Exploring your retirement possibilities.

Smart Financial Strategies

LINCOLN BENEFIT LIFE
AN ALLSTATE COMPANY

LBL7242

Will you have enough?

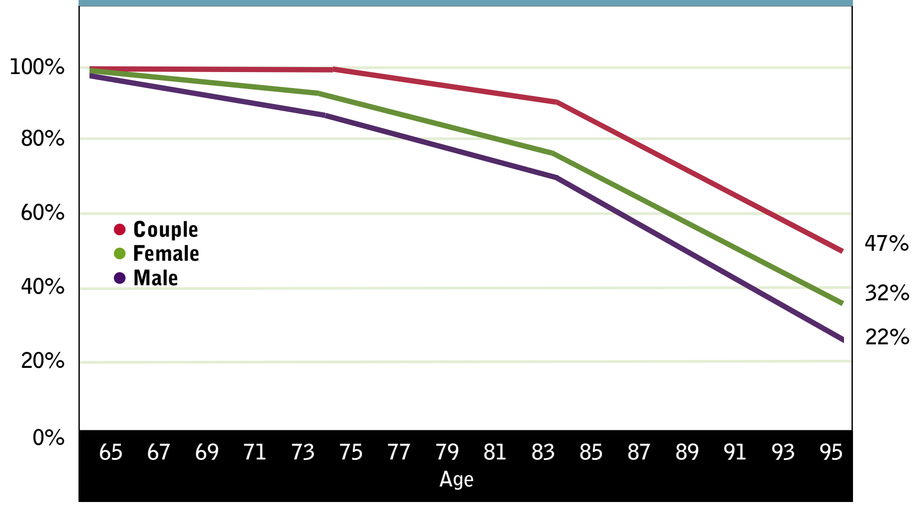
The changing face of retirement
Increased life spans and earlier retirements are resulting in 20 to 30 years of retirement versus historical 10 to 15 years. By 2050, according to the US Census Bureau, there will be more than one million people over 100 years old, a notable increase from the 71,000 centenarians alive in 2005. This longevity is even more striking when compared to the normal life expectancy at the turn of the 20th century — which was just 49.[1]

This makes the age of 65 look like a very arbitrary mark for retirement. In addition, in order to receive the maximum social security benefits, full retirement age has increased from age 65, for those born prior to 1937, to 67, for those born after 1960. With the changing face of retirement, will you have enough to sustain your lifestyle if retirement lasts longer than planned?

Factors that may affect your retirement:

- Social Security
- Personal Savings Rate
- Inflation and the Cost of Living

Will Your Income Last as Long as Your Retirement?
The chances a 65-year old will live to 95[2]



Did you know that a 65-year old couple has almost a 50% chance that at least one spouse will live to age 95? There's also a 70% chance that a female who is age 65 will reach age 85.[2] For illustrative purposes only.

The fate of the Social Security system is questionable, pensions are being replaced with qualified 401(k)s and the personal savings rate is at an all time low.[3] And when you factor in inflation, one thing becomes clear: The bulk of your retirement income may have to come from you.

Experts agree that it will take 60-80% of your current income to maintain your same standard of living during retirement.[4]

[1]Source: U.S. Census Bureau, "U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin"; published March 2004; http://www.census.gov/ipc/www/usinterimproj/
[2]Source: Annuity 2000 Basic Mortality Tables, project with scale G.
[3]Source: U.S. Department of Commerce, Bureau of Economic Analysis, Federal Reserve Bank of St. Louis, 2006.
[4]Source: Financial Engines, Inc., 2006.

Saving for retirement is no longer simple.

Social Security: It's no longer 1935

Social Security will probably provide less of what you'll need than it did for your parents or grandparents and even then may only provide limited support.

The Social Security Act was signed into law in 1935 to provide lifetime payments to retired workers beginning at age 65. The act was based upon 1934 population and life expectancies. The first social security check was $22.54. Today, the average monthly social security check is $926.90.[5]

In fact, with Social Security benefits only providing approximately 40% of earnings before retirement,[6] it is important to save now.

Personal savings rate

Today's Americans are spenders, not savers. According to the Federal Reserve, we're saving at record low levels. Approximately ten years ago, the average savings rate in the US was 4.1% of after-tax income. But today, we are actually spending more money than we earn (-0.9%) (as of 7/2006). In addition, only 12% of Americans age 40 and over report they are concerned about not having enough money during retirement.[7]

If you haven't saved enough income to cover your regular expenses during your retirement years, your new "leisure time" may mean going back to work to help you afford what you enjoy.

