

Executive Trifecta®

For: Tom Cabot



Presented By: _____

[Licensed user's name appears here]

Preface (for Key Executives of C Corporations)

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Key Executive Coverage, Survivor Income Benefit, and Subsequent Transfer of Policy to Key Executive

"Trifecta" refers to a winning sequence of three, and Executive Trifecta delivers three, very powerful, sequential benefits:

- 1) Selected executives whose deaths would cause a serious financial loss for the Corporation are insured in favor of the Corporation thereby providing indemnification for such a loss.
- 2) During their participation, each insured executive is provided with corporate-paid survivor income benefits should death occur while employed.
- 3) At the executive's retirement, disability, or involuntary severance from employment without cause, all as described in the Agreement between the parties, the life insurance policy is contractually transferred to the participating executive (as a deferred bonus) thereby creating a supplemental retirement asset. After the policy transfer, any payment of the life insurance death benefit is made directly to the executive's personal beneficiaries.

Part 1: Key Executive Coverage

Most firms would not consider operating without insuring against the loss of its property. The same logic should apply to its human capital -- a far more vital asset to the successful continuation of any business. Property can be rebuilt; not so with a human life.

In order to recognize the value of a key executive, a life insurance policy on the executive's life made payable to the Corporation is a prudent strategy. This coverage can provide needed cash to:

- a) Recover the costs of locating a replacement;

- b) Recover the loss of profits while training a replacement;
- c) Recover the permanent loss of profits if the executive is "irreplaceable";
- d) Assure creditors and suppliers that their loans and receivables are safe;
- e) Assure customers that the Corporation will continue its operations;
- f) Fund a stock buyout if the executive is a stockholder.

Features of this coverage for the Corporation are:

- a) Discriminatory participation as to the selection of participants;
- b) Income tax free policy death benefits;
- c) No regulatory approval required and negligible plan administration.

Part 2: Survivor Income Benefit

With Executive Trifecta, the Corporation contractually agrees to pay scheduled amounts of income to the survivors of a participating executive. This provides the executive with:

- a) A source of continuing family income;
- b) Relief from purchasing expensive personal life insurance.

Features of this coverage for the Corporation are:

- a) Discriminatory participation as to the selection of participants;
- b) Deductible benefit payments;
- c) No regulatory approval required and negligible plan administration.

Preface (continued)

Part 3: Policy Transfer

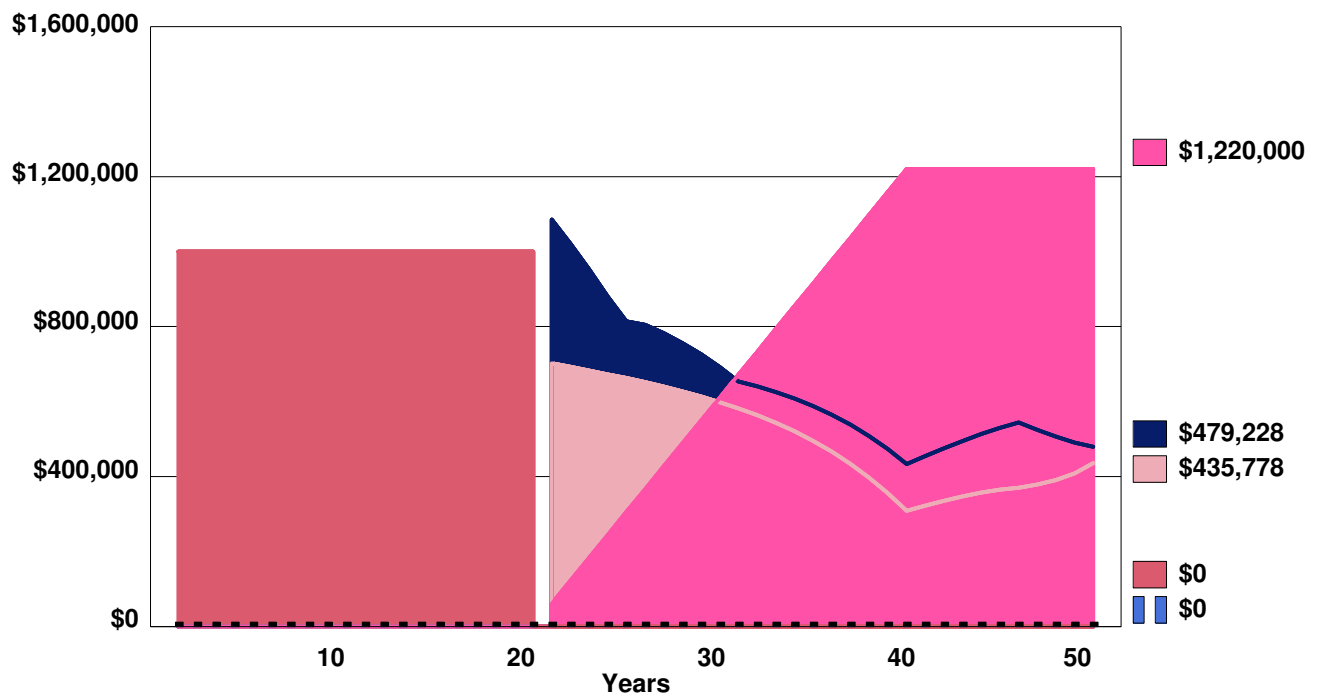
At the executive's retirement, disability, or involuntary severance from employment without cause, all as described in the Agreement between the parties, the Corporation transfers ownership of the policy to the participating executive who, in turn, names personal beneficiaries. This provides the executive with:

- a) Policy cash values for use as a supplemental retirement asset;
- b) Income tax free policy death benefits for personal beneficiaries.

Conclusion

Executive Trifecta facilitates a nurturing environment that rewards key executives while simultaneously providing indemnification for the Corporation in the event of the untimely death of a covered participant.

Be sure to consult with your own tax attorney and accountant before entering into this or any other arrangement involving tax, legal, and economic considerations.



