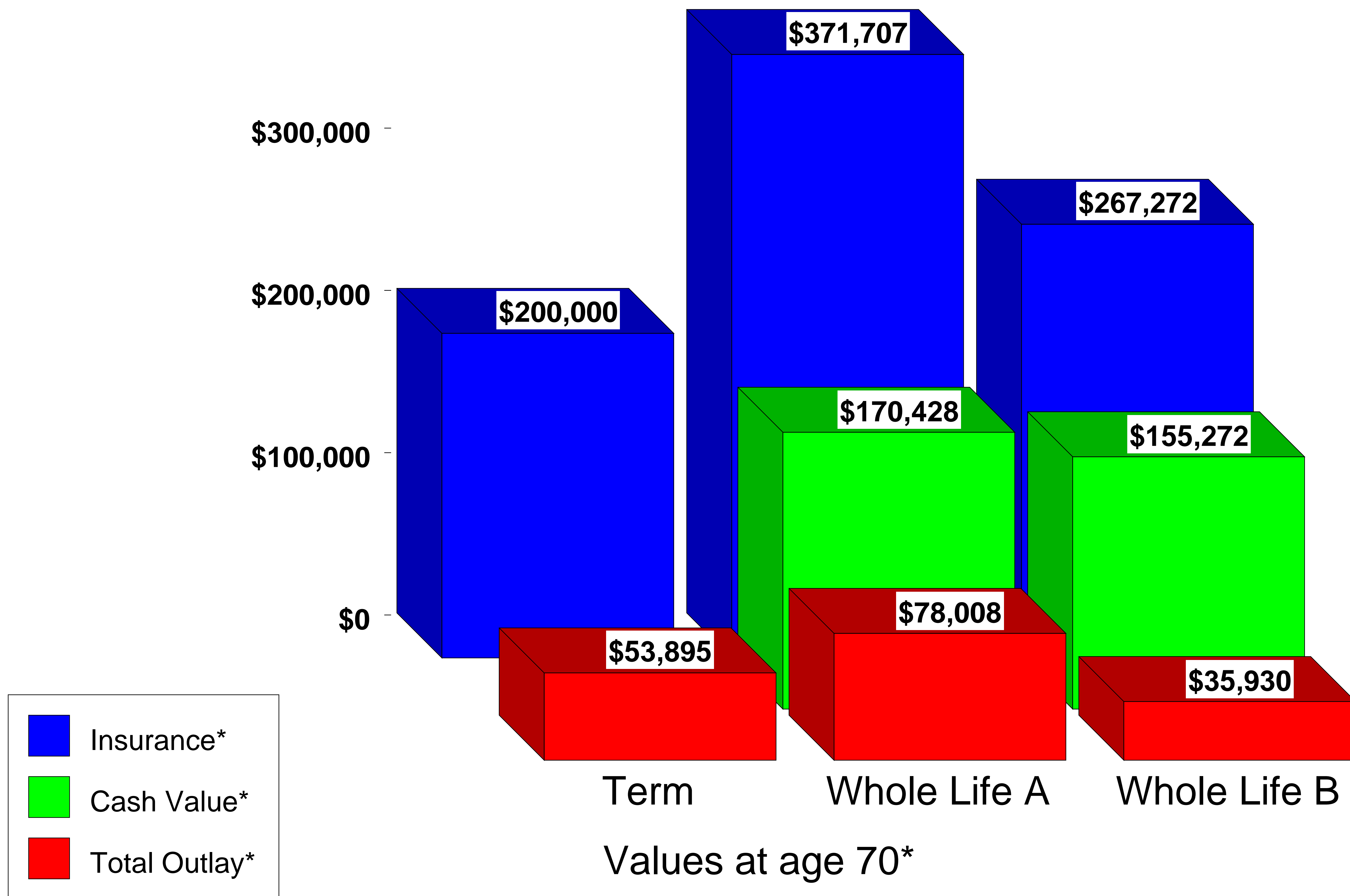


# Plan Comparison for John Smith

Prepared by Your Name Here



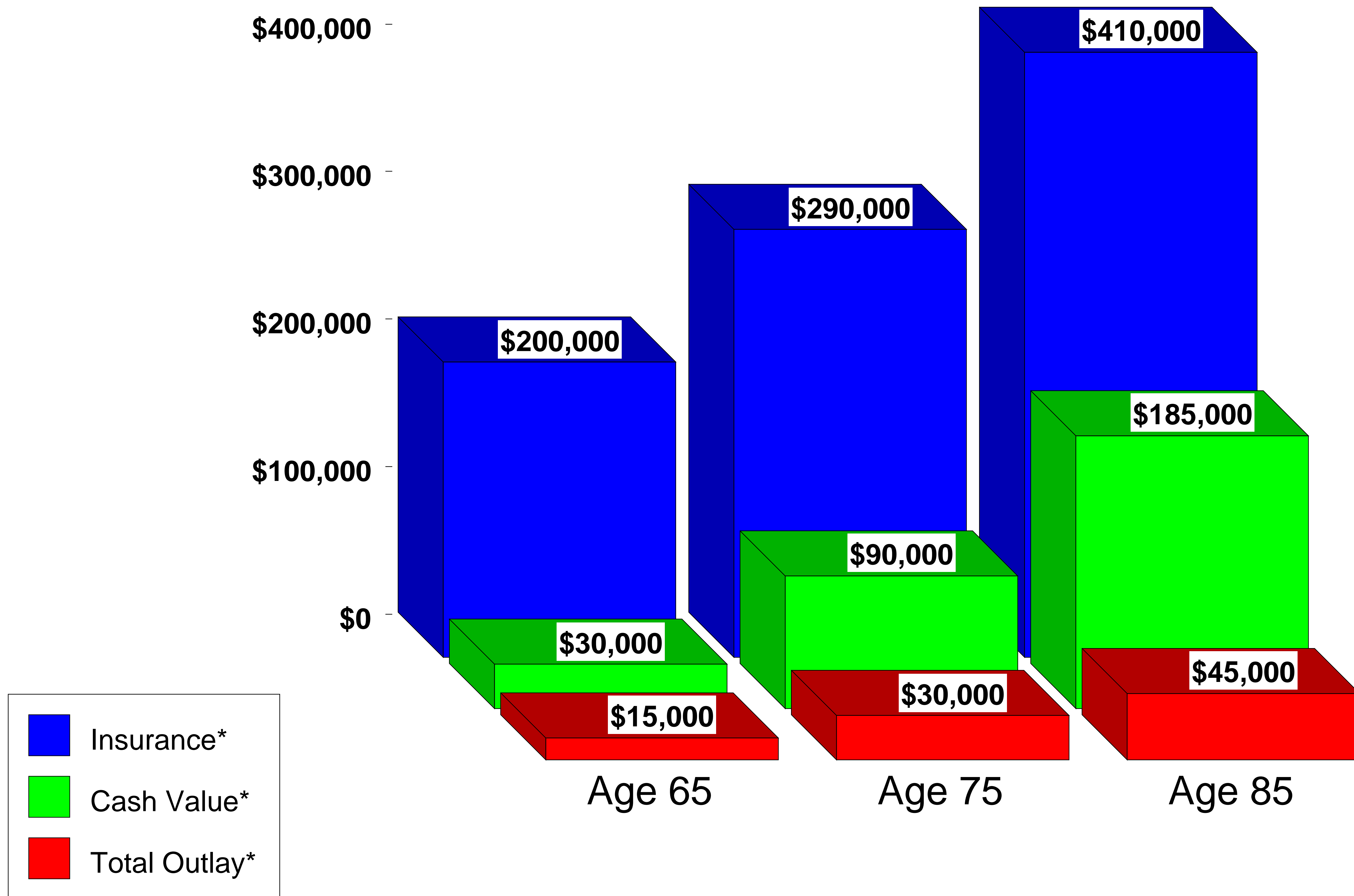
| Age 70 Totals* |          |              |              |
|----------------|----------|--------------|--------------|
|                | Term     | Whole Life A | Whole Life B |
| Cash Value*    | \$0      | \$170,428    | \$155,272    |
| Total Outlay*  | \$53,895 | \$78,008     | \$35,930     |
| Difference*    | \$53,895 | \$92,420     | \$119,342    |

\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Dividends reflect current (2020 dividend scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This graph does not reflect that money is paid and received at different times. This graph shows a graphic presentation of the nonguaranteed values taken from the accompanying basic life insurance illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.

This information may not be used with Variable products.

