

Preface

A decision to acquire additional life insurance can represent one of several significant phases in your overall financial planning.

An important part of this decision involves the comparison of the life insurance policy to alternative investment possibilities.

To help you make an informed decision about acquiring the policy, the accompanying presentation shows financial data regarding life insurance compared to these alternatives:

Any Taxable Investment;
Tax Deferred Account.

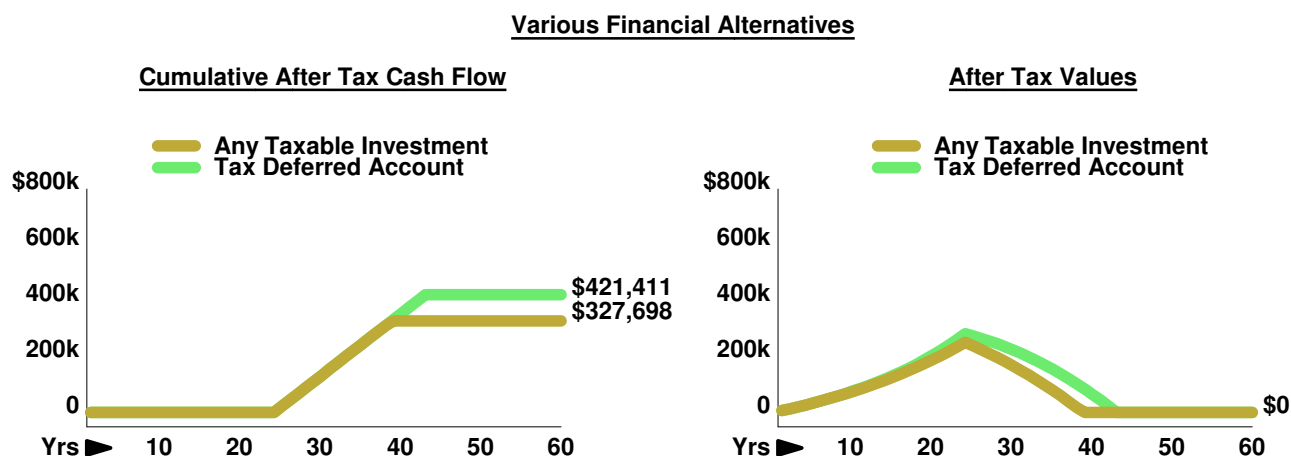
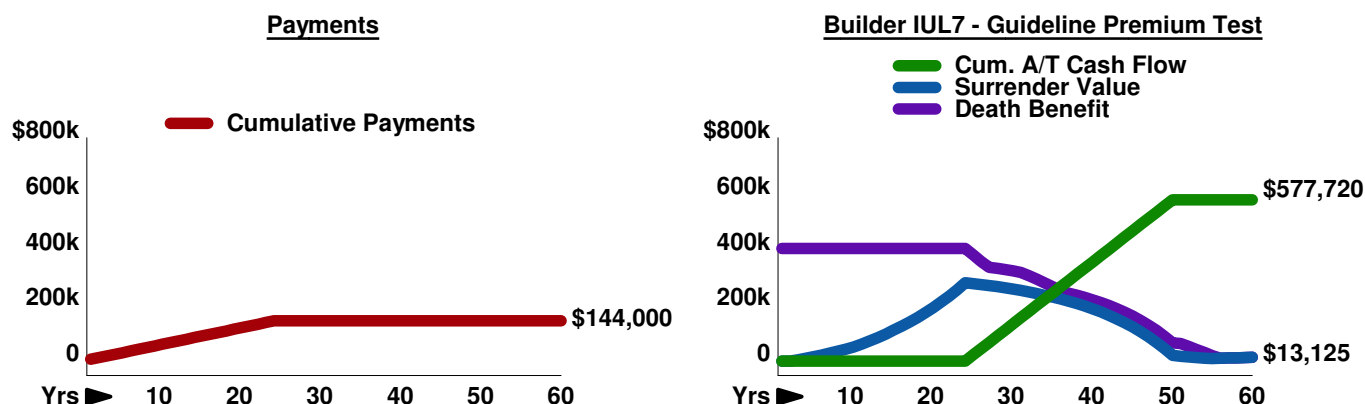
The study offers information from which you and your advisers can draw informed conclusions about the suitability of either plan.

