

COMBINE A MICRO(k)[®] WITH OUR PREMIUMS PAID IN ADVANCE ACCOUNT AND CHANGE YOUR LIFE!

MANY SMALL-BUSINESS OWNERS have accrued significant sums in their IRAs, SEPs and other qualified plans. Often, these balances were rolled over from a prior plan or former employer. Of course, being self-employed leaves them responsible for their own retirement savings and benefits programs. If they have a life insurance need, why not allocate a portion of the account balance to solve that need while preserving significant liquidity? Combining our Premium Paid in Advance Account with your Micro(k)[®] rollover can Change Your Life!

Consider the Following . . . *Jim Smith, age 40, a manufacturer's representative, has had good years and bad years since becoming self employed. He needs flexibility while he saves for his retirement and provides for his family. Before starting out on his own, he worked for a company and accumulated \$125,000 in their 401(k) plan. He is considering purchasing a \$200,000 life insurance policy to enhance his family's security and to save more for retirement but is concerned about the premium commitment. Jim decides to allocate some of his Micro(k)[®] balance to purchase a guaranteed 10-pay whole life insurance policy and uses our Premiums Paid in Advance (PPIA) account to discount the premium. After carefully reviewing the full sales illustration for all guaranteed values, Jim reviews the PPIA report:*

Advantage #1: Convenience & Liquidity of PPIA						
Age	Contract Premium	PPIA Withdrawal	Total Premium (includes PPIA)	Non-Guaranteed (Projected) Values**		
				PPIA Account Value	Total Surrender Value	Total Death Benefit
41	6,583	6,583	55,530	50,905	53,119	250,905
42	6,583	6,583	0	46,095	54,105	246,095
43	6,583	6,583	0	41,092	55,144	241,092
44	6,583	6,583	0	35,889	56,335	235,995
45	6,583	6,583	0	30,479	57,755	231,119
46	6,583	6,583	0	24,851	59,439	226,668
47	6,583	6,583	0	18,899	61,376	222,602
48	6,583	6,583	0	12,913	63,611	218,842
49	6,583	6,583	0	6,583	66,172	215,430
50	6,583	6,583	0	0	69,909	212,421

Advantage #2: Using Pre-Tax Dollars for Your Life Insurance			
	"After-Tax" Life	"Pre-Tax" Life	Difference
Life Premiums	\$ 6,583	\$ 6,583	
Income Taxes @ 30%	2,821	66*	
Total Earnings Required	\$ 9,404	\$ 6,649	\$ 2,755

**Adding life insurance to the plan may cause an additional amount of income tax due on the "cost" of the economic benefit (often referred to as PS 58 cost). In Addition, a portion of the death benefit may be taxable. The client should consult a professional advisor to determine how this is treated for his/her form of business.*

***This ledger is based on a PPIA Guaranteed Interest Rate of 4% Years 1 - 10, 3% thereafter and the 2004 Dividend Scale for Policy 2059U. Please request a complete illustration to review guaranteed and non-guaranteed elements and review the PPIA Agreement for important details.*

By purchasing a guaranteed 10-pay life insurance policy within his retirement plan, Jim secures the needed coverage and preserves significant flexibility and substantial liquidity. He need never make another contribution to his plan or the policy. Better yet, the projected non-guaranteed values at the end of the third year nearly equal his entire premium and grow rapidly from there. Because Jim can use pre-tax dollars to secure the coverage vs. buying the life insurance outside his plan, he also has \$2,755 more to either spend on other obligations . . . or SAVE! Adding life insurance to a retirement plan can Change Your Life, too.



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