# Policy Growth for John Smith

Prepared by Your Name Here



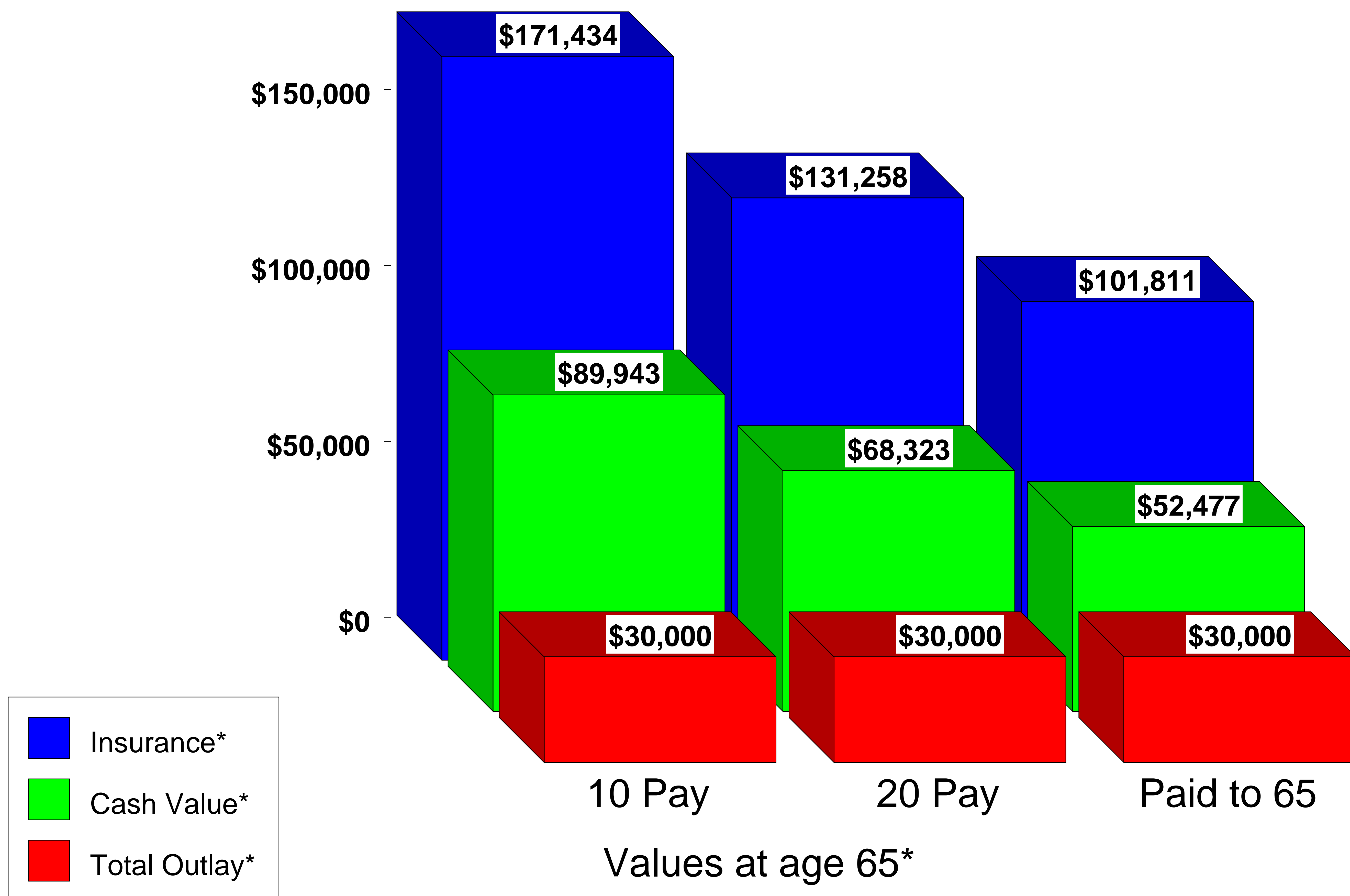
|               | Age 65   | Age 75   | Age 85    |
|---------------|----------|----------|-----------|
| Cash Value*   | \$30,000 | \$90,000 | \$185,000 |
| Total Outlay* | \$15,000 | \$30,000 | \$45,000  |
| Difference*   | \$15,000 | \$60,000 | \$140,000 |

\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Dividends reflect current (2020 dividend scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This graph does not reflect that money is paid and received at different times. This graph shows a graphic presentation of the nonguaranteed values taken from the accompanying basic life insurance illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.

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# Premium Comparison for John Smith

Prepared by Your Name Here



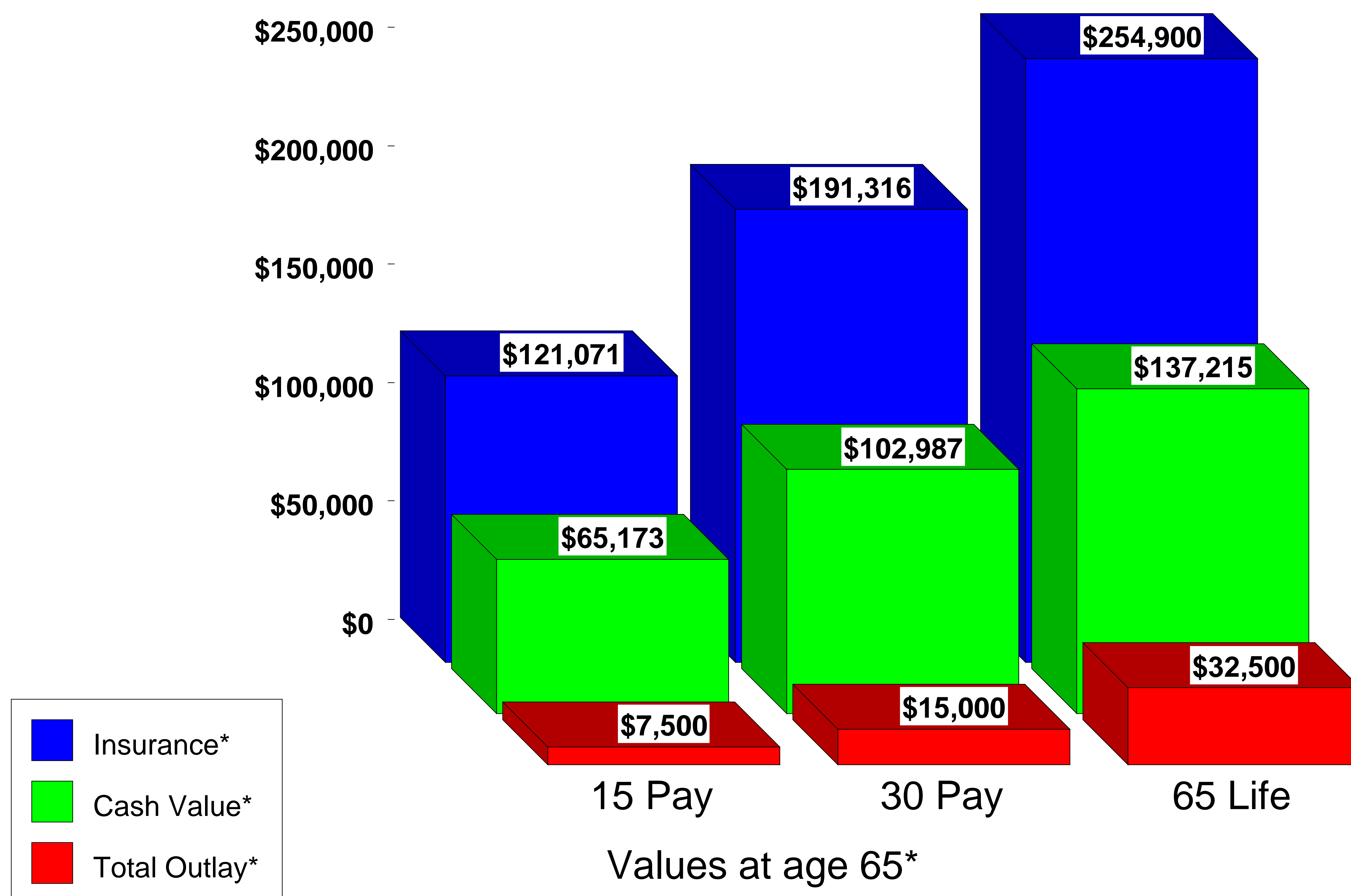
| Age 65 Totals* |          |          |            |
|----------------|----------|----------|------------|
|                | 10 Pay   | 20 Pay   | Paid to 65 |
| Cash Value*    | \$89,943 | \$68,323 | \$52,477   |
| Total Outlay*  | \$30,000 | \$30,000 | \$30,000   |
| Difference*    | \$59,943 | \$38,323 | \$22,477   |

\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Dividends reflect current (2020 dividend scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This graph does not reflect that money is paid and received at different times. This graph shows a graphic presentation of the nonguaranteed values taken from the accompanying basic life insurance illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.

