

Policy Analysis Report

Prepared for:

Valued Client
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Policy Analysis Report

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Policy Analysis Report

Purpose & Review Process

Although simple in concept, a life insurance policy can be a complex financial instrument. Just as you regularly review your investment portfolio, a life insurance policy needs to be monitored to be certain that it remains appropriate for your goals and performs according to expectations.

Changes in the life insurance industry have led to new, more efficient policies that were developed in response to a more competitive environment brought on by mergers and demutualization. In addition, interest rate and market volatility can significantly affect the underlying cash value in a permanent life insurance policy.

Life Insurance Review Process

A Life Insurance Review evaluates your existing life insurance coverage. By analyzing information on the performance of your current policies and reviewing your options for optimizing the benefit and cost effectiveness of your coverage, it helps ensure that your current and future objectives are being met.

Essential questions that factor into the review process include:

- Is your life insurance coverage on track to meet intended goals?
- How is your policy performing relative to its original objective?
- Are your insurance contracts among the most competitive and cost effective on the market today?
- Has your financial or family status changed?
- Have the needs that prompted the purchase of your existing life insurance policy changed?

Documents and information that factor into the analysis include:

- A policy summary.
- The structure of the policy such as ownership, beneficiaries, and payment methods.
- The underwriting rate class and potential improvements.
- The effect of changes in interest rates and increases in the cost of insurance.
- The financial stability of the insurance company.

Based on the information you provided, the attached report evaluates your existing coverage against other leading options within the life insurance industry. The report is structured to allow you to effectively compare and contrast your policy against the current marketplace.

National Financial Partners and its subsidiaries are not affiliated with the issuing life insurance carrier or their subsidiaries.

Securities offered through Registered Reps of NFP Securities, Inc. a Broker-Dealer, Member FINRA/SIPC. Investment Advisory Services offered through Investment Advisor Representatives of NFP Securities, Inc., a Federally Registered Investment Advisor, 1250 Capital of Texas Hwy., Bldg. 2 - Ste. 125 – Austin, TX 78746 (512)697-6000.

This presentation is not valid without an accompanying personalized policy illustration, which includes the guaranteed elements of the policy and other important information.

IRS Circular 230 Disclosure

Any tax advice contained herein is not intended or written to be used, and cannot be used by you or any other person, for the purpose of avoiding any penalties that may be imposed by the Internal Revenue Code.

Policy Analysis Report

Current Policy Overview

Client Information

| | |
|-------------------------|----------------------|
| Client Name | Valued Client |
| Age | 79 |
| Underwriting Class | Preferred Non Smoker |
| Underwriting Rating | None |
| Spouse Name | - |
| Age | - |
| Underwriting Class | - |
| Underwriting Rating | - |
| Assumed Life Expectancy | 89 |
| Assumed Income Tax Rate | 28.0% |

Insurance Ownership Information

| | |
|--------------|-------------------|
| Policy Owner | ILIT |
| Purpose | Estate Protection |
| Beneficiary | ILIT |

In-Force Carrier & Product Information

| | |
|-------------|--------------------|
| Carrier | Inforce |
| Product | Whole Life Product |
| Policy Type | Whole Life |

In-Force Policy Information

| | |
|-----------------------------------------|-------------------|
| Policy Number | N/A |
| Anniversary Date | August 01, 2001 |
| Term Portion of Face Amount at Issue | 0 |
| Face Amount at Issue | \$5,000,000 |
| Dividends | Paid Up Additions |
| Current Premium | \$227,075 |
| Premium Mode | Annual |
| Net Cash Surrender Value | \$1,465,576 |
| Current Net Death Benefit | \$5,998,601 |
| Current Outstanding Loan | \$0 |
| Are Premiums Projected to Remain Level? | No |

In-Force Policy Features & Riders

| | |
|----------------------|-----|
| Accelerated Benefits | No |
| Policy Maturity Age | N/A |
| Maturity Extension | No |
| No-Lapse Guarantee | N/A |

Life Insurance products may contain various terms and conditions and as such this analysis should only be reviewed in conjunction with the respective policy proposals and/or contracts. Over time, the actual non-guaranteed elements and, perhaps, your actual use of certain policy elements are likely to vary from these assumptions. For these reasons, actual policy performance may be either more or less favorable than shown in this analysis. As individual policy recommendations may differ, please request an independent analysis for each subsequent policy. This presentation is not valid without the in-force ledger if applicable, and a complete compliant illustration for any alternative policy dated the same day as this supplemental illustration.

Policy Analysis Report

Policy Comparison

| Carrier & Product | Inforce Whole Life Product | Universal Life Product 2 | Universal Life Product 1 |
|--------------------------------------------|-------------------------------|------------------------------|------------------------------|
| Policy Type | Whole Life | Universal Life | Universal Life |
| Guaranteed Crediting Rate | 3.00% | 3.00% | 3.00% |
| Current Crediting Rate | 4.00% | 4.50% | 4.50% |
| Net Guaranteed Assumptions | | | |
| Existing CSV ¹ /1035 Exchange | 1,465,576 | 1,465,576 | 1,465,576 |
| Death Benefit | 5,164,529 | 8,116,280 | 7,850,698 |
| Initial Premium | 227,075 | 227,075 | 227,075 |
| Annual Premium | 227,075 | 25,000 | 25,000 |
| Years Paid | 21 | 5 | 5 |
| Net Outlay ² to Life Expectancy | 2,270,750 | 1,083,647 | 1,083,647 |
| Net Current Assumptions | | | |
| Existing CSV ¹ /1035 Exchange | 1,465,576 | 1,465,576 | 1,465,576 |
| Death Benefit | 5,998,601 | 8,116,280 | 7,850,698 |
| Initial Premium | 227,075 | 227,075 | 227,075 |
| Annual Premium | 227,075 | 25,000 | 25,000 |
| Years Paid | 5 | 5 | 5 |
| Net Outlay ² to Life Expectancy | 1,083,647 | 1,083,647 | 1,083,647 |
| Policy Lapse Information | | | |
| Guaranteed Assumptions | Endows at Age 100 | No Lapse Guarantee - Age 125 | No Lapse Guarantee - Age 125 |
| Current Assumptions | Endows at Age 100 | No Lapse Guarantee - Age 125 | No Lapse Guarantee - Age 125 |

¹ CSV = Cash Surrender Value

² See the attached compliant illustration for details on Net Outlay

Life Insurance products may contain various terms and conditions and as such this analysis should only be reviewed in conjunction with the respective policy proposals and/or contracts. Over time, the actual non-guaranteed elements and, perhaps, your actual use of certain policy elements are likely to vary from these assumptions. For these reasons, actual policy performance may be either more or less favorable than shown in this analysis. As individual policy recommendations may differ, please request an independent analysis for each subsequent policy. This presentation is not valid without the in-force ledger if applicable, and a complete compliant illustration for any alternative policy dated the same day as this supplemental illustration.

Policy Analysis Report

Policy Comparison

| Carrier & Product | Inforce Whole Life Product | Universal Life Product 2 | Universal Life Product 1 |
|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Guaranteed Assumptions | | | |
| Cumulative Premium Outlay | | | |
| Year 5 | 1,135,375 | 908,300 | 908,300 |
| Year 15 | 3,406,125 | 1,083,647 | 1,083,647 |
| Year 21 | 4,768,575 | 1,083,647 | 1,083,647 |
| Death Benefit | | | |
| Year 5 | 5,164,529 | 8,116,280 | 7,850,698 |
| Year 15 | 5,164,529 | 8,116,280 | 7,850,698 |
| Year 21 | 5,164,529 | 8,116,280 | 7,850,698 |
| Cash Surrender Value | | | |
| Year 5 | 2,715,050 | 1,509,467 | 1,490,136 |
| Year 15 | 3,893,950 | 0 | 0 |
| Year 21 | 5,000,000 | 0 | 0 |
| Internal Rate of Return | | | |
| Year 5 | 17.46% | 33.25% | 32.27% |
| Year 15 | 0.58% | 8.70% | 8.44% |
| Year 21 | -1.44% | 6.01% | 5.83% |
| Current Assumptions | | | |
| Cumulative Premium Outlay | | | |
| Year 5 | 908,300 | 908,300 | 908,300 |
| Year 15 | 1,083,647 | 1,083,647 | 1,083,647 |
| Year 21 | 1,083,647 | 1,083,647 | 1,083,647 |
| Death Benefit | | | |
| Year 5 | 5,865,121 | 8,116,280 | 7,850,698 |
| Year 15 | 5,414,417 | 8,116,280 | 7,850,698 |
| Year 21 | 5,214,640 | 8,116,280 | 7,850,698 |
| Cash Surrender Value | | | |
| Year 5 | 3,406,259 | 1,919,054 | 1,878,930 |
| Year 15 | 4,271,108 | 2,146,325 | 1,113,654 |
| Year 21 | 5,214,640 | 0 | 0 |
| Internal Rate of Return | | | |
| Year 5 | 23.85% | 33.25% | 32.27% |
| Year 15 | 5.59% | 8.70% | 8.44% |
| Year 21 | 3.68% | 6.01% | 5.83% |

