

**Pension Maximization
Product A Life Insurance Illustration
A Flexible Premium Adjustable Life Insurance Policy**

Prepared for:

*ProfitsRus
Non-owner Executive
Male, 45, Tobacco
Initial Death Benefit: \$500,000*

Presented by:

*Mr. Agent(License Number 23407)
ABC Life Insurance Company
Any Street
Any Town, USA
262-841-8989*

The illustrated values are not guaranteed. They assume that scales for interest and cost of insurance rates will continue unchanged by the Company for all years shown. This is not likely to occur because interest and cost of insurance rates are subject to change by the Company based on various factors such as claims, investment experience, persistency, expenses, taxes, and the overall economic environment. Actual results may be more or less favorable than those shown. See the corresponding basic illustration for guaranteed values and other important information, and the notes following this supplemental illustration.

Pension Maximization Option Comparison

For: Wife and Non-owner Executive
 Product: Product A
 Male, age 45, Tobacco
 Current rate: 6.00%
 Annual premium: \$7,938
 Initial death benefit: \$500,000
 Client post-retire life expectancy: 1
 Spouse post-retire life expectancy: 35

Life only benefit: \$3,000
 Joint benefit: \$2,250
 Survivor's percentage of benefit: 100.00%
 Cost of Living Adjustment: 0.00%
 Investment: 5.25%, Taxable
 Use of life insurance death benefit: Principal and interest
 Current estimated income tax bracket: 38.60%
 Retirement estimated income tax bracket: 35.00%

Year	Age	Survivor Age	Pension Options		Interest Only Option			Interest and Principal Option		
			Joint and Survivor Pension	After Tax Survivor Income	Account Value	Account Withdrawals	After Tax Withdrawals	Account Value	Account Withdrawals	After Tax Withdrawals
21	66	63	27,000	17,550	0	0	0	0	0	0
22	67	64	27,000	17,550	500,000	26,250	17,063	500,000	26,738	17,550
23	68	65	27,000	17,550	500,000	26,250	17,063	499,513	26,729	17,550
24	69	66	27,000	17,550	500,000	26,250	17,063	499,008	26,719	17,550
25	70	67	<u>27,000</u>	<u>17,550</u>	500,000	<u>26,250</u>	<u>17,063</u>	498,487	<u>26,710</u>	<u>17,550</u>
			135,000	87,750		105,000	68,250		106,895	70,200
26	71	68	27,000	17,550	500,000	26,250	17,063	497,948	26,700	17,550
27	72	69	27,000	17,550	500,000	26,250	17,063	497,390	26,690	17,550
28	73	70	27,000	17,550	500,000	26,250	17,063	496,814	26,679	17,550
29	74	71	27,000	17,550	500,000	26,250	17,063	496,218	26,668	17,550
30	75	72	<u>27,000</u>	<u>17,550</u>	500,000	<u>26,250</u>	<u>17,063</u>	495,601	<u>26,657</u>	<u>17,550</u>
			270,000	175,500		236,250	153,563		240,288	157,950
31	76	73	27,000	17,550	500,000	26,250	17,063	494,963	26,645	17,550
32	77	74	27,000	17,550	500,000	26,250	17,063	494,304	26,633	17,550
33	78	75	27,000	17,550	500,000	26,250	17,063	493,622	26,620	17,550
34	79	76	27,000	17,550	500,000	26,250	17,063	492,917	26,607	17,550
35	80	77	<u>27,000</u>	<u>17,550</u>	500,000	<u>26,250</u>	<u>17,063</u>	492,188	<u>26,594</u>	<u>17,550</u>
			405,000	263,250		367,500	238,875		373,387	245,700
36	81	78	27,000	17,550	500,000	26,250	17,063	491,434	26,580	17,550
37	82	79	27,000	17,550	500,000	26,250	17,063	490,654	26,566	17,550
38	83	80	27,000	17,550	500,000	26,250	17,063	489,847	26,551	17,550
39	84	81	27,000	17,550	500,000	26,250	17,063	489,013	26,536	17,550
40	85	82	<u>27,000</u>	<u>17,550</u>	500,000	<u>26,250</u>	<u>17,063</u>	488,151	<u>26,520</u>	<u>17,550</u>
			540,000	351,000		498,750	324,188		506,140	333,450
41	86	83	27,000	17,550	500,000	26,250	17,063	487,259	26,503	17,550
42	87	84	27,000	17,550	500,000	26,250	17,063	486,337	26,486	17,550
43	88	85	27,000	17,550	500,000	26,250	17,063	485,383	26,469	17,550
44	89	86	27,000	17,550	500,000	26,250	17,063	484,397	26,451	17,550
45	90	87	<u>27,000</u>	<u>17,550</u>	500,000	<u>26,250</u>	<u>17,063</u>	483,377	<u>26,432</u>	<u>17,550</u>
			675,000	438,750		630,000	409,500		638,481	421,200
46	91	88	27,000	17,550	500,000	26,250	17,063	482,322	26,413	17,550
47	92	89	27,000	17,550	500,000	26,250	17,063	481,231	26,393	17,550
48	93	90	27,000	17,550	500,000	26,250	17,063	480,103	26,372	17,550
49	94	91	27,000	17,550	500,000	26,250	17,063	478,937	26,350	17,550
50	95	92	<u>27,000</u>	<u>17,550</u>	500,000	<u>26,250</u>	<u>17,063</u>	477,731	<u>26,328</u>	<u>17,550</u>
			810,000	526,500		761,250	494,813		770,337	508,950