Following are major features of the life insurance policy for you to consider as part of your overall

assessment:

1. Income tax free death benefits;
2. Probate free death benefits;
3. Accumulating cash values;
4. Income tax deferred growth of cash values;
5. Competitive current interest rate;
6. Tax free access to cash values via policy loans;
7. Privacy of all transactions.

Favorable income tax consequences combine with significant policy values and benefits to produce a life insurance solution that has a considerable amount of financial leverage.



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.

Builder IUL7 - Guideline Premium Test vs. Various Financial Alternatives

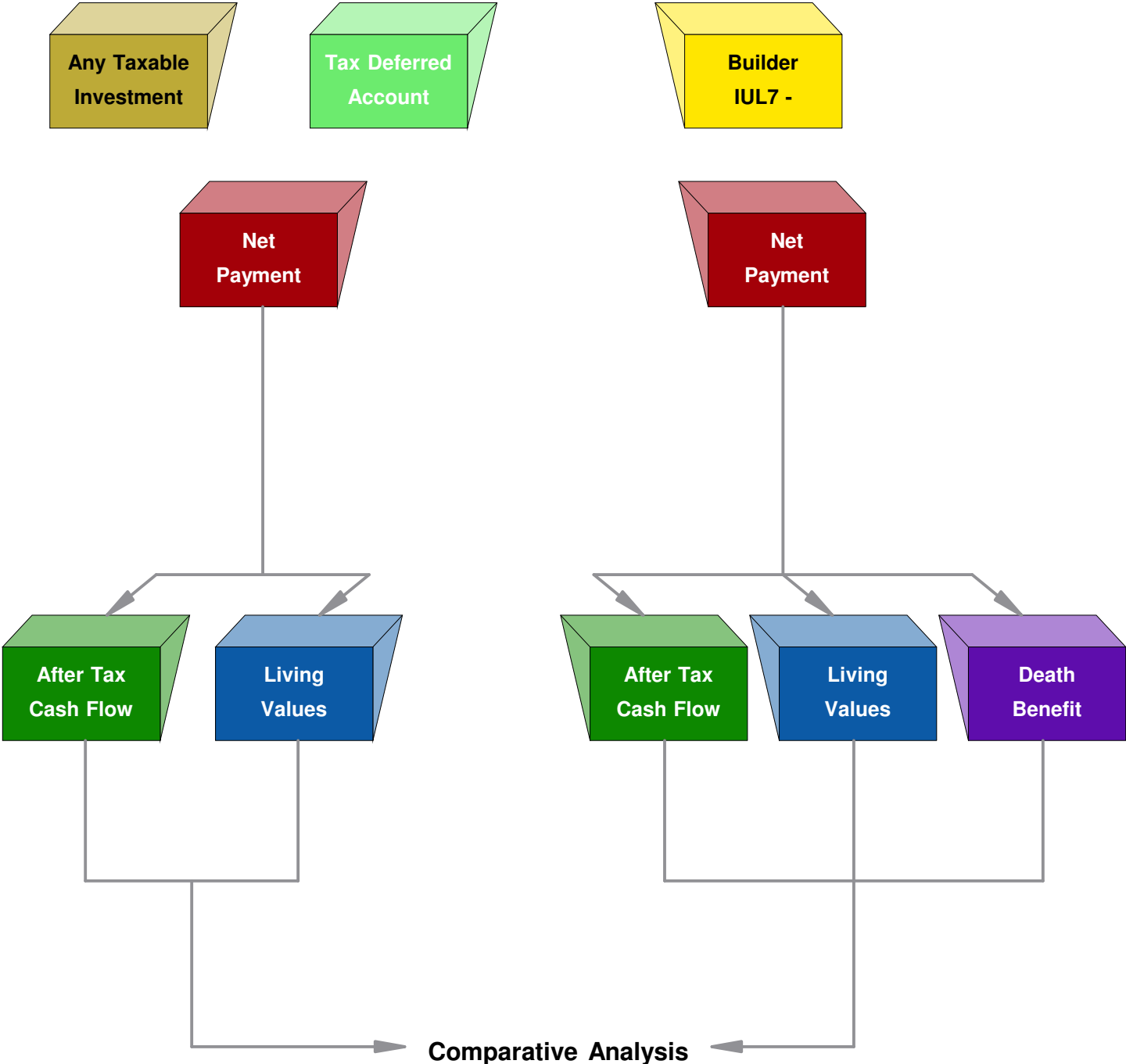
Presented By: Saliya Abeysekera

Insured: Valued Client

Flow Chart

Various Financial Alternatives

Builder IUL7 - Guideline Premium Test



Builder IUL7 - Guideline Premium Test vs. Various Financial Alternatives

Presented By: Saliya Abeysekera

Insured: Valued Client

Comparison of Values

		Any Taxable Investment Yield 7.00%	Tax Deferred Account Yield 7.00%	Income Tax Rate 40.00%	Builder IUL7 - Interest Rate 7.00%	Initial Death Benefit 403,182				
		After Tax Values of Identical Allocation to Various Financial Alternatives				Builder IUL7 -				
Year	Male Age	(1) Life Insurance Premium	(2a) After Tax Cash Flow from Any Taxable Investment	(2b) Any Taxable Investment	(3a) After Tax Cash Flow from Tax Deferred Account	(3b) Tax Deferred Account	(4a) After Tax Policy Loan Proceeds	(4b) Year End Accum Value*	(4c) Year End Surrender Value*	(4d) Death Benefit
1	40	6,000	0	6,252	0	6,252	0	4,252	0	403,182
2	41	6,000	0	12,767	0	12,773	0	8,773	0	403,182
3	42	6,000	0	19,555	0	19,583	0	13,501	4,405	403,182
4	43	6,000	0	26,628	0	26,702	0	18,517	9,800	403,182
5	44	6,000	0	33,998	0	34,151	0	23,836	15,498	403,182
6	45	6,000	0	41,678	0	41,954	0	29,479	21,520	403,182
