A ROTH ALTERNATIVE

BENEFITS OF CASH VALUE LIFE INSURANCE[1]

Life insurance may provide many of the same benefits as a Roth IRA and may be an alternative for those who are not eligible for a Roth IRA or those looking to supplement existing retirement accounts.

FEATURE	ROTH IRA	CASH VALUE LIFE INSURANCE
Tax-free accumulation	Yes	Yes
Tax-free distributions	Yes	Yes[1]
Death benefit protection	No	Yes
RMDs	No	No
Contribution restrictions based on adjusted gross income	Yes	No[2]
Earnings limit to participate	Yes	No
Tax penalty on early distributions	Yes	No[1]
Fees / Charges	Investment Fees	Life Policy Charges

1 Loans, withdrawals, and death benefit accelerations will reduce the policy value and death benefit. Provided the policy is not and does not become a modified endowment contract (MEC), 1) withdrawals are tax-free to the extent that they do not exceed the policy basis (generally, premiums paid less withdrawals) and 2) policy loans are tax-free as long as the policy remains in force. If the policy is surrendered or lapses, the amount of the policy loan will be considered a distribution from the policy and will be taxable to the extent that such loan plus other distributions at that time exceed the policy basis.

2 There are limits on the face amount of life insurance an individual can obtain and limits on contributed premium. Contributed premium may impact death benefit amount whether the policy becomes a modified endowment contract (MEC).

CLIENT PROFILE

Mr. and Mrs. Jackson want to set aside more for retirement to achieve their goal of retiring by age 65. Mr. Jackson, age 50, is a corporate executive earning **$200,000** annually and Mrs. Jackson, age 48, earns $125,000 per year as an engineer. While they are both contributing the maximum to their 401(k) plans, they are still not projected to meet their retirement goals on their current savings plan. They would like to fund a Roth IRA in addition to their 401(k) contributions but earn too much to be eligible.

The Jacksons currently have group life insurance policies provided by their employers and would like additional coverage in the form of permanent life insurance protection.

CLIENT OBJECTIVES

- DEATH BENEFIT PROTECTION
- ADDITIONAL FUNDS FOR RETIREMENT
- SOURCE OF TAX-FREE INCOME

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CONSIDERATIONS

Permanent life insurance requires many considerations and should be reviewed carefully with a licensed financial professional prior to selecting a policy. These include;

- The need to fund properly and pay planned premiums for a life insurance policy.
- The potential risk of loss in value and/or access to premium payments especially in early contract years.
- Period of time for a life insurance policy to build up a substantial cash value.
- The tax treatment of any withdrawals, loans, or distributions taken from the policy.
- The potential impact of distributions to cash value and benefit amounts.
- Policy performance may require higher premiums to maintain benefits and prevent policy from lapsing.
- Policies are not guaranteed and require a need for the insured to qualify medically and financially for coverage.
- Consideration of all charges associated with a life insurance policy, which may include, but are not limited to; administrative charges, index account charges, cost of insurance charges, additional benefit rider costs, and surrender charges.

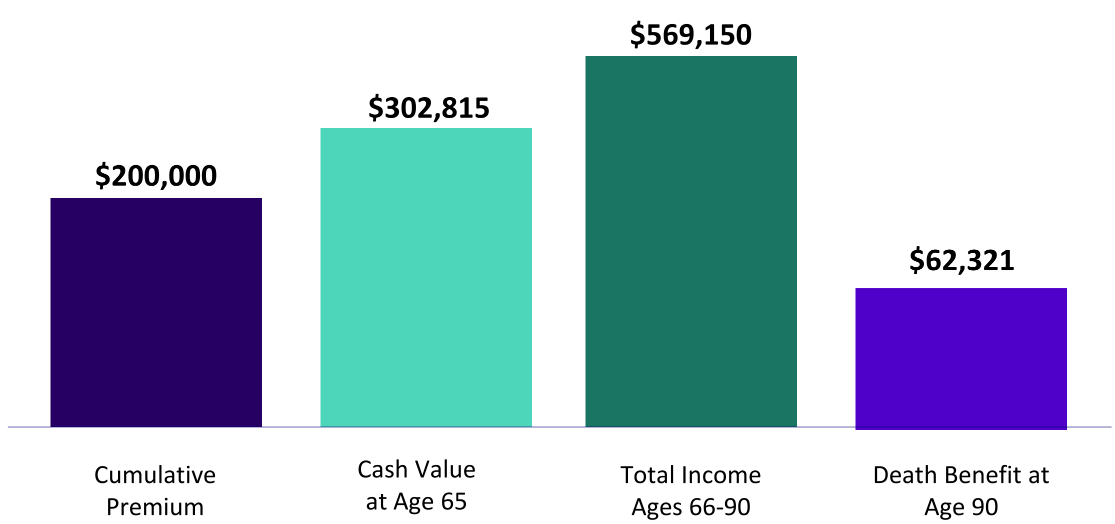
A SOLUTION FOR PROTECTION & SUPPLEMENTAL INCOME

When meeting with their financial professional, the clients determine that their current plan does not meet their objectives and decide to take the following actions based on the recommendation of their licensed financial professional.

