

Finance Option Cost Comparison

The purpose of this summary is to show the potential cost differences between financing designs. Please use this summary in conjunction with the basic illustrations and financing modules to help determine which method is most suitable for your situation. The financing modules contain explanation of the planning concepts, their potential benefits and considerations. The basic illustrations contain important product information.

	Annual Gifts	Commercial Finance Max Funding	Commercial Finance Min Funding	Private Financing 9 Year Note	Dual Loan Financing 9 Year Note	Private Split Dollar 10 Year Term
Policy	PSIUL	PSIUL	PSIUL	PSIUL	PSIUL	PSIUL
Initial Death Benefit	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total DB @ Loan payoff	15,000,000	21,484,054	15,000,000	15,000,000	15,000,000	15,000,000
Net DB to Trust after Repayment	15,000,000	15,217,814	15,000,000	15,000,000	15,000,000	15,000,000
Annual Premium	196,473	626,624	196,473	196,473	196,473	196,473
Years to Pay	10	10	10	10	10	10
Total Premiums to Loan Payoff	1,964,730	6,266,240	1,964,730	1,964,730	1,964,730	1,964,730
Initial Loan Amount	NA	626,624	196,473	8,301,427	8,301,427	196,473
Loan Interest Rate - Commercial		Varies	Varies	N/A	Fixed	N/A
Illustrated Rate-Commercial		3.0%-7.0%	3.0%-7.0%	N/A	3.00%	N/A
Policy/Trust/GRAT ASSET Return Rate		6.34%	6.34%	7.00%	7.00%	7.00%
Illustrated Rate - Private				4.27%	4.27%	5.20%
Term of Loan		18	11	9	9	10
Gift/Interest Payments - To Lender/Trust	1,964,730	4,377,595	1,561,171	n/a	3,362,078	6,728
Potential Gift Taxes	0				0	0
Initial GRAT Contribution*						12,247,515
Interest Received from ILIT**	0			3,190,238	3,190,238	
GRAT Payments Received						16,015,683
Net Interest/Gift Tax Cost	1,964,730	4,377,595	1,561,171	(3,190,238)	171,840	(3,761,440)

Assumes Clients both age 55 PNS

*GRAT is a Grantor Retained Annuity Trust

**ILIT is a Irrevocable Life Insurance Trust

This Financing Options Spreadsheet is authorized for distribution only when preceded or accompanied by the basic illustration for all planning concepts shown and the applicable Financing Modules. Different life insurance products may be used with the planning concepts in this summary, please refer to the basic illustrations and sample contracts for specific product and policy elements to ensure the products shown are suitable for your needs. Benefits and values may not be guaranteed and certain life insurance policy assumptions are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information.

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