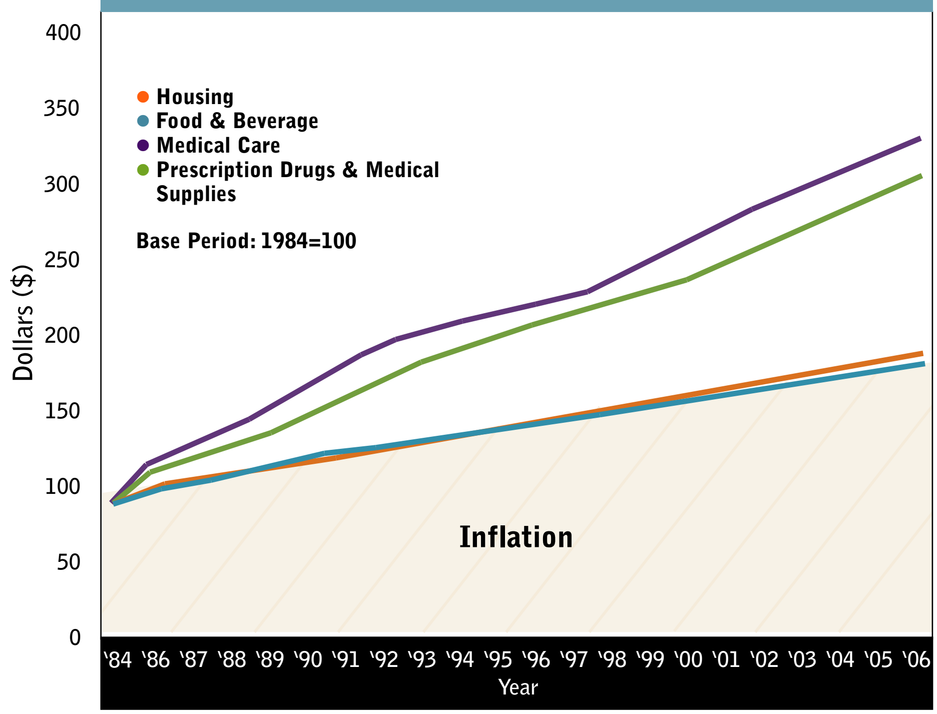
Inflation and the cost of living

Inflation, measured by the Consumer Price Index, causes prices to increase from year to year. During your working years, inflation is offset by raises in salaries, increased benefits and other cost-of-living adjustments. But in retirement, those adjustments most likely won't be there — unless you plan for them.

One way to plan for inflation is to develop a retirement strategy that will help you grow your assets to outpace inflation. Historically, stocks (equity investing) have increased in value over time faster than the rate of inflation and have outperformed other kinds of investments, including bonds, CDs and U.S. government securities.[8] Although the stock market may be volatile, the potential of higher returns may be one way to build your retirement portfolio over the long term.

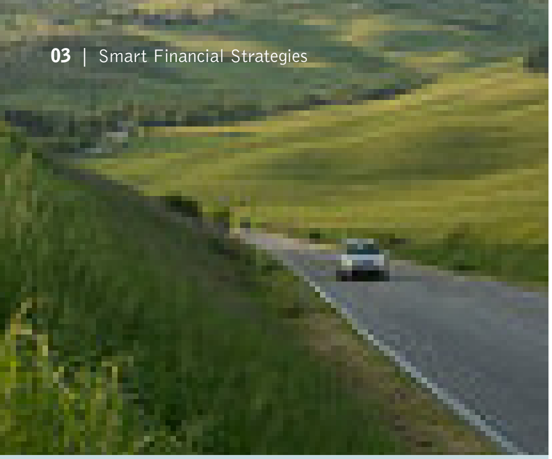
Of course, investing in the stock market isn't for everyone. Many people believe they should protect their assets from higher-risk investments to avoid losing what they've worked so hard to build. Investing in a mix of equity and fixed-income investments may help you grow your investments at a rate that may outpace inflation, while still protecting some of your retirement assets from risk.

Impact of inflation on the cost of living[9]



Did you know, for example, that for prescription drugs it took $362.79 in 2006 to purchase what $100 would have purchased in 1984?

