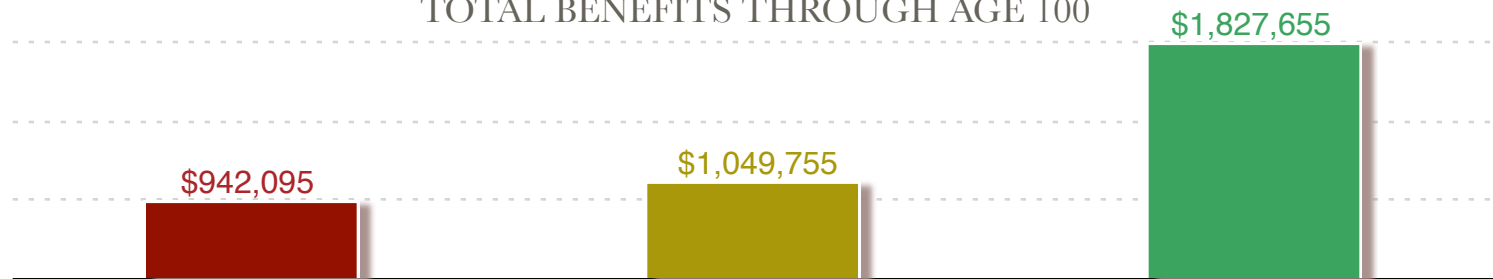


RETIREMENT COMPARISONS — MALE, AGE 45

\$150,000 Qualified Money - Considering Alternatives

	Traditional Qualified Account with Lifetime Income Rider	Roth IRA with Lifetime Income Rider	Indexed Universal Life (IUL)
Initial Amount Into Product ¹	\$150,000	\$117,000 (Pay tax with money from account)	\$18,961 (Paid into policy over 7-years)
Upfront Bonus ²	10%	10%	Not Applicable
Growth Assumptions ³	Rider Growth	Rider Growth	Illustrated Rate ⁵
Through age 65	8%	8%	8%
Tax Assumptions ⁴			
Years 1-10	20%	20%	20%
Years 10+	30%	30%	30%
After Tax Annual Income ⁶	\$26,917	\$29,993	\$36,086
Initial Death Benefit	\$165,000	\$128,700	\$406,630
At age 65	\$204,817	\$159,757	\$520,333
At age 100	\$0	\$0	\$564,645

TOTAL BENEFITS THROUGH AGE 100



¹ Only money in the Traditional Qualified plan is contributed *before tax* under current tax law. Money placed into the IUL policy had all taxes removed before being placed into the policy. During the 7-year period, the balance of the funds going into the IUL contract earned 3.5%.

² Some annuity contracts offer up-front bonuses of up to 10% of the initial premium. No Indexed Universal Life contracts offer up-front bonuses.

³ The highest lifetime income riders in the market presently offer an 8% compounded return for a maximum of 20 years.

⁴ Most experts - including David Walker, former Comptroller General and head of the US Government Accountability Office - agree that with the current size of the national debt, entitlement programs costs, and current expenditures, taxes will likely increase in the future.

⁵ All IUL policies offer underlying guarantees that are backed by the insurance company issuing the contract. In all IUL contracts, credited gains are not subject to future loss, nor is any money contributed subject to market risk, therefore in the right IUL product, many experts consider 8% throughout all years to be a conservative assumption.

⁶ Only money in the 401k will be subject to taxes upon withdrawal of the money under current tax law. In the 401k, Roth IRA and nonqualified examples, we did not calculate in any management or fund expenses. In the Indexed Universal Life policy, we assumed all charges. Life insurance charges will vary by age, gender, underwriting class, and issuing company. In this example we assumed a male, age 45, preferred non-smoker. In the IUL policy income was received through policy loans assuming a 6.5% loan rate.



NEW SOLUTIONS FOR RETIREMENT

FINDING THE STRATEGY BEST SUITED FOR YOUR NEEDS

“The United States would need to raise income tax rates across the board by about 2.5 times today’s levels to close the financing gap.”

— David Walker
Former Comptroller General U.S. GAO

Consider Your Options

1. Where do you feel tax rates are going?
2. Lifetime Income Riders are hot, but are they right for you?
3. Indexed Universal Life (IUL) offers you guarantees, solid long-term results and tax-free income.

Your Retirement Options

On the surface tax-deferred growth in traditional qualified plans such as IRAs and 401(k) plans sounds great, but in reality that tax deferral can come a very high expense. The original idea of using tax-deferred products for retirement started at a time when most of us thought we would be deferring our taxes during high-tax years, then paying those taxes in low-tax years. Unfortunately with the current economic climate — along with the unfunded liabilities within Social Security and Medicare — many experts believe future taxes have only one direction to go.

The Roth IRA

The Roth IRA allows individuals to save for retirement, but unlike a traditional qualified plan, Roth contributions:

- Go in *after* tax
- Grow tax-deferred, and
- Withdrawals for retirement are tax-free

When coupled with a Lifetime Income Rider, the tax-free retirement income makes a lot of sense because one of the biggest drawbacks of the traditional 401k is that in retirement your withdrawals are taxed as ordinary income.

Does a Lifetime Income Rider with an Annuity Make Sense?

Since their introduction, Lifetime Income Riders on annuities have generated interest from many clients. While they do look great on paper, these

riders do come with some limitations. Have you considered that Lifetime Withdrawal riders:

- Offer limited flexibility during your accumulation years
- Work best when the client has 20 or more years to wait for income
- Must be held **for life** to maximize their impact

On the back we look at a comparison to show exactly how these riders work, and where they might make sense.

The Rollover Option — Good or Bad?

Many people believe that they should rollover to a Roth, because they believe taxes will be going up. Unfortunately what most people don’t take into consideration that when you rollover a traditional IRA or 401(k) you must:

- Pay all taxes at the time of the conversion
- Claim all of the conversion as ordinary income in the year of the conversion, and
- Come up with money outside of the account to pay for the taxes

The biggest issue with Roth conversions is that the average U.S. household only has about \$4,000 in savings, not nearly enough to pay the tax. If you then use money from the IRA or 401(k) to pay off the tax, that money is considered an “early distribution” and subject to the IRS 10% penalty. This excess penalty can be significant, but if you’re willing to pay that penalty, would there be a better option?

Retirement Planning for Today

If you could have a product that afforded you the following benefits, would you consider it?

- Tax-deferred growth
- Tax-free income
- No risk of losing money in the market
- Interest based on the performance of the broad stock market
- No contribution limits
- Proceeds above and beyond contributions go tax-free to loved ones should you die prematurely

Many Americans would shout a resounding, “yes!” Yet few Americans know that the I.R.S. already allows this type of product under a little know tax code, and that Indexed Universal Life maximizes the power of that code. Then why is that so many people don’t consider Indexed Universal Life insurance (IUL) as the new foundation for retirement planning?

Rethink Your Options

If what you think you know about life insurance is based on an experience or product from years ago, it’s time for you to reconsider your retirement options. First IUL does not put any of your money at risk, while providing you the opportunity to have your performance tracked against an external market index. Second, all the guarantees are backed by the financial strength of the insurance company issuing the policy. Many people call IUL a “super Roth” because it gives you the same tax benefits of a Roth, without all the restrictions and risks. Talk with your financial professional about how IUL can work in your retirement strategy. Then, review the comparisons on the back to see how IUL can provide a steady stream of tax-free retirement income.