

An Equity Split Dollar Plan

The Plan Description

Of all the strategies used by employers to provide unique fringe benefits for their valuable executives, this variation is one of the most efficient.

With this plan, the employer pays all (or substantially all) the premium due on a cash value life insurance policy on the life of a valued executive.

The policy is owned by the executive or, if estate liquidity use is contemplated, an irrevocable trust. The employer is furnished an assignment of death benefits and cash values to the extent of the premiums it has paid. The remaining death benefits are paid to the executive's named beneficiaries (or to the trust). The cash values that exceed the recovery rights of the employer belong to the policyowner - the executive or trust, as the case may be.

Tax free access to policy cash value in excess of the employer's premium recovery rights is available through use of policy loan provisions. Available at very favorable interest rates, loans on executive-owned plans are frequently used for retirement income, although they may be utilized for any purpose.

Split dollar plans have yearly income tax ramifications. The IRS has issued rulings specifying that, unless an offsetting payment is made, an executive covered with a split dollar arrangement is in receipt of a taxable economic benefit to the extent relief is provided from paying premiums personally. Income tax calculations are not, however, derived from the premium paid by the employer. Instead, they are based on the premium relief the executive has experienced -- measured by certain term insurance rates available from the issuing insurance company or, at the taxpayer's option, from a special term-type rate table published by the government. Either method usually creates an advantageous spread between the actual policy premium and the cost of the plan to the executive.

Favorable income tax impact, combined with the plan's impressive cash surrender values and death benefit, creates a multi-benefit executive compensation plan with significant financial leverage. This is particularly evident in the accompanying presentation.

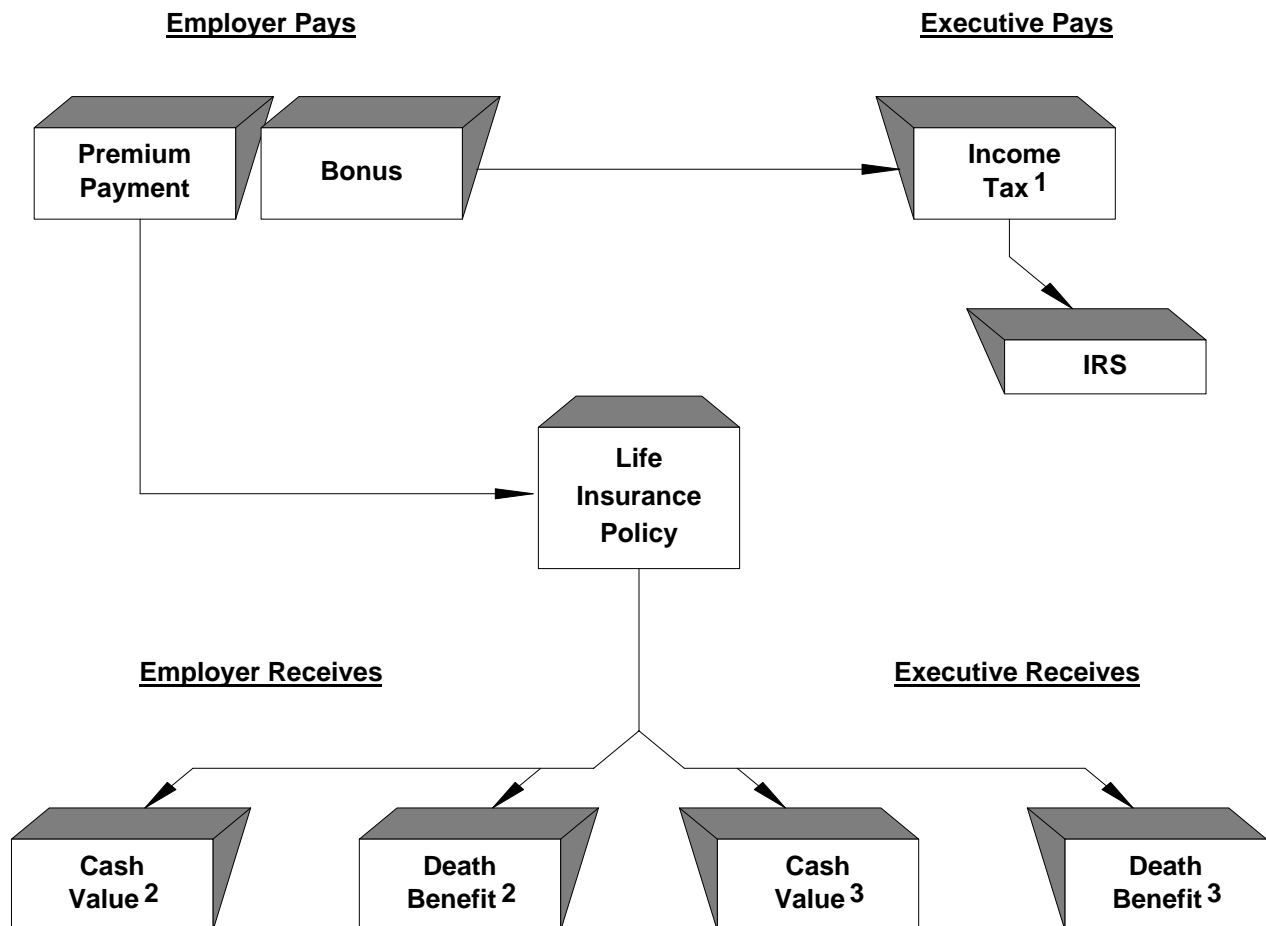
An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Who Pays What - Who Receives What