Life Insurance products may contain various terms and conditions and as such this analysis should only be reviewed in conjunction with the respective policy proposals and/or contracts. Over time, the actual non-guaranteed elements and, perhaps, your actual use of certain policy elements are likely to vary from these assumptions. For these reasons, actual policy performance may be either more or less favorable than shown in this analysis. As individual policy recommendations may differ, please request an independent analysis for each subsequent policy. This presentation is not valid without the in-force ledger if applicable, and a complete compliant illustration for any alternative policy dated the same day as this supplemental illustration.

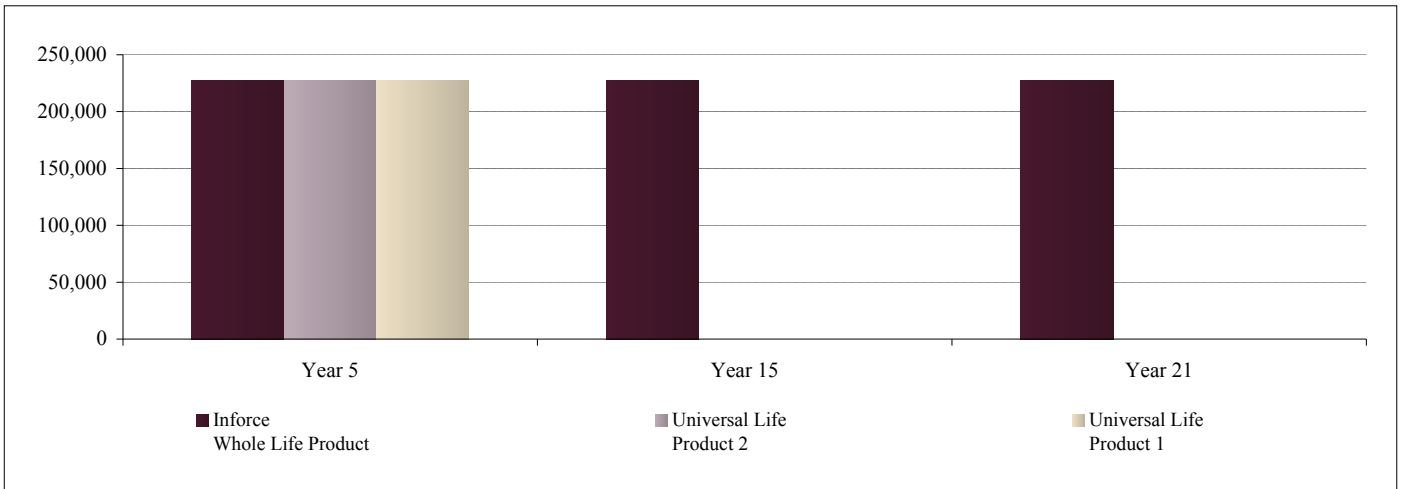
Policy Analysis Report

Premium Outlay Comparison

| Carrier & Product | Inforce Whole Life Product | Universal Life Product 2 | Universal Life Product 1 |
|-------------------|----------------------------|--------------------------|--------------------------|
|-------------------|----------------------------|--------------------------|--------------------------|

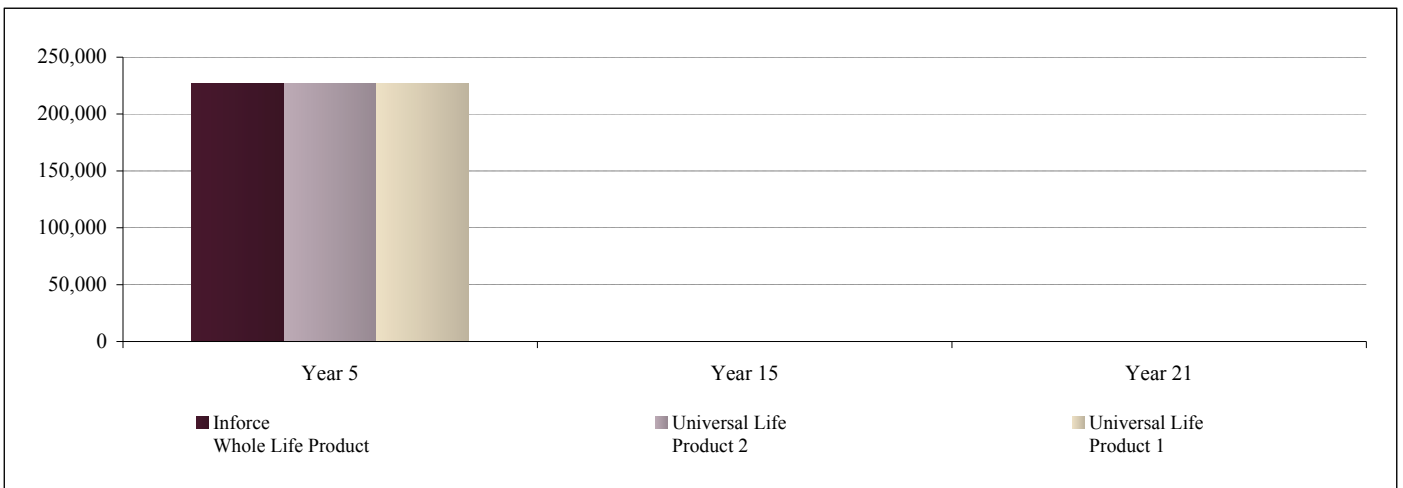
Guaranteed Assumptions

| | | | |
|---------|---------|---------|---------|
| Year 5 | 227,075 | 227,075 | 227,075 |
| Year 15 | 227,075 | 0 | 0 |
| Year 21 | 227,075 | 0 | 0 |



Current Assumptions

| | | | |
|---------|---------|---------|---------|
| Year 5 | 227,075 | 227,075 | 227,075 |
| Year 15 | 0 | 0 | 0 |
| Year 21 | 0 | 0 | 0 |

