

Your Company Name Income Shelter

(current date)

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"Pay tax on what you Earn -- not on what you Save!"

Is one of your financial objectives to increase your net worth by accumulating additional assets through annual savings?

Are you thinking that those assets could be passed on to your heirs - your children or grandchildren?

Many people are unaware that:

- * The income tax they will have to pay over their lifetime on non-registered savings may be equal to or more than the actual amount saved!
- * They do not have to give up control of assets earmarked for grandchildren to avoid paying taxes on the growth!

A life insurance policy that qualifies under section 148 of the Income Tax Act is an excellent planning tool that can be used to create a tax advantaged account. This account is totally accessible and under your control while you are alive, and is paid out to your designated beneficiary outside your estate at death. This means that you not only avoid paying taxes on the growth in the account but you can avoid probate and legal fees as well!

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This concept demonstrates that a life insurance policy can be used successfully as a tax shelter for annual investments that are intended to provide maximum tax-free dollars to a beneficiary at death for a pre-determined purpose or bequest.

The illustration emphasizes the difference in potential results from attempting to achieve a goal like this with a conventional Alternative Investment (AI), versus the life insurance policy approach. An identical annual savings sum is invested in either an Alternative Investment or the policy illustrated. Earnings that accrue to the policy are tax sheltered (provided they stay in the exempt portion of the policy). In the Alternative Investment, annual interest is reduced by taxes, at the assumed marginal tax rate, prior to reinvestment.

If premiums are not paid for the life of the policy, the Fund Value of the life policy is used to pay the ongoing annual cost of providing life insurance from tax deferred earnings. If objectives change, and premature access to the life policy cash value is required, a portion of the withdrawals could be taxable. The same would not be true of the Alternative Investment, which is a "tax paid" fund -- but with a smaller estate value.

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%

Alternative Investment

Growth Breakdown: 100% Interest
Effective Tax Rate On Interest: 45.00%
Projected Annual Growth Rate: 6.000%