7	46	6,000	0	49,681	0	50,135	0	35,471	27,891	403,182
8	47	6,000	0	58,019	0	58,720	0	41,880	34,868	403,182
9	48	6,000	0	66,708	0	67,739	0	48,689	42,246	403,182
10	49	6,000	0	75,762	0	77,221	0	55,931	50,057	403,182
11	50	6,000	0	85,196	0	87,198	0	65,465	60,349	403,182
12	51	6,000	0	95,026	0	97,706	0	75,677	71,508	403,182
13	52	6,000	0	105,269	0	108,781	0	86,693	83,472	403,182
14	53	6,000	0	115,943	0	120,464	0	98,540	96,455	403,182
15	54	6,000	0	127,064	0	132,796	0	111,324	110,376	403,182
16	55	6,000	0	138,653	0	145,824	0	125,082	125,082	403,182
17	56	6,000	0	150,728	0	159,596	0	139,897	139,897	403,182
18	57	6,000	0	163,311	0	174,164	0	155,857	155,857	403,182
19	58	6,000	0	176,422	0	189,583	0	173,026	173,026	403,182
20	59	6,000	0	190,084	0	205,914	0	191,537	191,537	403,182
21	60	6,000	0	204,319	0	223,220	0	211,402	211,402	403,182
22	61	6,000	0	219,153	0	241,569	0	232,782	232,782	403,182
23	62	6,000	0	234,609	0	261,035	0	255,797	255,797	403,182
24	63	6,000	0	250,715	0	281,695	0	280,608	280,608	403,182
25	64	0	22,220	238,092	22,220	273,607	22,220	300,291	277,404	380,295
26	65	0	22,220	224,938	22,220	264,952	22,220	320,429	273,969	356,722
27	66	0	22,220	211,232	22,220	255,691	22,220	341,104	270,364	335,174
28	67	0	22,220	196,951	22,220	245,782	22,220	362,231	266,482	331,683
29	68	0	22,220	182,070	22,220	235,180	22,220	383,741	262,233	327,469
30	69	0	22,220	166,563	22,220	223,835	22,220	405,679	257,639	322,547
		144,000	133,320		133,320		133,320			

See the accompanying reports for year-by-year details:
Details of the Tax Deferred Account

*This illustration assumes the nonguaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a proposal from North American Company.

Note: Tax Deferred Account values do not reflect surrender charges or market rate adjustments, if any.

Tax Deferred Account is assessed:
Income tax each year. Column (3b) values are after tax.

This is an illustration, not a contract.

