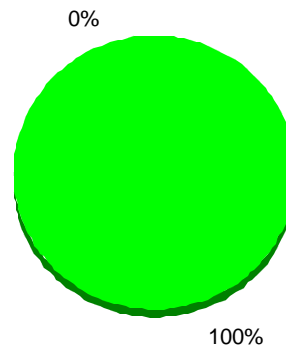
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**GRANTOR RETAINED ANNUITY TRUST**

Type of Calculation:	Term
Transfer Date:	08/2006
Section 7520 Rate:	6.00%
Grantor's Age(s):	60/60
Annual Growth of Principal:	3.00%
Income Earned by Trust:	7.00%
Term:	10
Total Number of Payments:	10
Pre-discounted FMV:	\$5,068,294
Applicable Discount	20.00%
Discounted FMV:	\$4,054,635
Percentage Payout:	8.92195%
Exhaustion Method:	IRS
Payment Period:	Annual
Payment Timing:	End of Year
Vary Annuity Payments?	10.00%

Assumes that the Transfer is To or For the Benefit of a Member of the Transferor's Family and that the Interest in Trust Is Retained by Transferor or Applicable Family Member

*** §2702 IS Applicable ***	
Base Term Certain Annuity Factor:	11.2083
Frequency Adjustment Factor:	1.0000
<b>Annual Annuity Payment:</b>	<b>\$361,752.52</b>
Initial Amount of Payment	\$361,752.52
Value of Term Certain Annuity Interest:	\$4,054,630.77
Value of Grantor's Retained Interest	\$4,054,630.77
Taxable Gift	\$4.37



Nominal Principal Plus Cash in year 10	\$3,934,437
Discounted Value	\$3,147,549

■ Value of Grantor's Retained Interest  
■ Taxable Gift

**DETAIL ANALYSIS**

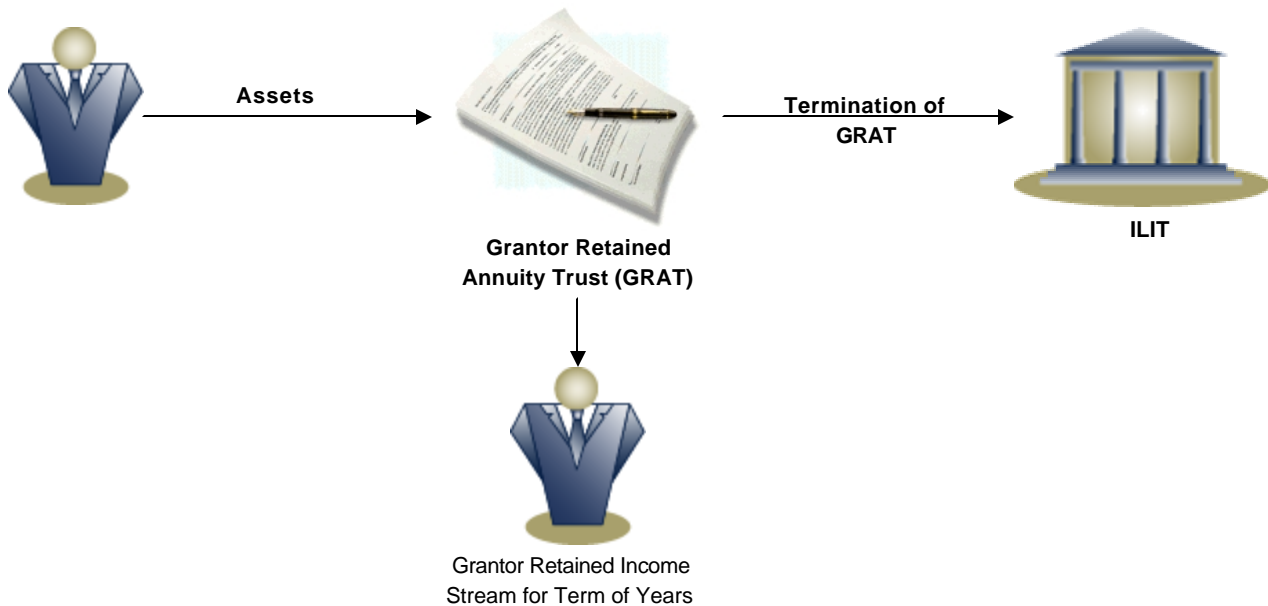
Yr.	Nominal Principal BOY	Annual Growth On Principal 3.00%	Annual Income On Principal 7.00%	GRAT Payment (EOY)*	Principal Withdrawal to Make Payment	Excess Income Not Used	Tax On Income	Nominal Principal EOY
1	5,068,294	152,049	354,781	361,753	8,715	0	141,912	5,211,628
2	5,211,628	156,349	364,814	397,928	41,392	0	145,926	5,326,584
3	5,326,584	159,798	372,861	437,721	81,075	0	149,144	5,405,307
4	5,405,307	162,159	378,372	481,493	128,901	0	151,349	5,438,565
5	5,438,565	163,157	380,700	529,642	186,178	0	152,280	5,415,544
6	5,415,544	162,466	379,088	582,606	254,397	0	151,635	5,323,613
7	5,323,613	159,708	372,653	640,867	335,267	0	149,061	5,148,054
8	5,148,054	154,442	360,364	704,953	430,737	0	144,146	4,871,759
9	4,871,759	146,153	341,023	775,449	543,032	0	136,409	4,474,880
10	4,474,880	134,246	313,242	852,994	674,690	<b>0</b>	125,297	<b>3,934,437</b>

\* Annuity Payout is based on the Discounted FMV: \$4,054,635.14 multiplied by the Percentage Payout: 8.92195% & Grow ing Annually By 10.00%



## GRANTOR RETAINED ANNUITY TRUST

A Grantor Retained Annuity Trust (GRAT) may be an effective vehicle to transfer high yielding or appreciating property to a child or other beneficiaries to minimize gift and or estate taxes. GRATs are particularly indicated when you have one or more significant income producing assets that you are willing to part with at some point in the future with the intention to potentially save transfer taxes and probate costs, and to protect assets from creditor claims. In addition, a GRAT allows the transfer of assets to be a private transaction.



## THE BENEFITS

- ÿ **Minimizes transfer taxes.** You may be able to move a highly appreciating or high-yielding asset out of your estate, minimizing estate and or gift taxes.
- ÿ **Leverages lifetime gifts.** The gift of the asset you make to the GRAT is discounted based on the value of your income interest in the trust, leveraging your lifetime gift tax exemption.
- ÿ **Provides repayment funds.** When the GRAT term ends, the title of the assets may be transferred to your Irrevocable Life Insurance Trust and the funds may be used to repay a portion or all of an outstanding obligation, such as the loan principal in a financing arrangement, or a collateral assignment in a Split Dollar plan. Present value of grantor's retained income interest can be removed from the grantor's estate