	<u>At Year 50</u>
Executive's Cumulative Net Payments	\$0
Executive's Total Survivor Income Benefit	\$0
Executive's Cumulative After Tax Policy Cash Flow	\$1,220,000
Executive's Cash Value	\$435,778
Executive's Death Benefit	\$479,228

This graphic assumes the non-guaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Illustration of Policy Values Funding the Plan

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

		Eq. Indexed UL Interest Rate 8.50%	Initial Premium 25,000	Initial Death Benefit 1,529,322		
Year	Male Age	(1) Premium Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Policy Death Benefit
1	45	25,000	0	23,148	1,737	1,529,322
2	46	25,000	0	48,241	5,420	1,529,322
3	47	25,000	0	75,337	29,764	1,529,322
4	48	25,000	0	104,601	59,027	1,529,322
5	49	25,000	0	136,213	90,639	1,529,322
6	50	25,000	0	170,395	127,100	1,529,322
7	51	25,000	0	207,290	166,730	1,529,322
8	52	25,000	0	247,152	209,781	1,529,322
9	53	25,000	0	290,229	256,505	1,529,322
10	54	25,000	0	336,808	307,185	1,529,322
11	55	25,000	0	387,227	362,162	1,529,322
12	56	25,000	0	441,856	421,804	1,529,322
13	57	25,000	0	501,089	486,506	1,529,322
14	58	25,000	0	565,406	556,746	1,529,322
15	59	25,000	0	635,340	635,340	1,529,322
16	60	25,000	0	711,475	711,475	1,529,322
17	61	25,000	0	794,519	794,519	1,529,322
18	62	25,000	0	885,267	885,267	1,529,322
19	63	25,000	0	984,629	984,629	1,529,322
20	64	25,000	0	1,093,671	1,093,671	1,529,322
21	65	0	443,785	701,932	701,932	1,085,512
22	66	0	61,000	692,433	692,433	1,020,852
23	67	0	61,000	682,486	682,486	952,312
24	68	0	61,000	672,276	672,276	879,660
25	69	0	61,000	662,777	662,777	814,079
26	70	0	61,000	652,012	652,012	804,488
27	71	0	61,000	640,137	640,137	781,988
28	72	0	61,000	627,141	627,141	755,828
29	73	0	61,000	613,045	613,045	725,816
30	74	0	61,000	597,913	597,913	691,779
		500,000	992,785			

30 Year Summary

Cum. Premium Payments	500,000
Cum. Pre-Tax Cash Flow	992,785
Accum Value	597,913
Death Benefit	691,779

*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Illustration of Policy Values Funding the Plan

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Eq. Indexed UL Interest Rate 8.50% Initial Premium 25,000 Initial Death Benefit 1,529,322

Year	Male Age	(1) Premium Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Policy Death Benefit
31	75	0	61,000	581,867	581,867	653,573
32	76	0	61,000	563,833	563,833	640,428
33	77	0	61,000	543,557	543,557	625,276
34	78	0	61,000	520,746	520,746	607,830
35	79	0	61,000	495,071	495,071	587,766
36	80	0	61,000	466,158	466,158	564,717
37	81	0	61,000	433,579	433,579	538,257
38	82	0	61,000	396,852	396,852	507,906
39	83	0	61,000	355,427	355,427	473,116
40	84	0	61,000	308,681	308,681	433,261
41	85	0	0	322,452	322,452	454,269
42	86	0	0	335,429	335,429	474,837
43	87	0	0	347,230	347,230	494,587
44	88	0	0	357,397	357,397	513,061
45	89	0	0	365,379	365,379	529,710
46	90	0	0	370,512	370,512	543,863
47	91	0	0	378,264	378,264	524,686
48	92	0	0	390,341	390,341	506,428
49	93	0	0	408,710	408,710	490,644
50	94	0	0	435,778	435,778	479,228

500,000 1,602,785

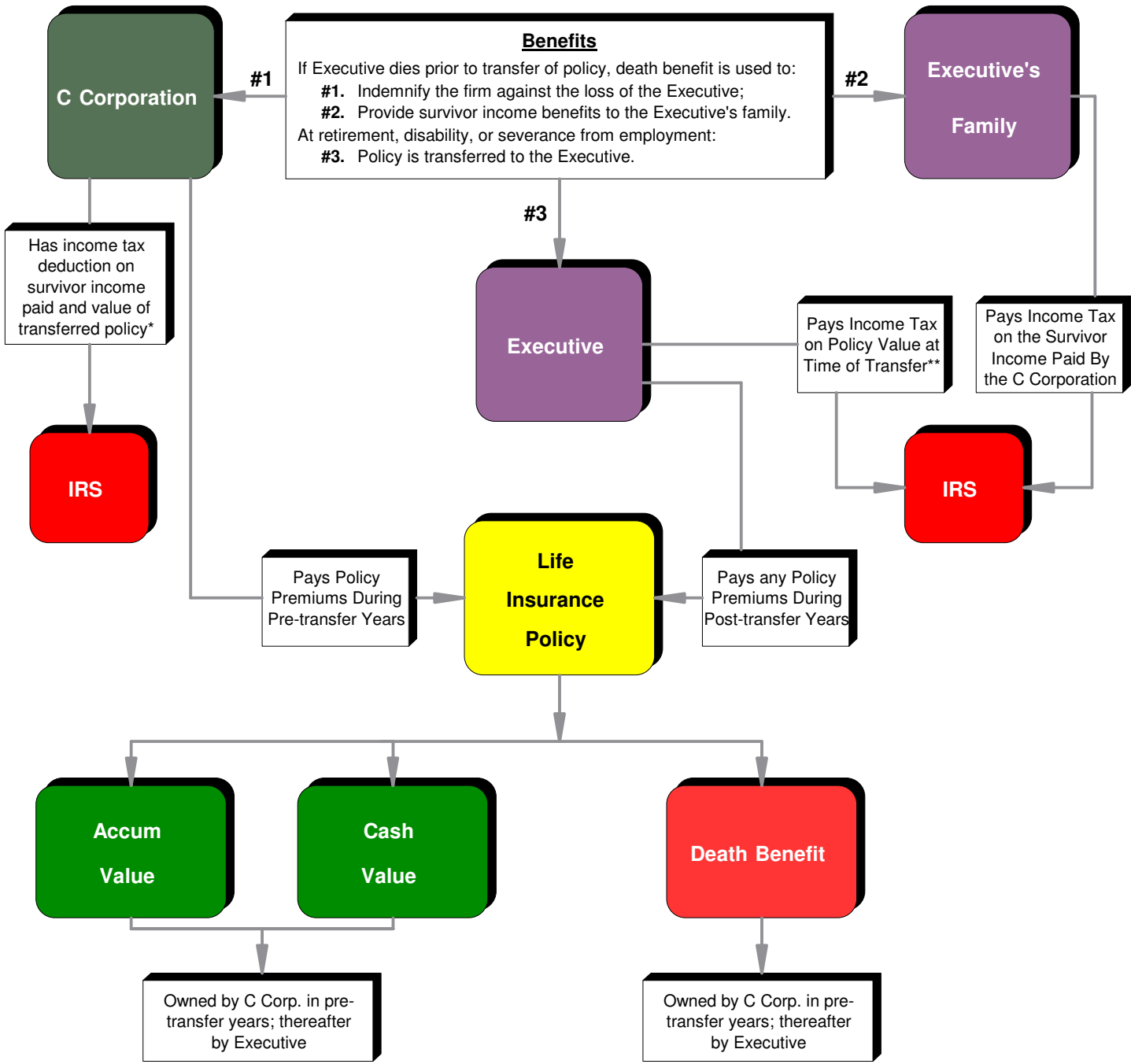
50 Year Summary

Cum. Premium Payments	500,000
Cum. Pre-Tax Cash Flow	1,602,785
Accum Value	435,778
Death Benefit	479,228

*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

Who Pays What - Who Receives What

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation



*When the policy is transferred, the C Corporation must recognize gain to the extent that the policy value exceeds the C Corporation's premium payments; however, the C Corporation is entitled to a deduction equal to the amount the executive includes in income on the transfer - which is generally approximated by the policy value without regard to any surrender charges (IRS Rev. Proc. 2005-25).

