

Your Company Name Corporate Split Dollar

(current date)

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"Use a Tax Sheltered plan to enhance a Key Employee's benefit package!"

Yes, there is a way for a corporation to offer a significant additional benefit to one or more of their key employees; that is by cost splitting a tax sheltered life insurance policy!

Many people are unaware that:

- * The Fund Value and the Basic Death Benefit of a tax sheltered plan can be split. This creates a situation where a company can pay for a major part of the cost of the insurance needed by a key employee.

For example, in a Regular Split Dollar package, the deposit that funds the policy is split with the employee usually paying the Net Cost of Pure Insurance, and the employer paying the rest up to the total deposit. The Employer owns the policy and receives the Fund Value portion upon the employee's death. The Employee's beneficiary receives the difference between the Total Death Benefit, and the Fund Value.

Utilizing a life insurance policy that qualifies under section 148 of the Income Tax Act, is an excellent planning tool because it creates a growing tax advantaged account. This account is totally accessible while the employee is alive, and is paid out to the beneficiary tax free on death. As long as the tax advantaged account does not cause the policy to become non-exempt, the policy could be funded with large deposits over a short period. As long as the employee can be shown to be paying a reasonable estimation of the cost of insurance coverage, there is usually no taxable benefit assessed, which adds to the attractiveness of this for key individuals or shareholders.

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A Split Dollar plan is a method of splitting the cost and benefits of a life insurance policy between an employer and an employee. The Split Dollar arrangement is usually documented in a separate contract, defining ownership rights over policy values, death benefits and premium paying responsibilities.

The following illustration demonstrates a Regular Split Dollar plan calculated on a Net Cost of Pure Insurance (NCPI) basis. The Employer owns the Fund Value portion of the policy and receives the Fund Value portion on the Employee's death. The Employee's beneficiary receives the difference between the Fund Value and the Total Death Benefit. The Employee pays a portion of the premium equal to the lesser of the annual deposit and the NCPI. The Employer pays the difference, if any, between the annual deposit and the Employee's share of the premium.

This is an illustration only and NOT a Contract. Rates of return and values contained within are projections only and are not guarantees or forecasts of future performance. It must be read in conjunction with a policy illustration from the Life Company.

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CONCEPT ASSUMPTIONS

Insureds

Insured: Middle Age Executive,
Male Age 45 Non-Smoker

Prepared By:

Name: Agent / Broker

Product

Name: Universal Life
Policy Type: Single Life
Face Amount: \$100,000
Payment Method: Planned Deposits (15 Years)
Projected Annual Growth Rate: 6.000%