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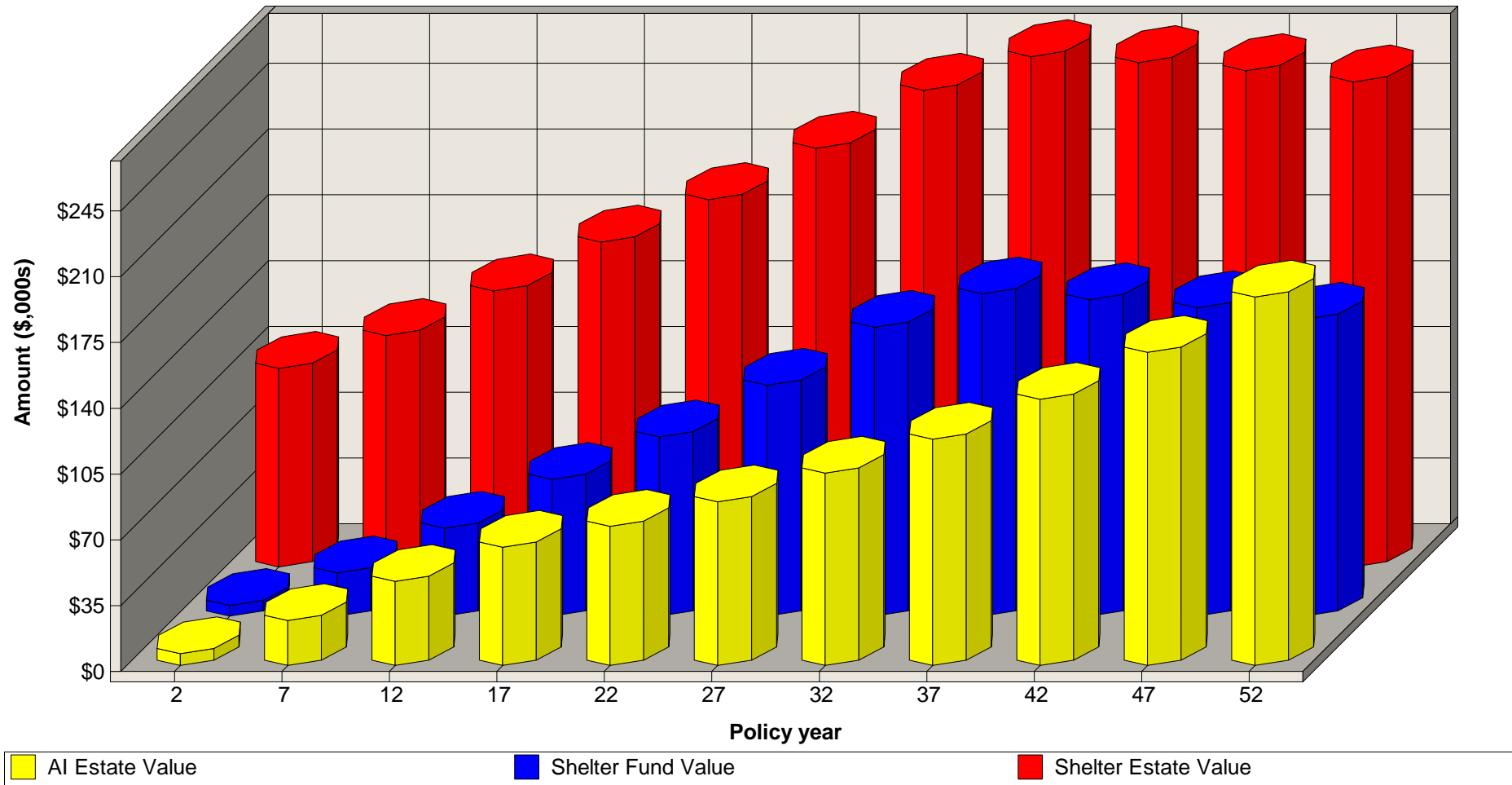
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Pol Yr	Age	Annual Deposit	Alternative Investment			Life Insurance Policy		Estate Benefit Difference	
			Annual Growth	Tax Due on Growth	After Tax Estate Benefit	Estate Benefit	Fund Value	Policy minus AI	Percent Increase Using Life Insurance
1	46	3,001	180	81	3,100	102,775	2,775	99,675	3215%
2	47	3,001	366	165	6,302	105,696	5,696	99,394	1577%
3	48	3,001	558	251	9,610	108,774	8,774	99,164	1032%
4	49	3,001	757	341	13,028	112,011	12,011	98,983	760%
5	50	3,001	962	433	16,557	115,498	15,498	98,941	598%
6	51	3,001	1,174	528	20,204	119,191	19,191	98,987	490%
7	52	3,001	1,392	627	23,971	123,098	23,098	99,127	414%
8	53	3,001	1,618	728	27,862	127,224	27,224	99,362	357%
9	54	3,001	1,852	833	31,881	131,573	31,573	99,692	313%
10	55	3,001	2,093	942	36,033	136,351	36,351	100,318	278%
11	56	3,001	2,342	1,054	40,322	141,437	41,437	101,115	251%
12	57	3,001	2,599	1,170	44,753	146,837	46,837	102,084	228%
13	58	3,001	2,865	1,289	49,330	152,570	52,570	103,240	209%
14	59	3,001	3,140	1,413	54,058	158,667	58,667	104,609	194%
15	60	3,001	3,424	1,541	58,942	165,141	65,141	106,199	180%
16	61		3,537	1,591	60,887	168,885	68,885	107,998	177%
17	62		3,653	1,644	62,896	172,804	72,804	109,908	175%
18	63		3,774	1,698	64,972	176,900	76,900	111,928	172%
19	64		3,898	1,754	67,116	181,175	81,175	114,059	170%
20	65		4,027	1,812	69,331	185,724	85,724	116,393	168%
25	70		4,737	2,132	81,551	211,346	111,346	129,795	159%
30	75		5,572	2,507	95,924	241,086	141,086	145,162	151%
55	100		12,545	5,645	215,992	253,197	153,197	37,205	17%