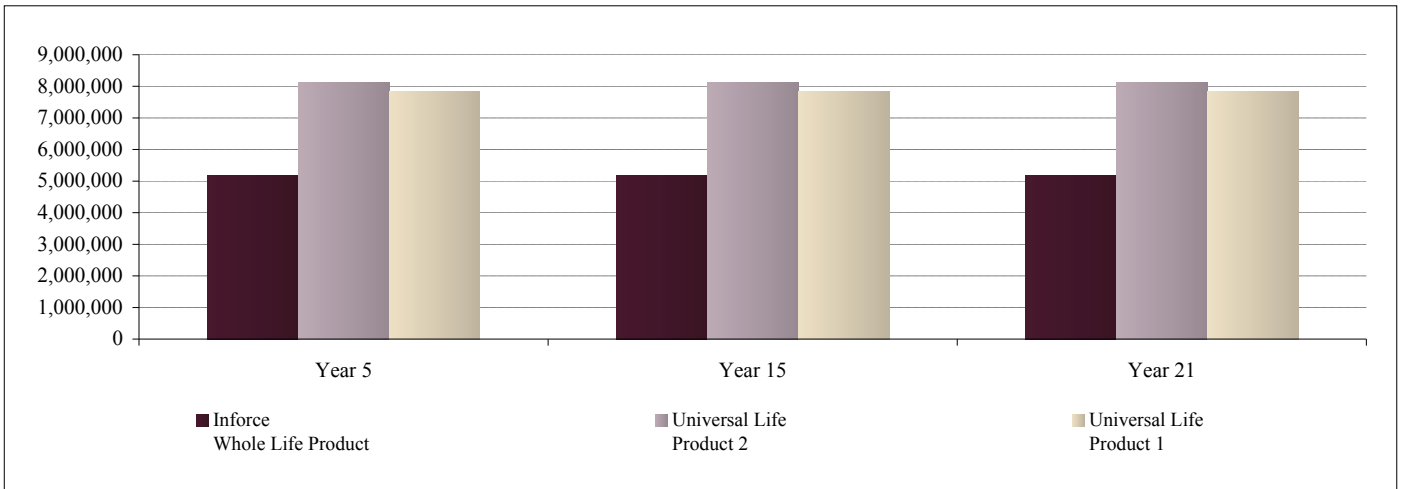


Life Insurance products may contain various terms and conditions and as such this analysis should only be reviewed in conjunction with the respective policy proposals and/or contracts. Over time, the actual non-guaranteed elements and, perhaps, your actual use of certain policy elements are likely to vary from these assumptions. For these reasons, actual policy performance may be either more or less favorable than shown in this analysis. As individual policy recommendations may differ, please request an independent analysis for each subsequent policy. This presentation is not valid without the in-force ledger if applicable, and a complete compliant illustration for any alternative policy dated the same day as this supplemental illustration.

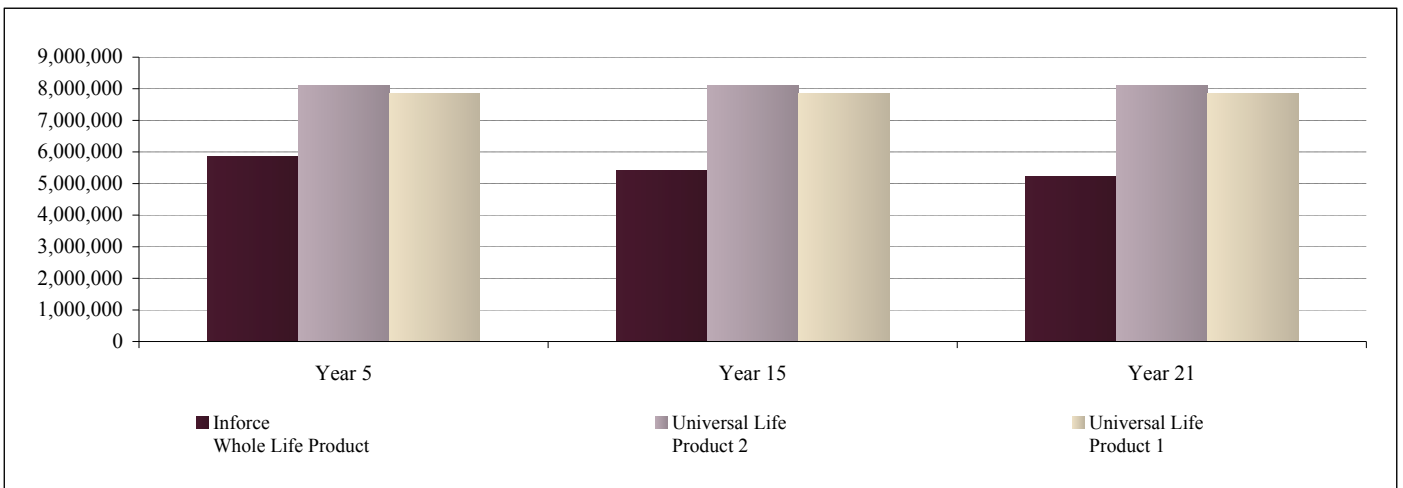
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Death Benefit Comparison

| Carrier & Product | Inforce Whole Life Product | Universal Life Product 2 | Universal Life Product 1 |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Guaranteed Assumptions | | | |
| Year 5 | 5,164,529 | 8,116,280 | 7,850,698 |
| Year 15 | 5,164,529 | 8,116,280 | 7,850,698 |
| Year 21 | 5,164,529 | 8,116,280 | 7,850,698 |



| Current Assumptions | | | |
|----------------------------|-----------|-----------|-----------|
| Year 5 | 5,865,121 | 8,116,280 | 7,850,698 |
| Year 15 | 5,414,417 | 8,116,280 | 7,850,698 |
| Year 21 | 5,214,640 | 8,116,280 | 7,850,698 |



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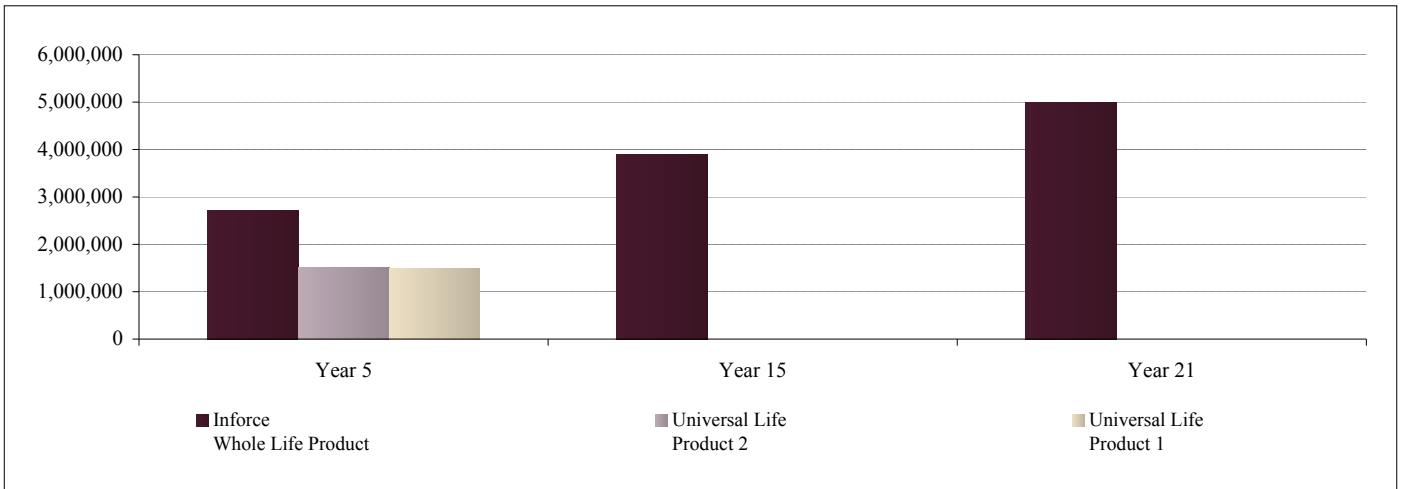
Policy Analysis Report

Cash Surrender Value Comparison

| Carrier & Product | Inforce Whole Life Product | Universal Life Product 2 | Universal Life Product 1 |
|-------------------|----------------------------|--------------------------|--------------------------|
|-------------------|----------------------------|--------------------------|--------------------------|