Presented By: [Licensed user's name appears here]
Date: 01/01/2002

For: Frank Contini
Ryder Corporation

Flow Chart Analysis



(1) For the bonus and any economic benefit imputed on the plan.

(2) Equal to cumulative premiums paid by employer.

(3) Equal to remaining balance after employer's portion is deducted.

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Illustration of Values of The Policy Used in the Plan

Values Page: 1
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

	Male Age 45	VUL Interest Rate 10.00%	Initial Payment 100,000	Initial Death Benefit 2,500,000	
Year	(1) Net Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
1	100,000	0	101,714	66,714	2,500,000
2	100,000	0	212,346	142,346	2,500,000
3	100,000	0	332,215	257,715	2,500,000
4	100,000	0	462,138	387,638	2,500,000
5	100,000	0	603,023	528,523	2,500,000
6	0	0	646,994	576,219	2,500,000
7	0	0	694,192	627,887	2,500,000
8	0	0	744,896	683,806	2,500,000
9	0	0	799,374	744,244	2,500,000
10	0	0	857,934	809,509	2,500,000
11	0	0	920,944	879,969	2,500,000
12	0	0	988,800	956,020	2,500,000
13	0	0	1,061,919	1,038,079	2,500,000
14	0	0	1,140,815	1,126,660	2,500,000
15	0	0	1,226,058	1,226,058	2,500,000
16	0	0	1,318,255	1,318,255	2,500,000
17	0	0	1,418,159	1,418,159	2,500,000
18	0	0	1,526,610	1,526,610	2,500,000
19	0	0	1,644,559	1,644,559	2,500,000
20	0	0	1,773,121	1,773,121	2,500,000
	500,000	0			

*This is an example of an InsMark "supplemental" illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Illustration of Values of The Policy Used in the Plan

Values Page: 2
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

	Male Age 45	VUL Interest Rate 10.00%	Initial Payment 100,000	Initial Death Benefit 2,500,000	
Year	(1) Net Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
21	0	0	1,913,603	1,913,603	2,500,000
22	0	0	2,067,528	2,067,528	2,500,000
23	0	0	2,236,164	2,236,164	2,638,673
24	0	0	2,418,300	2,418,300	2,829,411
25	0	0	2,615,007	2,615,007	3,033,409
26	0	0	2,827,461	2,827,461	3,251,581
27	0	0	3,057,736	3,057,736	3,455,242
28	0	0	3,307,592	3,307,592	3,671,427
29	0	0	3,579,041	3,579,041	3,901,155
30	0	0	3,874,395	3,874,395	4,145,602
31	0	0	4,196,334	4,196,333	4,406,151
32	0	0	4,544,260	4,544,260	4,771,473
33	0	0	4,920,122	4,920,122	5,166,128
34	0	0	5,325,987	5,325,987	5,592,287
35	0	0	5,764,046	5,764,046	6,052,248
36	0	0	6,236,609	6,236,609	6,548,440
37	0	0	6,746,095	6,746,095	7,083,400
38	0	0	7,295,046	7,295,046	7,659,798
39	0	0	7,886,100	7,886,100	8,280,405
40	0	0	8,521,998	8,521,998	8,948,098
	500,000	0			

