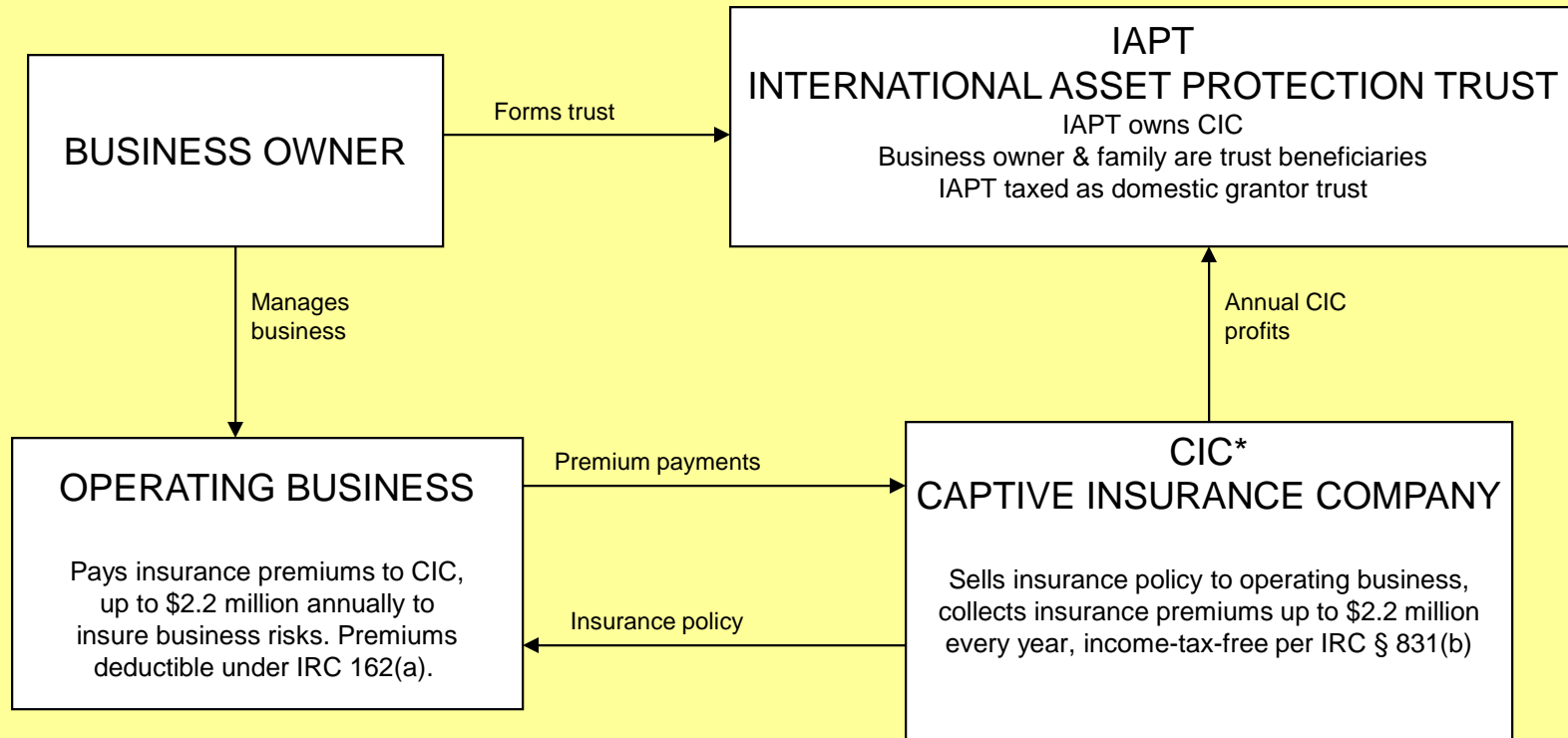


CAPTIVE INSURANCE COMPANY (CIC) OWNED BY IAPT



*Cost of turnkey CIC solution, including cost of insurance and claim payments: typically 12-18% of annual premiums (16-26% in first year). Thus, annual CIC **profits** can be 80-90% of annual premium payments. Tax efficiency increases if IAPT owns private placement life insurance in which annual CIC profits are invested. Also, when a CIC lowers owner's tax bracket beneath threshold levels, investment income tax is lowered.