

Your Company Name Income Generator

(current date)

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"Generating additional retirement income through tax sheltered accumulation!"

Is providing additional retirement income as a bridge between age 65 and 69 one of your financial goals?

Have you maximized your RRSP contributions?

Are you concerned that your income from RRSPs and pensions won't meet your retirement needs?

Would you like to have the flexibility to pass on your assets intact to your children or grandchildren, if you do not need the extra income after all?

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 invested!
- * That they do not have to give up control of assets earmarked for children or grandchildren to avoid paying taxes in their estate!

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 you not only avoid paying income taxes on the growth in the account until you withdraw it, but you never pay income tax, probate or legal fees, if you do not need the income after all!

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This concept shows how substantial sums can be invested in an exempt life insurance policy "tax sheltering" investment earnings until money is withdrawn during retirement years.

Unlike contributions to an RRSP, these premiums are not deductible for income tax purposes. However, provided the policy remains "exempt" and funds are not invested in segregated funds, the policy fund earnings will be exempt from income tax as long as they remain in the policy.

The illustration shows the effect of after tax withdrawals from an Alternative Investment and compares those with equivalent after tax withdrawals from an exempt life insurance policy using the same rate of tax. Withdrawals from the exempt life insurance policy will generate taxable income which is calculated using the Adjusted Cost Basis of the policy. The "Pre-Tax Annual Withdrawal" column shows the total withdrawal necessary so that the after tax portion is equal to the desired income.

This illustration examines "Buy Term & Invest the Difference" as an alternative concept to using an exempt life insurance policy. It takes identical annual investments, deducts annual premiums to cover life insurance costs and expenses from both the Alternative Investment and from the Policy Fund --investing the difference at the same rate of return. The face amount of the 10 year Term Policy has been added to the Estate Benefit of the Alternative Investment so that both scenarios include insurance.

The Alternative Investment Fund may become exhausted first -- because there are insufficient funds available to pay insurance premiums, withdrawals and income taxes from the non tax-sheltered investment.

NOTE: The AI will be exhausted in year 24

NOTE: The Universal Life Fund Value will be exhausted in year 25

The Fund Value and Death Benefit columns in this illustration are estimated for the years after and including the one where the first withdrawal is made.

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: \$250,000
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%