**The executive has taxable income to the extent of the policy's fair market value (IRC Section 83) which is generally approximated by the policy value without reduction for surrender charges (IRS Rev. Proc. 2005-25).

Details of the Tax Consequences When the Policy is Transferred to the Executive

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy to Executive as Compensation)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	C Corporation's Tax Bracket 34.00%	Executive's Tax Bracket 35.00%
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Transfer Details:

Year the transfer is illustrated: Beginning of year 21
 Accumulation value of policy when transferred: \$1,093,671
 C Corporation's cumulative premiums prior to transfer: \$500,000
 Executive's cumulative premiums prior to transfer: \$0

C Corporation's Transfer Tax Consequences:

When the policy is transferred, the C Corporation must recognize gain to the extent that the policy value exceeds the C Corporation's premium payments; however, the C Corporation is entitled to a deduction under IRC Section 162 equal to the amount the executive includes in income on the transfer -- which is generally approximated by the policy value without regard to any surrender charges.

Therefore, for this case:

1. The C Corporation has a taxable gain of the difference between \$1,093,671 (accumulation value of policy) and \$500,000 (C Corporation's cumulative premium share) which equals \$593,671 in taxable gain. $\$593,671 \times 34.00\%$ (the C Corporation's tax bracket) = \$201,848 of income tax due.
2. In addition, the C Corporation has an income tax deduction of the difference between \$1,093,671 (policy accumulation value) and \$0 (Executive's cumulative premium share) which equals \$1,093,671 in taxable gain. $\$1,093,671 \times 34.00\% = \$371,848$ of income tax savings.
3. $\$371,848$ of income tax savings less $\$201,848$ of income tax due = $\$170,000$ of net income tax savings to the C Corporation at transfer.

Executive's Transfer Tax Consequences:

The executive has taxable income to the extent of the policy's fair market value (IRC Section 83) which is generally approximated by the policy's accumulation value without reduction for surrender charges (IRS Rev. Proc. 2005-25).

Therefore, for this case:

1. The executive has a taxable income of \$1,093,671 (the policy accumulation value).
2. $\$1,093,671 \times 35.00\% = \$382,785$ of income tax due.
3. The executive has basis in the policy of \$1,093,671 (the amount of taxable income).

Note: Any premium payments, increase in policy values, or policy activity (loans, withdrawals, etc.) in the year of transfer are presumed to occur after the transfer takes place.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Executive's Summary of Costs and Benefits

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

		Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 35.00%	Eq. Indexed UL Interest Rate 8.50%		
Year	Male Age	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
1	45	0	0	0	0	0	1,000,000
2	46	0	0	0	0	0	1,000,000
3	47	0	0	0	0	0	1,000,000
4	48	0	0	0	0	0	1,000,000
5	49	0	0	0	0	0	1,000,000
6	50	0	0	0	0	0	1,000,000
7	51	0	0	0	0	0	1,000,000
8	52	0	0	0	0	0	1,000,000
9	53	0	0	0	0	0	1,000,000
10	54	0	0	0	0	0	1,000,000
11	55	0	0	0	0	0	1,000,000
12	56	0	0	0	0	0	1,000,000
13	57	0	0	0	0	0	1,000,000
14	58	0	0	0	0	0	1,000,000
15	59	0	0	0	0	0	1,000,000
16	60	0	0	0	0	0	1,000,000
17	61	0	0	0	0	0	1,000,000
18	62	0	0	0	0	0	1,000,000
19	63	0	0	0	0	0	1,000,000
20	64	0	0	0	0	0	1,000,000
21	65	0	61,000	701,932	701,932	1,085,512	0
22	66	0	61,000	692,433	692,433	1,020,852	0
23	67	0	61,000	682,486	682,486	952,312	0
24	68	0	61,000	672,276	672,276	879,660	0
25	69	0	61,000	662,777	662,777	814,079	0
26	70	0	61,000	652,012	652,012	804,488	0
27	71	0	61,000	640,137	640,137	781,988	0
28	72	0	61,000	627,141	627,141	755,828	0
29	73	0	61,000	613,045	613,045	725,816	0
30	74	0	61,000	597,913	597,913	691,779	0
		0	610,000				

*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

**Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Executive's Summary of Costs and Benefits

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive) Policy Transfer to Executive is Illustrated at Beginning of Year 21 Executive's Tax Bracket 35.00% Eq. Indexed UL Interest Rate 8.50%

Year	Male Age	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
31	75	0	61,000	581,867	581,867	653,573	0
32	76	0	61,000	563,833	563,833	640,428	0
33	77	0	61,000	543,557	543,557	625,276	0
34	78	0	61,000	520,746	520,746	607,830	0
35	79	0	61,000	495,071	495,071	587,766	0
36	80	0	61,000	466,158	466,158	564,717	0
37	81	0	61,000	433,579	433,579	538,257	0
38	82	0	61,000	396,852	396,852	507,906	0
39	83	0	61,000	355,427	355,427	473,116	0
40	84	0	61,000	308,681	308,681	433,261	0
41	85	0	0	322,452	322,452	454,269	0
42	86	0	0	335,429	335,429	474,837	0
43	87	0	0	347,230	347,230	494,587	0
44	88	0	0	357,397	357,397	513,061	0
45	89	0	0	365,379	365,379	529,710	0
46	90	0	0	370,512	370,512	543,863	0
47	91	0	0	378,264	378,264	524,686	0
48	92	0	0	390,341	390,341	506,428	0
49	93	0	0	408,710	408,710	490,644	0
50	94	0	0	435,778	435,778	479,228	0