Vortex Business Software

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

Income Shelter



Male 45 NS. PRODUCT: Universal Life. FACE AMOUNT: \$100,000. TAX RATE: 45.00%

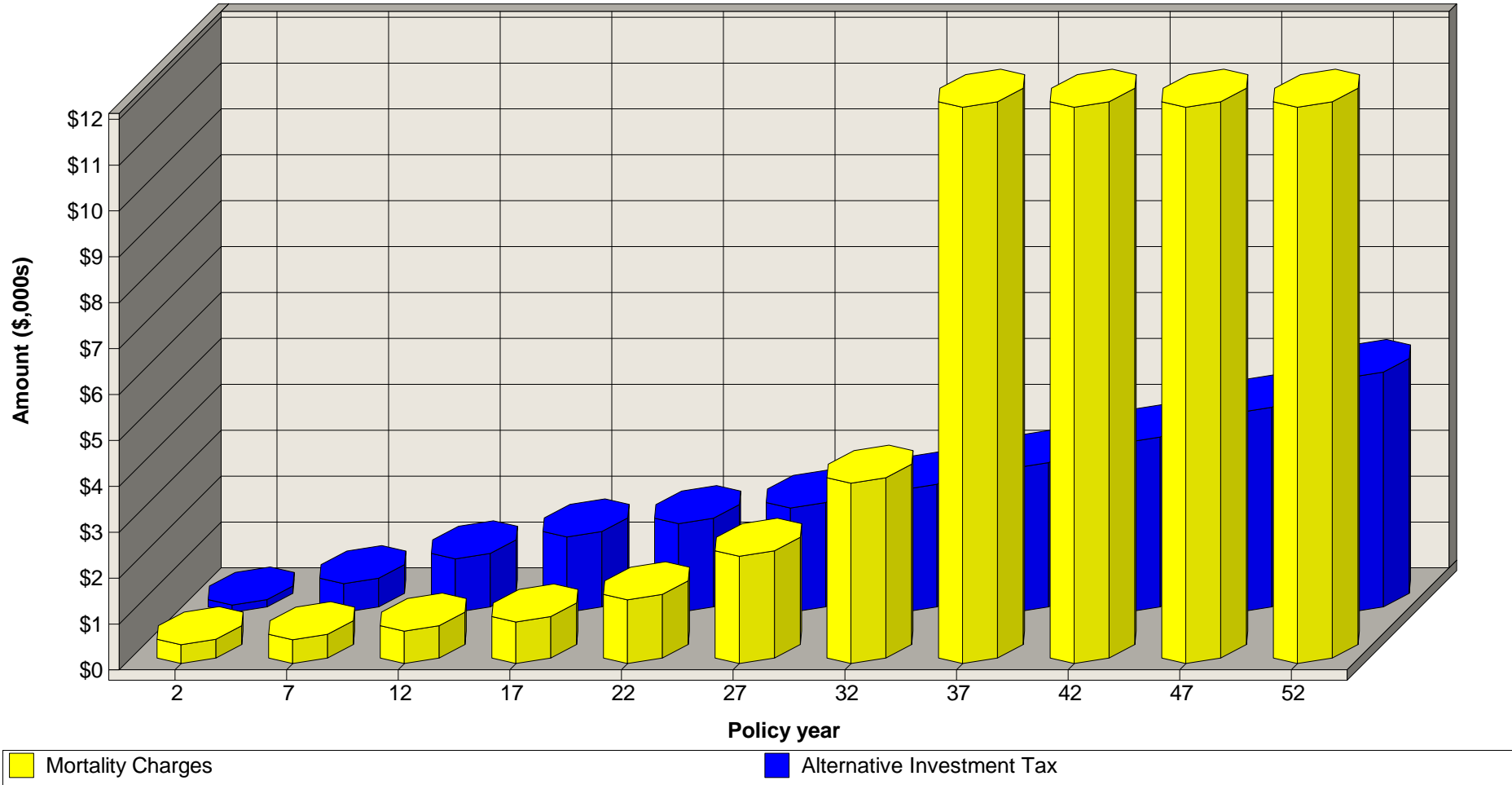
AI RATE SPREAD: 0.00%.

NOTE: F.V. shown as portion of D.B. Must accompany a policy illustration. E.&O.E.

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