

Private Premium Financing @ AFR.pdf

PRIVATE PREMIUM FINANCING STRATEGY

Utilizing

Transamerica Life Insurance Company

Loan Interest is not deductible. This example does not take into consideration any assumption regarding income, gift, or estate tax. Please consult your tax advisor.

This is for illustrative purposes only and is not an offer or guarantee of future performance or loan rates as illustrated.

This Policy was illustrated with a Return of Premium death benefit option.

The Initial Annual Loan Rate is based on the Long Term AFR as listed in REV. RUL. 2009-33 TABLE 1

FOR: Mr. Client - 75, Mrs. Client - 73

AGE: 75, 73

CLASSIFICATION: MALE, STANDARD, NON-SMOKER; FEMALE, PREFERRED, NON-SMOKER

POLICY: TransACE Survivor

FACE AMOUNT: \$10,000,000

ISSUER: Transamerica Life Insurance

Privately Financed No-Lapse UL Premium

| Year | Annual Insurance Premium | Annual Loan To Trust | Cumulative Loan To Trust | Assumed Loan Rate | Annual Interest Due In Arrears | Interest Paid By Trust To Lender | Assumed Taxable Income To Lender* | Total Annual Outlay By Lender | Gross Death Benefit | Repaid To Lender @ Death | Death Benefit Net of Loan | Estimated IRR at Death |
|------|--------------------------|----------------------|--------------------------|-------------------|--------------------------------|----------------------------------|-----------------------------------|-------------------------------|---------------------|--------------------------|---------------------------|------------------------|
| | (1) | (2) | (3) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| 1 | (510,797) | (510,797) | (510,797) | 4.10% | 0 | 0 | 0 | (510,797) | 10,510,797 | (510,797) | 10,000,000 | 0.00% |
| 2 | (510,797) | (510,797) | (1,021,594) | 4.10% | (20,943) | (20,943) | 0 | (531,740) | 11,021,594 | (1,021,594) | 10,000,000 | 47649.39% |
| 3 | (510,797) | (510,797) | (1,532,391) | 4.10% | (41,885) | (41,885) | 0 | (552,622) | 11,532,391 | (1,532,391) | 10,000,000 | 1987.45% |
| 4 | (510,797) | (510,797) | (2,043,188) | 4.10% | (62,828) | (62,828) | 0 | (573,625) | 12,043,188 | (2,043,188) | 10,000,000 | 608.61% |
| 5 | (510,797) | (510,797) | (2,553,985) | 4.10% | (83,771) | (83,771) | 0 | (594,568) | 12,553,985 | (2,553,985) | 10,000,000 | 307.57% |
| 6 | (510,797) | (510,797) | (3,064,782) | 4.10% | (104,713) | (104,713) | 0 | (615,510) | 13,064,782 | (3,064,782) | 10,000,000 | 191.46% |
| 7 | (510,797) | (510,797) | (3,575,579) | 4.10% | (125,656) | (125,656) | 0 | (636,453) | 13,575,579 | (3,575,579) | 10,000,000 | 133.00% |
| 8 | (510,797) | (510,797) | (4,086,376) | 4.10% | (146,599) | (146,599) | 0 | (657,396) | 14,086,376 | (4,086,376) | 10,000,000 | 98.70% |
| 9 | (510,797) | (510,797) | (4,597,173) | 4.10% | (167,541) | (167,541) | 0 | (678,338) | 14,597,173 | (4,597,173) | 10,000,000 | 76.50% |
| 10 | (510,797) | (510,797) | (5,107,970) | 4.10% | (188,484) | (188,484) | 0 | (699,281) | 15,107,970 | (5,107,970) | 10,000,000 | 61.10% |
| | (5,107,970) | (5,107,970) | | | (942,420) | (942,420) | 0 | (6,050,390) | | | | |
| 11 | (510,797) | (510,797) | (5,618,767) | 4.10% | (209,427) | (209,427) | 0 | (720,224) | 15,618,767 | (5,618,767) | 10,000,000 | 49.88% |
| 12 | (510,797) | (510,797) | (6,129,564) | 4.10% | (230,369) | (230,369) | 0 | (741,166) | 16,129,564 | (6,129,564) | 10,000,000 | 41.39% |
| 13 | (510,797) | (510,797) | (6,640,361) | 4.10% | (251,312) | (251,312) | 0 | (762,109) | 16,640,361 | (6,640,361) | 10,000,000 | 34.76% |
| 14 | (510,797) | (510,797) | (7,151,158) | 4.10% | (272,255) | (272,255) | 0 | (783,052) | 17,151,158 | (7,151,158) | 10,000,000 | 29.46% |
| 15 | (510,797) | (510,797) | (7,661,955) | 4.10% | (293,197) | (293,197) | 0 | (803,994) | 17,661,955 | (7,661,955) | 10,000,000 | 25.13% |
| 16 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 21.54% |
| 17 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 18.55% |
| 18 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 16.04% |
| 19 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 13.92% |
| 20 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 12.10% |
| | (7,661,955) | (7,661,955) | | | (3,769,682) | (3,769,682) | 0 | (11,431,637) | | | | |
| 21 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 10.55% |
| 22 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 9.20% |
| 23 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 8.03% |
| 24 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 7.01% |
| 25 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 6.12% |
| 26 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 5.33% |
| 27 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 4.63% |
| 28 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 4.01% |
| 29 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 3.46% |
| 30 | 0 | 0 | (7,661,955) | 4.10% | (314,140) | (314,140) | 0 | (314,140) | 17,661,955 | (7,661,955) | 10,000,000 | 2.96% |
| | (7,661,955) | (7,661,955) | | | (6,911,083) | (6,911,083) | 0 | (14,573,038) | | | | |

This example is not a supplementary illustration, or a contract. Please refer to a complete basic policy illustration for information regarding the policy.