

A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872)

This plan is an executive fringe benefit arrangement involving a series of employer-sponsored loans to a valued executive for the purpose of purchasing a cash value life insurance policy. The plan is designed to operate within the IRC Section 7872 safe harbor of IRS Notice 2002-8.

Promissory Notes: The loans associated with the plan are evidenced by a series of promissory notes between the employer and the executive, and the life insurance policy is assigned as collateral security for the loans. The loans are term loans, i.e., they are due at the end of a specific period of years; however, the promissory note calls for the acceleration of repayment should the executive die prior to the date of scheduled loan repayments.

Loan Interest: The interest rate for the life of each loan is set at least to the long-term rate in effect at the beginning of the loan under IRC Section 7872 (often referred to as the "Applicable Federal Rate" or "AFR"). As an additional benefit in some plans, the employer will help offset the executive's loan interest payments via a bonus.

Under Sec. 7872, if no interest or an inadequate rate of interest is charged on a loan, the IRS recharacterizes the loan into an "arms-length" transaction and imputes an interest rate that is deemed to have been received by the lender and paid by the borrower. The rate is published monthly and is determined by the length of the loan transaction, i.e., either the short-term rate (less than 3 years), the mid-term rate (over 3 years but not over 9 years), or the long-term rate (over 9 years).

So long as the loan interest rate is equal to or exceeds the applicable Section 7872 interest rate, no further interest is imputed by the IRS on the transaction. In the accompanying material, the loan interest rate is set to the long-term Section 7872 rate of 5.62% in effect for the month in which this report is written (April 2002).

For illustrative purposes, the accompanying material illustrates a constant 5.62% interest rate on the entire series of loans illustrated; however, the loan interest rate for each new loan will likely be different. Each future loan must bear the appropriate Sec. 7872 loan interest rate in effect during the month the new loan is executed, and each new loan should be evidenced by its own promissory note, as well.

There are four ways to deal with unknown future Sec. 7872 loan interest rates:

1. If a bonus is paid to the executive to offset the loan interest, accept the risk: This may increase or decrease the amount of the bonus; however, the loan interest paid to the employer by the executive should provide a full or partial offset, as the case may be.

2. Accrue additional loan interest: If the loan interest rate increases, the executive could be allowed to accrue the additional loan interest. Alternatively, the executive could withdraw funds from the policy to make up the difference in the loan interest due.
3. Renegotiate the loan: Wait until a time when the Sec. 7872 rate dips and recast the series of promissory notes into a new note at the reduced rate.
4. Consolidate all loans at the inception of the plan: In this case, the loaned funds in excess of those needed to pay the policy's initial premium should be reserved by the executive to pay the remaining stream of premiums as they fall due. In this case, the employer may wish to consider requiring some form of custodianship for the reserved funds to be certain they are used for the intended purpose.

Policy Loans: As owner of the policy, the executive can borrow that portion of policy cash values in excess of the amount required to collateralize the loan. These loans are typically used to supplement retirement income and, in some cases, are used as a source of funds for loan interest payments or loan repayment.

Note: Policy loans reduce cash values and death benefits, and the lapse of a loaned policy could result in severe tax ramifications to the policy owner. Be sure to consult your professional tax adviser if you have any questions about this issue.

Important Note

This report and the accompanying material are not a substitute for advice from legal and tax advisers of all participants, and the accompanying plan, or any variation thereof, should not be utilized without their specific review and approval.

This report was written April 01, 2002.

A Leveraged Benefit Plan Using Variable Universal Life (VUL)