This information may not be used with Variable products.

# Annual Premium Comparison of \$500 for Jenny Smith

Prepared by Your Name Here



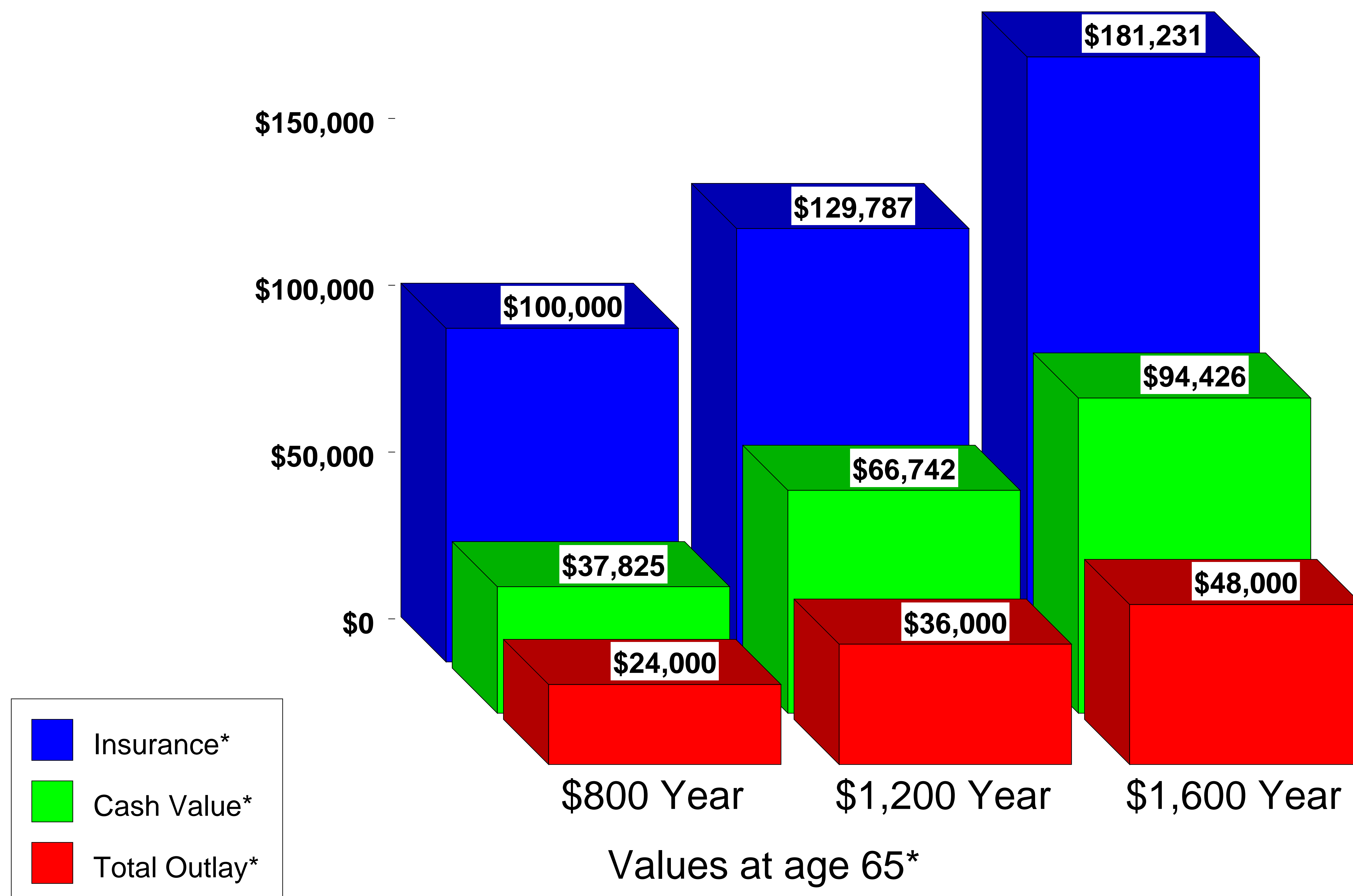
| Age 65 Totals* |          |           |           |
|----------------|----------|-----------|-----------|
|                | 15 Pay   | 30 Pay    | 65 Life   |
| Cash Value*    | \$65,173 | \$102,987 | \$137,215 |
| Total Outlay*  | \$7,500  | \$15,000  | \$32,500  |
| Difference*    | \$57,673 | \$87,987  | \$104,715 |

\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Dividends reflect current (2020 dividend scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This graph does not reflect that money is paid and received at different times. This graph shows a graphic presentation of the nonguaranteed values taken from the accompanying basic life insurance illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.

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# Additional Premium for for John Smith

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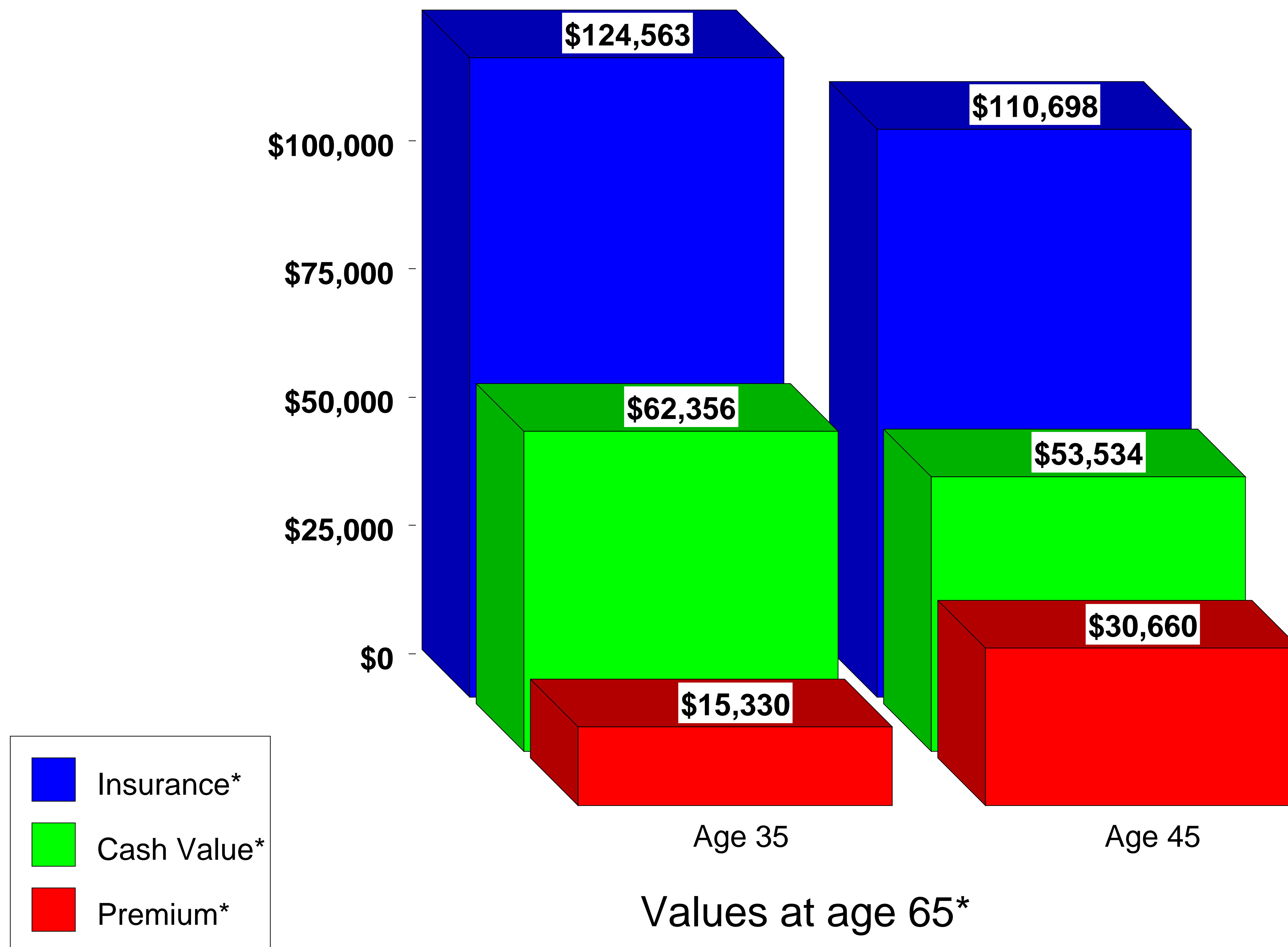
| Age 65 Totals* |            |              |              |
|----------------|------------|--------------|--------------|
|                | \$800 Year | \$1,200 Year | \$1,600 Year |
| Cash Value*    | \$37,825   | \$66,742     | \$94,426     |
| Total Outlay*  | \$24,000   | \$36,000     | \$48,000     |
| Difference*    | \$13,825   | \$30,742     | \$46,426     |

\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Dividends reflect current (2020 dividend scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This graph does not reflect that money is paid and received at different times. This graph shows a graphic presentation of the nonguaranteed values taken from the accompanying basic life insurance illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.