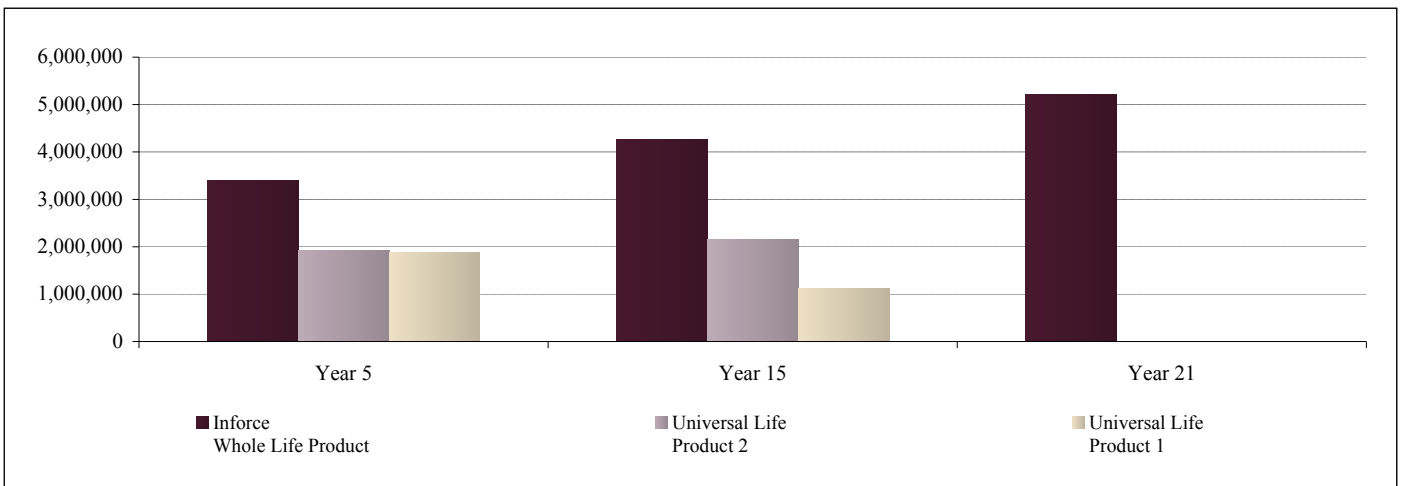
Guaranteed Assumptions

| | | | |
|---------|-----------|-----------|-----------|
| Year 5 | 2,715,050 | 1,509,467 | 1,490,136 |
| Year 15 | 3,893,950 | 0 | 0 |
| Year 21 | 5,000,000 | 0 | 0 |



Current Assumptions

| | | | |
|---------|-----------|-----------|-----------|
| Year 5 | 3,406,259 | 1,919,054 | 1,878,930 |
| Year 15 | 4,271,108 | 2,146,325 | 1,113,654 |
| Year 21 | 5,214,640 | 0 | 0 |



Life Insurance products may contain various terms and conditions and as such this analysis should only be reviewed in conjunction with the respective policy proposals and/or contracts. Over time, the actual non-guaranteed elements and, perhaps, your actual use of certain policy elements are likely to vary from these assumptions. For these reasons, actual policy performance may be either more or less favorable than shown in this analysis. As individual policy recommendations may differ, please request an independent analysis for each subsequent policy. This presentation is not valid without the in-force ledger if applicable, and a complete compliant illustration for any alternative policy dated the same day as this supplemental illustration.

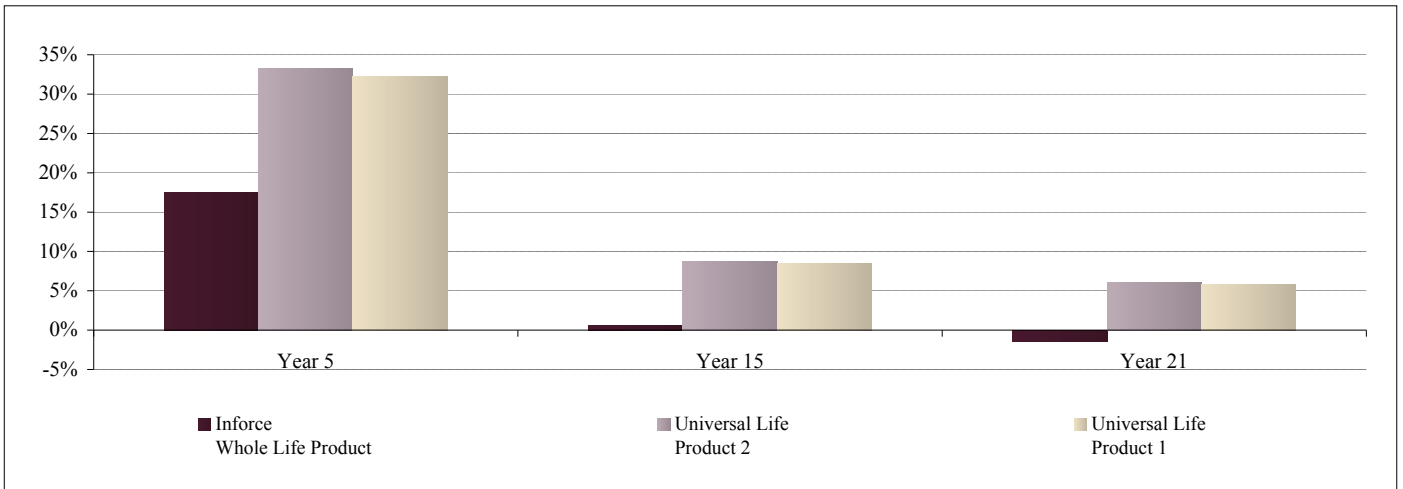
Policy Analysis Report

Internal Rate of Return Comparison

| Carrier & Product | Inforce Whole Life Product | Universal Life Product 2 | Universal Life Product 1 |
|-------------------|----------------------------|--------------------------|--------------------------|
|-------------------|----------------------------|--------------------------|--------------------------|

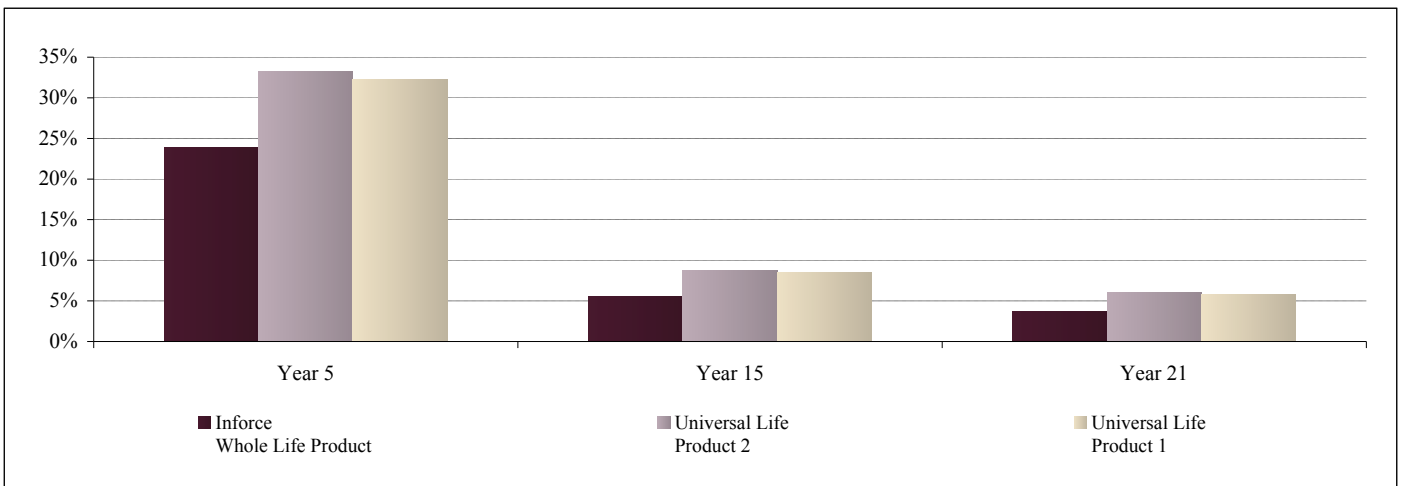
Guaranteed Assumptions

| | | | |
|---------|--------|--------|--------|
| Year 5 | 17.46% | 33.25% | 32.27% |
| Year 15 | 0.58% | 8.70% | 8.44% |
| Year 21 | -1.44% | 6.01% | 5.83% |



Current Assumptions

| | | | |
|---------|--------|--------|--------|
| Year 5 | 23.85% | 33.25% | 32.27% |
| Year 15 | 5.59% | 8.70% | 8.44% |
| Year 21 | 3.68% | 6.01% | 5.83% |