Other Details

Split Type: Regular
Calculation Basis: NCPI

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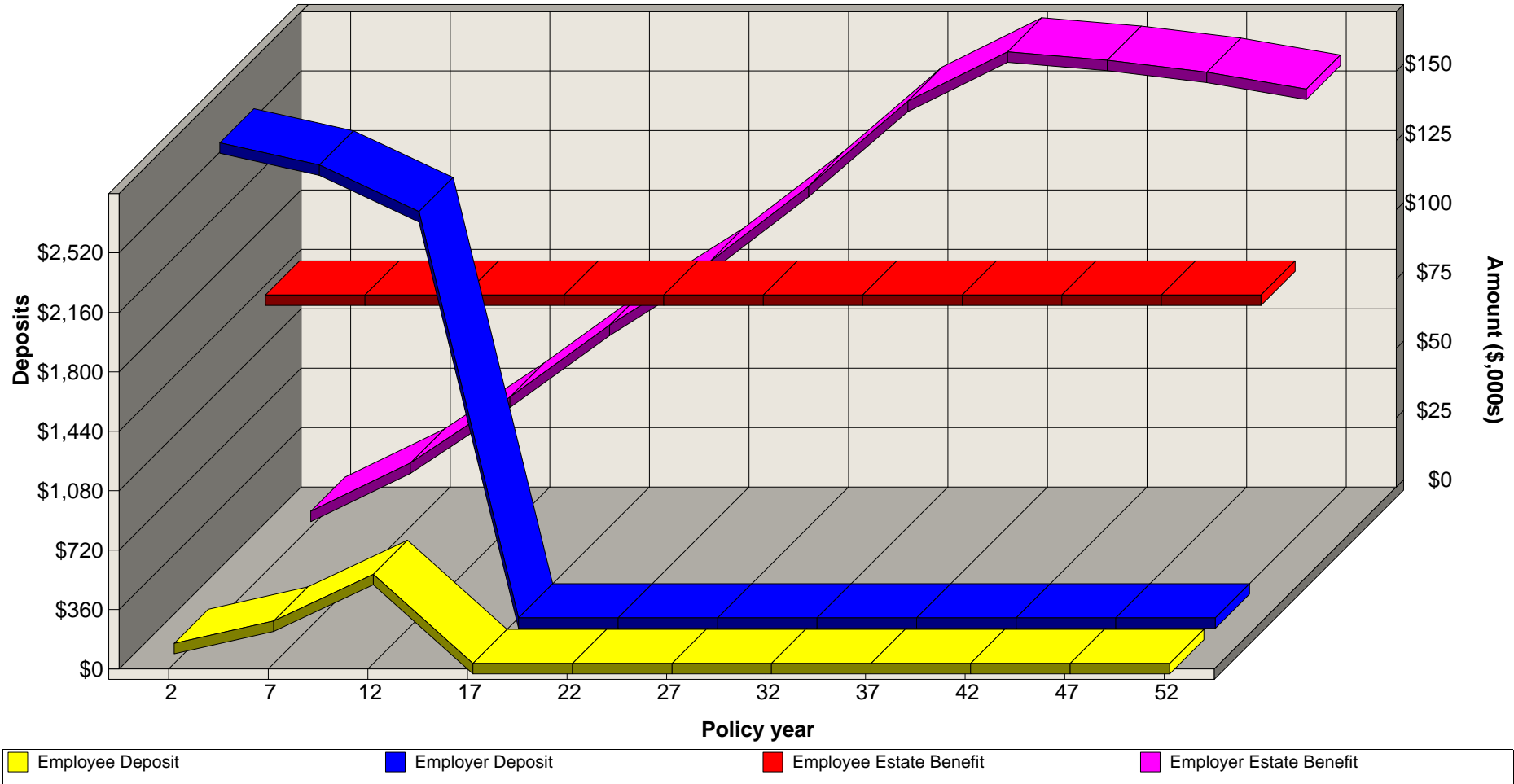
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Pol Yr	Age	Deposits			Estate Benefit		
		Annual Deposit	Employee Deposit	Employer Deposit	Employer Estate Benefit	Employee Estate Benefit	Policy Estate Benefit
1	46	3,001	104	2,897	2,775	100,000	102,775
2	47	3,001	123	2,878	5,696	100,000	105,696
3	48	3,001	145	2,856	8,774	100,000	108,774
4	49	3,001	169	2,832	12,011	100,000	112,011
5	50	3,001	196	2,805	15,498	100,000	115,498
6	51	3,001	224	2,777	19,191	100,000	119,191
7	52	3,001	258	2,743	23,098	100,000	123,098
8	53	3,001	299	2,702	27,224	100,000	127,224
9	54	3,001	349	2,652	31,573	100,000	131,573
10	55	3,001	408	2,593	36,351	100,000	136,351
11	56	3,001	472	2,529	41,437	100,000	141,437
12	57	3,001	540	2,461	46,837	100,000	146,837
13	58	3,001	613	2,388	52,570	100,000	152,570
14	59	3,001	690	2,311	58,667	100,000	158,667
15	60	3,001	777	2,224	65,141	100,000	165,141
16	61				68,885	100,000	168,885
17	62				72,804	100,000	172,804
18	63				76,900	100,000	176,900
19	64				81,175	100,000	181,175
20	65				85,724	100,000	185,724
25	70				111,346	100,000	211,346
30	75				141,086	100,000	241,086
55	100				153,197	100,000	253,197

Your Company Name

Proposal For: Middle Age Executive Prepared By: Agent / Broker

Corporate Split Dollar



Male 45 NS. PRODUCT: Universal Life. FACE AMOUNT: \$100,000. TAX RATE: 45.00%
 CALCULATION BASIS: NCPI SPLIT TYPE: Regular
 NOTE: Must accompany a policy illustration. E.&O.E.