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Summary of Costs and Benefits

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Summary Page: 1
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

Year	Male Age 45	Form of Transaction (Coll. Assign.)	Employer's Tax Bracket 34.00%	Executive's Tax Bracket 40.00%	VUL Interest Rate 10.00%		
	Employer			Executive			
	(1) Net Payment	(2) Share of Cash Value*	(3) Share of Death Benefit	(4) Net Payment	(5) Share of Accum Value*	(6) Share of Cash Value*	(7) Share of Death Benefit
1	101,616	66,714	100,000	0	1,714	0	2,400,000
2	101,690	142,346	200,000	0	12,346	0	2,300,000
3	101,771	257,715	300,000	0	32,215	0	2,200,000
4	101,830	387,638	400,000	0	62,138	0	2,100,000
5	101,874	500,000	500,000	0	103,023	28,523	2,000,000
6	2,024	500,000	500,000	0	146,994	76,219	2,000,000
7	2,218	500,000	500,000	0	194,192	127,887	2,000,000
8	2,473	500,000	500,000	0	244,896	183,806	2,000,000
9	2,816	500,000	500,000	0	299,374	244,244	2,000,000
10	3,212	500,000	500,000	0	357,934	309,509	2,000,000
11	3,652	500,000	500,000	0	420,944	379,969	2,000,000
12	4,118	500,000	500,000	0	488,800	456,020	2,000,000
13	4,576	500,000	500,000	0	561,919	538,079	2,000,000
14	4,981	500,000	500,000	0	640,815	626,660	2,000,000
15	5,333	500,000	500,000	0	726,058	726,058	2,000,000
16	5,729	500,000	500,000	0	818,255	818,255	2,000,000
17	6,257	500,000	500,000	0	918,159	918,159	2,000,000
18	7,005	500,000	500,000	0	1,026,610	1,026,610	2,000,000
19	7,991	500,000	500,000	0	1,144,559	1,144,559	2,000,000
20	9,161	500,000	500,000	0	1,273,121	1,273,121	2,000,000
	580,327			0			

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This illustration assumes valid IRC Sec. 83(b) elections are utilized that insulate policy values from taxation.

Summary of Costs and Benefits

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Summary Page: 2
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

Year	Male Age	Form of Transaction	Employer's Tax Bracket	Executive's Tax Bracket	VUL Interest Rate		
	45	(Coll. Assign.)	34.00%	40.00%	10.00%		
Employer			Executive				
	(1) Net Payment	(2) Share of Cash Value*	(3) Share of Death Benefit	(4) Net Payment	(5) Share of Accum Value*	(6) Share of Cash Value*	(7) Share of Death Benefit
21	10,472	500,000	500,000	0	1,413,603	1,413,603	2,000,000
22	11,889	500,000	500,000	0	1,567,528	1,567,528	2,000,000
23	14,304	500,000	500,000	0	1,736,164	1,736,164	2,138,673
24	17,342	500,000	500,000	0	1,918,300	1,918,300	2,329,411
25	20,845	500,000	500,000	0	2,115,007	2,115,007	2,533,409
26	24,965	500,000	500,000	0	2,327,461	2,327,461	2,751,581
27	29,543	500,000	500,000	0	2,557,736	2,557,736	2,955,242
28	34,983	500,000	500,000	0	2,807,592	2,807,592	3,171,427
29	41,259	500,000	500,000	0	3,079,041	3,079,041	3,401,155
30	48,410	500,000	500,000	0	3,374,395	3,374,395	3,645,602
31	56,803	500,000	500,000	0	3,696,334	3,696,333	3,906,151
32	68,280	500,000	500,000	0	4,044,260	4,044,260	4,271,473
33	82,473	500,000	500,000	0	4,420,122	4,420,122	4,666,128
34	99,326	500,000	500,000	0	4,825,987	4,825,987	5,092,287
35	120,269	500,000	500,000	0	5,264,046	5,264,046	5,552,248
36	145,201	500,000	500,000	0	5,736,609	5,736,609	6,048,440
37	175,280	500,000	500,000	0	6,246,095	6,246,095	6,583,400
38	210,252	500,000	500,000	0	6,795,046	6,795,046	7,159,798
39	250,146	500,000	500,000	0	7,386,100	7,386,100	7,780,405
40	298,674	500,000	500,000	0	8,021,998	8,021,998	8,448,098
	2,341,043			0			