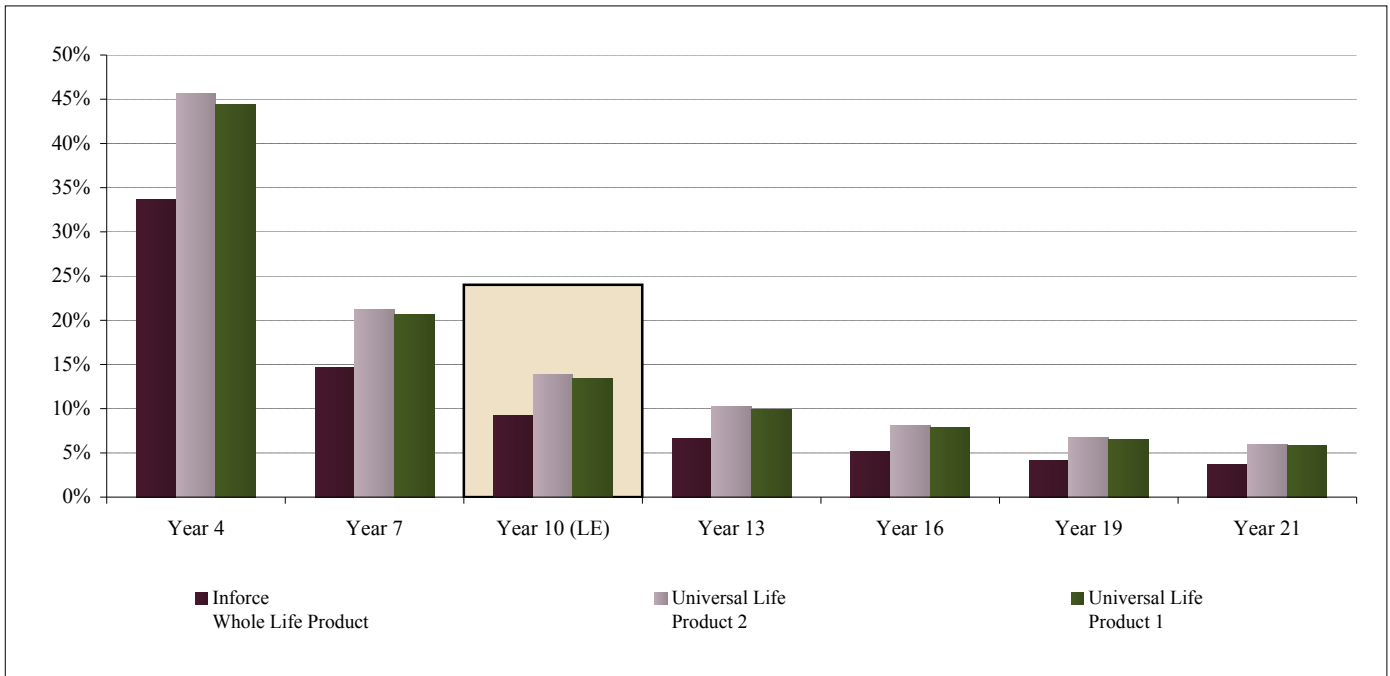


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Policy Analysis Report

Internal Rate of Return Comparison

| Carrier & Product | Inforce Whole Life Product | Universal Life Product 2 | Universal Life Product 1 |
|-----------------------------------------------------------------------------------|----------------------------|--------------------------|--------------------------|
| Internal Rate of Return and the Pre-Tax Equivalency at Current Assumptions | | | |
| Year 4 | 33.71% / 46.82% | 45.68% / 63.45% | 44.37% / 61.62% |
| Year 7 | 14.65% / 20.34% | 21.25% / 29.51% | 20.60% / 28.61% |
| Year 10 (LE) | 9.27% / 12.88% | 13.84% / 19.22% | 13.42% / 18.64% |
| Year 13 | 6.68% / 9.28% | 10.22% / 14.20% | 9.92% / 13.78% |
| Year 16 | 5.16% / 7.16% | 8.10% / 11.25% | 7.86% / 10.91% |
| Year 19 | 4.14% / 5.75% | 6.70% / 9.31% | 6.50% / 9.03% |
| Year 21 | 3.68% / 5.11% | 6.01% / 8.35% | 5.83% / 8.10% |



The pre-tax equivalent IRR is the rate that would have to be earned before tax (and after sales loads/management fees) to yield the net after-tax insurance death benefit assuming a 28.0% income tax rate.

Life Expectancy (LE) as used in this presentation shows the average age at death based on your current age and is not necessarily indicative of your own personal life expectancy. You may live longer than indicated by the table. The LE tables used are not tailored to your personal situation or risk class; rather, they are based on population averages and are presented merely to help you form a generalized idea of the potential age(s) at death. LE for a male, age 79 is 10 years based on the 2001 CSO mortality table.

Internal Rate of Return (IRR) is a method used to determine the policy holder's return on premiums paid into a life insurance policy. It is a calculation of the interest rate required for the cumulative policy cash flow (equal to premiums less dividends, withdrawals or loans paid in cash), to equal the death benefit of the policy in that year.

Life Insurance products may contain various terms and conditions and as such this analysis should only be reviewed in conjunction with the respective policy proposals and/or contracts. Over time, the actual non-guaranteed elements and, perhaps, your actual use of certain policy elements are likely to vary from these assumptions. For these reasons, actual policy performance may be either more or less favorable than shown in this analysis. As individual policy recommendations may differ, please request an independent analysis for each subsequent policy. This presentation is not valid without the in-force ledger if applicable, and a complete compliant illustration for any alternative policy dated the same day as this supplemental illustration.

Policy Analysis Report

Purpose & Review Process

This summary review is designed to present a comprehensive overview of your existing life insurance policies, including any in force projections offered to you by your existing life insurance carriers, and compare this coverage to your current goals and objectives. It also compares and contrasts your existing life insurance coverage to proposed life insurance policies. This review is limited to fixed products only, as such please discuss variable product options with your financial advisors.

The comparison in this presentation is generally more appropriate where life insurance for like purposes is compared. Where some of your existing contracts are intended for purposes different than the proposed policies, the numbers represented in this report may not compare insurance for like-kind purposes. For example, it may not be appropriate to compare one or more insurance policies purchased for survivor protection with a proposed life insurance policy for estate planning unless, of course, your goals and objectives have changed and you no longer require the life insurance for survivor protection.

Neither this firm nor its representatives offer tax or legal advice. This presentation, in oral or written form, should not be construed as such. This summary and the comments it contains are intended to be general observations based on the information you provided regarding your current life insurance, and your life insurance related needs, goals and objectives. Your furnishing of accurate data will enhance the value of this summary review. This analysis, however, is not intended to replace a complete tax and legal review related to your life insurance.

This is a supplemental illustration intended to provide you with an overview of how the proposed life insurance policies compare and contrast to your existing life insurance. This presentation is not valid without a complete, basic compliance illustration for each policy shown dated the same day as this supplemental illustration. It discusses, among other things, the impact of a modified endowment contract, the impact of loans and withdrawals and the impact of a policy lapse.

Please note that we are not responsible for values associated with your existing life insurance that are used in this summary. You and/or the issuing life insurance company and not this firm provide this information.

This presentation is based, in part, on the projections and assumptions in the basic life insurance illustrations. It compares the proposed life insurance to your existing life insurance and, where available, in-force projections of your existing life insurance. All projections, both the proposed life insurance and in-force projections, are based on hypothetical rates and are not a guarantee of future performance. Your actual results will be different from the values shown in this presentation. You should consider what is a reasonable projection based on your risk tolerance. If you believe that the underlying assumptions are incorrect, you should have the illustration, the in-force projections obtained from other companies and/or this supplement rerun based on what you believe is reasonable.

If you purchase new life insurance and use the funds from your existing life insurance policy to fund some or all of that purchase, this may be considered a replacement. In that case, some states require additional paperwork to be completed explaining the reasons for the change. Your life insurance advisor will be able to inform you of the requirements for your state. Before making any decisions about your existing life insurance, be certain to review and update your medical information. Your health is an important part of any review.

One or more of the existing or proposed life policies may have features/riders associated with policies. These features/riders may provide important benefits that are built into the cost of the policies but may not be reflected in this summary review. Please refer to your policy or the attached compliance illustrations for more information.

