

Indexed Universal Life vs. Roth Solo 401(k)

For: Andy MacGregor



Presented By: _____

[Licensed user's name appears here]

Preface

A decision to acquire additional life insurance can represent one of several significant phases in your overall financial planning.

An important part of this decision involves the comparison of the life insurance policy to alternative investment possibilities.

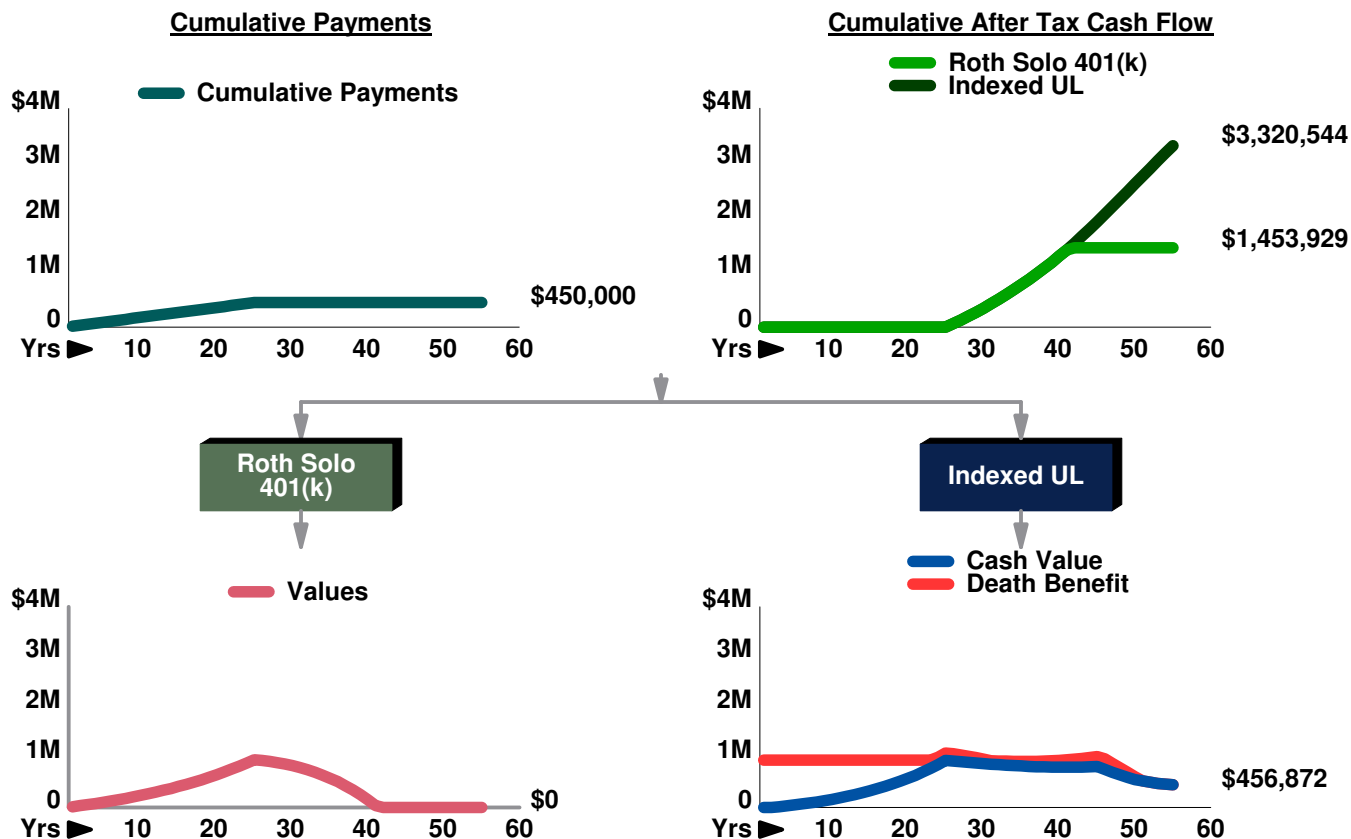
To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to a Roth Solo 401(k).

The study offers information from which you and your advisers can draw informed conclusions about the suitability of either plan.