Illustration of Values Of The Policy Used in the Plan

Values Page: 1
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

		Male Age 45	VUL Interest Rate 10.00%	Initial Payment 100,000	Initial Policy Death Benefit 2,500,000		
Year	Age	(1) Policy Premium	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit	
1	45	100,000	0	334,685	267,685	2,500,000	
2	46	100,000	0	465,803	398,803	2,500,000	
3	47	100,000	0	608,019	541,019	2,500,000	
4	48	0	0	653,489	589,839	2,500,000	
5	49	0	0	702,478	642,848	2,500,000	
6	50	0	0	755,302	700,362	2,500,000	
7	51	0	0	812,183	762,603	2,500,000	
8	52	0	0	873,486	829,936	2,500,000	
9	53	0	0	939,576	902,726	2,500,000	
10	54	0	0	1,010,869	981,389	2,500,000	
11	55	0	0	1,087,855	1,066,415	2,500,000	
12	56	0	0	1,171,067	1,158,337	2,500,000	
13	57	0	0	1,261,081	1,261,081	2,500,000	
14	58	0	0	1,358,587	1,358,587	2,500,000	
15	59	0	0	1,464,355	1,464,355	2,500,000	
16	60	0	0	1,579,232	1,579,232	2,500,000	
17	61	0	0	1,704,231	1,704,231	2,500,000	
18	62	0	0	1,840,499	1,840,499	2,500,000	
19	63	0	0	1,989,345	1,989,345	2,500,000	
20	64	0	0	2,152,085	2,152,085	2,625,544	
		300,000	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.

20 Year Summary

Cum. Payments	300,000
Cum. Pre-Tax Policy Cash Flow	0
Cash value	2,152,085
Death Benefit	2,625,544

A Leveraged Benefit Plan Using Variable Universal Life (VUL)

Illustration of Values Of The Policy Used in the Plan

Values Page: 2
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

Male Age 45	VUL Interest Rate 10.00%	Initial Payment 100,000	Initial Policy Death Benefit 2,500,000
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Year	Age	(1) Policy Premium	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
21	65	0	0	2,328,173	2,328,173	2,793,808
22	66	0	0	2,518,371	2,518,371	2,996,862
23	67	0	0	2,723,794	2,723,794	3,214,077
24	68	0	0	2,945,662	2,945,662	3,446,424
25	69	0	0	3,185,279	3,185,278	3,694,923
26	70	0	0	3,444,078	3,444,077	3,960,689
27	71	0	0	3,724,585	3,724,585	4,208,781
28	72	0	0	4,028,944	4,028,944	4,472,128
29	73	0	0	4,359,607	4,359,607	4,751,972
30	74	0	0	4,719,389	4,719,389	5,049,747
31	75	0	0	5,111,556	5,111,556	5,367,134
32	76	0	0	5,535,378	5,535,378	5,812,147
33	77	0	0	5,993,231	5,993,231	6,292,892
34	78	0	0	6,487,632	6,487,631	6,812,013
35	79	0	0	7,021,249	7,021,249	7,372,311
36	80	0	0	7,596,897	7,596,897	7,976,742
37	81	0	0	8,217,522	8,217,522	8,628,398
38	82	0	0	8,886,220	8,886,220	9,330,531
		300,000	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.

38 Year Summary

Cum. Payments	300,000
Cum. Pre-Tax Policy Cash Flow	0
Cash value	8,886,220
Death Benefit	9,330,531

Summary of Costs and Benefits

A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872) Funded With Variable Universal Life (VUL)

