

Fig. 3. 'Premium-Financed Illustration: Life Insurance & Single-Premium Immediate Annuity Combination

Insured: Valued Client, Male, Age 78

Total Amount Borrowed	(1,376,965)	Loan Interest - In Advance	3.50%
Loan Proceeds Applied to SPIA Purchase	1,376,965	Life Insurance Face Amount	2,376,965
Loan Proceeds Applied to Year-1 Life Insurance Premiums	0	Life Insurance Annual Premium	113,552

Year	Age	Premium Finance			Annual Income / (Expenditures) from Single-Premium Immediate Annuity						Life Insurance Proceeds	
		Loan Amounts	End-of-Yr	Annual	Gross	SPIA's	Uses of SPIA Income			Net Cash	Policy	Death
		(Borrowed)/ Repaid	Loan Balance	Loan Interest	Annuity Income	Remaining Basis	Life Ins. Premiums	Loan Interest	Loan Repayment	Flow fr Annuity	Death Benefit	Benefit Net of Loan
1	78	(1,376,965)	(1,376,965)	(48,194)	161,746	1,252,906	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
2	79	0	(1,376,965)	(48,194)	161,746	1,128,847	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
3	80	0	(1,376,965)	(48,194)	161,746	1,004,787	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
4	81	0	(1,376,965)	(48,194)	161,746	880,728	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
5	82	0	(1,376,965)	(48,194)	161,746	756,669	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
6	83	0	(1,376,965)	(48,194)	161,746	632,609	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
7	84	0	(1,376,965)	(48,194)	161,746	508,550	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
8	85	0	(1,376,965)	(48,194)	161,746	384,491	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
9	86	0	(1,376,965)	(48,194)	161,746	260,431	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
10	87	0	(1,376,965)	(48,194)	161,746	136,372	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
11	88	0	(1,376,965)	(48,194)	161,746	12,313	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
12	89	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
13	90	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
14	91	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
15	92	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
16	93	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
17	94	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
18	95	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
19	96	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
20	97	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
21	98	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
22	99	0	(1,376,965)	(48,194)	161,746	0	(113,552)	(48,194)	(0)	0	2,376,965	1,000,000
		(1,376,965)	(1,060,263)		3,558,416		(2,498,152)	(1,060,263)	(0)	0		