Builder IUL7 - Guideline Premium Test vs. Various Financial Alternatives

Presented By: Saliya Abeysekera

Insured: Valued Client

Comparison of Values

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31	70	0	22,220	150,406	22,220	211,696	22,220	428,004	252,637	316,837
32	71	0	22,220	133,569	22,220	198,708	22,220	450,747	247,232	305,829
33	72	0	22,220	116,026	22,220	184,810	22,220	473,968	241,461	293,598
34	73	0	22,220	97,746	22,220	169,940	22,220	497,607	235,238	280,022
35	74	0	22,220	78,698	22,220	154,028	22,220	521,770	228,643	265,167
36	75	0	22,220	58,850	22,220	137,344	22,220	546,457	221,649	248,972
37	76	0	22,220	38,169	22,220	119,960	22,220	571,437	213,999	242,571
38	77	0	22,220	16,618	22,220	101,845	22,220	596,754	205,706	235,543
39	78	0	16,618	0	22,220	82,969	22,220	622,281	196,615	227,729
40	79	0	0	0	22,220	63,300	22,220	648,088	186,765	219,169
41	80	0	0	0	22,220	42,806	22,220	674,062	176,014	209,717
42	81	0	0	0	22,220	21,451	22,220	700,070	164,193	199,196
43	82	0	0	0	21,451	0	22,220	726,207	151,368	187,678
44	83	0	0	0	0	0	22,220	752,326	137,354	174,971
45	84	0	0	0	0	0	22,220	778,337	122,030	160,947
46	85	0	0	0	0	0	22,220	804,003	105,120	145,320
47	86	0	0	0	0	0	22,220	829,435	86,698	128,170
48	87	0	0	0	0	0	22,220	854,374	66,469	109,188
49	88	0	0	0	0	0	22,220	878,688	44,259	88,193
50	89	0	0	0	0	0	22,220	902,180	19,832	64,941
51	90	0	0	0	0	0	0	925,772	16,953	63,242
52	91	0	0	0	0	0	0	950,331	14,248	52,261
53	92	0	0	0	0	0	0	976,038	11,873	41,154
54	93	0	0	0	0	0	0	1,003,198	10,107	30,171
55	94	0	0	0	0	0	0	1,032,219	9,335	19,658
56	95	0	0	0	0	0	0	1,063,647	10,077	10,077
57	96	0	0	0	0	0	0	1,095,934	10,757	10,757
58	97	0	0	0	0	0	0	1,129,221	11,489	11,489
59	98	0	0	0	0	0	0	1,163,541	12,277	12,277
60	99	0	0	0	0	0	0	1,198,927	13,125	13,125
		144,000	327,698		421,411		577,720			

See the accompanying reports for year-by-year details:
Details of the Tax Deferred Account

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Tax Deferred Account is assessed:
Income tax each year. Column (3b) values are after tax.

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Builder IUL7 - Guideline Premium Test vs. Various Financial Alternatives

Presented By: Saliya Abeysekera

Insured: Valued Client

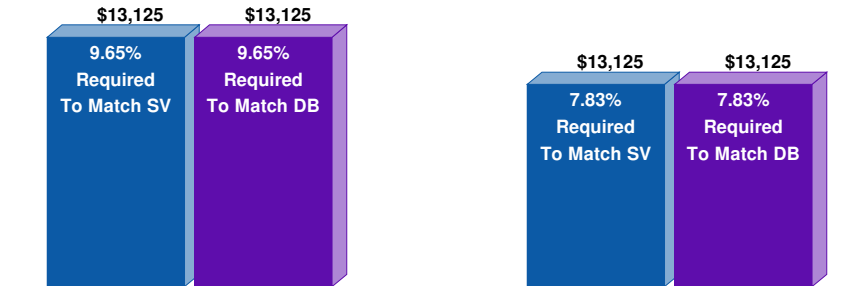
Matching Values

Any Taxable Investment Yield	Tax Deferred Account Yield	Income Tax Rate	Builder IUL7 - Interest Rate	Initial Death Benefit
7.00%	7.00%	40.00%	7.00%	403,182

Gross Interest Rate needed by Various Investments over 60 Years to Match Builder IUL7 - Policy Values

Investment	Interest Rate	Builder IUL7 -
Any Taxable Investment	11.85%	Accumulation Value \$1,198,927
Any Taxable Investment	9.65%	Surrender Value \$13,125
Any Taxable Investment	9.65%	Death Benefit \$13,125
Tax Deferred Account	8.88%	Accumulation Value \$1,198,927
Tax Deferred Account	7.83%	Surrender Value \$13,125
Tax Deferred Account	7.83%	Death Benefit \$13,125

Any Taxable Investment
Tax Deferred Account



Income Tax Considerations

1. Any Taxable Investment: Interest is taxed as earned.
2. Tax Deferred Account: Interest is tax deferred.
(Values assume tax is assessed in year shown only)
3. Builder IUL7 - Guideline Premium Test:
 - a. Death Benefit including cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