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Year	Age	Survivor Age	Pension Options		Interest Only Option			Interest and Principal Option		
			Joint and Survivor Pension	After Tax Survivor Income	Account Value	Account Withdrawals	After Tax Withdrawals	Account Value	Account Withdrawals	After Tax Withdrawals
51	96	93	27,000	17,550	500,000	26,250	17,063	476,483	26,305	17,550
52	97	94	27,000	17,550	500,000	26,250	17,063	475,193	26,282	17,550
53	98	95	27,000	17,550	500,000	26,250	17,063	473,859	26,257	17,550
54	99	96	27,000	17,550	500,000	26,250	17,063	472,480	26,232	17,550
55	100	97	<u>27,000</u>	<u>17,550</u>	500,000	<u>26,250</u>	<u>17,063</u>	471,053	<u>26,206</u>	<u>17,550</u>
			945,000	614,250		892,500	580,125		901,619	596,700

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* Please note that when an * appears, even if premium outlays are zero, monthly deductions will be assessed in all policy years unless otherwise noted in the basic illustration. Depending on actual results, additional premium outlays may be required to keep the policy in force or to achieve desired results.

Policy loans and withdrawals will reduce cash value and death benefit. Policy loans are subject to interest charges. Tax advantages may be subject to modified endowment contract rules which may cause taxes and penalties.

Important: Pension Maximization arrangements may vary depending on the needs of the parties. You should consult with your own tax and legal advisors for counsel about the concepts presented in these materials. Neither the insurer nor the agent may give you legal or tax advice.

Understanding The Pension Maximization Option Comparison Report

Pension Options Section:

This report illustrates the differences in after tax incomes between using principal and interest and using only the interest from the death benefit proceeds. You have selected the principal and interest option. Withdrawals from the Principal and Interest option will equal the after tax joint and survivor pension. Withdrawals from the Interest Only Option are the interest payment the account can generate assuming a Taxable investment earning 5.25%. A negative account balance represents a funding shortfall.

Joint and Survivor Pension: The annual inputted pre-tax Joint and Survivor pension amount available under the current pension plan. Upon the death of Non-owner Executive, Wife will receive an annual benefit equal to 100% of any benefit received previously. The annual pension income is increased by the cost of living adjustment, if any.

After Tax Survivor Income: The annual after-tax Joint and Survivor Pension available under the current pension plan. The annual pension income is increased by the cost of living adjustment, if any.

Interest Only Option Section:

Account Value: This is the account balance used to pay Wife at the beginning of the year. The account balance will always equal the policy death benefit in the year of Non-owner Executive's death.

Account Withdrawals: This is the annual pre-tax account withdrawals of Interest Only from the Account Value.

After Tax Account Withdrawal: This is the annual after-tax withdrawal taken by Wife assuming a 35.00% income tax bracket.

Interest and Principal Option Section:

Account Value: This is the account balance used to pay Wife at the beginning of the year. The account balance will always equal the policy death benefit in the year of Non-owner Executive's death.

Account Withdrawals: This is the annual pre-tax account withdrawals of Interest and Principal from the Account Value.

After Tax Account Withdrawal: This is the annual after tax withdrawal taken by Wife assuming a 35.00% income tax bracket.