*This is an example of an InsMark "supplemental" illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

This illustration assumes valid IRC Sec. 83(b) elections are utilized that insulate policy values from taxation.

Employer's Analysis

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Employer's Page: 1
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

Male Form of
Age Transaction
45 (Coll. Assign.)
Employer's
Tax Bracket
34.00%
VUL
Interest Rate
10.00%

Year	Employer's Costs					Employer's Values	
	(1) Split Dollar Net Premium Share	(2) Cum. Split Dollar Net Premium Share	(3) Bonus to Executive	(4) After Tax Cost of Bonus	(5) Net Payment (1)+(4)	(6) Employer's Share of Cash Value*	(7) Employer's Share of Death Benefit
1	100,000	100,000	2,448	1,616	101,616	66,714	100,000
2	100,000	200,000	2,561	1,690	101,690	142,346	200,000
3	100,000	300,000	2,684	1,771	101,771	257,715	300,000
4	100,000	400,000	2,772	1,830	101,830	387,638	400,000
5	100,000	500,000	2,840	1,874	101,874	500,000	500,000
6	0	500,000	3,067	2,024	2,024	500,000	500,000
7	0	500,000	3,360	2,218	2,218	500,000	500,000
8	0	500,000	3,747	2,473	2,473	500,000	500,000
9	0	500,000	4,267	2,816	2,816	500,000	500,000
10	0	500,000	4,867	3,212	3,212	500,000	500,000
11	0	500,000	5,533	3,652	3,652	500,000	500,000
12	0	500,000	6,240	4,118	4,118	500,000	500,000
13	0	500,000	6,933	4,576	4,576	500,000	500,000
14	0	500,000	7,547	4,981	4,981	500,000	500,000
15	0	500,000	8,080	5,333	5,333	500,000	500,000
16	0	500,000	8,680	5,729	5,729	500,000	500,000
17	0	500,000	9,480	6,257	6,257	500,000	500,000
18	0	500,000	10,613	7,005	7,005	500,000	500,000
19	0	500,000	12,107	7,991	7,991	500,000	500,000
20	0	500,000	13,880	9,161	9,161	500,000	500,000
	500,000		121,706	80,327	580,327		

*This is an example of an InsMark "supplemental" illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

Columns (6) and (7) can never exceed column (2) because the employer's recovery of policy values is limited to the amount in column (2) for that year. Remaining policy values belong to the executive.

Employer's Analysis

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Employer's Page: 2
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

Male Form of Employer's VUL
Age Transaction Tax Bracket Interest Rate
45 (Coll. Assign.) 34.00% 10.00%