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Builder IUL7 - Guideline Premium Test vs. Various Financial Alternatives

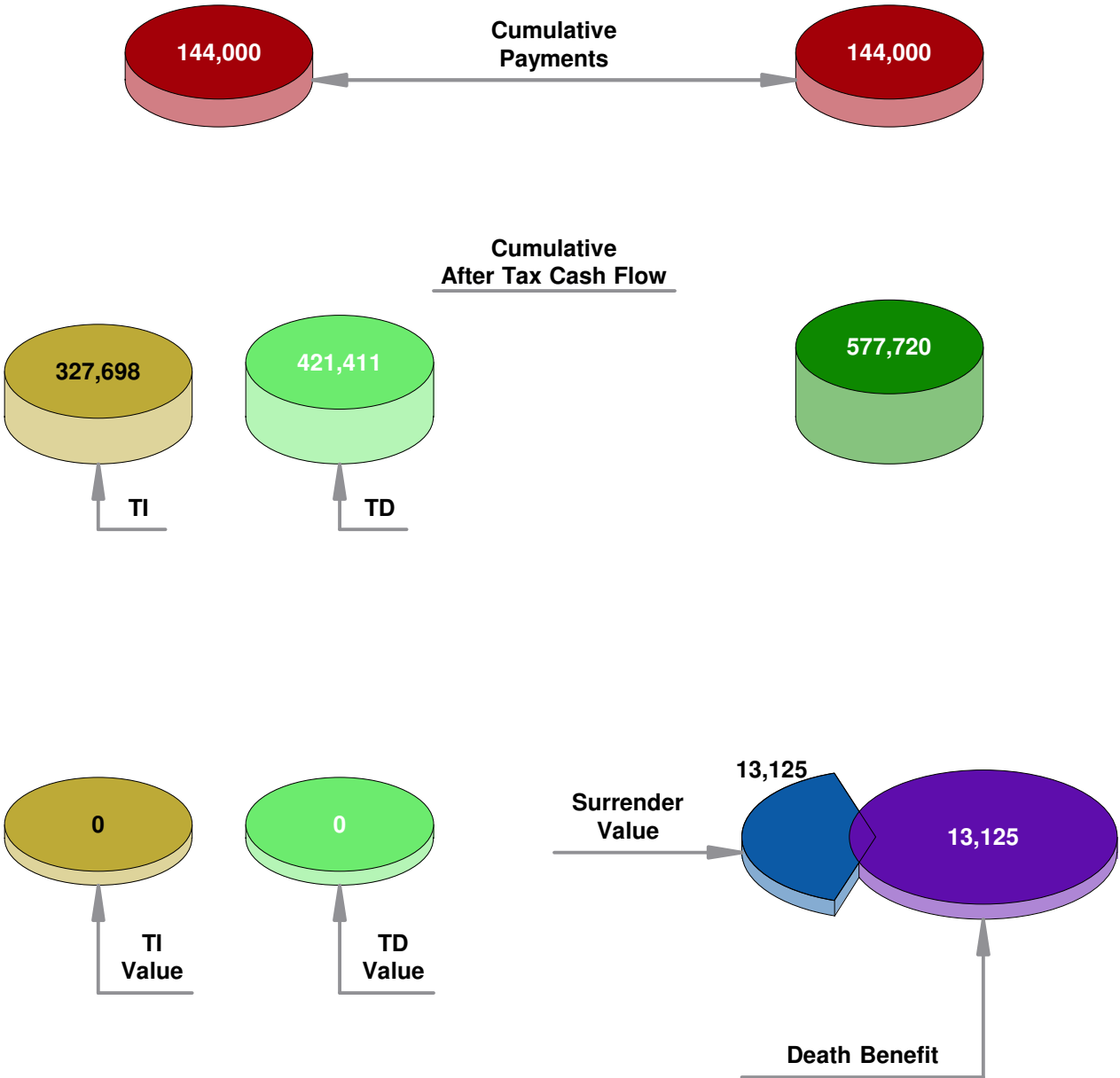
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Insured: Valued Client

