

Security Financial Life

Section 79 GEAR



A Proposal For:

Constantly Green, Inc.

Presented By:

Security Financial Life

GENERAL PLAN DESCRIPTION

Section 79 GEAR is a group insurance plan that provides valuable death protection during covered employees' working years and the additional option to continue their coverage by exercising an entry-age (age on date of hire) conversion privilege. The entry-age conversion privilege allows the opportunity for affordable postretirement life insurance protection.

With a more typical type of coverage, departing employees usually have only two options:

1. Convert their group insurance to an individual policy and pay premiums based on their current or attained age (age on date of separation/retirement).
2. Stop insurance coverage altogether. (Over 98 percent of covered employees elect this option.)

With Section 79 GEAR, employees have a unique third choice. What makes this additional choice so powerful is that post-conversion premiums are calculated based on the employee's age when employment began (entry age) with the employer, not current age (attained age).

Employee savings can be substantial!

To qualify for the tax advantages*, the employer's plan must:

1. Be a non-discriminatory plan of group life insurance as determined by Section 79 of the Internal Revenue Code; and
2. Meet the State statutory requirements for group life insurance of the applicable jurisdiction.

Security Financial Life administers a trust located at the UMB Bank in Kansas City, Missouri. Each employer will complete a Joinder Agreement to be a part of that trust.

The trust serves two purposes:

1. IRC Sec. 79 requires an employer to have a "written" plan document. The trust is that document.
2. Each employer's plan must meet State laws for group life insurance. The state of jurisdiction for IRS purposes is the state where the master contract is domiciled. By having the master contract owned by the trust, the state of jurisdiction is Missouri. Missouri statutes place no maximum limit on the amount of death benefit, and permit plans for employers with as few as one employee. Other state laws vary widely.

All premiums are paid directly to the insurance company and all benefits are paid by the insurance company directly to the beneficiaries. The trust is not required to handle funds.

*The deductibility of contributions made to the plan, and the taxation of such contributions to controlling shareholders or employees, will ultimately depend upon the facts and circumstances surrounding each employer's participation in the plan. Security Financial Life does not provide legal, tax or ERISA advice and does not authorize any of its agents to provide such advice. ***All questions of a tax or legal nature should be referred to your independent legal or tax advisers.***

EMPLOYER TAXATION*

For the benefits to qualify as “a plan of group life insurance” under Section 79, the plan must be non-discriminatory both as to eligibility and benefits. Employer payments for Section 79 GEAR coverage are made up of both annually renewable term insurance and additional contributions to a premium stabilization reserve used to stabilize mortality and conversion costs that may occur throughout the life of the plan.

Payments made on behalf of the covered employees are not considered taxable income* to the employee. (Note: For insurance amounts over \$50,000, there is a Uniform Premium Table charge to the employee's income; see page 4.)

If Plan setup, participation and administration are done properly, Section 79 GEAR may be considered a tax-deductible* employer provided benefit under the Internal Revenue Code (IRC).*

IRC Section 162 provides that “**Business expenses deductible from gross income include the ordinary and necessary expenditures directly connected with or pertaining to the taxpayer's trade or business.** An expense is necessary if the facts and circumstances establish that it is appropriate and helpful for the development of the taxpayer's business.” An expense need not be essential to qualify as necessary. (Emphasis added)

ELIGIBILITY

The plan should cover all full-time employees. A waiting period is permitted, not to exceed 6 months if less than 10 employees are covered, or 3 years if 10 or more are covered. If all full time employees are not covered, the plan may still be non-discriminatory if at least 85% of those who are covered are not key employees.

BENEFITS

The plan is non-discriminatory if the amount of the death benefit is a flat amount for all employees, or the amount is a uniform percent of compensation. Also, amounts based on classes may be found to qualify by the Secretary of the Treasury.

FUNDING

To preserve actuarial soundness, funding for the conversion reserve may be delayed to recognize that all employees do not stay until their conversion date. The employer may choose not to start funding until a selected age or years of service. Funding must be levelized from the starting date to the conversion date. Funding may extend past the normal conversion date to spread the cost for older employees.