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# Effects of Waiting for John Smith

Prepared by Your Name Here



## Advantages of starting early:

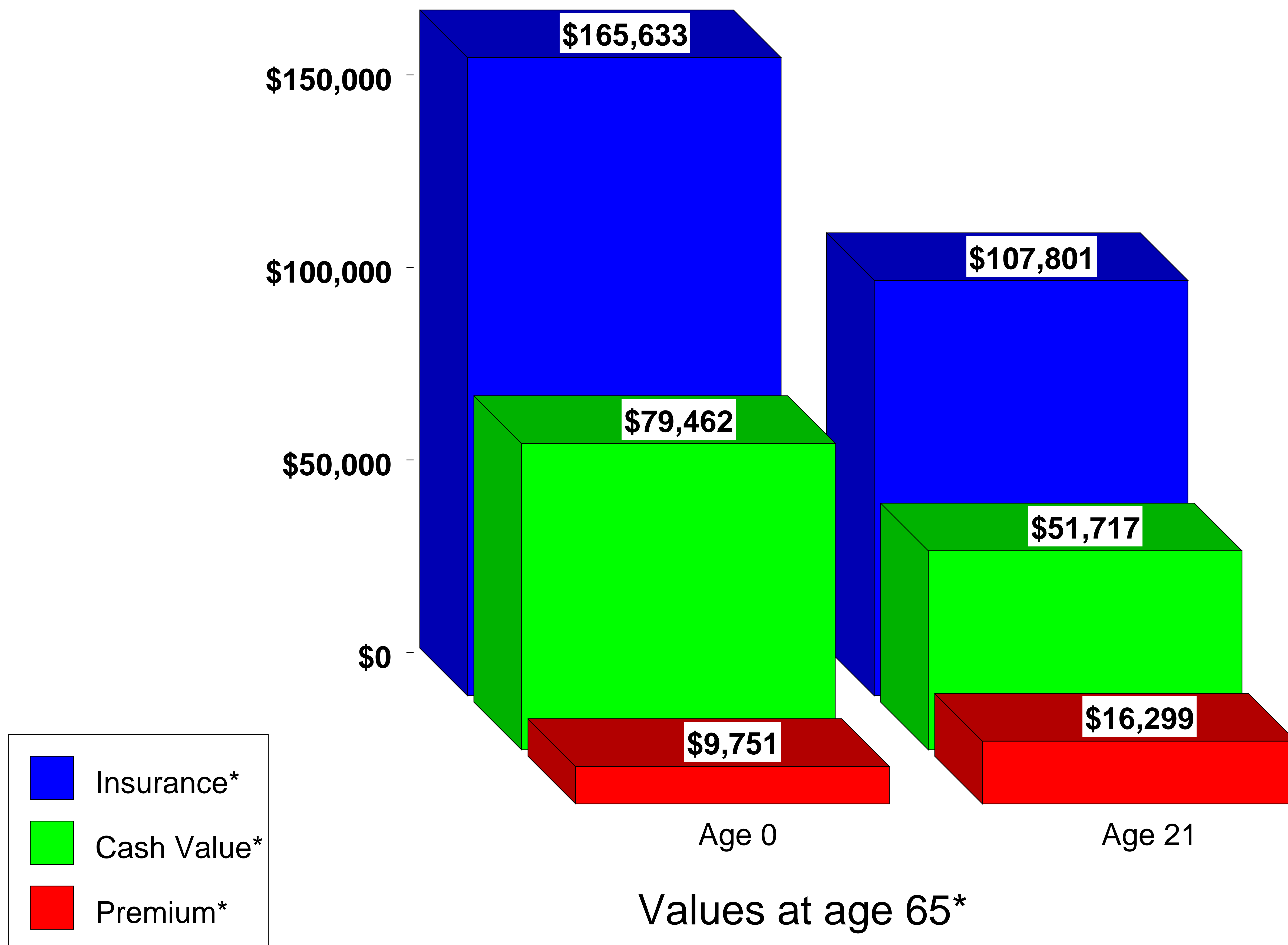
- Total premium\* is 50% less
- Cash value\* is 16% greater
- Insurance\* benefit is 12% larger
- Insured for the first 10 years

*\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Dividends reflect current (2020 dividend scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This graph does not reflect that money is paid and received at different times. This graph shows a graphic presentation of the nonguaranteed values taken from the accompanying basic life insurance illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.*

This information may not be used with Variable products.

# Effects of Waiting for Jenny

Prepared by Your Name Here



- Advantages of starting early:
- Total premium\* is 40% less
  - Cash value\* is 53% greater
  - Insurance\* benefit is 53% larger
  - Insured for the first 21 years

*\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Dividends reflect current (2020 dividend scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This graph does not reflect that money is paid and received at different times. This graph shows a graphic presentation of the nonguaranteed values taken from the accompanying basic life insurance illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.*

This information may not be used with Variable products.

# Gift of a Lifetime

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Why purchase a life insurance contract today for Jenny ?

1. Premiums are lower at younger ages.
2. Options may be added which would guarantee the right to buy more insurance without proof of insurability, subject to the terms and condition of the contract.\*
3. Can build a sizable amount of cash value for future needs.\*\*
4. Option may be added that waives the payment of all premiums that come due during the partial or total disability of the insured.\*
5. The sooner a contract is started the greater the advantage. Usually, you will pay less in total premiums, have higher cash values and more insurance than a policy started at a later age.
6. Provides a legacy to Jenny that will last a lifetime, probably long after you are gone.

Let's look at the actual numbers based on Jenny's age today versus age 21.

\* Subject to underwriting and/or additional cost.

\*\* Accesssing cash value may reduce death benefit. Policy loans accrue interest.  
Dividends received in cash may be taxed.



# College Funding

Prepared by Your Name Here

Most experts agree that a college education will be a prerequisite to better jobs in the future and college graduates will earn significantly more over their working years than non-graduates.

In helping you estimate the future costs of educating your children, the following assumptions were used:

|                           |            |
|---------------------------|------------|
| Tuition asset tax bracket | : 35.0%    |
| Tuition asset ROR         | : 5.0%     |
| Tuition inflation rate    | : 5.0%     |
| Present college assets    | : \$0      |
| Annual tuition 2020       | : \$30,000 |

With these figures in mind, let's look at the actual projections.

| Name  | Present Age | Year | Tuition                       |
|-------|-------------|------|-------------------------------|
| Jenny | 6           | 2032 | \$53,876                      |
|       |             | 2033 | \$56,569                      |
| Jason | 4           | 2034 | \$118,796                     |
|       |             | 2035 | \$124,736                     |
|       |             | 2036 | \$65,486                      |
|       |             | 2037 | \$68,761                      |
|       |             |      | <b>\$488,224</b> Total Outlay |