Following are major features of the life insurance policy for you to consider as part of your overall assessment:

1. Accumulating cash values;
2. Income tax deferred growth of cash values;
3. Competitive current interest rate;
4. Tax free access to cash values via policy loans;
5. Income tax free death benefits;
6. Probate free death benefits;
7. Privacy of all transactions;
8. Advance of death benefits in certain adverse health circumstances -- as defined in the policy contract.

Favorable income tax consequences combine with significant policy values and benefits to produce a life insurance solution that has a considerable amount of financial leverage.



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.

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Insured: Andy MacGregor

Comparison

Roth Solo 401(k) Yield 7.00% Income Tax Rate 0.00% Indexed UL Interest Rate 7.00% Initial Payment 18,000 Initial Death Benefit 948,969

		Roth Solo 401(k)				Indexed Universal Life				
Year	Age	(1) Annual Deposit to the Account	(2) After Tax Cash Flow from the Account	(3) Investment Income	(4) Year End Account Value	(5) Policy Premium	(6) After Tax Policy Loan Proceeds	(7) Cash Value* Increase	(8) Year End Cash Value*	(9) Death Benefit
1	45	18,000	0	1,260	18,971	18,000	0	0	0	948,969
2	46	18,000	0	2,588	38,966	18,000	0	0	0	948,969
3	47	18,000	0	3,988	60,039	18,000	0	16,063	16,063	948,969
4	48	18,000	0	5,463	82,249	18,000	0	17,105	33,168	948,969
5	49	18,000	0	7,017	105,658	18,000	0	18,019	51,187	948,969
6	50	18,000	0	8,656	130,329	18,000	0	19,245	70,432	948,969
7	51	18,000	0	10,383	156,331	18,000	0	20,551	90,983	948,969
8	52	18,000	0	12,203	183,736	18,000	0	21,989	112,972	948,969
9	53	18,000	0	14,122	212,620	18,000	0	23,546	136,518	948,969
10	54	18,000	0	16,143	243,062	18,000	0	25,250	161,768	948,969
11	55	18,000	0	18,274	275,146	18,000	0	32,423	194,191	948,969
12	56	18,000	0	20,520	308,962	18,000	0	31,843	226,034	948,969
13	57	18,000	0	22,887	344,601	18,000	0	34,173	260,207	948,969
14	58	18,000	0	25,382	382,164	18,000	0	36,699	296,906	948,969
15	59	18,000	0	28,011	421,752	18,000	0	39,426	336,332	948,969
16	60	18,000	0	30,783	463,477	18,000	0	42,326	378,658	948,969
17	61	18,000	0	33,703	507,453	18,000	0	45,471	424,129	948,969
18	62	18,000	0	36,782	553,801	18,000	0	48,878	473,007	948,969
19	63	18,000	0	40,026	602,650	18,000	0	52,573	525,580	948,969
20	64	18,000	0	43,445	654,134	18,000	0	56,592	582,172	948,969
21	65	18,000	0	47,049	708,395	18,000	0	60,961	643,133	948,969
22	66	18,000	0	50,848	765,584	18,000	0	65,733	708,866	948,969
23	67	18,000	0	54,851	825,859	18,000	0	70,957	779,823	948,969
24	68	18,000	0	59,070	889,385	18,000	0	76,695	856,518	1,002,126
25	69	18,000	0	63,517	956,338	18,000	0	82,490	939,008	1,089,249
26	70	0	63,949	62,467	940,534	0	63,949	-12,395	926,613	1,075,677
27	71	0	66,766	61,164	920,907	0	66,766	-12,410	914,203	1,051,329
28	72	0	69,668	59,587	897,164	0	69,668	-12,302	901,901	1,025,396
29	73	0	72,656	57,716	868,990	0	72,656	-12,044	889,857	997,675
30	74	0	75,734	55,528	836,052	0	75,734	-11,593	878,264	967,956
		450,000	348,773			450,000	348,773			

30 Year Summary

	Roth Solo 401(k)	Indexed UL
After Tax Payments	450,000	450,000
After Tax Cash Flow	348,773	348,773
Living Values	836,052	878,264
Death Benefit	836,052	967,956

Management fees reflected in column (4): 1.50%

*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.