[5]Source: Social Security Administration, http://www.ssa.gov/
[6]Source: *"Saving" Social Security Is Not Enough,* The Cato Project on Social Security Prioritization, Michael Tanner, May 25, 2000.
[7]Source: *Retirement Planning Survey Among U.S. Adults Age 40 and Older*, Conducted by International Communications Research for AARP Bulletin, May 2006.
[8]Source: Stocks, Bonds, Bills, and Inflation® 2005 Yearbook, ©2005 Morningstar, Inc.
[9]Source: U.S. Department of Labor, Bureau of Labor Statistics, 2006.



A smart investment strategy:

- takes the money you have now and builds your assets tax-deferred over the long-term
- may help you meet your retirement goals
- takes into account many of the factors that may affect your retirement

If prepared, today's future retirees have a wonderful opportunity to explore retirement possibilities and enjoy the longest vacation of their lives.

Smart financial strategies to reach your retirement goals.

Minimize taxes

By investing in a tax-deferred account, the money you invest is left to earn interest and grow, compounding over time.

- The earnings on the original investment then generate more earnings, steadily increasing the value of the account.
- Taxes on the earnings are postponed until you begin to withdraw the money.

Left alone for 10 or 20 years, that money can grow much faster than a taxable investment earning the same return. As illustrated by the chart on the following page, the power of compounding interest may help you make the most of your initial investment. And the more time you allow your investment to grow, the more time your money has to compound tax-deferred.

The first rule with retirement is to contribute as much as you can on a tax deductible basis to your 401(k) and other qualified retirement plans, especially if your employer matches contributions. This lets you take advantage of tax-deferred compounding right away.

For investments you fund with after-tax dollars, consider those that allow you to defer taxes on earnings. Not only does your investment have the potential to grow faster than investments that are currently taxed, but if you are able to wait until you retire to withdraw the money, you may pay less income tax on the distribution if you are in a lower tax bracket.

Invest now

It's never too late to invest. The power of compounding interest will enable you to see some return over the long term. Consider someone who begins saving $200 a month when they reach 40. With a fixed annual rate of return of 8%, and earnings reinvested in a tax-deferred account, that person who retires at age 65 will have $191,473 — after a total investment of just $60,000.*

By investing now and as often as you can — the benefits of compounding will allow your money to grow over the long term. Looking at strategies today that will help you keep contributing to your nest egg so that it continues to grow can help you reach your retirement goals.

* Hypothetical example for illustrative purposes only.

Manage risk

Risk may be something we encounter every day. With investments, understanding the relationship between risk and reward is very important. All investors want to maximize their potential returns, while minimizing risk. With this in mind, investing your hard-earned dollars can be a stressful process.

Always bear in mind your ability to tolerate and assume risk. Then choose a comfortable level of risk and select the appropriate investments that can help you build a retirement investment portfolio that works for you. There is a wide range of investment options from low- to no-risk fixed products, such as bonds, to high-risk speculative stocks, and anywhere in between.

It may be possible to achieve higher returns from stocks rather than bonds, but you cannot expect to get higher returns without taking on additional risk. If you seek higher returns, you must be willing to accept higher risk.

How much risk is right for you? The answer will affect your investment decisions. Typically, investing in a variety of investments, with a balanced portfolio mix, will allow you to benefit when each type is doing well, and also may limit exposure when one or more investments are performing poorly.

Many financial experts recommend you invest 60 percent or more of your holdings in stocks until you retire to take advantage of the returns the market can potentially provide. Another theory is that if you are investing for retirement in your 40s or 50s, the income from your job can help offset the higher risks of the market. When you reach retirement, you can move your money into fixed-income investments to give you a more reliable income stream.[10]

With investing, you should carefully consider your overall financial situation — the amount of time you have to invest before your retirement, your long-term goals and what type of retirement you want.

How a monthly tax-deferred investment can grow
8% Average Annual Return

MONTHLY INVESTMENT	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS
$200	14,793	36,833	69,669	118,589	191,473	300,059
$300	22,190	55,250	104,504	177,884	287,210	450,089
$400	29,587	73,666	139,338	237,179	382,947	600,118
$500	36,983	92,083	174,173	296,474	478,683	750,148
$600	44,380	110,499	209,007	355,768	574,420	900,177
$700	51,777	128,916	243,842	415,063	670,157	1,050,207
$800	59,173	147,333	278,676	474,358	765,893	1,200,236
$900	66,570	165,749	313,511	533,652	861,630	1,350,266
$1000	73,967	184,166	348,345	592,947	957,367	1,500,295

In this example, an investment of $500 a month over 30 years for a total of $180,000, has grown to $750,148.