## **Solutions:**

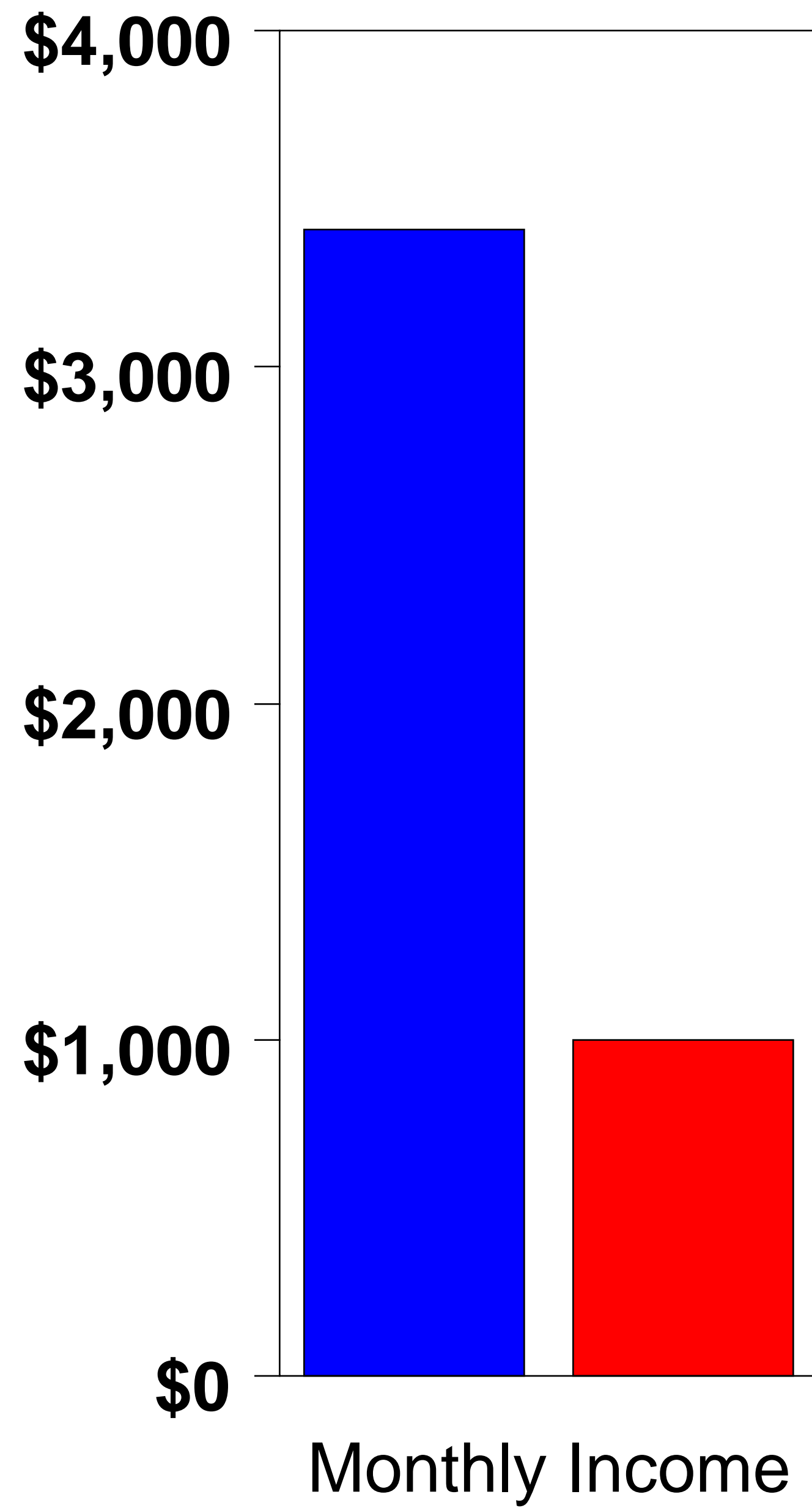
**Lump sum.** Using the assumptions above, an additional lump sum of **\$306,328** would need to be saved today in order to fund the future education costs of your children.

**Monthly savings.** On a monthly basis you will have to save **\$1,944** every month for the next 17 years to cover the projected education costs by Jason's graduation.

**Combination.** A plan that accumulates funds to help pay future education costs while guaranteeing a lump sum payment in the unlikely event of the contributor's death. A permanent life insurance contract can accomplish this.

# Disability Insurance for John Smith

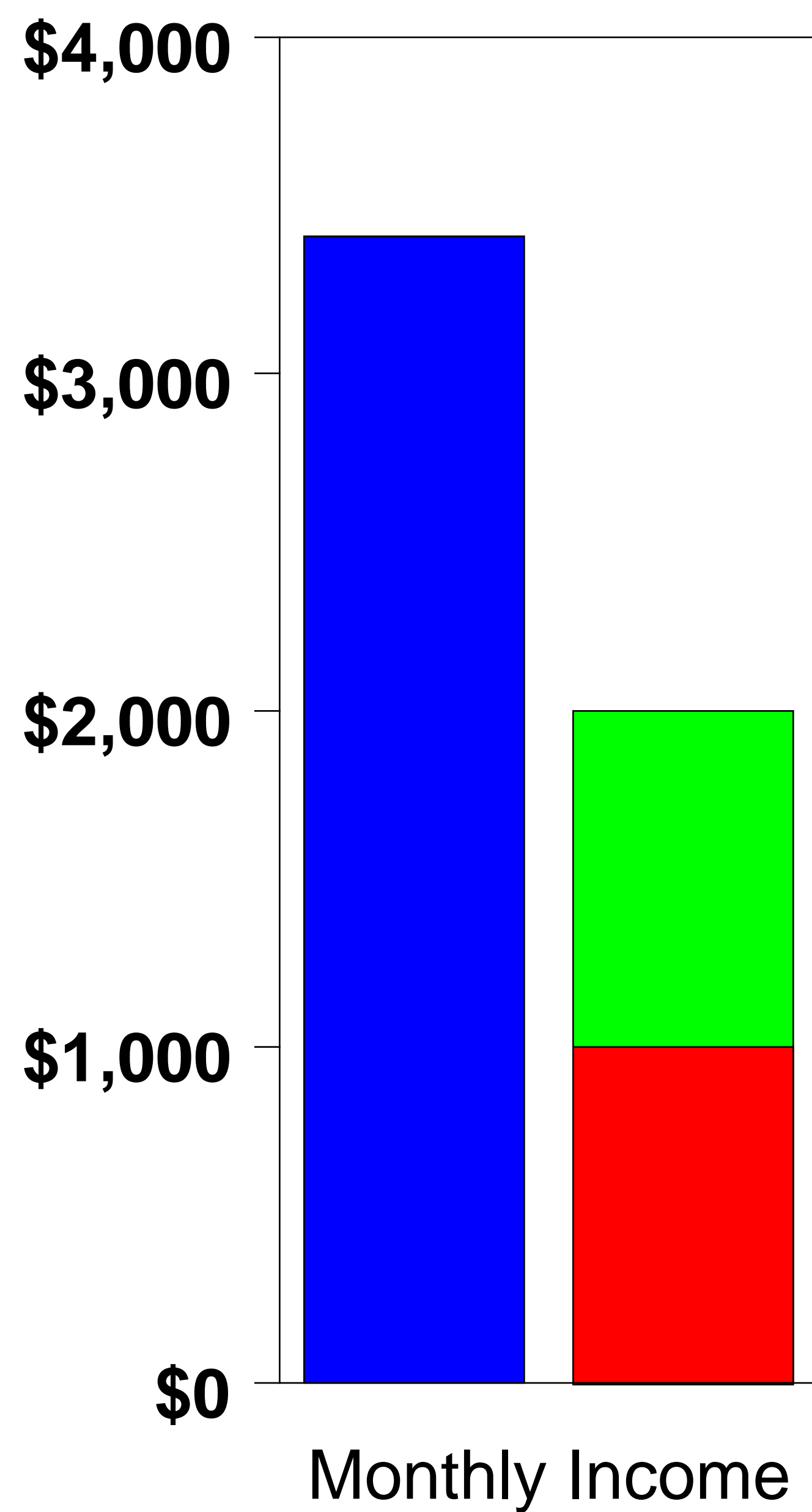
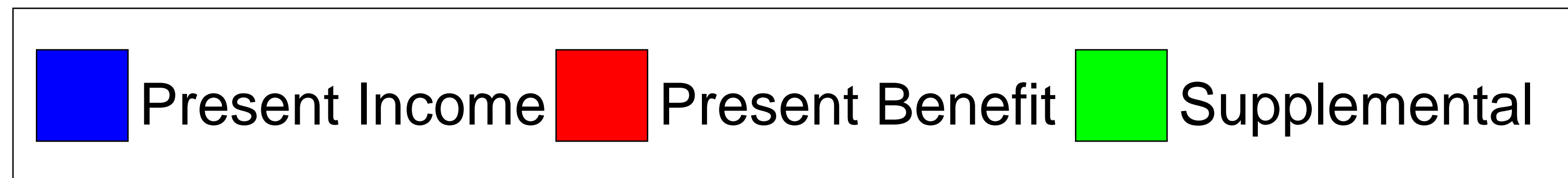
Prepared by Your Name Here



## Current Plan

|                       |                      |
|-----------------------|----------------------|
| Net Present Income:   | \$3,410/month        |
| Net Present Benefit:  | \$1,000/month        |
| <b>Total Benefit:</b> | <b>\$1,000/month</b> |

29% of your income is insured



## Proposed Plan

|                           |                      |
|---------------------------|----------------------|
| Net Present Income:       | \$3,410/month        |
| Net Present Benefit:      | \$1,000/month        |
| Net Supplemental Benefit: | \$1,000/month        |
| <b>Total Benefit:</b>     | <b>\$2,000/month</b> |

59% of your income is insured

# Long Term Care Facts

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- Close to half of all Americans, over the age of 65, will require long term care at some point in their lives.
- With Americans living longer, they are increasingly experiencing chronic diseases such as Alzheimer's and Parkinson's. These ailments eventually require professional caregivers working within professional facilities to take care of them.
- Many Americans mistakenly believe that Medicare will cover the cost of long term care. Medicare typically covers nursing home costs for a brief period following a hospital stay to recuperate from a serious illness or injury.
- For those who qualify, Medicaid will provide financial help to those requiring long term care. To qualify, you must prove you've been reduced to the poverty level.
- Family members constitute the vast majority of caregivers. A significant portion of family member caregivers will either cut back on their work hours or quit work in order to provide care.
- The estimated annual cost of a stay at a full care facility in 2017 is over \$84,000. During the past 10 years, long term care costs have increased an average of 5.0% per year.
- A prolonged illness, requiring long term care, can have a profound financial impact on an estate. Proper planning can help minimize the chances of a potential "asset meltdown" due to the costs associated with providing long term care.
- The U.S. General Accounting Office estimates that more than one third of the 13,000,000 Americans currently receiving long term care are between the ages of 18 and 64.