*The deductibility of contributions made to the plan, and the taxation of such contributions to controlling shareholders or employees, will ultimately depend upon the facts and circumstances surrounding each employer's participation in the plan. Security Financial Life does not provide legal, tax or ERISA advice and does not authorize any of its agents to provide such advice. ***All questions of a tax or legal nature should be referred to your independent legal or tax advisers.***

EMPLOYEE TAXATION*

IRC section 79 provides the general rule stating “there shall be included in the gross income of an employee for the taxable year an amount equal to the cost of group-term life insurance on his life provided for part or all of such year under a policy (or policies) carried directly or indirectly by his employer (or employers); **but only to the extent that such cost exceeds the sum of:**

- 1. The cost of \$50,000 of such insurance, and**
- 2. The amount (if any) paid by the employee toward the purchase of such insurance.** (Emphasis supplied)

Therefore, all employees receiving Section 79 GEAR death protection in excess of \$50,000 must recognize a “charge to income” (extra income that must be included on the employee’s year end W-2). The amount of the charge is quantified in The Uniform Premium Table (shown below) and will apply to group insurance coverage that exceeds \$50,000.

For example, a 50-year-old employee receiving \$150,000 of Section 79 GEAR coverage, \$100,000 in excess of \$50,000, would be required to report an additional \$276 ($.23 \times 12 \times 100 = \276) of taxable income on the year-end W-2. In a 30 percent tax bracket, the net cost to the individual would be approximately \$83 ($.3 \times 276 = \83) in additional tax liability.*

Table I. - Uniform Premium Table	
5-year age bracket	Cost per \$1,000.00 of protection per 1-month period
Under 25	\$0.05
25 to 29	\$0.06
30 to 34	\$0.08
35 to 39	\$0.09
40 to 44	\$0.10
45 to 49	\$0.15
50 to 54	\$0.23
55 to 59	\$0.43
60 to 64	\$0.66
65 to 69	\$1.27
70 and above	\$2.06

Uniform premiums for \$1,000.00 of group term life insurance protection

*The deductibility of contributions made to the plan, and the taxation of such contributions to controlling shareholders or employees, will ultimately depend upon the facts and circumstances surrounding each employer’s participation in the plan. Security Financial Life does not provide legal, tax or ERISA advice and does not authorize any of its agents to provide such advice. **All questions of a tax or legal nature should be referred to your independent legal or tax advisers.**

EMPLOYER SUMMARY

FOR Constantly Green, Inc.

GROUP INSURANCE PLAN

GENERAL:

RUN DATE: 07-14-2003
EFFECTIVE DATE: 07-14-2003
NORMAL CONVERSION AGE: 64

PRE-CONVERSION COVERAGE:

INSURANCE TYPE: SFL ART
COVERAGE FORMULA: CLASS PLAN
MINIMUM AMOUNT: \$0
MAXIMUM AMOUNT: \$0
NUMBER OF PARTICIPANTS: 10

POST-CONVERSION PLAN:

POST-CONVERSION BENEFIT: Retirement Life
COVERAGE FORMULA: CLASS PLAN
MINIMUM AMOUNT: \$0
MAXIMUM AMOUNT: \$0
NUMBER OF PARTICIPANTS: 10

DEPOSIT FUNDING:

BEGINS: EARLIER OF AGE 54 OR 10 YRS SERVICE
ASSUMED RESERVE INTEREST: 5.500%
PAST SERVICE CREDIT: NO MAXIMUM YEARS
MINIMUM FUNDING YEARS: 10
RESERVE PLAN: 1
CURRENT PARTICIPANTS FUNDED: 2

ILLUSTRATION SYSTEM
VERSION DATE
01-01-03

SECURITY FINANCIAL LIFE
P.O. BOX 82248
LINCOLN, NE 68501
(402)/434-9500

REPRESENTATIVE:
M. Cole
Illustration Only

EMPLOYER SUMMARY
Employee Census & Underwriting

RUN DATE: 07-14-2003
EFF DATE: 07-14-2003

EMPLOYER: Constantly Green, Inc.