Summary Page: 1
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

Male Age 45	Employer's Tax Bracket 34.00%	Executive's Tax Bracket 35.00%	VUL Interest Rate 10.00%	Initial Policy Death Benefit 2,500,000
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Year	Age	Employer's Plan Payments, Loan Receivable, and Cumulative Charge to Earnings				Executive's Plan Payments and Loan Collateral			
		(1) Net Payment to the Plan	(2) Cumulative Net Payments to the Plan**	(3) Portion of Col. (2) Due as a Loan Receivable	(4) Cumulative Charge to Earnings (2) - (3)	(5) Net Payment to the Plan	Loan Collateral		
						Accum Value*	Cash Value*	Death Benefit	
1	45	105,991	305,991	300,000	5,991	0	334,685	267,685	2,500,000
2	46	107,989	413,980	400,000	13,980	0	465,803	398,803	2,500,000
3	47	109,986	523,966	500,000	23,966	0	608,019	541,019	2,500,000
4	48	9,986	533,952	500,000	33,952	0	653,489	589,839	2,500,000
5	49	9,986	543,938	500,000	43,938	0	702,478	642,848	2,500,000
6	50	9,986	553,924	500,000	53,924	0	755,302	700,362	2,500,000
7	51	9,986	563,910	500,000	63,910	0	812,183	762,603	2,500,000
8	52	9,986	573,896	500,000	73,896	0	873,486	829,936	2,500,000
9	53	9,986	583,882	500,000	83,882	0	939,576	902,726	2,500,000
10	54	9,986	593,868	500,000	93,868	0	1,010,869	981,389	2,500,000
11	55	9,986	603,854	500,000	103,854	0	1,087,855	1,066,415	2,500,000
12	56	9,986	613,840	500,000	113,840	0	1,171,067	1,158,337	2,500,000
13	57	9,986	623,826	500,000	123,826	0	1,261,081	1,261,081	2,500,000
14	58	9,986	633,812	500,000	133,812	0	1,358,587	1,358,587	2,500,000
15	59	9,986	643,798	500,000	143,798	0	1,464,355	1,464,355	2,500,000
16	60	9,986	653,784	500,000	153,784	0	1,579,232	1,579,232	2,500,000
17	61	9,986	663,770	500,000	163,770	0	1,704,231	1,704,231	2,500,000
18	62	9,986	673,756	500,000	173,756	0	1,840,499	1,840,499	2,500,000
19	63	9,986	683,742	500,000	183,742	0	1,989,345	1,989,345	2,500,000
20	64	9,986	693,728	500,000	193,728	0	2,152,085	2,152,085	2,625,544
		493,728				0			

**\$200,000 of the \$305,991 value in year 1 represents the prior amounts due the employer under the split dollar arrangement being converted to this plan.

Executive's 20 Year Summary

*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.

	Living Values	Death Benefit
Variable Universal Life (VUL):	2,152,085	2,625,544
Less Loan Repayment Due Employer:	500,000	500,000
Equals Executive's Net Value:	1,652,085	2,125,544

Summary of Costs and Benefits

A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872) Funded With Variable Universal Life (VUL)

Summary Page: 2
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

Male Age 45	Employer's Tax Bracket 34.00%	Executive's Tax Bracket 35.00%	VUL Interest Rate 10.00%	Initial Policy Death Benefit 2,500,000
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		Employer's Plan Payments, Loan Receivable, and Cumulative Charge to Earnings				Executive's Plan Payments and Loan Collateral				
Year	Age	(1) Net Payment to the Plan	(2) Cumulative Net Payments to the Plan	(3) Portion of Col. (2) Due as a Loan Receivable	(4) Cumulative Charge to Earnings (2) - (3)	(5) Net Payment to the Plan	Loan Collateral			
								Accum Value*	Cash Value*	Death Benefit
21	65	9,986	703,714	500,000	203,714	0	2,328,173	2,328,173	2,793,808	
22	66	9,986	713,700	500,000	213,700	0	2,518,371	2,518,371	2,996,862	
23	67	9,986	723,686	500,000	223,686	0	2,723,794	2,723,794	3,214,077	
24	68	9,986	733,672	500,000	233,672	0	2,945,662	2,945,662	3,446,424	
25	69	9,986	743,658	500,000	243,658	0	3,185,279	3,185,278	3,694,923	
26	70	9,986	753,644	500,000	253,644	0	3,444,078	3,444,077	3,960,689	
27	71	9,986	763,630	500,000	263,630	0	3,724,585	3,724,585	4,208,781	
28	72	9,986	773,616	500,000	273,616	0	4,028,944	4,028,944	4,472,128	
29	73	9,986	783,602	500,000	283,602	0	4,359,607	4,359,607	4,751,972	
30	74	9,986	793,588	500,000	293,588	0	4,719,389	4,719,389	5,049,747	
31	75	9,986	803,574	500,000	303,574	0	5,111,556	5,111,556	5,367,134	
32	76	9,986	813,560	500,000	313,560	0	5,535,378	5,535,378	5,812,147	
33	77	9,986	823,546	500,000	323,546	0	5,993,231	5,993,231	6,292,892	
34	78	9,986	833,532	500,000	333,532	0	6,487,632	6,487,631	6,812,013	
35	79	9,986	843,518	500,000	343,518	0	7,021,249	7,021,249	7,372,311	
36	80	9,986	853,504	500,000	353,504	0	7,596,897	7,596,897	7,976,742	
37	81	9,986	863,490	500,000	363,490	0	8,217,522	8,217,522	8,628,398	
38	82	9,986	873,476	500,000	373,476	0	8,886,220	8,886,220	9,330,531	
		673,476				0				

Executive's 38 Year Summary

	Living Values	Death Benefit
Variable Universal Life (VUL):	8,886,220	9,330,531
Less Loan Repayment Due Employer:	500,000	500,000
Equals Executive's Net Value:	8,386,220	8,830,531

*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.