I have read the above disclosure, understand it, and also acknowledge that this information is based on hypothetical assumptions. I understand that this presentation is intended to be a general life insurance summary review and that, should I choose to implement, will be discussed with my other financial advisors as to its appropriateness within my overall planning needs. I have also received the compliance illustrations from the issuing insurance companies which were used to create this summary review.

Client Signature _____

Presenter _____

Title (if applicable) _____

Firm _____

Date _____

Policy Analysis Report

Illustration Assumptions

Client Information

| | |
|-------------------------|---------------|
| Client Name | Valued Client |
| Age | 79 |
| Spouse Name | - |
| Age | - |
| Assumed Life Expectancy | 89 |
| Assumed Income Tax Rate | 28.0% |

Life Insurance Assumptions

In-Force Carrier

| | |
|---------------------------------------------|----------------------|
| Carrier | Inforce |
| Product | Whole Life Product |
| Policy Type | Whole Life |
| Underwriting & Class Rating - Valued Client | Preferred Non Smoker |

Comparison Policy 1

| | |
|---------------------------------------------|----------------------|
| Carrier | Universal Life |
| Product | Product 2 |
| Policy Type | Universal Life |
| Underwriting & Class Rating - Valued Client | Preferred Non Smoker |

Comparison Policy 2

| | |
|---------------------------------------------|----------------------|
| Carrier | Universal Life |
| Product | Product 1 |
| Policy Type | Universal Life |
| Underwriting & Class Rating - Valued Client | Preferred Non Smoker |

Policy Analysis Report

Carrier Rating Services

The financial strength of an insurance company is one of the factors that should be considered in selecting an insurance carrier. Purchasing insurance from a financially strong carrier increases the likelihood that the policy's benefits will be paid when due.

Traditional rating agencies have had a strong impact on the insurance industry and its customers. The criteria used by the principal three multi-industry rating services share a large degree of commonality. Each rating service evaluates the strengths and strategies of company management, the operating results of the business units, investment performance, and capitalization. Although each rating agency looks to the same criteria, each has its own unique rating scale.

A.M. Best: 15 rating categories ranging from A++ to F.

Standard & Poor's: 19 rating categories ranging from AAA to R.

Moody's: 21 rating categories ranging from Aaa to C.

Fitch: 24 rating categories ranging from AAA to D.

Comdex: Based on the ratings issued by A.M. Best, Standard & Poor's, Moody's Investors Services, and Fitch. The Comdex is not a rating itself, but a composite index based on an average of all the ratings received from these rating services. The Comdex gives the company's standing, on a scale of 1 to 100, in relation to other companies that have been rated by the services. It is an objective value based solely on the mathematical distribution of all the companies

TheStreet.com: 16 rating categories ranging from A+ to F.

| Rating | A.M. Best | Standard & Poor's | Moody's | Fitch | TheStreet.com |
|-----------|----------------------|-----------------------------------|-------------------------------------|--------------------------------------------------|--------------------|
| Excellent | A++ A+ | AAA AA+ AA+ AA- | Aaa Aa1 Aa2 Aa3 | AAA AA+ AA+ AA- | A+ A+ A- |
| Good | A A- | A+ A+ A- | A1 A2 A3 | A+ A+ A- BBB+ BBB+ BBB- | B+ B B- |
| Fair | B++ B+ B B- | BBB+ BBB+ BBB- | Baa1 Baa2 Baa3 | BB+ BB BB- | C+ C C- |
| Poor | C++ C+ C C- | BB+ BB BB- B+ B B- | Ba1 Ba2 Ba3 B1 B2 B3 | B+ B B- | D+ D D- |
| Troubled | D E F | CCC CC R | Caa1 Caa2 Caa3 Ca C | CCC+ CCC CCC- CC C DDD DD D | E+ E E- F |

Term Life

Term Insurance generally has the lowest initial premiums and is the least complicated type of life insurance. Term provides life insurance protection for a specified period of time, such as 5, 10 or 20 years. If the insured dies within the term period, a death benefit is paid. If the insured is still alive at the end of the term period, protection ends. Some term insurance can be renewed after the initial level term period for additional periods at much higher premiums. Most types of term life insurance do not build cash value.

Participating Whole Life

Participating Whole Life is a type of permanent life insurance that has premiums based on the underlying guarantees of the policy. Dividends represent the difference between the contractual guarantees and what the company actually experiences for mortality, expenses and interest. They are payable annually and may reduce future premium outlay or enhance future cash values and death benefits, when applied to the contract. Dividends are not guaranteed.

Older participating contracts generally mature at age 100 (or earlier) and do not allow coverage to extend beyond that age. The net cash value is paid out to the policy owner at that point. The policy owner may face an income tax on any gain over premiums paid.

Participating contracts can generally be illustrated with a blend of base and term. The projected dividend is assumed to cover future term costs, which may increase over time. Since dividends are not guaranteed, if the dividends are not actually paid as illustrated, the term costs may not be covered and either the term amount could decrease or higher premiums would need to be paid to cover the cost.

Interest Sensitive Whole Life

Interest Sensitive Whole Life is a type of permanent life insurance in which the premiums are fixed at issue. Premiums (less expense charges) are credited to the policy account and may generate cash values over time. Cost of insurance charges are deducted and interest is credited to the policy account. In addition, at the end of each policy year, the carrier may credit the policy values with excess interest. Policy values may be used to reduce future premium outlay or enhance death benefits. Interest Sensitive Whole Life contracts have guaranteed maximum charges and guaranteed minimum interest rates.

Older Interest Sensitive Whole Life contracts generally mature at age 100 (or earlier) and do not allow coverage to extend beyond that age. The net cash value is paid out to the policy owner at that point. The policy owner may face an income tax on any gain over premiums paid.

Universal Life

Universal Life is a type of permanent life insurance that permits flexible premium payments. The policy owner may vary the amounts and/or timing of premium payments within limits. Premiums (less expense charges) are credited to a policy account (cash value) from which the cost of insurance charges are deducted and to which interest is credited at rates that may change. Universal Life contracts have guaranteed maximum charges and guaranteed minimum interest rates. Many carriers now offer secondary guarantee riders and provisions to assist in maintaining death benefit coverage regardless of the policy's performance.

Policy Analysis Report

Term Life Insurance - Risks & Advantages

Term insurance generally has the lowest initial premiums and is the least complicated type of life insurance.

Term provides life insurance protection for a specified period of time, such as 5, 10 or 20 years. If the insured dies within the term period, a death benefit is paid. If the insured is still alive at the end of the term period, protection ends. Some term insurance can be renewed after the initial level term period for additional periods at much higher premiums. However, if the life insurance need is long-term, then term insurance may become prohibitively expensive.

Term Life contracts may have specific features that can affect policy performance:

Renewability:

After the level term period, Term insurance is contractually renewable on an annual basis until a specified age, at then-available rates. After a specified age, coverage terminates.

Conversion Option

Most Term contracts are convertible to a permanent policy within a specified period or until an attained age. The new policy is based on rates reflecting your client's then-current age. Usually, a term policy can be converted or exchanged without evidence of insurability. As the carrier controls product options available for conversion, these policies may not be among the most competitively priced products on the market at that time. Refer to the policy for

Should you delay conversion of the policy beyond the conversion period and become medically impaired or uninsurable, applying for new coverage may not be feasible.

Decreasing Term Insurance

In this type of insurance, the premium cost remains the same for the life of the policy while death benefit decreases. In a decreasing term contract, the cost per \$1000 of death benefit increases annually.

Underwriting

Many carriers offer underwriting incentives for their permanent products only. For the appropriate client, this may make a permanent product more affordable and an alternative option.

Term insurance can be advantageous in meeting specific client objectives, such as temporary life insurance needs and/or clients with limited income. Ultimately, product choice should be determined by selecting the product that best matches your individual needs and priorities.

Fiduciary Duties for Trust Owned Life Insurance

A Trustee has a fiduciary duty to invest and manage trust assets as a prudent investor. This includes not just traditional investment assets, but other frequently overlooked assets, such as life insurance.

The Uniform Prudent Investor Act (UPIA), which most states have adopted a version of, provides that:

"[A] trustee who invests and manages trust assets owes a duty to the beneficiaries of the trust to comply with the prudent investor rule... a trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution."