EMPLOYEE	CURRENT		ENTRY		COMP	SEX	UND CLASS	TBL	EXTRA PREM RATE/M YRS
	D-O-B	AGE	D-O-H	AGE					
Bill		51		39	100000	M	NT	0	
Sam		50		38	100000	M	NT	0	
Jane		29		26	40000	F	NT	0	
Wilma		28		25	16000	F	NT	0	
Steve		37		36	10000	M	NT	0	
Judy		42		38	10000	F	NT	0	
Nancy		23		22	10000	F	NT	0	
Aaron		21		20	10000	M	NT	0	
Jim		29		24	10000	M	NT	0	
Carl		41		39	10000	M	NT	0	

ILLUSTRATION SYSTEM
VERSION DATE
01-01-03

SECURITY FINANCIAL LIFE
P.O. BOX 82248
LINCOLN, NE 68501
(402)/434-9500

REPRESENTATIVE:
M. Cole
Illustration Only

EMPLOYER SUMMARY
PRE-CONVERSION EXPENSES

RUN DATE: 07-14-2003
EFF DATE: 07-14-2003

EMPLOYER: Constantly Green, Inc.

YEAR	GROUP INS. PD. EMPLOYER*	RESERVE ANNUAL DEPOSIT**	TOTAL ANNUAL COST	RESERVE ACCUM VALUE**
1	7039	50604	57643	5332
2	7246	50604	57850	40283
3	7450	50604	58054	88887
4	7840	50604	58444	140164
5	8500	50604	59104	194261
6	9148	51387	60535	253545
7	9771	53114	62885	316586
8	10244	57228	67473	384514
9	10568	59424	69992	458742
10	10824	62378	73202	539762
TOTAL	88629	536552	625181	539762
11	11098	62378	73477	627283
12	11423	62378	73801	722363
13	11790	62378	74169	822885
14	7068	35876	42945	475615
15	2268	11774	14042	77710
16	2357	11774	14131	92920
17	2464	11774	14239	108999
18	2607	11774	14382	126034
19	2771	11774	14546	144177
20	2960	11774	14735	163409
TOTAL	145437	830210	975647	163409

Group insurance premiums are subject to change with Company experience.*

** Reserve deposits assume 5.500% interest (interest above 4% not guaranteed).

Number of employees in the group in first year 10.

Based on Fringe Benefit Administrator's interpretation of the Internal Revenue Code as of the Version Date below. All questions of a tax nature need to be reviewed by your tax advisor.

THIS IS AN ILLUSTRATION ONLY

ILLUSTRATION SYSTEM
VERSION DATE
01-01-03

SECURITY FINANCIAL LIFE
P.O. BOX 82248
LINCOLN, NE 68501
(402)/434-9500

REPRESENTATIVE:
M. Cole
Illustration Only

EMPLOYER SUMMARY
GROUP INSURANCE COVERAGE

RUN DATE: 07-14-2003
EFF DATE: 07-14-2003

EMPLOYER: Constantly Green, Inc.

EMPLOYEE	CLASS	RESERVE DEPOSIT		----- INSURANCE COVERAGE-----			
		IN	START YR	PRE-CONVERSION		POST-CONVERSION	
		YEAR	COST	AMOUNT	POLICY	AMOUNT	POLICY
Bill	NT	2003	26502	1000000	ART	1000000	L85
Sam	NT	2003	24102	1000000	ART	1000000	L85
Jane	NT	2010	2980	400000	ART	400000	L85
Wilma	NT	2010	1134	160000	ART	160000	L85
Steve	NT	2012	1729	100000	ART	100000	L85
Judy	NT	2009	1727	100000	ART	100000	L85
Nancy	NT	2012	604	100000	ART	100000	L85
Aaron	NT	2012	621	100000	ART	100000	L85
Jim	NT	2008	783	100000	ART	100000	L85
Carl	NT	2011	2196	100000	ART	100000	L85