Other Details

Plan Income: \$39,000
From Year: 21
To: 24

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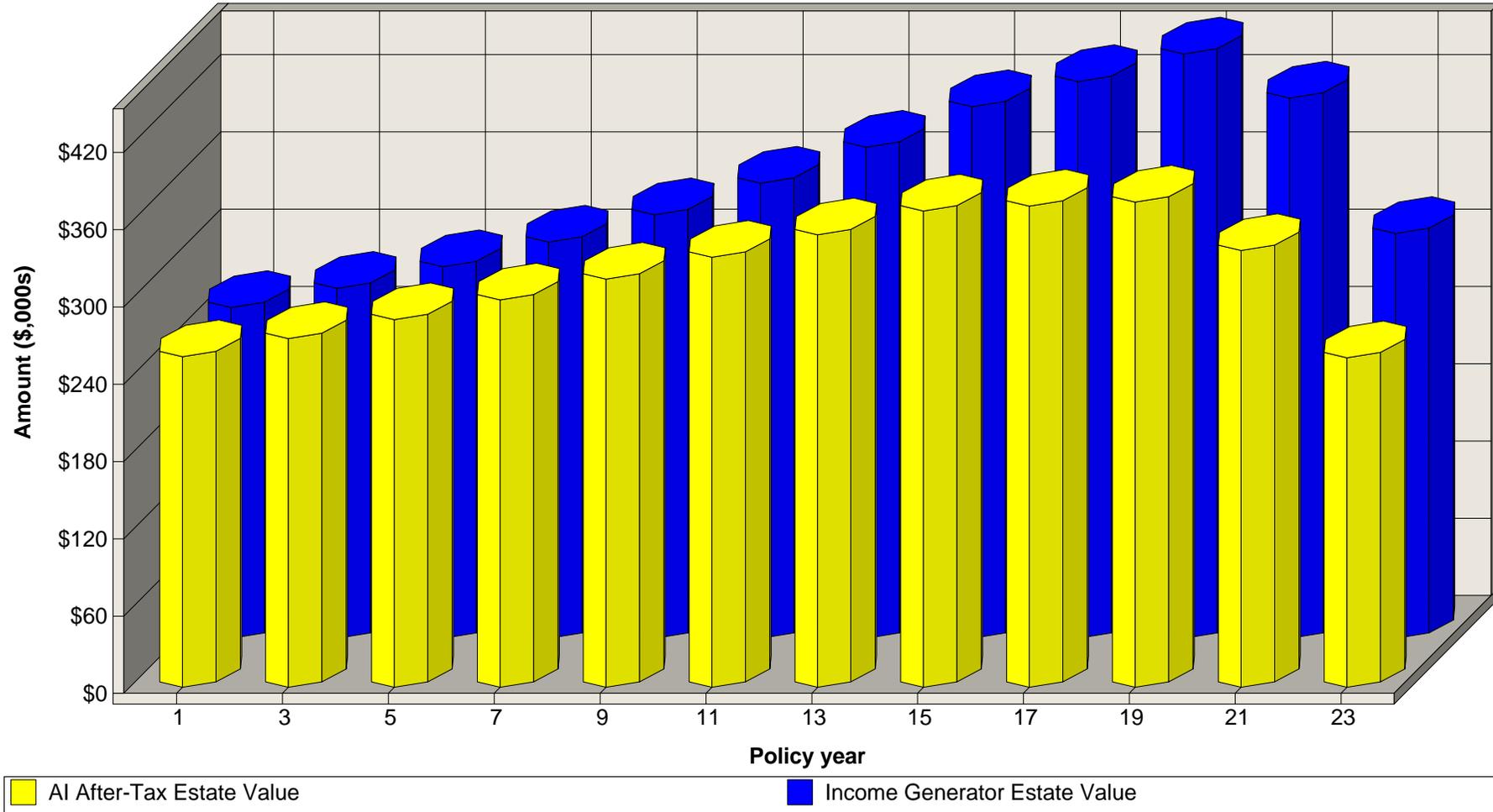
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Pol Yr	Age	Annual Deposit	After Tax Income Target	Alternative Investment				Life Insurance Policy			
				Annual Growth	Tax Due on Growth	After Tax Estate Benefit	Term Premium	Fund Value	Pre-Tax Annual Withdr	Estate Benefit	
1	46	7,322	0	392	176	256,742	795	6,936	0	256,936	
2	47	7,322	0	793	357	263,659	842	14,240	0	264,240	
3	48	7,322	0	1,205	542	270,754	890	21,933	0	271,933	
4	49	7,322	0	1,628	732	278,021	950	30,025	0	280,025	
5	50	7,322	0	2,060	927	285,474	1,002	38,741	0	288,741	
6	51	7,322	0	2,504	1,127	293,119	1,055	47,973	0	297,973	
7	52	7,322	0	2,959	1,332	300,948	1,120	57,739	0	307,739	
8	53	7,322	0	3,424	1,541	308,948	1,205	68,055	0	318,055	
9	54	7,322	0	3,897	1,754	317,094	1,320	78,926	0	328,926	
10	55	7,322	0	4,381	1,971	325,423	1,402	90,870	0	340,870	
11	56	7,322	0	4,876	2,194	333,952	1,475	103,583	0	353,583	
12	57	7,322	0	5,382	2,422	342,654	1,580	117,083	0	367,083	
13	58	7,322	0	5,897	2,654	351,522	1,697	131,414	0	381,414	
14	59	7,322	0	6,423	2,890	360,582	1,795	146,655	0	396,655	
15	60	7,322	0	6,959	3,132	369,809	1,922	162,839	0	412,839	
16	61		0	7,076	3,184	371,831	1,870	172,386	0	422,386	
17	62		0	7,185	3,233	373,698	2,085	182,383	0	432,383	
18	63		0	7,283	3,277	375,381	2,322	192,838	0	442,838	
19	64		0	7,368	3,315	376,845	2,588	203,754	0	453,754	
20	65		0	7,451	3,353	378,289	2,655	215,371	0	465,371	
21	66		39,000	5,180	2,331	339,180	2,958	169,654	55,586	419,654	
22	67		39,000	2,813	1,266	298,432	3,295	119,455	56,977	369,455	
23	68		39,000	346	156	255,950	3,672	64,439	58,393	314,439	
24	69		39,000	** All funds exhausted				4,244	59,838	254,244	
25	70										Policy funds exhausted