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31	75	0	78,905	53,000	797,995	0	78,905	-10,906	867,358	936,028
32	76	0	82,171	50,108	754,443	0	82,171	-10,440	856,918	930,645
33	77	0	85,534	46,824	704,997	0	85,534	-9,854	847,064	926,333
34	78	0	88,999	43,120	649,231	0	88,999	-9,145	837,919	923,249
35	79	0	92,567	38,966	586,696	0	92,567	-8,308	829,611	921,558
36	80	0	96,243	34,332	516,913	0	96,243	-7,337	822,274	921,430
37	81	0	100,029	29,182	439,374	0	100,029	-6,196	816,078	923,077
38	82	0	103,928	23,481	353,544	0	103,928	-4,908	811,170	926,690
39	83	0	107,945	17,192	258,849	0	107,945	-3,470	807,700	932,461
40	84	0	112,082	10,274	154,685	0	112,082	-1,897	805,803	940,573
41	85	0	116,343	2,684	40,410	0	116,343	-326	805,477	951,062
42	86	0	40,410	0	0	0	120,731	1,210	806,687	963,937
43	87	0	0	0	0	0	125,252	2,686	809,373	979,179
44	88	0	0	0	0	0	129,908	4,028	813,401	996,695
45	89	0	0	0	0	0	134,704	5,135	818,536	1,016,290
46	90	0	0	0	0	0	139,643	-57,362	761,174	971,233
47	91	0	0	0	0	0	139,643	-56,390	704,784	883,321
48	92	0	0	0	0	0	139,643	-53,839	650,945	793,269
49	93	0	0	0	0	0	139,643	-49,081	601,864	702,791
50	94	0	0	0	0	0	139,643	-41,315	560,549	614,288
51	95	0	0	0	0	0	139,643	-29,664	530,885	530,885
52	96	0	0	0	0	0	139,643	-25,828	505,057	505,057
53	97	0	0	0	0	0	139,643	-21,394	483,663	483,663
54	98	0	0	0	0	0	139,643	-16,303	467,360	467,360
55	99	0	0	0	0	0	139,643	-10,488	456,872	456,872
		450,000	1,453,929			450,000	3,320,544			

55 Year Summary

	Roth Solo 401(k)	Indexed UL
After Tax Payments	450,000	450,000
After Tax Cash Flow	1,453,929	3,320,544
Living Values	0	456,872
Death Benefit	0	456,872

Management fees reflected in column (4): 1.50%

*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.

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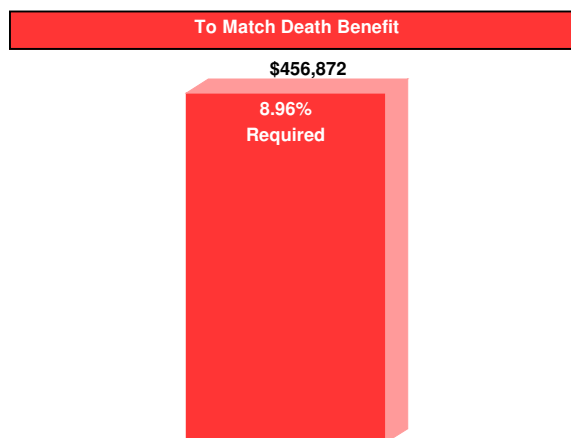
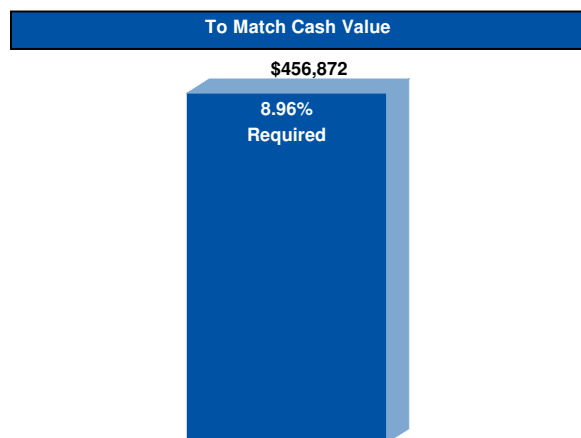
Insured: Andy MacGregor

Matching Values

	Roth Solo				
	401(k)	Income	Indexed UL	Initial	Initial
Age	Yield	Tax Rate	Interest Rate	Payment	Death Benefit
45	7.00%	0.00%	7.00%	18,000	948,969

Gross Interest Rate Required on Roth Solo 401(k) to Match Indexed Universal Life Policy Values over 55 Years.