Mr. Jackson decides to purchase and Indexed Universal Life policy on his life since Mrs. Jackson has existing health issues.

- Mr. Jackson will fund the new policy over a 10-year period with annual premiums of $20,000
- Initial death benefit = $269,000.
- Upon Mr. Jackson reaching age 66 (his targeted retirement age), he intends to use cash values within the policy to provide tax-free income of $22,766 a year (withdrawing to basis and then switching to policy loans[1]).
- After 25 years, he is projected to receive a total of $569,150 in tax-free distributions while still having a tax-free death benefit of $62,321 to leave his family in the event of his passing.

SUMMARY OF THE PROJECTED (NON-GUARANTEED) POLICY VALUES



Death Benefit IRR[2]

5.26%

Tax Equivalent Yield[3]

8.09%

A ROTH ALTERNATIVE

POLICY SUMMARY VALUES (NON-GUARANTEED)

YEAR	AGE	CUMULATIVE PREMIUM	CUMULATIVE TAX-FREE INCOME	CASH SURRENDER VALUE	DEATH BENEFIT	AFTER-TAX IRR%	PRETAX EQUIVALENT IRR%
10	**60**	$200,000	$0	$230,196	$501,377	16.23%	24.96%
20	**70**	$200,000	$113,830	$274,364	$387,547	8.84%	13.60%
30	**80**	$200,000	$341,490	$187,077	$204,905	5.15%	7.92%
40	**90**	$200,000	$569,150	$31,890	$62,321	5.26%	8.09%

1 Loans, withdrawals, and death benefit accelerations will reduce the policy value and death benefit. Provided the policy is not and does not become a modified endowment contract (MEC), 1) withdrawals are tax-free to the extent that they do not exceed the policy basis (generally, premiums paid less withdrawals) and 2) policy loans are taxfree as long as the policy remains in force. If the policy is surrendered or lapses, the amount of the policy loan will be considered a distribution from the policy and will be taxable to the extent that such loan plus other distributions at that time exceed the policy basis.

2 Your Death Death Benefit IRR is the compounded annual interest rate which the cumulative premiums paid minus distributions would have to earn in order to generate the total death benefit your beneficiaries would receive if the insured passed away in a given year. The Death Benefit IRR includes any withdrawals and loans taken from the policy when determining this rate. Because death benefits are generally paid income tax free and withdrawals up to basis and loans during the lifetime of the insured are income tax free so long as the policy is not a MEC, taxes are not included in the Death Benefit IRR calculation.

3 The Tax Equivalent Yield is the rate of return, compounded annually, that would have to be earned on a hypothetical investment equivalent to the premium outlay in order to accumulate an amount equal to the illustrated income and remaining death benefit shown above. The Tax Equivalent Yield assumes a hypothetical [35%] applied tax rate on simple interest. Various investments have varying potential rates of taxation.

IMPORTANT DISCLAIMER

This hypothetical example assumes a male, age 50, preferred elite risk class, $20,000 premium paid for 10 years, assuming 6% index growth rate in the Global Index Account, minimum non-MEC death benefit, level death benefit option, withdrawals to basis switching to index loans in years 16–40. The pretax equivalent IRR% assumes a 35% tax bracket.

The example shown is derived from a complete hypothetical illustration which assumes non- guaranteed elements will continue for all years. This is not likely to occur and actual results may be more or less favorable. All non-guaranteed elements are subject to change by the company. Keep in mind that the purpose of hypothetical illustrations is to show how a policy might work under different scenarios, including minimum interest rates at maximum guaranteed charges. Illustrations may not be used to predict or project future policy values.

Prospective policy owners should refer to a complete, personalized hypothetical sales illustration for guaranteed elements and other important information as well as the consumer brochure for the Transamerica Financial Choice IUL. At a 0% index growth rate and guaranteed charges, this policy lapses in year 20.