# Long Term Care Costs: John Smith

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|                       |        |                      |            |
|-----------------------|--------|----------------------|------------|
| Current age           | : 60   | Life expectancy age  | : 80       |
| Years L.T.C. needed   | : 5    | Annual L.T.C. costs* | : \$58,400 |
| L.T.C. inflation rate | : 5.0% | Net cost of money    | : 3.0%     |

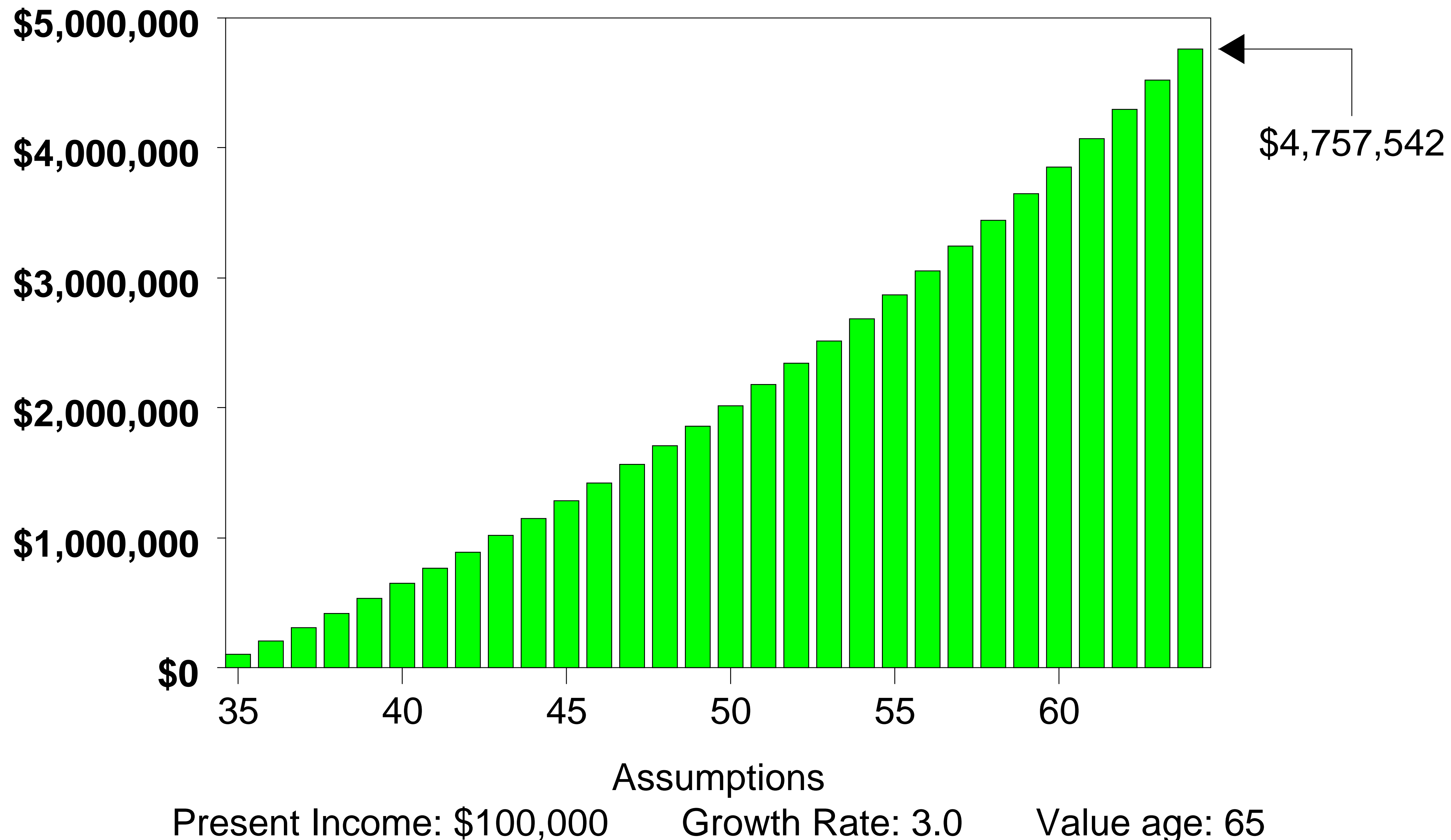
| Age          | Annual L.T.C. Costs @ 5.0% | Self Insured 15 Payments** | L.T.C. Plan A 15 Payments** |
|--------------|----------------------------|----------------------------|-----------------------------|
| 60           | \$58,400                   | \$32,943                   | \$5,219                     |
| 61           | \$61,320                   | \$32,943                   | \$5,219                     |
| 62           | \$64,386                   | \$32,943                   | \$5,219                     |
| 63           | \$67,605                   | \$32,943                   | \$5,219                     |
| 64           | \$70,986                   | \$32,943                   | \$5,219                     |
| 65           | \$74,535                   | \$32,943                   | \$5,219                     |
| 66           | \$78,262                   | \$32,943                   | \$5,219                     |
| 67           | \$82,175                   | \$32,943                   | \$5,219                     |
| 68           | \$86,283                   | \$32,943                   | \$5,219                     |
| 69           | \$90,598                   | \$32,943                   | \$5,219                     |
| 70           | \$95,127                   | \$32,943                   | \$5,219                     |
| 71           | \$99,884                   | \$32,943                   | \$5,219                     |
| 72           | \$104,878                  | \$32,943                   | \$5,219                     |
| 73           | \$110,122                  | \$32,943                   | \$5,219                     |
| 74           | \$115,628                  | \$32,943                   | \$5,219                     |
| 75           | \$121,409                  | n/a                        | n/a                         |
| 76           | \$127,480                  | n/a                        | n/a                         |
| 77           | \$133,854                  | n/a                        | n/a                         |
| 78           | \$140,547                  | n/a                        | n/a                         |
| 79           | \$147,574                  | n/a                        | n/a                         |
| <b>Total</b> | <b>\$670,864</b>           | <b>\$494,145</b>           | <b>\$78,285</b>             |

\* Equals daily benefit of \$160. ( $\$58,400 / 365 = \$160$ )