ILLUSTRATION SYSTEM
VERSION DATE
01-01-03

SECURITY FINANCIAL LIFE
P.O. BOX 82248
LINCOLN, NE 68501
(402)/434-9500

REPRESENTATIVE:
M. Cole
Illustration Only

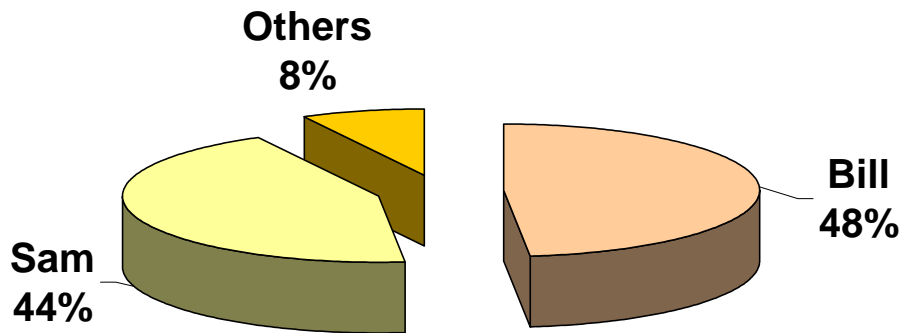
PreConversion 10 year Cost/Benefit Breakdown for Constantly Green, Inc.

Name	Bill	Sam	Others	TOTAL
Term Protection	Class Plan	Class Plan	Class Plan	
Conversion Age	64/10 yr min	64/10 yr min	64/10 yr min	
Cost Yr 1	\$ 29,292	\$ 26,792	\$ 1,559	\$ 57,643
Cost Yr 2	\$ 29,408	\$ 26,863	\$ 1,579	\$ 57,850
Cost Yr 3	\$ 29,491	\$ 26,954	\$ 1,609	\$ 58,054
Cost Yr 4	\$ 29,788	\$ 27,028	\$ 1,628	\$ 58,444
Cost Yr 5	\$ 30,104	\$ 27,320	\$ 1,680	\$ 59,104
Cost Yr 6	\$ 30,387	\$ 27,630	\$ 2,518	\$ 60,535
Cost Yr 7	\$ 30,633	\$ 27,908	\$ 4,344	\$ 62,885
Cost Yr 8	\$ 30,801	\$ 28,152	\$ 8,520	\$ 67,473
Cost Yr 9	\$ 30,892	\$ 28,320	\$ 10,780	\$ 69,992
Cost Yr 10	\$ 31,022	\$ 28,413	\$ 13,767	\$ 73,202

TOTAL	\$ 301,818	\$ 275,380	\$ 47,984	\$ 625,182
--------------	-------------------	-------------------	------------------	-------------------

Summary	% of Total
Bill	48.3%
Sam	44.0%
Others	7.7%

} 92.3%



Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by:	Coverage Summary	Amount	Premium
M. Cole	Life Paid Up at 85 - L85 #	1000000	15690.00
	Conversion Age: 64		
Prepared For:	Current Age: 51	Funding Age: 51	
Bill	Entry Age: 39	Dividend Option: W	
Male Age 64 - Non-Tobacco			