Employer's Net Payment Analysis

A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872) Funded With Variable Universal Life (VUL)

Employer's Page: 1
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

		Male Age 45	Employer's Tax Bracket 34.00%	IRC Sec. 7872 Long Term Rate 5.62%	Promissory Note Interest Rate 5.62%					
Year	Age	(1) Beginning of Year Loan to Executive	(2) Outstanding Loan to Executive*	(3) Year End Loan Interest Received from Executive	(4) After Tax Loan Interest Received from Executive	(5) Bonus Paid to Executive	(6) After Tax Cost of Bonus Paid to Executive	(7) Employer's Net Payment to the Plan (1) - (4) + (6)	(8) Employer's Annual Charge to Earnings (6) - (4)	(9) Employer's Cumulative Charge to Earnings
1	45	100,000	300,000	16,860	11,128	25,938	17,119	105,991	5,991	5,991
2	46	100,000	400,000	22,480	14,837	34,585	22,826	107,989	7,989	13,980
3	47	100,000	500,000	28,100	18,546	43,231	28,532	109,986	9,986	23,966
4	48	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	33,952
5	49	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	43,938
6	50	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	53,924
7	51	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	63,910
8	52	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	73,896
9	53	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	83,882
10	54	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	93,868
11	55	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	103,854
12	56	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	113,840
13	57	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	123,826
14	58	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	133,812
15	59	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	143,798
16	60	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	153,784
17	61	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	163,770
18	62	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	173,756
19	63	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	183,742
20	64	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	193,728
		300,000		545,140	359,793	838,681	553,521	493,728	193,728	

*\$200,000 of the \$300,000 value in year 1 represents the prior amounts due the employer under the split dollar arrangement being converted to this plan.

See accompanying Leveraged Benefit Plan report for remarks regarding IRC Section 7872 interest rates used in this illustration.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Employer's Net Payment Analysis

A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872) Funded With Variable Universal Life (VUL)

Employer's Page: 2
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

		Male Age 45	Employer's Tax Bracket 34.00%	IRC Sec. 7872 Long Term Rate 5.62%	Promissory Note Interest Rate 5.62%					
Year	Age	(1) Beginning of Year Loan to Executive	(2) Outstanding Loan to Executive	(3) Year End Loan Interest Received from Executive	(4) After Tax Loan Interest Received from Executive	(5) Bonus Paid to Executive	(6) After Tax Cost of Bonus Paid to Executive	(7) Employer's Net Payment to the Plan (1) - (4) + (6)	(8) Employer's Annual Charge to Earnings (6) - (4)	(9) Employer's Cumulative Charge to Earnings
21	65	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	203,714
22	66	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	213,700
23	67	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	223,686
24	68	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	233,672
25	69	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	243,658
26	70	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	253,644
27	71	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	263,630
28	72	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	273,616
29	73	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	283,602
30	74	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	293,588
31	75	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	303,574
32	76	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	313,560
33	77	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	323,546
34	78	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	333,532
35	79	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	343,518
36	80	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	353,504
37	81	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	363,490
38	82	0	500,000	28,100	18,546	43,231	28,532	9,986	9,986	373,476
		300,000		1,050,940	693,621	1,616,839	1,067,097	673,476	373,476	

See accompanying Leveraged Benefit Plan report for remarks regarding IRC Section 7872 interest rates used in this illustration.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Executive's Net Payment Analysis

A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872) Funded With Variable Universal Life (VUL)