Year	Employer's Costs					Employer's Values	
	(1) Split Dollar Net Premium Share	(2) Cum. Split Dollar Net Premium Share	(3) Bonus to Executive	(4) After Tax Cost of Bonus	(5) Net Payment (1)+(4)	(6) Employer's Share of Cash Value*	(7) Employer's Share of Death Benefit
21	0	500,000	15,867	10,472	10,472	500,000	500,000
22	0	500,000	18,013	11,889	11,889	500,000	500,000
23	0	500,000	21,672	14,304	14,304	500,000	500,000
24	0	500,000	26,276	17,342	17,342	500,000	500,000
25	0	500,000	31,583	20,845	20,845	500,000	500,000
26	0	500,000	37,825	24,965	24,965	500,000	500,000
27	0	500,000	44,762	29,543	29,543	500,000	500,000
28	0	500,000	53,005	34,983	34,983	500,000	500,000
29	0	500,000	62,513	41,259	41,259	500,000	500,000
30	0	500,000	73,349	48,410	48,410	500,000	500,000
31	0	500,000	86,065	56,803	56,803	500,000	500,000
32	0	500,000	103,455	68,280	68,280	500,000	500,000
33	0	500,000	124,959	82,473	82,473	500,000	500,000
34	0	500,000	150,494	99,326	99,326	500,000	500,000
35	0	500,000	182,225	120,269	120,269	500,000	500,000
36	0	500,000	220,002	145,201	145,201	500,000	500,000
37	0	500,000	265,575	175,280	175,280	500,000	500,000
38	0	500,000	318,563	210,252	210,252	500,000	500,000
39	0	500,000	379,009	250,146	250,146	500,000	500,000
40	0	500,000	452,537	298,674	298,674	500,000	500,000
	500,000		2,789,455	1,841,043	2,341,043		

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Columns (6) and (7) can never exceed column (2) because the employer's recovery of policy values is limited to the amount in column (2) for that year. Remaining policy values belong to the executive.

Executive's Cost Analysis

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Executive's Cost Detail Page: 1
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

Male Form of Executive's VUL
Age Transaction Tax Bracket Interest Rate
45 (Coll. Assign.) 40.00% 10.00%

Executive's Costs						
Year	(1) Executive's Scheduled Premium Share	(2) Additional Taxable Value of Benefit*	(3) Bonus Income Received	(4) Taxable Income (2)+(3)	(5) Income Tax Due on Col (4)	(6) Executive's Net Payment (1)-(3)+(5)
1	0	3,672	2,448	6,120	2,448	0
2	0	3,841	2,561	6,402	2,561	0
3	0	4,026	2,684	6,710	2,684	0
4	0	4,158	2,772	6,930	2,772	0
5	0	4,260	2,840	7,100	2,840	0
6	0	4,600	3,067	7,667	3,067	0
7	0	5,040	3,360	8,400	3,360	0
8	0	5,620	3,747	9,367	3,747	0
9	0	6,400	4,267	10,667	4,267	0
10	0	7,300	4,867	12,167	4,867	0
11	0	8,300	5,533	13,833	5,533	0
12	0	9,360	6,240	15,600	6,240	0
13	0	10,400	6,933	17,333	6,933	0
14	0	11,320	7,547	18,867	7,547	0
15	0	12,120	8,080	20,200	8,080	0
16	0	13,020	8,680	21,700	8,680	0
17	0	14,220	9,480	23,700	9,480	0
18	0	15,920	10,613	26,533	10,613	0
19	0	18,160	12,107	30,267	12,107	0
20	0	20,820	13,880	34,700	13,880	0
	0	182,557	121,706	304,263	121,706	0

*Assuming column (1) offsets the economic benefit.

This is an example of an InsMark "supplemental" illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

Column (2) is the imputed economic benefit in compliance with IRS Notice 2002-8. (Table 2001 rates utilized.)

Executive's Cost Analysis

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Executive's Cost Detail Page: 2
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

Male Form of Executive's VUL
Age Transaction Tax Bracket Interest Rate
45 (Coll. Assign.) 40.00% 10.00%