Yr	Age	--- Guaranteed Basis ----				----- Non Guaranteed Illustrated Basis -----			
		Contract Premium	Surr Outlay	Death Value	Death Benefit	Premium Outlay	Annual Dividend	Surr Value	Death Benefit
1	65	59,590	59,590	0	1000000	15,690	0	0	1000000
2	66	59,590	59,590	13320	1000000	15,690	18660	31980	1031530
3	67	59,590	59,590	50270	1000000	0<	18770	72080	1035970
4	68	59,590	59,590	87470	1000000	0<	18880	112620	1040500
5	69	59,590	59,590	124970	1000000	0<	19010	153660	1045140
6	70	59,590	59,590	162750	1000000	0<	19140	195190	1049900
7	71	59,590	59,590	200750	1000000	0<	19280	237150	1054780
8	72	59,590	59,590	238850	1000000	0<	19430	279440	1059800
9	73	59,590	59,590	276930	1000000	0<	19590	321930	1064960
10	74	59,590	59,590	314900	1000000	0<	19770	364560	1070290
11	75	59,590	59,590	352820	1000000	0<	19960	407390	1075810
12	76	59,590	59,590	390890	1000000	0<	20150	450610	1081510
13	77	59,590	59,590	429450	1000000	0<	20360	494600	1087420
14	78	59,590	59,590	468960	1000000	0<	20560	544490	1098200
15	79	59,590	59,590	509980	1000000	0<	20760	596960	1109980
16	80	59,590	59,590	553130	1000000	0<	20980	652730	1122830
17	81	59,590	59,590	599110	1000000	0<	21190	712580	1136850
18	82	59,590	59,590	648870	1000000	0<	21440	777610	1152200
19	83	59,590	59,590	703720	1000000	0<	21700	849330	1169100
20	84	59,590	59,590	765700	1000000	0<	21990	930100	1187880
21	85	59,590	59,590	834880	1000000	0<	22260	1011810	1200370
22	86	0	0	844110	1000000	0	35180	1053970	1238480
23	87	0	0	852930	1000000	0	36520	1097240	1277610
24	88	0	0	861420	1000000	0	37660	1141510	1317530
25	89	0	0	869740	1000000	0	39080	1187270	1358570
26	90	0	0	878040	1000000	0	40600	1234800	1400830
27	91	0	0	886530	1000000	0	41740	1284050	1443860
28	92	0	0	895450	1000000	0	42920	1335410	1487670
29	93	0	0	905100	1000000	0	43580	1388850	1531630
30	94	0	0	915760	1000000	0	44550	1445180	1576020
31	95	0	0	927610	1000000	0	46040	1505290	1621310
32	96	0	0	940590	1000000	0	49080	1570730	1669050
33	97	0	0	954260	1000000	0	53690	1642470	1720740
34	98	0	0	967570	1000000	0	59030	1719580	1777050
35	99	0	0	978310	1000000	0	64270	1798040	1837900

Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by:	Coverage Summary	Amount	Premium
M. Cole	Life Paid Up at 85 - L85 #	1000000	15690.00
	Conversion Age: 64		
Prepared For:	Current Age: 51	Funding Age: 51	
Bill	Entry Age: 39	Dividend Option: W	
Male Age 64 - Non-Tobacco			

		--- Guaranteed Basis ----				Non Guaranteed ----- Illustrated Basis -----			
Contract	Premium	Surr	Death	Premium	Annual	Surr	Death		
Yr Age Premium	Outlay	Value	Benefit	Outlay	Dividend	Value	Benefit		
36 100	0	0	1000000	1000000	0	48880	1886780	1886780	

< Premium outlay assumes that dividends are being used to pay premiums. The policy is not paid-up. If dividends are less than illustrated, additional payments would be required.

Assumes required reserve deposits were made prior to conversion. Premium can change as determined by Trust Administrator.

All values are based on the conversion policy currently in use. Actual values will depend on the policy in use at time of conversion.

Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by:	Coverage Summary	Amount	Premium
M. Cole	Life Paid Up at 85 - C85 #	493918	7769.82
	Conversion Age: 64		
Prepared For:	Current Age: 51	Funding Age: 51	
Bill	Entry Age: 39	Dividend Option: V	
Male Age 64 - Non-Tobacco			