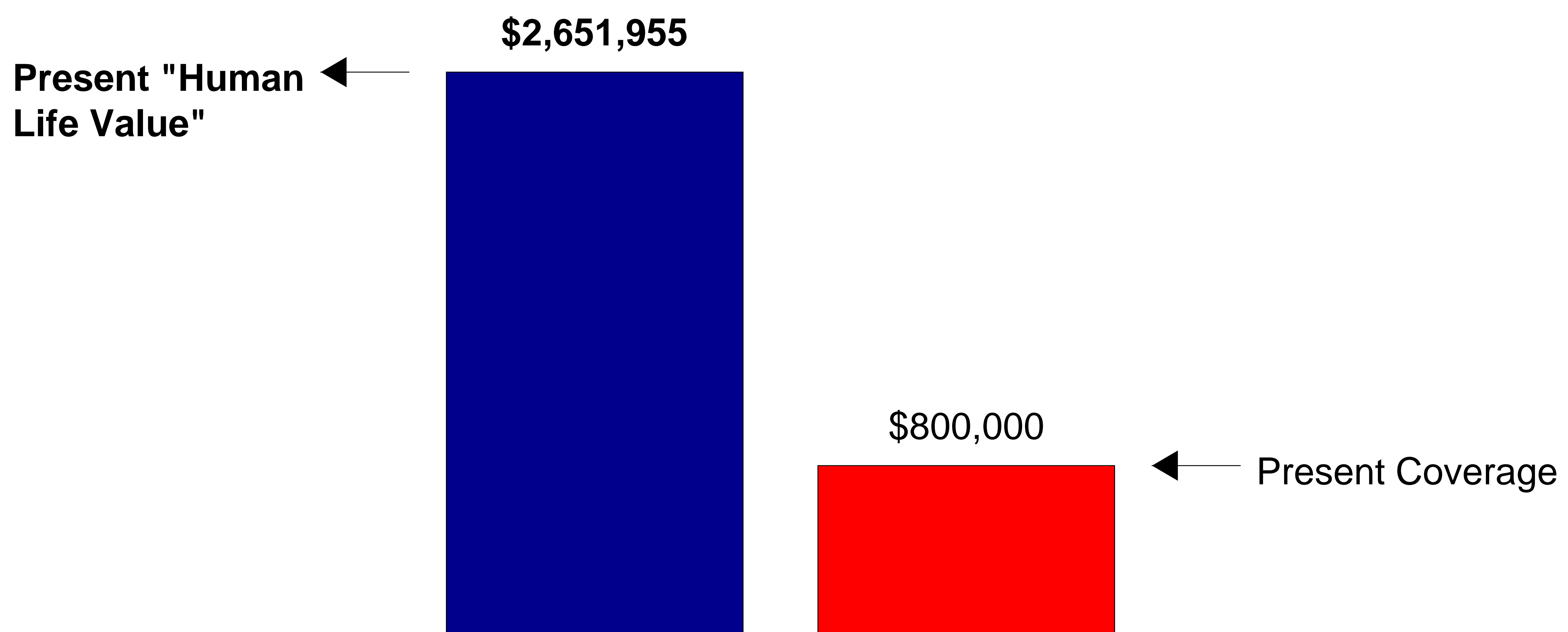
\*\* Present value of "Self Insured" option is \$405,069, "L.T.C. Plan A" is \$64,173. L.T.C. premiums are not guaranteed and can be raised, with the State Insurance Commissioners approval, on a class basis.

# "Human Life Value" for John Smith

Prepared by Your Name Here



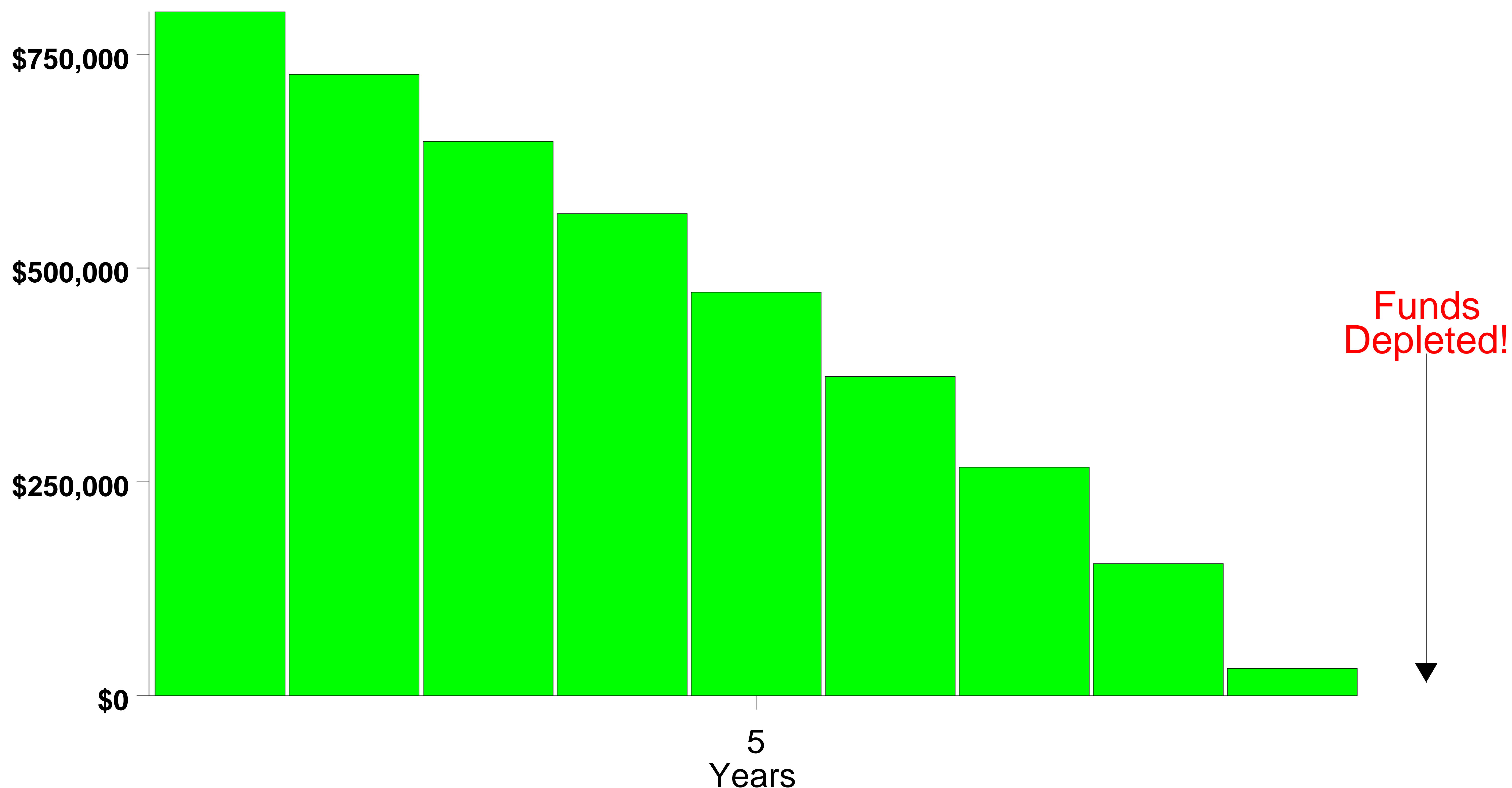
Your cumulative earning potential over 30 years is \$4,757,542. The present amount of money needed to pay out, in income, what you would have earned is \$2,651,955. In other words, this amount of money, with the unpaid balance earning 3.9%\* net interest, would replace your income until age 65. Therefore, \$2,651,955 represents your "Human Life Value." Currently you have \$800,000 of insurance protecting 30.17% of your "Value" as illustrated below.



\* Assumes 6.0% gross ROR, 35.0% tax bracket.

# What would \$800,000 provide ?

Prepared by Your Name Here



## Assumptions provided by Client

|                        |           |
|------------------------|-----------|
| Initial annual income: | \$100,000 |
| Inflation:             | 3.0%      |
| Tax bracket:           | 35.0%     |
| Gross ROR:             | 6.0%      |

# What would \$800,000 provide ?

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Prepared by Your Name Here

| <u>Year</u> | <u>Initial<br/>Principal</u> | <u>Annual<br/>Income*</u> | <u>Year End<br/>Principal**</u> |
|-------------|------------------------------|---------------------------|---------------------------------|
| 1           | \$800,000                    | \$100,000                 | \$727,300                       |
| 2           | \$727,300                    | \$103,000                 | \$648,648                       |
| 3           | \$648,648                    | \$106,090                 | \$563,717                       |
| 4           | \$563,717                    | \$109,273                 | \$472,168                       |
| 5           | \$472,168                    | \$112,551                 | \$373,642                       |
| 6           | \$373,642                    | \$115,927                 | \$267,766                       |
| 7           | \$267,766                    | \$119,405                 | \$154,147                       |
| 8           | \$154,147                    | \$122,987                 | \$32,374                        |
| 9           | \$32,374                     | \$126,677                 | (\$97,979)                      |