Executive's Costs						
Year	(1) Executive's Scheduled Premium Share	(2) Additional Taxable Value of Benefit*	(3) Bonus Income Received	(4) Taxable Income (2)+(3)	(5) Income Tax Due on Col (4)	(6) Executive's Net Payment (1)-(3)+(5)
21	0	23,800	15,867	39,667	15,867	0
22	0	27,020	18,013	45,033	18,013	0
23	0	32,508	21,672	54,180	21,672	0
24	0	39,414	26,276	65,690	26,276	0
25	0	47,375	31,583	78,958	31,583	0
26	0	56,738	37,825	94,563	37,825	0
27	0	67,143	44,762	111,905	44,762	0
28	0	79,508	53,005	132,513	53,005	0
29	0	93,770	62,513	156,283	62,513	0
30	0	110,024	73,349	183,373	73,349	0
31	0	129,098	86,065	215,163	86,065	0
32	0	155,183	103,455	258,638	103,455	0
33	0	187,438	124,959	312,397	124,959	0
34	0	225,741	150,494	376,235	150,494	0
35	0	273,337	182,225	455,562	182,225	0
36	0	330,003	220,002	550,005	220,002	0
37	0	398,362	265,575	663,937	265,575	0
38	0	477,845	318,563	796,408	318,563	0
39	0	568,514	379,009	947,523	379,009	0
40	0	678,805	452,537	1,131,342	452,537	0
	0	4,184,183	2,789,455	6,973,638	2,789,455	0

*Assuming column (1) offsets the economic benefit.

This is an example of an InsMark "supplemental" illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

Column (2) is the imputed economic benefit in compliance with IRS Notice 2002-8. (Table 2001 rates utilized.)

Executive's Values Analysis

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Executive's Values Detail Page: 1
Date: 01/01/2002

Presented By: [Licensed user's name appears here]

For: Frank Contini
Ryder Corporation

Male	Form of	Executive's	VUL
Age	Transaction	Tax Bracket	Interest Rate
45	(Coll. Assign.)	40.00%	10.00%

Year	(1) Executive's Share of Accum Value*	(2) Executive's Share of Cash Value*	(3) Executive's Share of Death Benefit
1	1,714	0	2,400,000
2	12,346	0	2,300,000
3	32,215	0	2,200,000
4	62,138	0	2,100,000
5	103,023	28,523	2,000,000
6	146,994	76,219	2,000,000
7	194,192	127,887	2,000,000
8	244,896	183,806	2,000,000
9	299,374	244,244	2,000,000
10	357,934	309,509	2,000,000
11	420,944	379,969	2,000,000
12	488,800	456,020	2,000,000
13	561,919	538,079	2,000,000
14	640,815	626,660	2,000,000
15	726,058	726,058	2,000,000
16	818,255	818,255	2,000,000
17	918,159	918,159	2,000,000
18	1,026,610	1,026,610	2,000,000
19	1,144,559	1,144,559	2,000,000
20	1,273,121	1,273,121	2,000,000

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Executive's Values Analysis

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Executive's Values Detail Page: 2
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For: Frank Contini
Ryder Corporation

Male	Form of	Executive's	VUL
Age	Transaction	Tax Bracket	Interest Rate
45	(Coll. Assign.)	40.00%	10.00%

Year	(1) Executive's Share of Accum Value*	(2) Executive's Share of Cash Value*	(3) Executive's Share of Death Benefit
21	1,413,603	1,413,603	2,000,000
22	1,567,528	1,567,528	2,000,000
23	1,736,164	1,736,164	2,138,673
24	1,918,300	1,918,300	2,329,411
25	2,115,007	2,115,007	2,533,409
26	2,327,461	2,327,461	2,751,581
27	2,557,736	2,557,736	2,955,242
28	2,807,592	2,807,592	3,171,427
29	3,079,041	3,079,041	3,401,155
30	3,374,395	3,374,395	3,645,602
31	3,696,334	3,696,333	3,906,151
32	4,044,260	4,044,260	4,271,473
33	4,420,122	4,420,122	4,666,128
34	4,825,987	4,825,987	5,092,287
35	5,264,046	5,264,046	5,552,248
36	5,736,609	5,736,609	6,048,440
37	6,246,095	6,246,095	6,583,400
38	6,795,046	6,795,046	7,159,798
39	7,386,100	7,386,100	7,780,405
40	8,021,998	8,021,998	8,448,098

*This is an example of an InsMark "supplemental" illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