0 1,220,000

*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

**Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Executive's Personal Report

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

		Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 35.00%	Eq. Indexed UL Interest Rate 8.50%		
		Executive's Costs		Executive's Values			
Year	Male Age	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
1	45	0	0	0	0	0	1,000,000
2	46	0	0	0	0	0	1,000,000
3	47	0	0	0	0	0	1,000,000
4	48	0	0	0	0	0	1,000,000
5	49	0	0	0	0	0	1,000,000
6	50	0	0	0	0	0	1,000,000
7	51	0	0	0	0	0	1,000,000
8	52	0	0	0	0	0	1,000,000
9	53	0	0	0	0	0	1,000,000
10	54	0	0	0	0	0	1,000,000
11	55	0	0	0	0	0	1,000,000
12	56	0	0	0	0	0	1,000,000
13	57	0	0	0	0	0	1,000,000
14	58	0	0	0	0	0	1,000,000
15	59	0	0	0	0	0	1,000,000
16	60	0	0	0	0	0	1,000,000
17	61	0	0	0	0	0	1,000,000
18	62	0	0	0	0	0	1,000,000
19	63	0	0	0	0	0	1,000,000
20	64	0	0	0	0	0	1,000,000
21	65	0	61,000	701,932	701,932	1,085,512	0
22	66	0	61,000	692,433	692,433	1,020,852	0
23	67	0	61,000	682,486	682,486	952,312	0
24	68	0	61,000	672,276	672,276	879,660	0
25	69	0	61,000	662,777	662,777	814,079	0
26	70	0	61,000	652,012	652,012	804,488	0
27	71	0	61,000	640,137	640,137	781,988	0
28	72	0	61,000	627,141	627,141	755,828	0
29	73	0	61,000	613,045	613,045	725,816	0
30	74	0	61,000	597,913	597,913	691,779	0
		0	610,000				

*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

**\$1,000,000 is the sum of 10 scheduled survivor income payments from the C Corporation to the executive's beneficiaries.

**Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Executive's Personal Report

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

		Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 35.00%	Eq. Indexed UL Interest Rate 8.50%		
		Executive's Costs		Executive's Values			
Year	Male Age	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
31	75	0	61,000	581,867	581,867	653,573	0
32	76	0	61,000	563,833	563,833	640,428	0
33	77	0	61,000	543,557	543,557	625,276	0
34	78	0	61,000	520,746	520,746	607,830	0
35	79	0	61,000	495,071	495,071	587,766	0
36	80	0	61,000	466,158	466,158	564,717	0
37	81	0	61,000	433,579	433,579	538,257	0
38	82	0	61,000	396,852	396,852	507,906	0
39	83	0	61,000	355,427	355,427	473,116	0
40	84	0	61,000	308,681	308,681	433,261	0
41	85	0	0	322,452	322,452	454,269	0
42	86	0	0	335,429	335,429	474,837	0
43	87	0	0	347,230	347,230	494,587	0
44	88	0	0	357,397	357,397	513,061	0
45	89	0	0	365,379	365,379	529,710	0
46	90	0	0	370,512	370,512	543,863	0
47	91	0	0	378,264	378,264	524,686	0
48	92	0	0	390,341	390,341	506,428	0
49	93	0	0	408,710	408,710	490,644	0
50	94	0	0	435,778	435,778	479,228	0
		0	1,220,000				

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**\$1,000,000 is the sum of 10 scheduled survivor income payments from the C Corporation to the executive's beneficiaries.

**Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Executive's Cost Analysis

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive) Policy Transfer to Executive is Illustrated at Beginning of Year 21 Executive's Tax Bracket 35.00% Eq. Indexed UL Interest Rate 8.50%

Year	Male Age	(1) Premium Payment	(2) Income from Transfer*	(3) Income Tax Due on Col (2)	(4) After Tax Policy Cash Flow	(5) Net Payment (1)+(3)-(4)
1	45	0	0	0	0	0
2	46	0	0	0	0	0
3	47	0	0	0	0	0
4	48	0	0	0	0	0
5	49	0	0	0	0	0
6	50	0	0	0	0	0
7	51	0	0	0	0	0
8	52	0	0	0	0	0
9	53	0	0	0	0	0
10	54	0	0	0	0	0
11	55	0	0	0	0	0
12	56	0	0	0	0	0
13	57	0	0	0	0	0
14	58	0	0	0	0	0
15	59	0	0	0	0	0
16	60	0	0	0	0	0
17	61	0	0	0	0	0
18	62	0	0	0	0	0
19	63	0	0	0	0	0
20	64	0	0	0	0	0
21	65	0	1,093,671	382,785	382,785	0
22	66	0	0	0	0	0
23	67	0	0	0	0	0
24	68	0	0	0	0	0
25	69	0	0	0	0	0
26	70	0	0	0	0	0
27	71	0	0	0	0	0
28	72	0	0	0	0	0
29	73	0	0	0	0	0
30	74	0	0	0	0	0
		0	1,093,671	382,785	382,785	0

*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces taxable income to the executive equal to the accumulation value transferred without regard to surrender charges. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Executive's Cost Analysis

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive) Policy Transfer to Executive is Illustrated at Beginning of Year 21 Executive's Tax Bracket 35.00% Eq. Indexed UL Interest Rate 8.50%

Year	Male Age	(1) Premium Payment	(2) Income from Transfer*	(3) Income Tax Due on Col (2)	(4) After Tax Policy Cash Flow	(5) Net Payment (1)+(3)-(4)
31	75	0	0	0	0	0
32	76	0	0	0	0	0
33	77	0	0	0	0	0
34	78	0	0	0	0	0
35	79	0	0	0	0	0
36	80	0	0	0	0	0
37	81	0	0	0	0	0
38	82	0	0	0	0	0
39	83	0	0	0	0	0
40	84	0	0	0	0	0
41	85	0	0	0	0	0
42	86	0	0	0	0	0
43	87	0	0	0	0	0
44	88	0	0	0	0	0
45	89	0	0	0	0	0
46	90	0	0	0	0	0
47	91	0	0	0	0	0
48	92	0	0	0	0	0
49	93	0	0	0	0	0
50	94	0	0	0	0	0
		0	1,093,671	382,785	382,785	0

*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces taxable income to the executive equal to the accumulation value transferred without regard to surrender charges. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Plan Sponsor's Summary of Costs and Benefits