Executive's Page: 1
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

		Male Age 45	Executive's Tax Bracket 35.00%	IRC Sec. 7872 Long Term Rate 5.62%	Promissory Note Interest Rate 5.62%			
Year	Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer	(3) Cumulative Loan Due Employer**	(4) Year End Loan Interest Paid to Employer	(5) Year End Bonus Received from Employer	(6) After Tax Bonus Received from Employer	(7) Executive's Net Payment to the Plan*
1	45	100,000	100,000	300,000	16,860	25,938	16,860	0
2	46	100,000	100,000	400,000	22,480	34,585	22,480	0
3	47	100,000	100,000	500,000	28,100	43,231	28,100	0
4	48	0	0	500,000	28,100	43,231	28,100	0
5	49	0	0	500,000	28,100	43,231	28,100	0
6	50	0	0	500,000	28,100	43,231	28,100	0
7	51	0	0	500,000	28,100	43,231	28,100	0
8	52	0	0	500,000	28,100	43,231	28,100	0
9	53	0	0	500,000	28,100	43,231	28,100	0
10	54	0	0	500,000	28,100	43,231	28,100	0
11	55	0	0	500,000	28,100	43,231	28,100	0
12	56	0	0	500,000	28,100	43,231	28,100	0
13	57	0	0	500,000	28,100	43,231	28,100	0
14	58	0	0	500,000	28,100	43,231	28,100	0
15	59	0	0	500,000	28,100	43,231	28,100	0
16	60	0	0	500,000	28,100	43,231	28,100	0
17	61	0	0	500,000	28,100	43,231	28,100	0
18	62	0	0	500,000	28,100	43,231	28,100	0
19	63	0	0	500,000	28,100	43,231	28,100	0
20	64	0	0	500,000	28,100	43,231	28,100	0
		300,000	300,000		545,140	838,681	545,140	0

*Column (7) = Columns (1) - (2) + (4) - (6)

See accompanying Leveraged Benefit Plan report for remarks regarding IRC Section 7872 interest rates used in this illustration.

**\$200,000 of the \$300,000 value in year 1 represents the prior amounts due the employer under the split dollar arrangement being converted to this plan.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

Executive's Net Payment Analysis

A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872) Funded With Variable Universal Life (VUL)

Executive's Page: 2
04/01/2002

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

For: Frank Contini
Contini Brothers, Inc.

		Male Age 45	Executive's Tax Bracket 35.00%	IRC Sec. 7872 Long Term Rate 5.62%	Promissory Note Interest Rate 5.62%				
Year	Age	(1) Policy Premium Due by Executive	(2) Beginning of Year Loan from Employer	(3) Cumulative Loan Due Employer	(4) Year End Loan Interest Paid to Employer	(5) Year End Bonus Received from Employer	(6) After Tax Bonus Received from Employer	(7) Executive's Net Payment to the Plan*	
21	65	0	0	500,000	28,100	43,231	28,100	0	
22	66	0	0	500,000	28,100	43,231	28,100	0	
23	67	0	0	500,000	28,100	43,231	28,100	0	
24	68	0	0	500,000	28,100	43,231	28,100	0	
25	69	0	0	500,000	28,100	43,231	28,100	0	
26	70	0	0	500,000	28,100	43,231	28,100	0	
27	71	0	0	500,000	28,100	43,231	28,100	0	
28	72	0	0	500,000	28,100	43,231	28,100	0	
29	73	0	0	500,000	28,100	43,231	28,100	0	
30	74	0	0	500,000	28,100	43,231	28,100	0	
31	75	0	0	500,000	28,100	43,231	28,100	0	
32	76	0	0	500,000	28,100	43,231	28,100	0	
33	77	0	0	500,000	28,100	43,231	28,100	0	
34	78	0	0	500,000	28,100	43,231	28,100	0	
35	79	0	0	500,000	28,100	43,231	28,100	0	
36	80	0	0	500,000	28,100	43,231	28,100	0	
37	81	0	0	500,000	28,100	43,231	28,100	0	
38	82	0	0	500,000	28,100	43,231	28,100	0	
		300,000	300,000		1,050,940	1,616,839	1,050,940	0	

*Column (7) = Columns (1) - (2) + (4) - (6)

See accompanying Leveraged Benefit Plan report for remarks regarding IRC Section 7872 interest rates used in this illustration.