Trustees, who breach this duty, may be liable for monetary damages to the trust beneficiaries.

A key responsibility of the trustee is to have a disciplined investment process that seeks the greatest return for the least amount of risk. In order to help maximize potential trustee liability with respect to trust owned life insurance, it is advisable to develop an investment policy statement (IPS) for the purpose of documenting this process. At a minimum, the IPS should cover the following:

- Duties and responsibilities of the trustee with respect to trust owned life insurance.
- The purpose for the coverage.
- Type of coverage to be held by the trust, based on the designated risk tolerance.
- Premium level to be adhered to, based on grantor's gifting limitations.

A key component of an IPS is a commitment to regularly review each policy owned by the trust.

Are you protected against the loss of a key person?

Have you thought about what you would do if you lost a key player in your business? One of your most important business assets is just down the hall from you. It's the person who handles your books. It's the person who generates your largest sales and has the closest contacts with your best customers. It's the person who manages your key department and the relationship with your best employees. It's the person who holds that specialized skill critical to your business, or maybe the one whose skills drive one of your key business lines.

Have you considered the impact to your business if you unexpectedly lost such a person?

Would it be:

- Disruptions in management?
- Loss of earnings and customers?
- Delayed product launches?
- Credit issues?

What are you doing to protect your business if a key person is no longer there to help drive your business? Key person protection is important to help insure that your business sustains the loss of a vital employee. Unfortunately, many business owners don't consider the risks of losing a key person until it is too late.

Key Person is a life insurance based program designed to help you value the loss your business would face if you lost a key person. You purchase a life insurance policy insuring each key person's life and hold that policy as an asset of the business.

The unique nature of life insurance may let you shift the business risk from yourself to the life insurance carrier. It's the one asset that can provide you the amount you need when you need it most - after the loss of your key employee. Permanent life insurance also has the potential to build cash values that can be used as a business asset - as collateral, an informal line of credit and to help fund a benefit program for a retired key employee.

A Section 1035 Exchange is an option if you are dissatisfied with your current policy's performance or its ability to meet your changing financial needs.

§1035(a) provides that, under certain conditions, no gain or loss will be recognized on the exchange of one life insurance contract for another. The taxpayer's basis in the new policy will be the same as that of the contract exchanged. I.R.C. §1031(d). These provisions allow you to avoid current tax where there is a gain or maintain a carryover tax basis in the new contract by avoiding the current recognition of gain that could result upon the surrender of an existing policy. I.R.C. §72(e). For those policies maintaining an outstanding loan, it is important to check if an alternative policy option has a 1035 loan carryover provision and will accept the client's outstanding loan, otherwise any discharge of loan indebtedness may be a taxable event to the owner.

Another major advantage of using a §1035 exchange is the ability to apply significant cash values accrued in an existing policy to the new policy without incurring the adverse consequences of creating a modified endowment contract (MEC) under I.R.C. Section 7702(a). In effect, the adjusted 7-pay premium calculation applicable to a §1035 exchange treats cash values rolled over from an existing policy as cash values under the new policy, rather than premium paid. I.R.C. Section 7702(c)(3)(A). Therefore, §1035 cash values will not, by themselves, cause the policy to violate the 7-pay rules.

In order to qualify under §1035, the exchange must fall within the following parameters:

- The life insurance policy may be exchanged for another life insurance policy, an endowment contract, or an annuity.
- The existing life insurance contract must be assigned to the insurance company issuing the new policy.
- The same life must be the insured on the contract before and after the exchange.
- In a private ruling, the Service approved §1035 treatment of the exchange of a joint and last survivor life insurance policy, following the death of one of the insured persons, for a universal variable life insurance policy that insures the survivor. Let. Rul.9248013; see also Let. Rul.9330040.
- The policy must be issued to the owner of the original policy.

Other issues to consider:

- A replacement of an existing policy will likely result in a reduction of cash value due to the acquisition costs (sales loads and other expenses) of a new policy.
- A new policy will be subject to a new suicide and contestability period (of one to two years). During the contestable period the insurer may cancel the contract or refuse to pay a claim where any mistaken or untrue statements were made on the application.
- Your current policy may have more advantageous contractual provisions, loan interest rates or tax treatment than are available on the new policy.
- Changes in your health and increased age may negatively impact mortality costs and premiums.
- You should be certain that your existing life insurance company will treat this exchange as non-taxable.
- If one or more of your existing life insurance policies is less than seven years old when this contract is exchanged, any reductions in death benefit amounts may require retesting for modified endowment contract

Where there is a Section 1035 exchange, strict compliance with the law is required. This will provide you with the maximum income tax benefits. In many cases your state may require certain additional paperwork to be filed indicating the purpose for a change in the existing life insurance. Please consult your tax, financial, legal and life insurance advisors regarding Section 1035 issues.

Policy Analysis Report

Tax Issues Affecting Life Insurance

Tax-Definition of Life Insurance

A policy will qualify as life insurance under IRC Sec. 7702 if the policy qualifies as life insurance under applicable state law and meets one of the following tests:

- 1 **Guideline Premium and Cash Value Corridor Test (GPT)** - The sum of premiums paid at any time does not exceed the greater of the guideline single premium or the sum of the guideline level premium at such time, and the death benefit payable under the policy at any time is at least equal to an applicable percentage
- 2 **Cash Value Accumulation Test (CVAT)** - The cash surrender value of the policy must not at any time exceed the net single premium which would be necessary to fund future benefits under the policy.

Failure to qualify as life insurance will result in taxation of all cash value increases, and only the excess of the death benefit over the net surrender value will be excludable from the income of the beneficiary as a death benefit.

Modified Endowment Contract

As defined in IRC Sec 7702A, a Modified Endowment Contract ("MEC") is a life insurance policy in which the cumulative premium payments in any one of the first seven policy years exceed the sum of the net level premiums, which would have been paid to provide a paid-up policy after the payment of seven level annual premiums (the "7-pay test"). Distributions from a MEC, either a withdrawal or loan (or use of the policy as collateral for a loan), are taxed to the extent there is a gain in the policy. Also, a 10% penalty will be assessed on the taxable amount of any distributions made prior to the policy owner's attaining age 59½, unless the policy owner is disabled or receives the cash value under a life annuity settlement option. Note, however, that the 10% penalty tax is always applicable if the policy owner is a "non-natural" person (e.g., a corporation or trust).

If there has been a "material change" in the terms or benefits of the policy, the 7-pay test will be applied as if the policy was a new contract at the date of the material change. Generally, once a policy is a MEC it is always a MEC. However, if premiums in excess of the 7-pay limit are paid, the MEC rules will not apply if such premium payments, plus interest (which is taxable), are returned to the policy owner within 60 days after the end of the policy year in which the excess premium payment was made.

Estate Tax

If an insured has any incidents of ownership in a life insurance policy at the time of his or her death, or within three years of his or her death, or the proceeds are payable to or for the benefit of the insured's estate, the death benefit will be includable in his or her gross estate and may be subject to federal estate tax and/or state inheritance tax.

Policy Analysis Report

Tax Issues Affecting Life Insurance

Withdrawals¹²

Assuming the life insurance policy is not a MEC as described on the previous page, withdrawals are taxed under the "cost recovery rule" and are taxable only to the extent the withdrawal exceeds the cost basis of the policy (basis equals the gross premiums paid less prior untaxed withdrawals).

Policy Loans¹

Assuming the life insurance policy is not a MEC as described on the previous page, policy loans are not treated as withdrawals or distributions and are not subject to income tax.

If a loan is still outstanding when a life insurance policy is surrendered or lapses, the loan is automatically repaid from the policy's cash value. This loan repayment will result in taxable income to the extent the net surrender value plus the amount of the repaid loan exceeds the cost basis of the policy.

If a policy loan is still outstanding at the time of death, the loan is automatically repaid from the policy's death benefit. The use of the death benefit to repay a policy loan does not cause the recognition of taxable income.

Death Benefit

Proceeds from a life insurance policy paid because of the death of the insured are generally excludable from the beneficiary's gross income for income tax purposes.