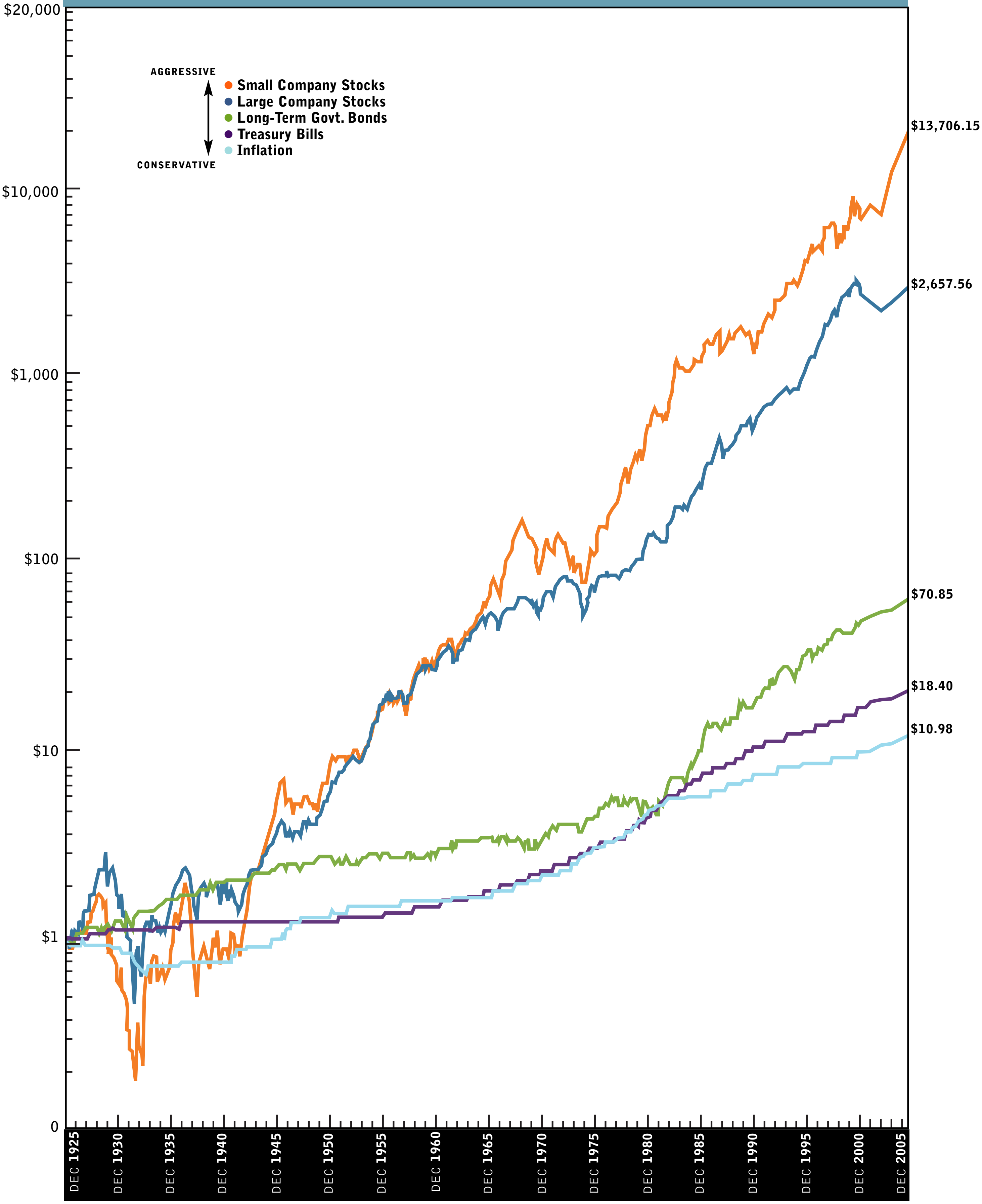
The chart above is hypothetical and for illustrative purposes only. Assumes no distributions or withdrawals over the 30 year period.

Distributions from an annuity contract taken prior to annuitization are generally considered to come from the gain in the contract first. If the contract is tax-qualified, generally all withdrawals are treated as distributions of gain. Withdrawals of gain are taxed as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax penalty.