	Gross Interest Rate Required
To Match Cash Value of: \$456,872	8.96%
To match Death Benefit of: \$456,872	8.96%



Income Tax Considerations

1. Roth Solo 401(k): Interest is tax exempt.
2. Indexed Universal Life:
 - a. Death Benefit including available cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

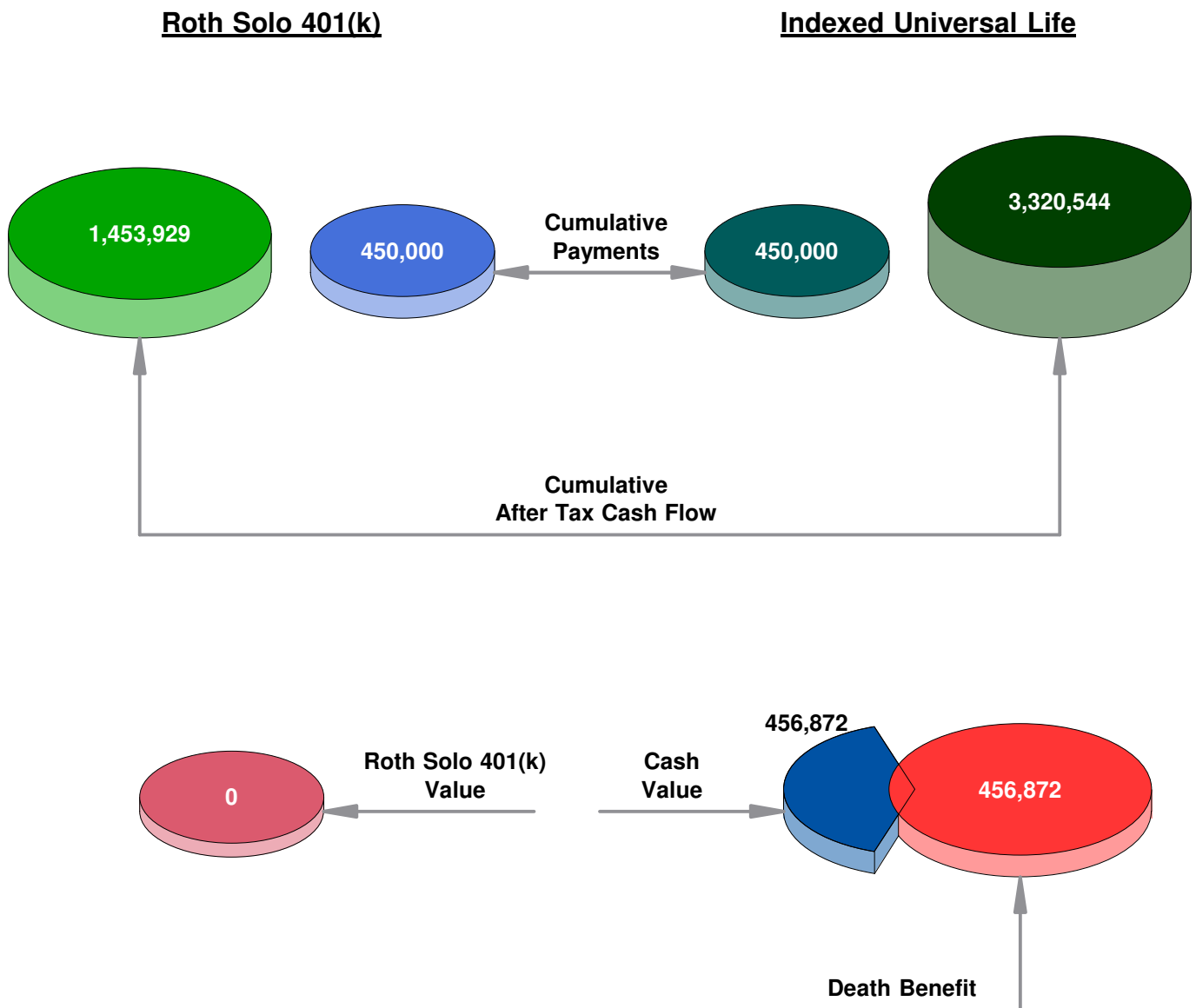
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A Look at Year 55