The promissory note between the employer and the executive is presumed to be secured by a collateral assignment of the policy.

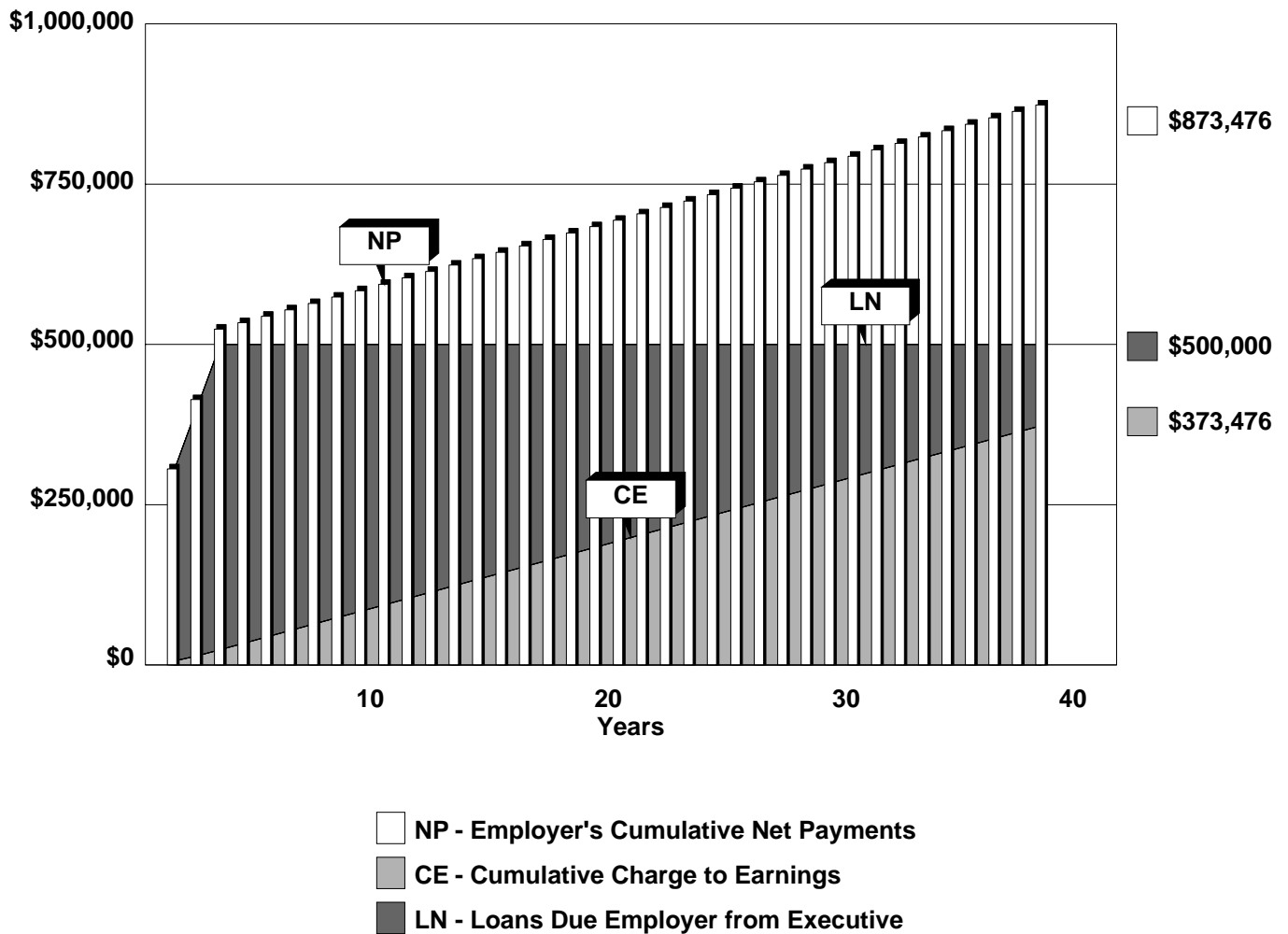
A Leveraged Benefit Plan (Using Guidelines From IRC Section 7872) Funded With Variable Universal Life (VUL)