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

		Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)		Policy Transfer to Executive is Illustrated at Beginning of Year 21		Plan Sponsor's Tax Bracket 34.00%		Eq. Indexed UL Interest Rate 8.50%		
Year	Male Age	(1) Net Payment	(2) Cumulative Net Payments	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Portion of Policy Death Benefit Allocated for Key Executive Coverage	(6) Portion of Policy Death Benefit Allocated for Survivor Income Benefit**	(7) Total Policy Death Benefit Required (5) + (6)	(8) Total Policy Death Benefit Provided	
1	45	25,000	25,000	23,148	1,737	1,000,000	529,322	1,529,322	1,529,322	
2	46	25,000	50,000	48,241	5,420	1,000,000	529,322	1,529,322	1,529,322	
3	47	25,000	75,000	75,337	29,764	1,000,000	529,322	1,529,322	1,529,322	
4	48	25,000	100,000	104,601	59,027	1,000,000	529,322	1,529,322	1,529,322	
5	49	25,000	125,000	136,213	90,639	1,000,000	529,322	1,529,322	1,529,322	
6	50	25,000	150,000	170,395	127,100	1,000,000	529,322	1,529,322	1,529,322	
7	51	25,000	175,000	207,290	166,730	1,000,000	529,322	1,529,322	1,529,322	
8	52	25,000	200,000	247,152	209,781	1,000,000	529,322	1,529,322	1,529,322	
9	53	25,000	225,000	290,229	256,505	1,000,000	529,322	1,529,322	1,529,322	
10	54	25,000	250,000	336,808	307,185	1,000,000	529,322	1,529,322	1,529,322	
11	55	25,000	275,000	387,227	362,162	1,000,000	529,322	1,529,322	1,529,322	
12	56	25,000	300,000	441,856	421,804	1,000,000	529,322	1,529,322	1,529,322	
13	57	25,000	325,000	501,089	486,506	1,000,000	529,322	1,529,322	1,529,322	
14	58	25,000	350,000	565,406	556,746	1,000,000	529,322	1,529,322	1,529,322	
15	59	25,000	375,000	635,340	635,340	1,000,000	529,322	1,529,322	1,529,322	
16	60	25,000	400,000	711,475	711,475	1,000,000	529,322	1,529,322	1,529,322	
17	61	25,000	425,000	794,519	794,519	1,000,000	529,322	1,529,322	1,529,322	
18	62	25,000	450,000	885,267	885,267	1,000,000	529,322	1,529,322	1,529,322	
19	63	25,000	475,000	984,629	984,629	1,000,000	529,322	1,529,322	1,529,322	
20	64	25,000	500,000	1,093,671	1,093,671	1,000,000	529,322	1,529,322	1,529,322	
21	65	-170,000	330,000	0	0	0	0	0	0	
22	66	0	330,000	0	0	0	0	0	0	
23	67	0	330,000	0	0	0	0	0	0	
24	68	0	330,000	0	0	0	0	0	0	
25	69	0	330,000	0	0	0	0	0	0	
26	70	0	330,000	0	0	0	0	0	0	
27	71	0	330,000	0	0	0	0	0	0	
28	72	0	330,000	0	0	0	0	0	0	
29	73	0	330,000	0	0	0	0	0	0	
30	74	0	330,000	0	0	0	0	0	0	
		330,000								

*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

**Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Plan Sponsor's Summary of Costs and Benefits

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

		Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Plan Sponsor's Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%				
Year	Male Age	(1) Net Payment	(2) Cumulative Net Payments	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Portion of Policy Death Benefit Allocated for Key Executive Coverage	(6) Portion of Policy Death Benefit Allocated for Survivor Income Benefit**	(7) Total Policy Death Benefit Required (5) + (6)	(8) Total Policy Death Benefit Provided
31	75	0	330,000	0	0	0	0	0	0
32	76	0	330,000	0	0	0	0	0	0
33	77	0	330,000	0	0	0	0	0	0
34	78	0	330,000	0	0	0	0	0	0
35	79	0	330,000	0	0	0	0	0	0
36	80	0	330,000	0	0	0	0	0	0
37	81	0	330,000	0	0	0	0	0	0
38	82	0	330,000	0	0	0	0	0	0
39	83	0	330,000	0	0	0	0	0	0
40	84	0	330,000	0	0	0	0	0	0
41	85	0	330,000	0	0	0	0	0	0
42	86	0	330,000	0	0	0	0	0	0
43	87	0	330,000	0	0	0	0	0	0
44	88	0	330,000	0	0	0	0	0	0
45	89	0	330,000	0	0	0	0	0	0
46	90	0	330,000	0	0	0	0	0	0
47	91	0	330,000	0	0	0	0	0	0
48	92	0	330,000	0	0	0	0	0	0
49	93	0	330,000	0	0	0	0	0	0
50	94	0	330,000	0	0	0	0	0	0

330,000

*This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

**Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

Executive Trifecta® Using Equity Indexed Universal Life

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

For the Beneficiaries of: Tom Cabot

Plan Sponsor's Analysis of Survivor Income Benefit

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Plan Sponsor's Tax Bracket 34.00% Assumed Use of Money 8.00% Cost to Provide the Benefit* 529,322 Total Survivor Benefit Scheduled 1,000,000

Year Following Executive's Death	Benefits and Costs		Survivor Income Account Activity		
	(1) Annual Benefit Payment to Executive's Survivors	(2) Annual After Tax Cost of Payment to Survivors	(3) Beginning of Year Balance in Survivor Benefit Account	(4) Balance in Account to Accrue (3) - (2)	(5) Year End After Tax Accrual of Account
1	100,000	66,000	529,322	463,322	487,785
2	100,000	66,000	487,785	421,785	444,055
3	100,000	66,000	444,055	378,055	398,017
4	100,000	66,000	398,017	332,017	349,547
5	100,000	66,000	349,547	283,547	298,519
6	100,000	66,000	298,519	232,519	244,796
7	100,000	66,000	244,796	178,796	188,236
8	100,000	66,000	188,236	122,236	128,690
9	100,000	66,000	128,690	62,690	66,000
10	100,000	66,000	66,000	0	0

1,000,000
660,000

*See Column (3), year 1. (Funding source is a portion of the proceeds from the Key Executive coverage.)

This table shows the escrow calculations (columns 3, 4 and 5) necessary to produce the survivor benefit shown in column (1). Rounding may cause minor math inconsistencies. Calculation formulae are:

Column (2) = column (1) times (1-(tax bracket/100))

Column (4) = column (3) minus column (2)

Column (5) = column (4) plus the after tax interest credit

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Plan Sponsor's Cost Analysis

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive) Policy Transfer to Executive is Illustrated at Beginning of Year 21 Plan Sponsor's Tax Bracket 34.00% Eq. Indexed UL Interest Rate 8.50%