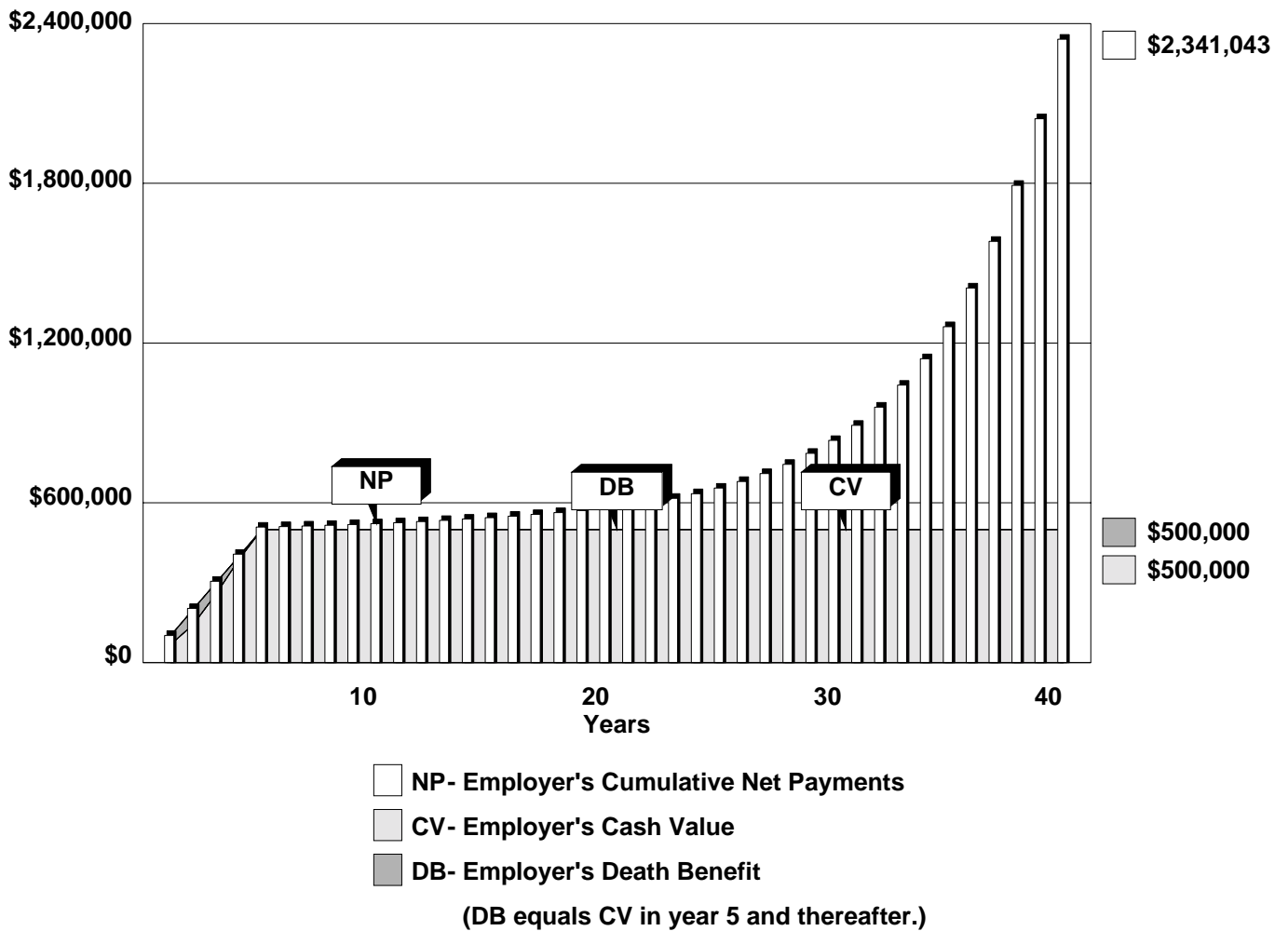
This illustration assumes valid IRC Sec. 83(b) elections are utilized that insulate policy values from taxation.