[10]Source: *Retirement Strategies for All Ages: A "To-Do" List,* FDIC Consumer News, Fall 2005.

Comparing Investment Returns Over Time
Index values (in U.S. dollars)

One dollar invested in 1925 would be worth a lot or a little today, depending on how it was invested.



The value of equity investments are more volatile than the other securities shown. Small company stocks are more volatile than large company stocks. Government bonds and Treasury bills are guaranteed as to the timely payment of principal and interest. Past performance is not indicative of future results.

Source: Calculated by Allstate using data presented in Stocks, Bonds, Bills, and Inflation® 2005 Yearbook, ©2005 Morningstar, Inc.

Seek professional advice

A qualified financial advisor can be a valuable partner in your retirement planning process. The financial professionals representing Lincoln Benefit Life Company can help. Lincoln Benefit Life offers several different types of protection and financial solutions that can be used to create a personal investment plan that reflects your priorities and helps you reach your retirement goals. Lincoln Benefit Life offers variable, term and universal life insurance and equity-indexed, flexible-premium, single-premium, deferred and immediate fixed annuities.

"Why should I pursue my retirement goals with Lincoln Benefit Life?"

Experience

You want to entrust your retirement savings where you feel confident, and a company's history can help give you that confidence. Lincoln Benefit Life has a track record of more than 65 years of providing customers with responsive insurance and annuity products through our agency partners.

Strength

There is strength in our numbers.® Lincoln Benefit Life is a large, stable company and is a wholly owned subsidiary of Allstate Life Insurance Company. Allstate Life Insurance Company had more than $87 billion in Investments, including Separate Account Assets, as of December 31, 2005. Our financial strength and ability to meet our obligations to our policyholders have earned us high rankings from independent analysts. Just as important, we pride ourselves on the strength of our products and services, which provide an exceptional value to our customers.

Relationships

When you're facing decisions this important, it can help to rely on the assistance of someone you trust. You may want a company with a proud history of helping investors just like you. Lincoln Benefit Life is proud to be an Allstate company.

Variable universal life products are long-term investments designed to provide life insurance protection and flexibility in connection with premium payments and death benefits. You should carefully consider the investment objectives, risks, charges and expenses of the alternatives before purchasing a policy or investing money. These policies have limitations and are sold by prospectus only. The prospectus contains details on the investment alternatives, policy features, the underlying portfolios, fees, charges, expenses, and other pertinent information. To obtain a prospectus or a copy of the underlying portfolio prospectuses, please contact your representative, or Lincoln Benefit Life at 800-865-5237. Please read the prospectus carefully before purchasing a policy or sending money.

There is Strength in Our Numbers®

For more than 65 years, Lincoln Benefit Life Company has been an innovator in bringing insurance and annuity products to policyholders nationwide.

Lincoln Benefit Life was acquired in 1984 by Allstate Life Insurance Company specifically for its ability to develop competitively priced insurance and annuity products for distribution through independent agents.

The company's financial strength and ability to meet its obligations to policyholders are reflected in the high rankings it has received by independent analysts. Lincoln Benefit Life prides itself on its ability to provide exceptional products and service to its customers.

A.M. Best A+(r)

Superior, 2nd highest of Best's 13 active company ratings[1] • Ratings range from A++ to D • A.M. Best rating is for insurer financial strength • The (r) code rating conveys that the A+ rating of Lincoln Benefit Life is based on a reinsurance affiliation with Allstate Life

Standard & Poor's AA[2]

Very strong, 3rd highest of S&P's 20 active company ratings[1] • Ratings range from AAA to CC • S&P rating is for insurer financial strength

Moody's Aa2[2]

Excellent, 3rd highest of Moody's 21 active company ratings[1] • Ratings range from Aaa to C • Moody's rating is for insurer financial strength

Substantially all of Lincoln Benefit Life Company's contract related assets are transferred under reinsurance agreements to Allstate Life and such assets are owned and managed by Allstate Life. Allstate Life's commitments under the reinsurance agreements support our general account obligations, but provide no direct contractual relationship between you and Allstate Life.

[1]As of November 2006. Ratings are subject to change.

[2]The rating from Standard & Poor's and Moody's reflect the financial strength of Lincoln Benefit Life's parent company, Allstate Life Insurance Company.

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