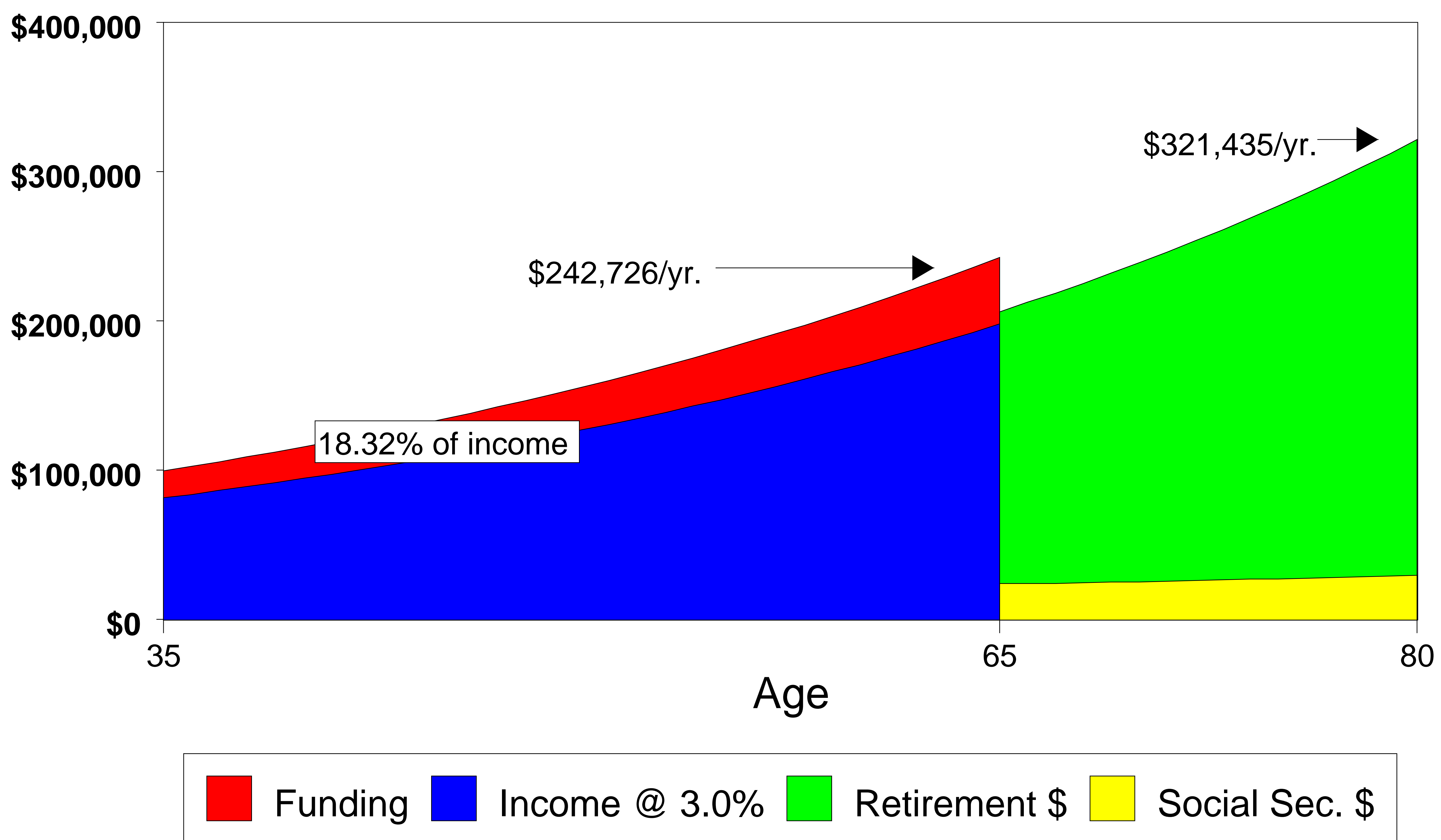
\* Client assumes a 3.0% inflation rate on the amount taken as "Annual Income" every year.  
\*\* Client assumes 6.0% Gross ROR, 35.0% tax bracket = 3.9% Net.

# Retirement Profile for John Smith

Prepared by Your Name Here

|                         |           |                          |          |
|-------------------------|-----------|--------------------------|----------|
| Present income (gross): | \$100,000 | Present assets:          | \$50,000 |
| Retirement income:      | 85.0%     | Retirement age:          | 65       |
| Income growth rate:     | 3.0%      | Life expectancy:         | 80       |
| Qualified asset RORs*:  | 6.0%/5.0% | Inflation at retirement: | 3.0%     |

Using the assumptions you provided above, 85.0% of your annual gross income would equal \$206,317 by the time you retire. To provide \$206,317 annually for 15 years, adjusted for inflation, you'd need **\$2,405,257\*** of capital. Present retirement assets will be worth \$287,175 by age 65, satisfying 21.28% of future needs. You'd have to save 18.32% of your annual income for the next 30 years to reach your retirement goals.



\* An additional \$368,780 is needed today, assuming a qualified asset accumulation ROR of 6.0% and a distribution ROR of 5.0%. Based on 2020 data, this proposal assumes John Smith, at age 65, would be eligible for an initial retirement benefit of \$2,019/month (100.0%). This proposal also assumes Social Security benefits will be increased 1.5% annually. Up to 85% of Social Security benefits may be subject to income taxes.



# Retirement Profile Spreadsheet

Prepared by Your Name Here

| Age | Annual Income | Present Assets @ 6.0%/5.0% | Required Annual Contribution | Social Security |
|-----|---------------|----------------------------|------------------------------|-----------------|
| 35  | \$100,000     | \$50,000                   | \$18,315                     |                 |
| 36  | \$103,000     | \$72,161                   | \$18,865                     |                 |
| 37  | \$106,090     | \$96,227                   | \$19,431                     |                 |
| 38  | \$109,273     | \$122,328                  | \$20,014                     |                 |
| 39  | \$112,551     | \$150,606                  | \$20,614                     |                 |
| 40  | \$115,927     | \$181,209                  | \$21,232                     |                 |
| 41  | \$119,405     | \$214,294                  | \$21,869                     |                 |
| 42  | \$122,987     | \$250,030                  | \$22,525                     |                 |
| 43  | \$126,677     | \$288,597                  | \$23,201                     |                 |
| 44  | \$130,477     | \$330,185                  | \$23,897                     |                 |
| 45  | \$134,392     | \$374,997                  | \$24,614                     |                 |
| 46  | \$138,423     | \$423,248                  | \$25,353                     |                 |
| 47  | \$142,576     | \$475,166                  | \$26,113                     |                 |
| 48  | \$146,853     | \$530,995                  | \$26,897                     |                 |
| 49  | \$151,259     | \$590,994                  | \$27,704                     |                 |
| 50  | \$155,797     | \$655,437                  | \$28,535                     |                 |
| 51  | \$160,471     | \$724,616                  | \$29,391                     |                 |
| 52  | \$165,285     | \$798,841                  | \$30,272                     |                 |
| 53  | \$170,243     | \$878,441                  | \$31,180                     |                 |
| 54  | \$175,351     | \$963,768                  | \$32,116                     |                 |
| 55  | \$180,611     | \$1,055,193                | \$33,079                     |                 |
| 56  | \$186,029     | \$1,153,111                | \$34,072                     |                 |
| 57  | \$191,610     | \$1,257,943                | \$35,094                     |                 |
| 58  | \$197,359     | \$1,370,134                | \$36,147                     |                 |
| 59  | \$203,279     | \$1,490,158                | \$37,231                     |                 |
| 60  | \$209,378     | \$1,618,518                | \$38,348                     |                 |
| 61  | \$215,659     | \$1,755,748                | \$39,499                     |                 |
| 62  | \$222,129     | \$1,902,416                | \$40,684                     |                 |
| 63  | \$228,793     | \$2,059,123                | \$41,904                     |                 |
| 64  | \$235,657     | \$2,226,510                | \$43,161                     |                 |
| 65  | \$206,317     | \$2,405,255                |                              | \$24,228        |
| 66  | \$212,507     | \$2,335,999                |                              | \$24,591        |
| 67  | \$218,882     | \$2,257,216                |                              | \$24,960        |
| 68  | \$225,448     | \$2,168,242                |                              | \$25,335        |
| 69  | \$232,212     | \$2,068,376                |                              | \$25,715        |

# Retirement Profile Spreadsheet

Prepared by Your Name Here

| <u>Age</u> | <u>Annual<br/>Income</u> | <u>Present Assets<br/>@ 6.0%/5.0%</u> | <u>Required Annual<br/>Contribution</u> | <u>Social<br/>Security</u> |
|------------|--------------------------|---------------------------------------|---|----------------------------|
| 70         | \$239,178                | \$1,956,873                           |   | \$26,100                   |
| 71         | \$246,353                | \$1,832,944                           |   | \$26,492                   |
| 72         | \$253,744                | \$1,695,760                           |   | \$26,889                   |
| 73         | \$261,356                | \$1,544,437                           |   | \$27,293                   |
| 74         | \$269,197                | \$1,378,046                           |   | \$27,702                   |
| 75         | \$277,273                | \$1,195,600                           |   | \$28,118                   |
| 76         | \$285,591                | \$996,059                             |   | \$28,539                   |
| 77         | \$294,159                | \$778,322                             |   | \$28,967                   |
| 78         | \$302,983                | \$541,225                             |   | \$29,402                   |
| 79         | \$312,073                | \$283,543                             |   | \$29,843                   |
| 80         | --                       | \$3,975                               |   | --                         |