Year	Male Age	(1) Premium Payment	(2) Cumulative Premium Payment	(3) Income Tax Savings from Transfer*	(4) Net Payment (1) - (3)	(5) Cumulative Net Payments
1	45	25,000	25,000	0	25,000	25,000
2	46	25,000	50,000	0	25,000	50,000
3	47	25,000	75,000	0	25,000	75,000
4	48	25,000	100,000	0	25,000	100,000
5	49	25,000	125,000	0	25,000	125,000
6	50	25,000	150,000	0	25,000	150,000
7	51	25,000	175,000	0	25,000	175,000
8	52	25,000	200,000	0	25,000	200,000
9	53	25,000	225,000	0	25,000	225,000
10	54	25,000	250,000	0	25,000	250,000
11	55	25,000	275,000	0	25,000	275,000
12	56	25,000	300,000	0	25,000	300,000
13	57	25,000	325,000	0	25,000	325,000
14	58	25,000	350,000	0	25,000	350,000
15	59	25,000	375,000	0	25,000	375,000
16	60	25,000	400,000	0	25,000	400,000
17	61	25,000	425,000	0	25,000	425,000
18	62	25,000	450,000	0	25,000	450,000
19	63	25,000	475,000	0	25,000	475,000
20	64	25,000	500,000	0	25,000	500,000
21	65	0	0	170,000	-170,000	330,000
22	66	0	0	0	0	330,000
23	67	0	0	0	0	330,000
24	68	0	0	0	0	330,000
25	69	0	0	0	0	330,000
26	70	0	0	0	0	330,000
27	71	0	0	0	0	330,000
28	72	0	0	0	0	330,000
29	73	0	0	0	0	330,000
30	74	0	0	0	0	330,000
		500,000			330,000	

*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces: 1) taxable income to the Employer to the extent its accumulation value (without regard to surrender charges) exceeds its cost basis and 2) an income tax deduction equal to the amount the executive includes in income. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

This is an example of a "supplemental" life insurance illustration. In actual presentations, this footnote will refer you to an accompanying "basic" illustration from a specific life insurance company.

Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Plan Sponsor's Cost Analysis

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive) Policy Transfer to Executive is Illustrated at Beginning of Year 21 Plan Sponsor's Tax Bracket 34.00% Eq. Indexed UL Interest Rate 8.50%

Year	Male Age	(1) Premium Payment	(2) Cumulative Premium Payment	(3) Income Tax Savings from Transfer*	(4) Net Payment (1) - (3)	(5) Cumulative Net Payments
31	75	0	0	0	0	330,000
32	76	0	0	0	0	330,000
33	77	0	0	0	0	330,000
34	78	0	0	0	0	330,000
35	79	0	0	0	0	330,000
36	80	0	0	0	0	330,000
37	81	0	0	0	0	330,000
38	82	0	0	0	0	330,000
39	83	0	0	0	0	330,000
40	84	0	0	0	0	330,000
41	85	0	0	0	0	330,000
42	86	0	0	0	0	330,000
43	87	0	0	0	0	330,000
44	88	0	0	0	0	330,000
45	89	0	0	0	0	330,000
46	90	0	0	0	0	330,000
47	91	0	0	0	0	330,000
48	92	0	0	0	0	330,000
49	93	0	0	0	0	330,000
50	94	0	0	0	0	330,000

500,000

330,000

*The key executive coverage and the survivor income benefit are presumed terminated at the beginning of year 21 via a transfer of the policy to the executive. The transfer produces: 1) taxable income to the Employer to the extent its accumulation value (without regard to surrender charges) exceeds its cost basis and 2) an income tax deduction equal to the amount the executive includes in income. (See the report entitled "Details of the Tax Consequences When the Policy is Transferred to the Executive".)

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Executive Trifecta® Using Equity Indexed Universal Life

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

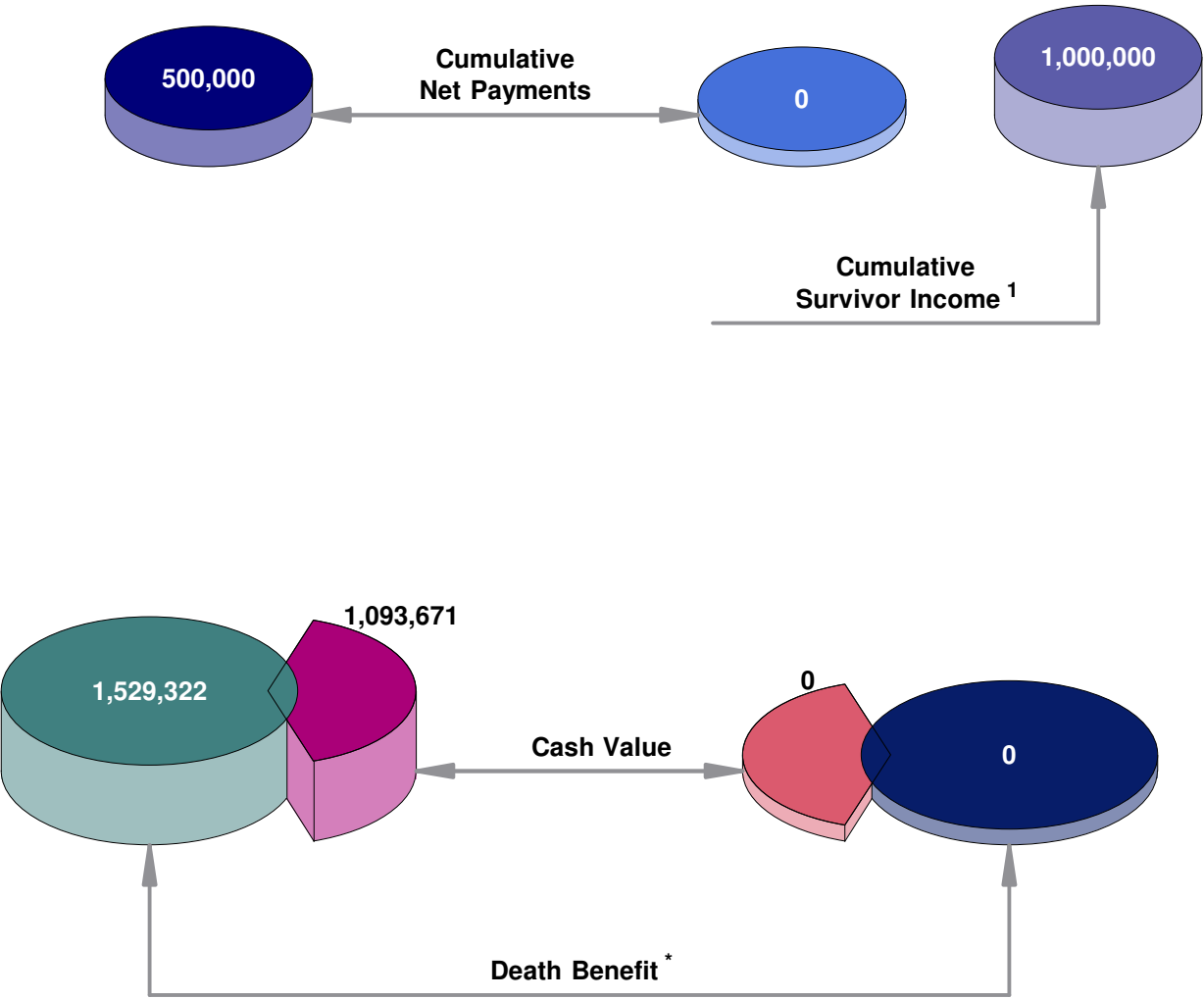
Insured: Tom Cabot

A Look at Year 20

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation

Plan Sponsor

Executive



¹ For Family Income

* Employer's Death Benefit includes an amount allocated for funding the survivor income benefit for the executive's beneficiaries.

