

**Figure 2: Premium-Financing Strategy
for
Valued Client**

\$1,000,000 Policy; Premiums Financed by 3rd Party Lender

Illustration Assumes Loan Interest Is Not Deductible

Year	Age of Client	* Survival Probabilities			Non-Financed Annual Outlay	Financed Outlay	Total Loan	Loan Rate LIBOR + Spread	Annual Loan Interest	Cash Surr. Value of Policy	Amt. of Loan In Excess of Cash Value	Death Benefit of Policy	Policy's Death Benefit less Loan	IRR at Death
		75%	50%	25%										
1	78	*	*	*	47,885	95,433	95,433	3.50%	3,340	13,436	81,997	1,095,433	1,000,000	29838.65%
2	79	*	*	*	47,885	95,433	190,867	3.75%	7,157	75,548	115,319	1,190,867	1,000,000	1526.45%
3	80	*	*	*	47,885	95,433	286,300	4.00%	11,452	138,175	148,125	1,286,300	1,000,000	489.39%
4	81	*	*	*	47,885	95,433	381,733	4.25%	16,224	199,892	181,841	1,381,733	1,000,000	249.44%
5	82	*	*		47,885	95,433	477,166	4.50%	21,472	263,761	213,405	1,477,166	1,000,000	154.14%
6	83	*	*		47,885	95,433	572,600	4.75%	27,198	323,324	249,276	1,572,600	1,000,000	105.24%
7	84	*	*		47,885	95,433	668,033	5.00%	33,402	380,419	287,614	1,668,033	1,000,000	76.13%
8	85	*	*		47,885	95,433	763,466	5.00%	38,173	432,085	331,381	1,763,466	1,000,000	57.13%
9	86	*	*		47,885	95,433	858,899	5.00%	42,945	478,040	380,859	1,858,899	1,000,000	43.90%
10	87	*	*		47,885	95,433	954,333	5.00%	47,717	517,563	436,770	1,954,333	1,000,000	34.25%
11	88	*	*		47,885	95,433	1,049,766	5.00%	52,488	543,549	506,217	2,049,766	1,000,000	26.95%
12	89	*	*		47,885	95,433	1,145,199	5.00%	57,260	557,322	587,877	2,145,199	1,000,000	21.26%
13	90	*	*		47,885	95,433	1,240,633	5.00%	62,032	554,096	686,537	2,240,633	1,000,000	16.72%
14	91	*	*		47,885	95,433	1,336,066	5.00%	66,803	528,236	807,830	2,336,066	1,000,000	13.02%
15	92	*	*		47,885	95,433	1,431,499	5.00%	71,575	470,229	961,270	2,431,499	1,000,000	9.96%
16	93	*	*		47,885	95,433	1,526,932	5.00%	76,347	364,152	1,162,780	2,526,932	1,000,000	7.38%
17	94	*	*		47,885	95,433	1,622,366	5.00%	81,118	187,816	1,434,550	2,622,366	1,000,000	5.18%
18	95	*	*		47,885	95,433	1,717,799	5.00%	85,890	0	1,717,799	2,717,799	1,000,000	3.28%
19	96	*	*		47,885	95,433	1,813,232	5.00%	90,662	0	1,813,232	2,813,232	1,000,000	1.62%
20	97	*	*		47,885	95,433	1,908,665	5.00%	95,433	0	1,908,665	2,908,665	1,000,000	0.16%
21	98	*	*		47,885	95,433	2,004,099	5.00%	100,205	0	2,004,099	3,004,099	1,000,000	-1.15%
22	99	*	*		47,885	95,433	2,099,532	5.00%	104,977	0	2,099,532	3,099,532	1,000,000	-2.32%