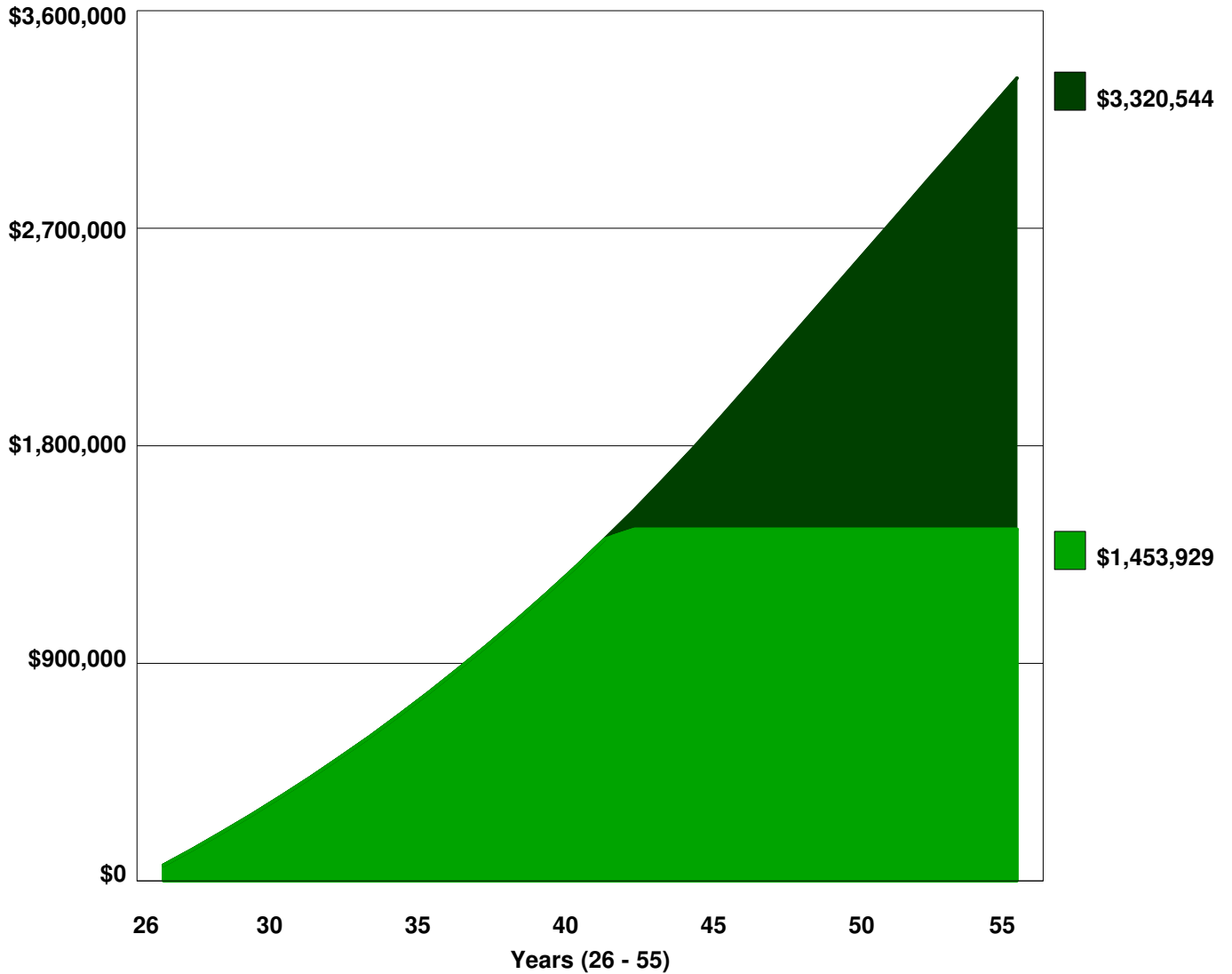


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Cash Flow Comparison



At Year 55

Cumulative After Tax Cash Flow - Roth Solo 401(k) \$1,453,929

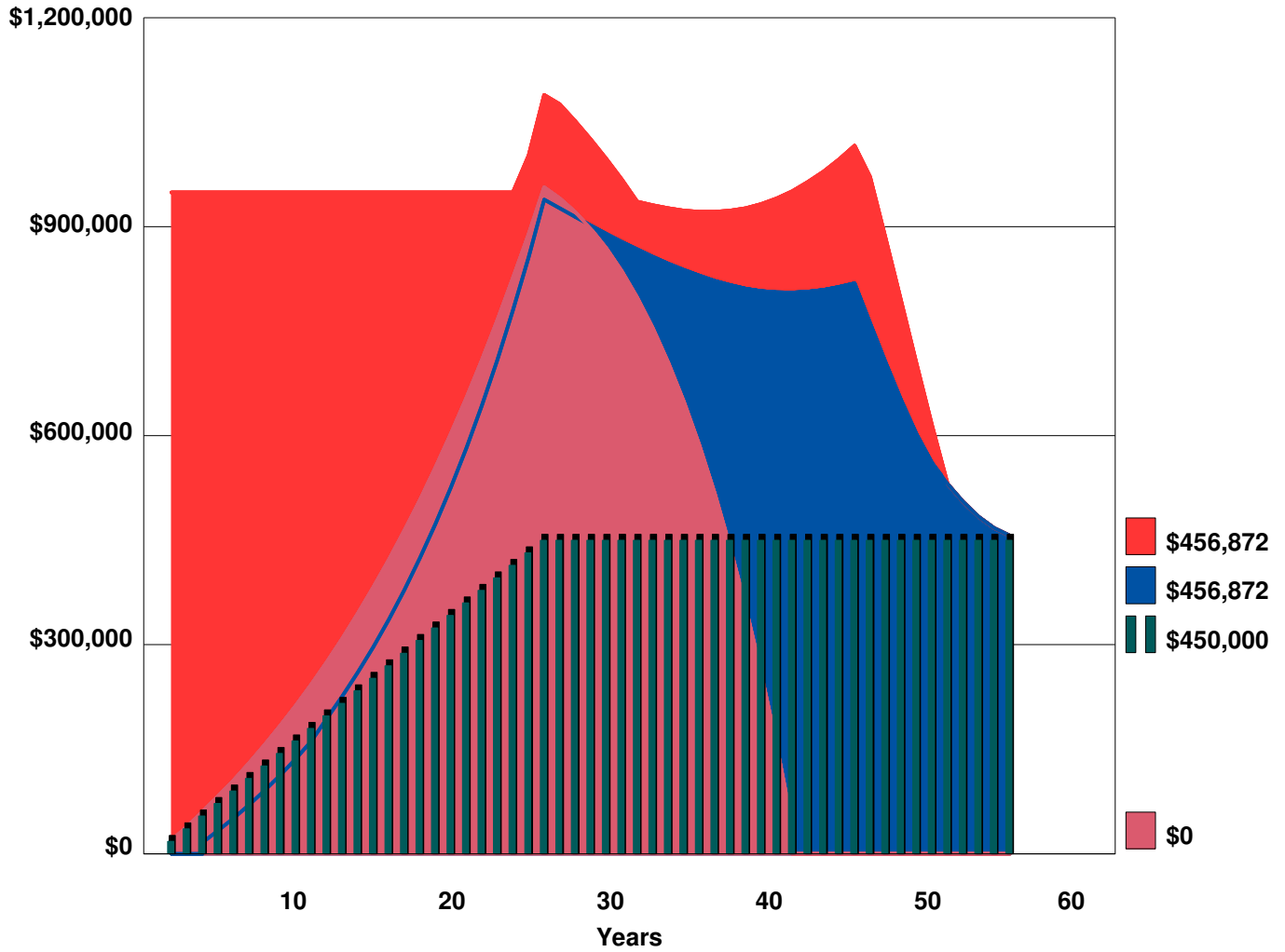
Cumulative After Tax Policy Cash Flow - Indexed UL \$3,320,544

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55 Year Analysis



<u>At Year 55</u>	
Cumulative Payments	\$450,000
Roth Solo 401(k) Values	\$0
Cash Value of Indexed UL	\$456,872
Death Benefit of Indexed UL	\$456,872