04/01/2002

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

For: Frank Contini

Employer's 38 Year Graphic Analysis



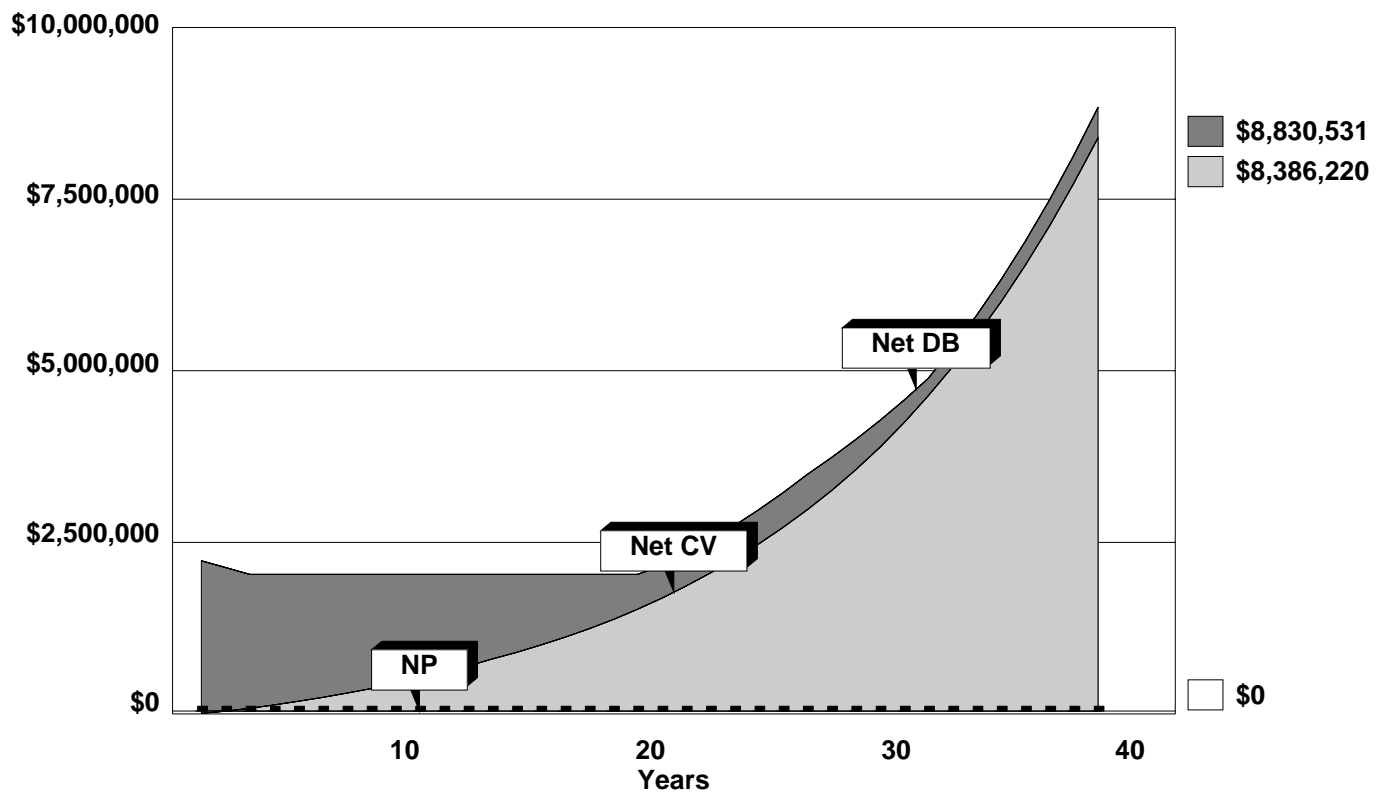
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04/01/2002

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

For: Frank Contini

Executive's 38 Year Graphic Analysis



- NP - Executive's Cumulative Net Payments
- Net CV - Executive's Cash Value Less Cum. Loan Due Employer
- Net DB - Executive's Death Benefit Less Cum. Loan Due Employer