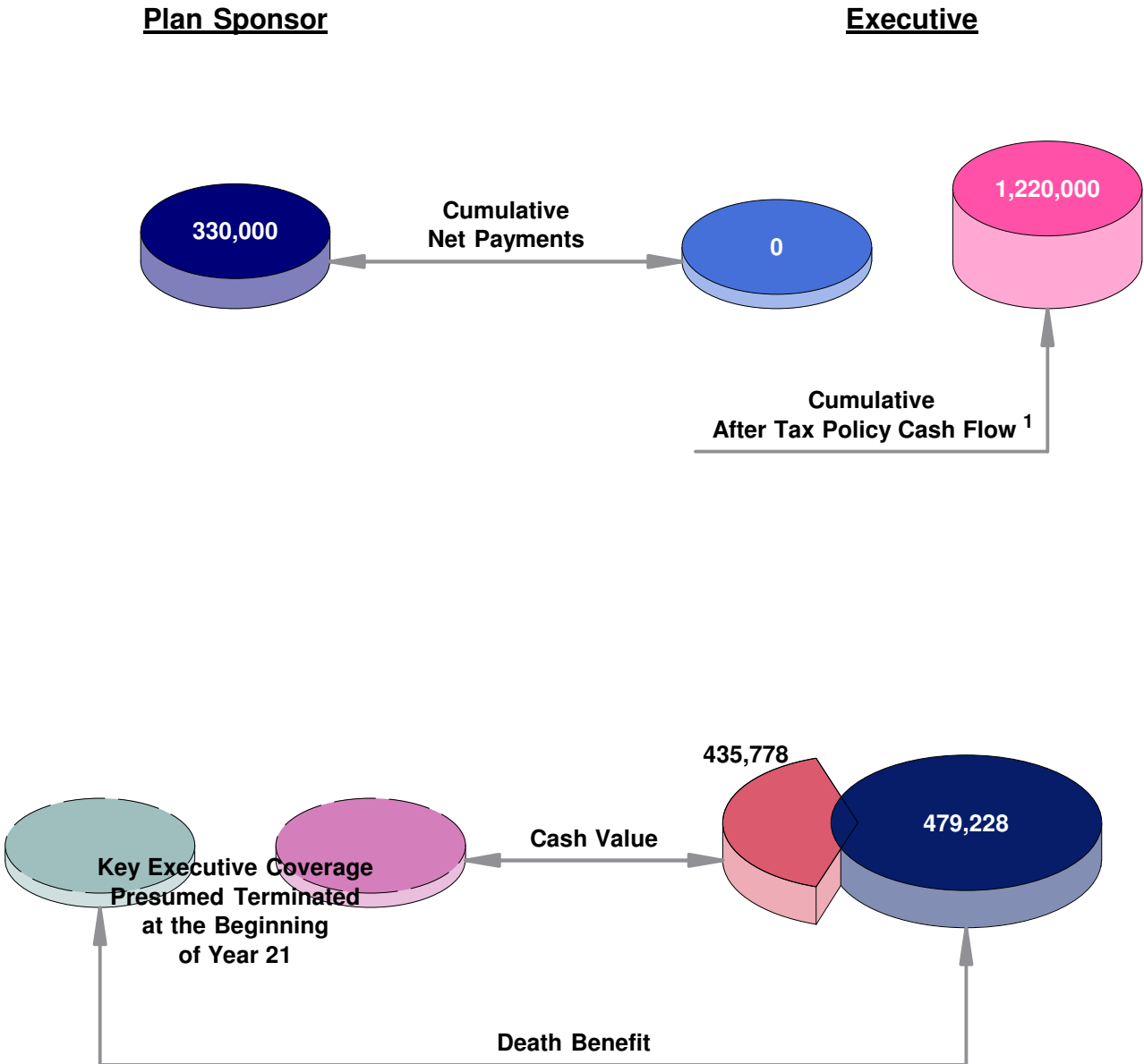
Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

A Look at Year 50

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation



¹ For Retirement Income.

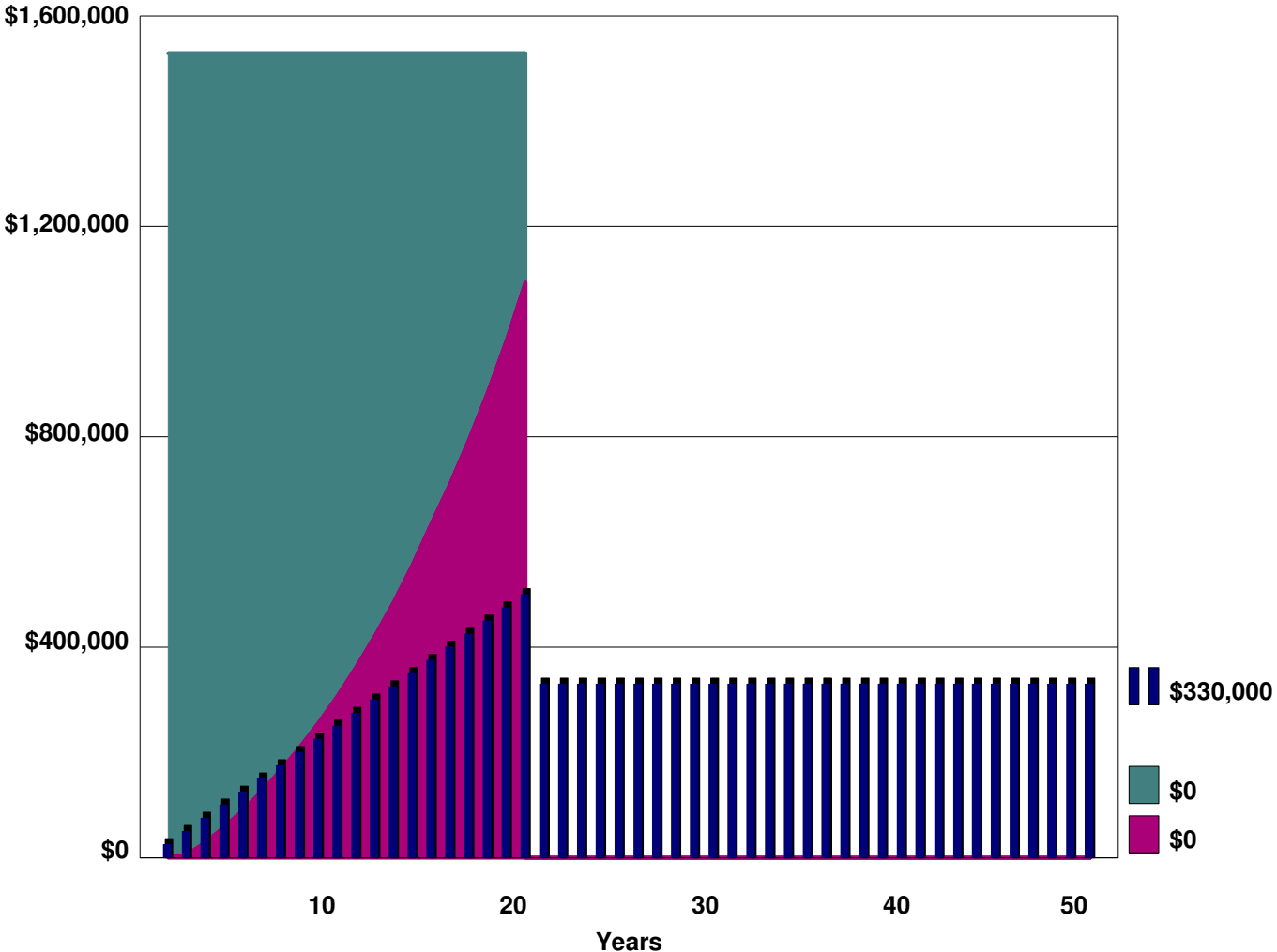
Executive Trifecta® Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Plan Sponsor's 50 Year Analysis