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

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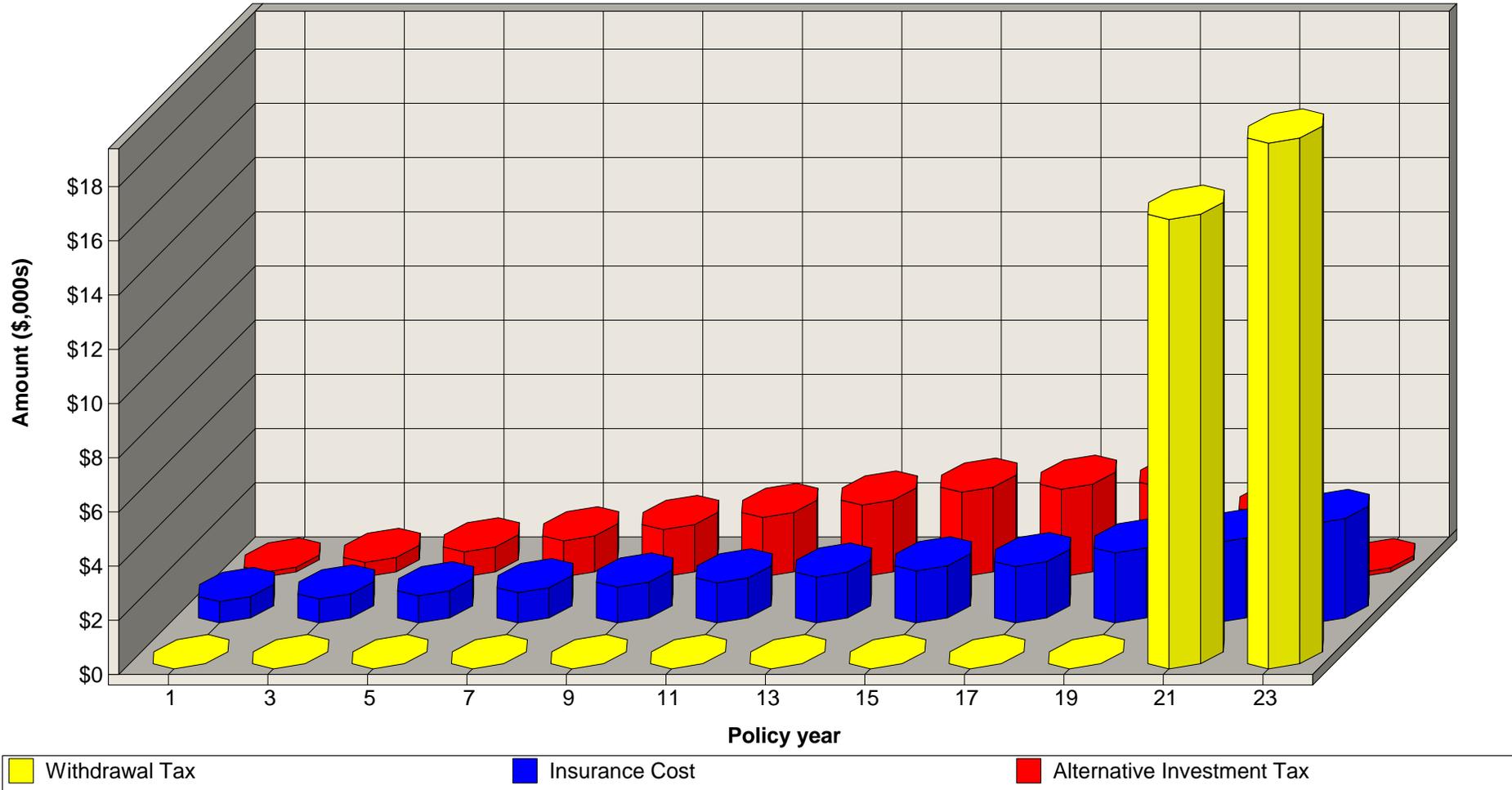


Male 45 NS. PRODUCT: Universal Life. FACE AMOUNT: \$250,000. TAX RATE: 45.00%
Plan Income: \$39,000, From Year 21 To 24 Estimated Fund Growth Rate: 6.00%.
NOTE: Must accompany a policy illustration. E.&O.E.

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