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Presented By: [Licensed user's name appears here]
Date: 01/01/2002

For: Frank Contini
Ryder Corporation

Employer's 40 Year Graphic Analysis



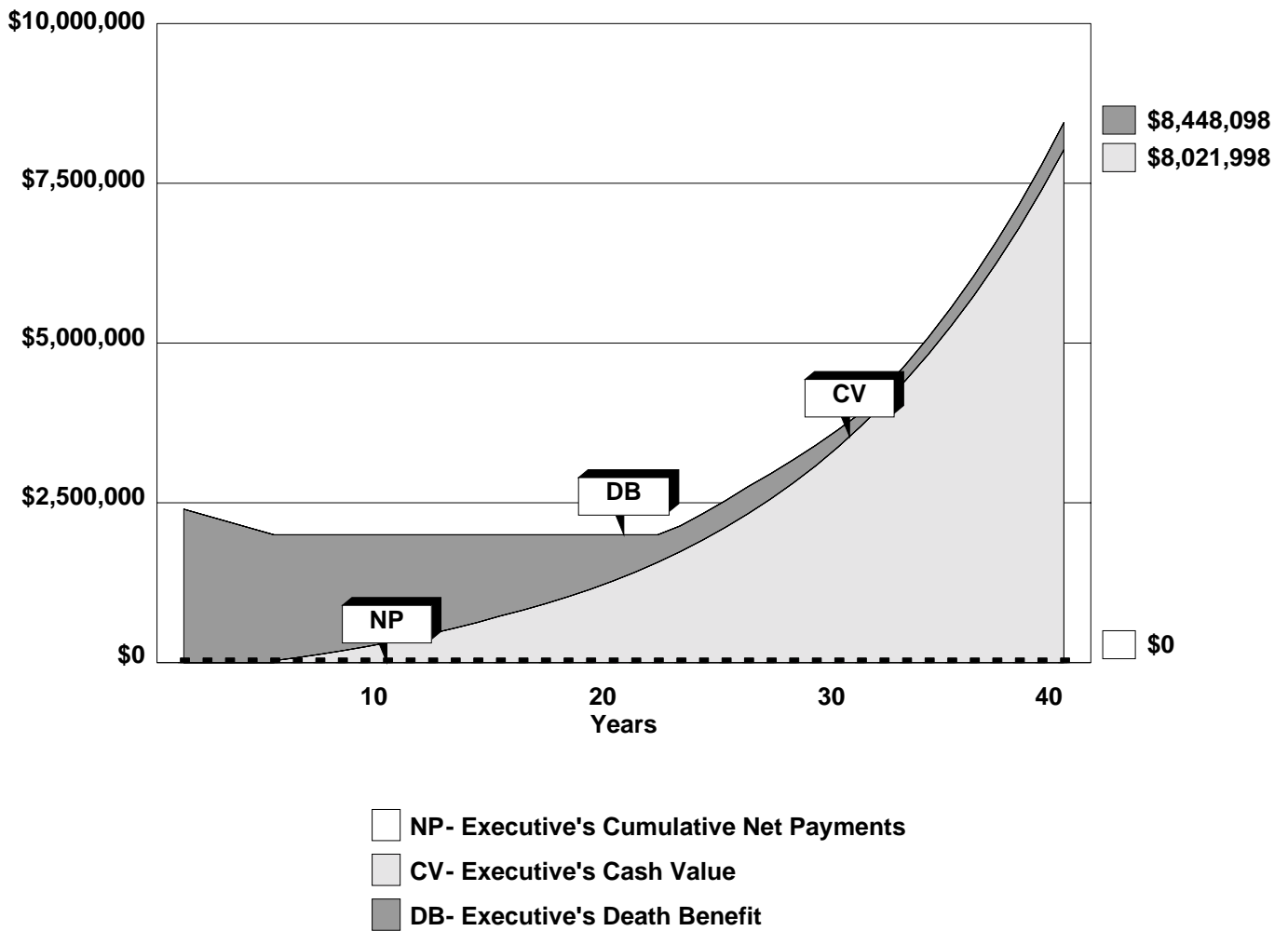
Note: The after tax effects of bonuses are included in the cumulative net payments of both the employer and the executive.

An Equity Split Dollar Plan Using Variable Universal Life (VUL)

Presented By: [Licensed user's name appears here]
Date: 01/01/2002

For: Frank Contini
Ryder Corporation

Executive's 40 Year Graphic Analysis



Note: The after tax effects of bonuses are included in the cumulative net payments of both the employer and the executive.