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation



	<u>At Year 50</u>
Plan Sponsor's Cumulative Net Payments	\$330,000
Plan Sponsor's Cash Value	\$0
Plan Sponsor's Death Benefit*	\$0

* Plan Sponsor's Death Benefit includes an amount allocated for funding the survivor income benefit for the executive's beneficiaries.

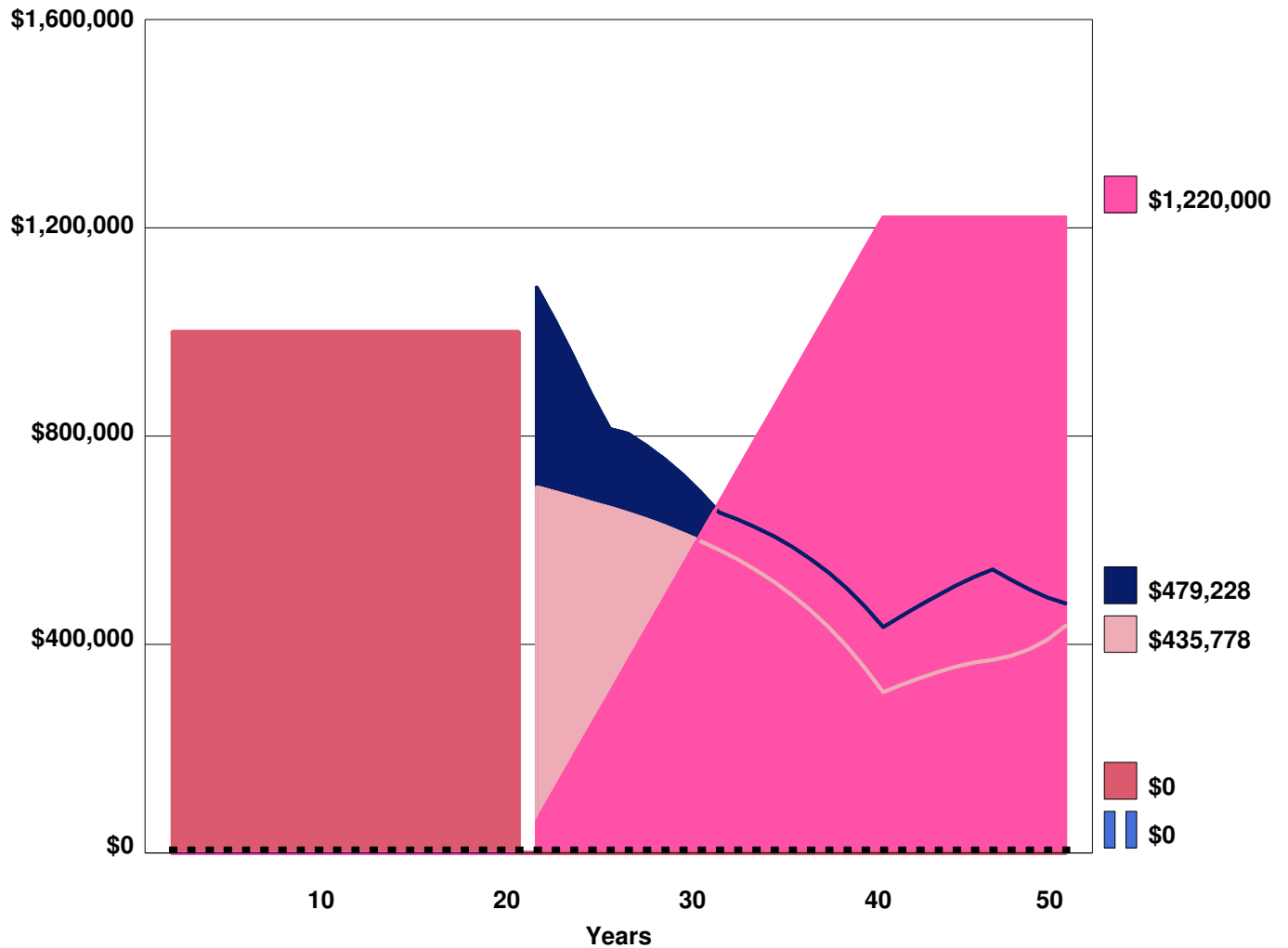
Executive Trifecta[®] Using Equity Indexed Universal Life

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

Insured: Tom Cabot

Executive's 50 Year Analysis

Plan Sponsor: Ferris Metallurgical, Inc.
C Corporation



	At Year 50
Executive's Cumulative Net Payments	\$0
Executive's Total Survivor Income Benefit	\$0
Executive's Cumulative After Tax Policy Cash Flow ¹	\$1,220,000
Executive's Cash Value	\$435,778
Executive's Death Benefit	\$479,228

¹ For Retirement Income.