A Look at Year 60

Various Financial Alternatives

Builder IUL7 - Guideline Premium Test



TI - Any Taxable Investment
TD - Tax Deferred Account

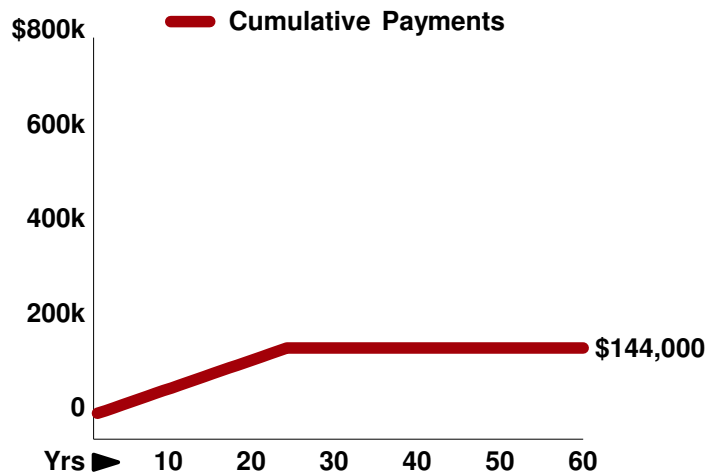
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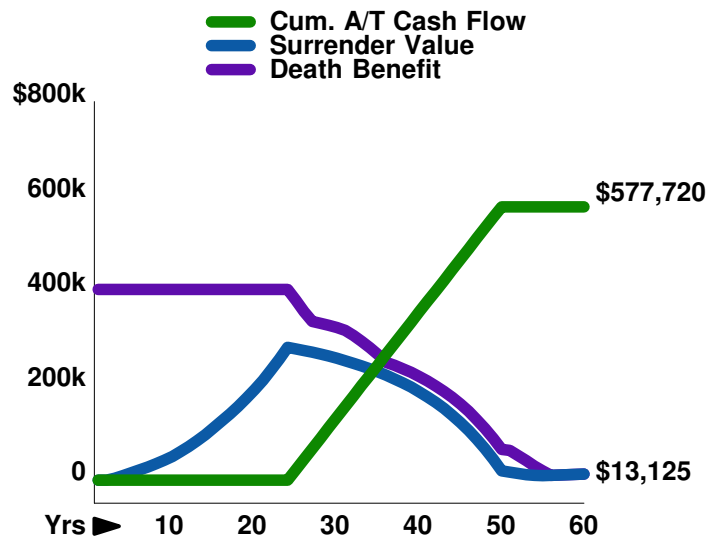
Insured: Valued Client