Yr	Age	Contract Premium	--- Guaranteed Basis ---			Non Guaranteed Illustrated Basis			
			Premium Outlay	Surr Value	Death Benefit	Premium Outlay	Annual Dividend	Surr Value	Death Benefit
1	65	29,453	29,453	0	493918	7,770	0	0	493918
2	66	29,453	29,453	6579	493918	7,770	32890	39469	526808
3	67	29,453	29,453	24829	493918	0<	34713	84662	553751
4	68	29,453	29,453	43203	493918	0<	36664	131930	582644
5	69	29,453	29,453	61725	493918	0<	38758	181439	613632
6	70	29,453	29,453	80385	493918	0<	41005	233335	646868
7	71	29,453	29,453	99154	493918	0<	43415	287749	682513
8	72	29,453	29,453	117972	493918	0<	45999	344796	720742
9	73	29,453	29,453	136781	493918	0<	48769	404604	761742
10	74	29,453	29,453	155535	493918	0<	51743	467331	805715
11	75	29,453	29,453	174264	493918	0<	54934	533225	852878
12	76	29,453	29,453	193068	493918	0<	58351	602610	903460
13	77	29,453	29,453	212113	493918	0<	62016	675902	957707
14	78	29,453	29,453	231628	493918	0<	65953	755916	1018206
15	79	29,453	29,453	251888	493918	0<	70171	841299	1091755
16	80	29,453	29,453	273201	493918	0<	73722	932150	1190750
17	81	29,453	29,453	295911	493918	0<	74789	1027520	1292872
18	82	29,453	29,453	320489	493918	0<	75540	1127701	1398570
19	83	29,453	29,453	347580	493918	0<	75797	1233014	1508422
20	84	29,453	29,453	378193	493918	0<	75411	1344056	1623272
21	85	29,453	29,453	412362	493918	0<	73722	1455676	1737866
22	86	0	0	416921	493918	0	53220	1522907	1799151
23	87	0	0	421278	493918	0	55255	1591967	1862110
24	88	0	0	425471	493918	0	56969	1662656	1926369
25	89	0	0	429580	493918	0	59127	1735692	1992426
26	90	0	0	433680	493918	0	61424	1811509	2060419
27	91	0	0	437873	493918	0	63147	1889987	2129651
28	92	0	0	442279	493918	0	64935	1971726	2200133
29	93	0	0	447045	493918	0	65948	2056684	2270921
30	94	0	0	452310	493918	0	67420	2146064	2342441
31	95	0	0	458163	493918	0	69662	2241207	2415393
32	96	0	0	464574	493918	0	74261	2344505	2492152
33	97	0	0	471326	493918	0	81195	2457420	2574982
34	98	0	0	477900	493918	0	89231	2578539	2664885
35	99	0	0	483205	493918	0	97139	2701885	2761787

Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by:	Coverage Summary	Amount	Premium
M. Cole	Life Paid Up at 85 - C85 #	493918	7769.82
	Conversion Age: 64		
Prepared For:	Current Age: 51	Funding Age: 51	
Bill	Entry Age: 39	Dividend Option: V	
Male Age 64 - Non-Tobacco			

		--- Guaranteed Basis ----				Non Guaranteed ----- Illustrated Basis -----			
Contract	Premium	Surr	Death	Premium	Annual	Surr	Death		
Yr Age Premium	Outlay	Value	Benefit	Outlay	Dividend	Value	Benefit		
36 100	0	0	493918	493918	0	74023	2835810	2835810	

< Premium outlay assumes that dividends are being used to pay premiums. The policy is not paid-up. If dividends are less than illustrated, additional payments would be required.

Assumes required reserve deposits were made prior to conversion. Premium can change as determined by Trust Administrator. Employee must waive insurance at conversion.

All values are based on the conversion policy currently in use. Actual values will depend on the policy in use at time of conversion.

Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by:	Coverage Summary	Amount	Premium
M. Cole	Life Paid Up at 85 - L85 #	1000000	14940.00
	Conversion Age: 64		
Prepared For:	Current Age: 50	Funding Age: 50	
Sam	Entry Age: 38	Dividend Option: W	
Male Age 64 - Non-Tobacco			

		--- Guaranteed Basis ----				----- Non Guaranteed Illustrated Basis -----			
Yr	Age	Contract Premium	Surr Outlay	Death Value	Death Benefit	Premium Outlay	Annual Dividend	Surr Value	Death Benefit
1	65	59,590	59,590	0	1000000	14,940	0	0	1000000
2	66	59,590	59,590	13320	1000000	14,940	18820	32140	1031800
3	67	59,590	59,590	50270	1000000	0<	18960	73210	1037820
4	68	59,590	59,590	87470	1000000	0<	19110	114760	1043950
5	69	59,590	59,590	124970	1000000	0<	19270	156880	1050210
6	70	59,590	59,590	162750	1000000	0<	19440	199550	1056610
7	71	59,590	59,590	200750	1000000	0<	19630	242720	1063170
8	72	59,590	59,590	238850	1000000	0<	19820	286290	1069890
9	73	59,590	59,590	276930	1000000	0<	20030	330130	1076790
10	74	59,590	59,590	314900	1000000	0<	20270	374190	1083920
11	75	59,590	59,590	352820	1000000	0<	20510	418510	1091260
12	76	59,590	59,590	390890	1000000	0<	20770	463320	1098850
13	77	59,590	59,590	429450	1000000	0<	21040	508960	1106690
14	78	59,590	59,590	468960	1000000	0<	21300	560580	1119450
15	79	59,590	59,590	509980	1000000	0<	21560	614880	1133260
16	80	59,590	59,590	553130	1000000	0<	21850	672560	1148210
17	81	59,590	59,590	599110	1000000	0<	22130	734400	1164370
18	82	59,590	59,590	648870	1000000	0<	22450	801510	1181930
19	83	59,590	59,590	703720	1000000	0<	22790	875400	1201100
20	84	59,590	59,590	765700	1000000	0<	23170	958440	1222230
21	85	59,590	59,590	834880	1000000	0<	23530	1042510	1237140
22	86	0	0	844110	1000000	0	36330	1086150	1276610
23	87	0	0	852930	1000000	0	37720	1130960	1317140
24	88	0	0	861420	1000000	0	38890	1176800	1358490
25	89	0	0	869740	1000000	0	40360	1224170	1401000
26	90	0	0	878040	1000000	0	41930	1273380	1444770
27	91	0	0	886530	1000000	0	43100	1324370	1489340
28	92	0	0	895450	1000000	0	44320	1377530	1534710
29	93	0	0	905100	1000000	0	45010	1432860	1580250
30	94	0	0	915760	1000000	0	46010	1491160	1626230
31	95	0	0	927610	1000000	0	47540	1553360	1673140
32	96	0	0	940590	1000000	0	50690	1621090	1722590
33	97	0	0	954260	1000000	0	55450	1695330	1776130
34	98	0	0	967570	1000000	0	60960	1775100	1834430
35	99	0	0	978310	1000000	0	66370	1856270	1897430

Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by: M. Cole	Coverage Summary Life Paid Up at 85 - L85 # Conversion Age: 64	Amount 1000000	Premium 14940.00
Prepared For: Sam Male Age 64 - Non-Tobacco	Current Age: 50 Entry Age: 38	Funding Age: 50 Dividend Option: W	

		--- Guaranteed Basis ----				Non Guaranteed ----- Illustrated Basis -----			
Contract	Premium	Surr	Death	Premium	Annual	Surr	Death		
Yr Age Premium	Outlay	Value	Benefit	Outlay	Dividend	Value	Benefit		
36 100	0	0	1000000	1000000	0	50480	1947910	1947910	

< Premium outlay assumes that dividends are being used to pay premiums. The policy is not paid-up. If dividends are less than illustrated, additional payments would be required.

Assumes required reserve deposits were made prior to conversion. Premium can change as determined by Trust Administrator.

All values are based on the conversion policy currently in use. Actual values will depend on the policy in use at time of conversion.

Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by:	Coverage Summary	Amount	Premium
M. Cole	Life Paid Up at 85 - C85 #	503128	7536.61
	Conversion Age: 64		
Prepared For:	Current Age: 50	Funding Age: 50	
Sam	Entry Age: 38	Dividend Option: V	
Male Age 64 - Non-Tobacco			

Yr	Age	Contract Premium	--- Guaranteed Basis ---			Non Guaranteed Illustrated Basis			
			Premium Outlay	Surr Value	Death Benefit	Premium Outlay	Annual Dividend	Surr Value	Death Benefit
1	65	30,001	30,001	0	503128	7,537	0	0	503128
2	66	30,001	30,001	6702	503128	7,537	33131	39833	536259
3	67	30,001	30,001	25292	503128	0<	34988	85874	563710
4	68	30,001	30,001	44009	503128	0<	36975	134029	593148
5	69	30,001	30,001	62876	503128	0<	39113	184473	624725
6	70	30,001	30,001	81884	503128	0<	41402	237347	658590
7	71	30,001	30,001	101003	503128	0<	43858	292787	694912
8	72	30,001	30,001	120172	503128	0<	46489	350908	733864
9	73	30,001	30,001	139331	503128	0<	49312	411842	775639
10	74	30,001	30,001	158435	503128	0<	52340	475750	820443
11	75	30,001	30,001	177514	503128	0<	55591	542882	868497
12	76	30,001	30,001	196668	503128	0<	59072	613572	920032
13	77	30,001	30,001	216068	503128	0<	62811	688247	975306
14	78	30,001	30,001	235947	503128	0<	66815	769764	1036945
15	79	30,001	30,001	256585	503128	0<	71117	856755	1111810
16	80	30,001	30,001	278295	503128	0<	74740	949315	1212678
17	81	30,001	30,001	301429	503128	0<	75831	1046485	1316735
18	82	30,001	30,001	326465	503128	0<	76596	1148560	1424440
19	83	30,001	30,001	354061	503128	0<	76858	1255857	1536366
20	84	30,001	30,001	385245	503128	0<	76470	1369001	1653399
21	85	30,001	30,001	420052	503128	0<	74755	1482733	1770170
22	86	0	0	424695	503128	0	54207	1551214	1832593
23	87	0	0	429133	503128	0	56280	1621561	1896727
24	88	0	0	433405	503128	0	58031	1693564	1962179
25	89	0	0	437591	503128	0	60229	1767962	2029472
26	90	0	0	441767	503128	0	62564	1845192	2098728
27	91	0	0	446038	503128	0	64320	1925119	2169236
28	92	0	0	450526	503128	0	66146	2008382	2241033
29	93	0	0	455381	503128	0	67178	2094924	2313146
30	94	0	0	460745	503128	0	68672	2185966	2385989
31	95	0	0	466707	503128	0	70961	2282878	2460306
32	96	0	0	473237	503128	0	75640	2388102	2538492
33	97	0	0	480115	503128	0	82704	2503112	2622862
34	98	0	0	486812	503128	0	90890	2626484	2714436
35	99	0	0	492215	503128	0	98945	2752120	2813140

Security Financial Life Insurance Co.
 Supplemental Illustration: Conversion Policy
 Annual Premiums and Benefits

Prepared by:	Coverage Summary	Amount	Premium
M. Cole	Life Paid Up at 85 - C85 #	503128	7536.61
	Conversion Age: 64		
Prepared For:	Current Age: 50	Funding Age: 50	
Sam	Entry Age: 38	Dividend Option: V	
Male Age 64 - Non-Tobacco			

		--- Guaranteed Basis ----				Non Guaranteed ----- Illustrated Basis -----			
Contract	Premium	Surr	Death	Premium	Annual	Surr	Death		
Yr Age Premium	Outlay	Value	Benefit	Outlay	Dividend	Value	Benefit		
36 100	0	0	503128	503128	0	75409	2888549	2888548	

< Premium outlay assumes that dividends are being used to pay premiums. The policy is not paid-up. If dividends are less than illustrated, additional payments would be required.

Assumes required reserve deposits were made prior to conversion. Premium can change as determined by Trust Administrator. Employee must waive insurance at conversion.

All values are based on the conversion policy currently in use. Actual values will depend on the policy in use at time of conversion.