60 Year Analysis

Payments

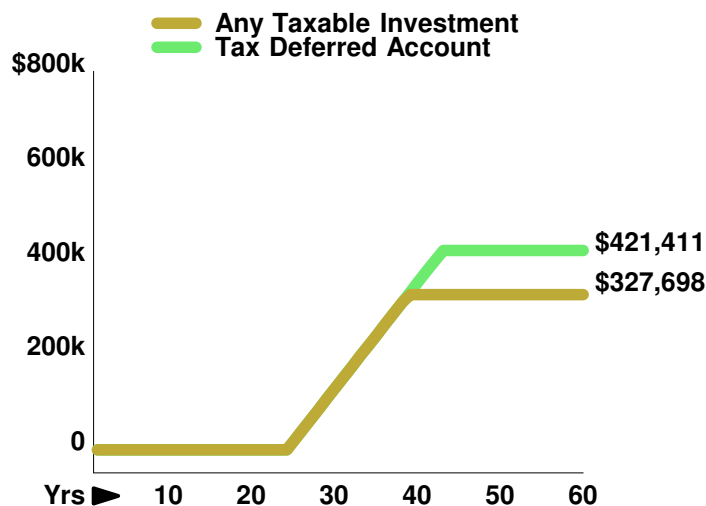


Builder IUL7 - Guideline Premium Test

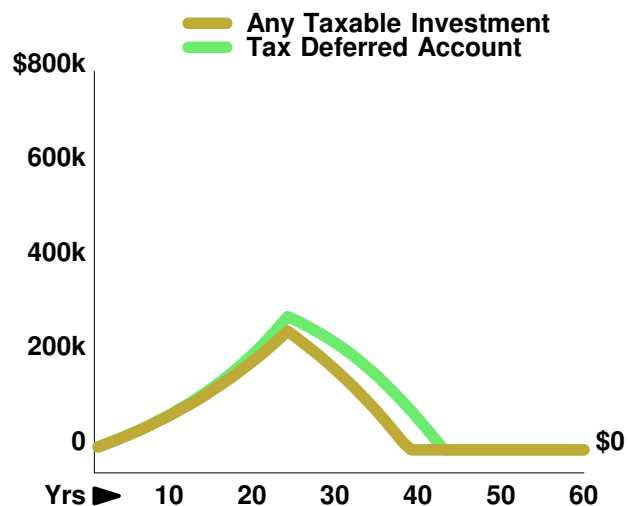


Various Financial Alternatives

Cumulative After Tax Cash Flow



After Tax Values

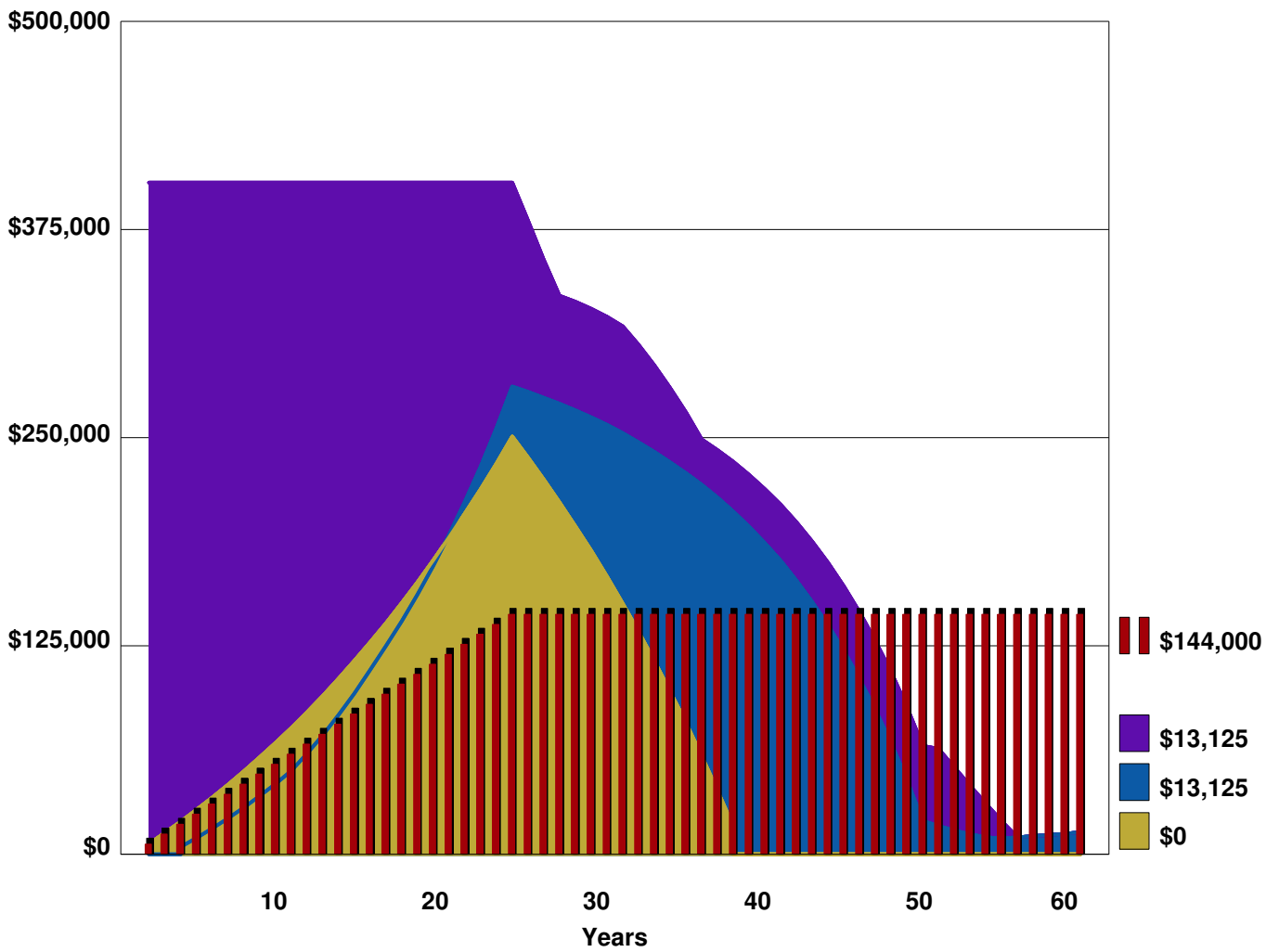


Builder IUL7 - Guideline Premium Test vs. Various Financial Alternatives

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Insured: Valued Client

60 Year Comparison to Any Taxable Investment



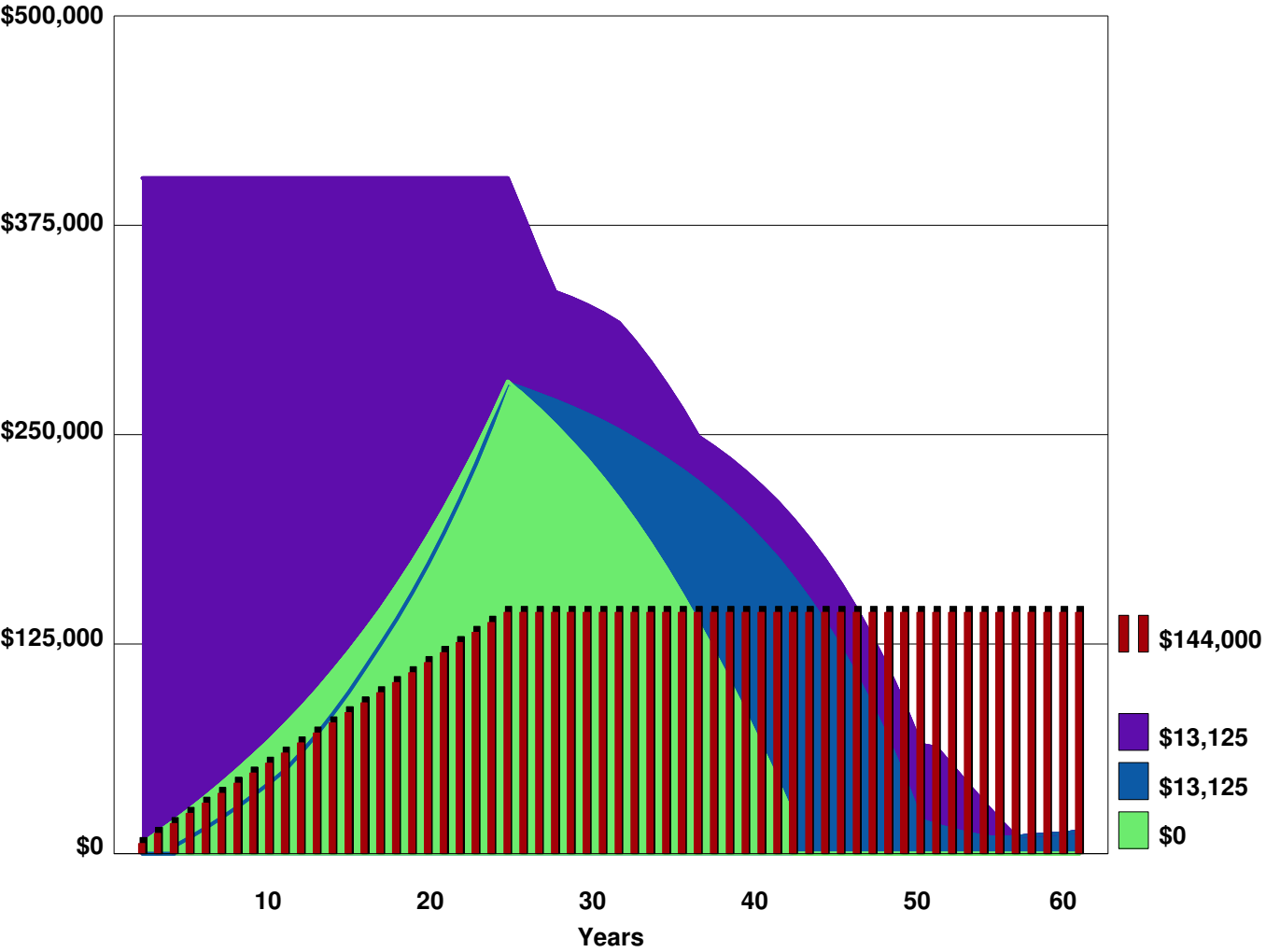
<u>At Year 60</u>	
Cumulative Payments	\$144,000
Any Taxable Investment Values	\$0
Surrender Value of Builder IUL7 -	\$13,125
Death Benefit of Builder IUL7 -	\$13,125

Builder IUL7 - Guideline Premium Test vs. Various Financial Alternatives

Presented By: Saliya Abeysekera

Insured: Valued Client

60 Year Comparison to a Tax Deferred Account



At Year 60

Cumulative Payments	\$144,000
Tax Deferred Account Values	\$0
Surrender Value of Builder IUL7 -	\$13,125
Death Benefit of Builder IUL7 -	\$13,125