Estate Tax

If an insured has any incidents of ownership in a life insurance policy at the time of his or her death, or within three years of his or her death, or the proceeds are payable to or for the benefit of the insured's estate, the death benefit will be includable in his or her gross estate and may be subject to federal estate tax and/or state inheritance tax.

1 Withdrawals and policy loans may reduce the death benefit and account value. There may be penalties and fees associated with the use of loans and
2 Withdrawals in the first 15 policy years may be taxable under IRC Sec. 7702(f)(7)(B).

Neither NFP Insurance Services, Inc. nor its affiliates may give legal or tax advice. These statements are of a general nature only and may not apply to a customer's particular situation.

Policy Analysis Report

Complete Table of Values at Current, Non-Guaranteed Assumptions

Inforce Whole Life Product

| Year | Attained Age | Planned Premium | Cash Surrender Value | Life Insurance Death Benefit | Internal Rate of Return on Death Benefit | Tax-Free Adjusted Internal Rate of Return |
|-----------|--------------|-----------------|----------------------|------------------------------|------------------------------------------|-------------------------------------------|
| 1 | 80 | 0 | 2,827,246 | 5,998,601 | 309.30% | 429.58% |
| 2 | 81 | 227,075 | 3,109,086 | 6,129,516 | 96.91% | 134.59% |
| 3 | 82 | 227,075 | 3,210,049 | 6,030,098 | 52.12% | 72.39% |
| 4 | 83 | 227,075 | 3,304,683 | 5,936,427 | 33.71% | 46.82% |
| 5 | 84 | 227,075 | 3,406,259 | 5,865,121 | 23.85% | 33.12% |
| 6 | 85 | 175,347 | 3,504,214 | 5,801,733 | 17.96% | 24.94% |
| 7 | 86 | 0 | 3,598,726 | 5,745,210 | 14.65% | 20.34% |
| 8 | 87 | 0 | 3,689,779 | 5,694,174 | 12.31% | 17.10% |
| 9 | 88 | 0 | 2,777,847 | 5,647,463 | 10.59% | 14.71% |
| 10 | 89 | 0 | 3,864,253 | 5,604,817 | 9.27% | 12.88% |
| 11 | 90 | 0 | 3,949,004 | 5,564,759 | 8.23% | 11.43% |
| 12 | 91 | 0 | 4,032,317 | 5,526,501 | 7.38% | 10.25% |
| 13 | 92 | 0 | 4,331,845 | 5,489,095 | 6.68% | 9.28% |
| 14 | 93 | 0 | 4,192,909 | 5,451,786 | 6.10% | 8.47% |
| 15 | 94 | 0 | 4,271,108 | 5,414,417 | 5.59% | 7.77% |
| 16 | 95 | 0 | 4,356,756 | 5,375,239 | 5.16% | 7.16% |
| 17 | 96 | 0 | 4,469,899 | 5,332,121 | 4.77% | 6.63% |
| 18 | 97 | 0 | 4,589,118 | 5,284,820 | 4.43% | 6.15% |
| 19 | 98 | 0 | 4,726,602 | 5,251,607 | 4.14% | 5.75% |
| 20 | 99 | 0 | 4,872,825 | 5,232,109 | 3.89% | 5.41% |
| 21 | 100 | 0 | 5,214,640 | 5,214,640 | 3.68% | 5.11% |

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Policy Analysis Report

Complete Table of Values at Current, Non-Guaranteed Assumptions

Universal Life Product 2

| Year | Attained Age | Planned Premium | Cash Surrender Value | Life Insurance Death Benefit | Internal Rate of Return on Death Benefit | Tax-Free Adjusted Internal Rate of Return |
|-----------|--------------|-----------------|----------------------|------------------------------|------------------------------------------|-------------------------------------------|
| 1 | 80 | 0 | 870,375 | 8,116,280 | 453.79% | 630.27% |
| 2 | 81 | 227,075 | 1,121,087 | 8,116,280 | 127.71% | 177.37% |
| 3 | 82 | 227,075 | 1,379,315 | 8,116,280 | 69.07% | 95.93% |
| 4 | 83 | 227,075 | 1,645,139 | 8,116,280 | 45.68% | 63.45% |
| 5 | 84 | 227,075 | 1,919,054 | 8,116,280 | 33.25% | 46.18% |
| 6 | 85 | 175,347 | 2,150,848 | 8,116,280 | 25.77% | 35.80% |
| 7 | 86 | 0 | 2,220,207 | 8,116,280 | 21.25% | 29.51% |
| 8 | 87 | 0 | 2,281,360 | 8,116,280 | 18.05% | 25.07% |
| 9 | 88 | 0 | 2,331,637 | 8,116,280 | 15.67% | 21.76% |
| 10 | 89 | 0 | 2,368,813 | 8,116,280 | 13.84% | 19.22% |
| 11 | 90 | 0 | 2,384,251 | 8,116,280 | 12.38% | 17.20% |
| 12 | 91 | 0 | 2,374,285 | 8,116,280 | 11.20% | 15.56% |
| 13 | 92 | 0 | 2,337,812 | 8,116,280 | 10.22% | 14.20% |
| 14 | 93 | 0 | 2,264,859 | 8,116,280 | 9.40% | 13.06% |
| 15 | 94 | 0 | 2,146,325 | 8,116,280 | 8.70% | 12.09% |
| 16 | 95 | 0 | 1,968,492 | 8,116,280 | 8.10% | 11.25% |
| 17 | 96 | 0 | 1,700,650 | 8,116,280 | 7.57% | 10.52% |
| 18 | 97 | 0 | 1,319,892 | 8,116,280 | 7.11% | 9.88% |
| 19 | 98 | 0 | 810,515 | 8,116,280 | 6.70% | 9.31% |
| 20 | 99 | 0 | 120,840 | 8,116,280 | 6.34% | 8.80% |
| 21 | 100 | 0 | 0 | 8,116,280 | 6.01% | 8.35% |
| 22 | 101 | 0 | 0 | 8,116,280 | 5.71% | 7.94% |
| 23 | 102 | 0 | 0 | 8,116,280 | 5.45% | 7.56% |
| 24 | 103 | 0 | 0 | 8,116,280 | 5.20% | 7.23% |
| 25 | 104 | 0 | 0 | 8,116,280 | 4.98% | 6.92% |
| 26 | 105 | 0 | 0 | 8,116,280 | 4.77% | 6.63% |
| 27 | 106 | 0 | 0 | 8,116,280 | 4.59% | 6.37% |
| 28 | 107 | 0 | 0 | 8,116,280 | 4.41% | 6.13% |
| 29 | 108 | 0 | 0 | 8,116,280 | 4.25% | 5.90% |
| 30 | 109 | 0 | 0 | 8,116,280 | 4.10% | 5.69% |
| 31 | 110 | 0 | 0 | 8,116,280 | 3.96% | 5.50% |
| 32 | 111 | 0 | 0 | 8,116,280 | 3.83% | 5.32% |
| 33 | 112 | 0 | 0 | 8,116,280 | 3.71% | 5.15% |
| 34 | 113 | 0 | 0 | 8,116,280 | 3.59% | 4.99% |
| 35 | 114 | 0 | 0 | 8,116,280 | 3.48% | 4.84% |
| 36 | 115 | 0 | 0 | 8,116,280 | 3.38% | 4.70% |
| 37 | 116 | 0 | 0 | 8,116,280 | 3.29% | 4.56% |
| 38 | 117 | 0 | 0 | 8,116,280 | 3.20% | 4.44% |
| 39 | 118 | 0 | 0 | 8,116,280 | 3.11% | 4.32% |
| 40 | 119 | 0 | 0 | 8,116,280 | 3.03% | 4.21% |

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Policy Analysis Report

Complete Table of Values at Current, Non-Guaranteed Assumptions

Universal Life Product 2

| Year | Attained Age | Planned Premium | Cash Surrender Value | Life Insurance Death Benefit | Internal Rate of Return on Death Benefit | Tax-Free Adjusted Internal Rate of Return |
|------|--------------|-----------------|----------------------|------------------------------|------------------------------------------|-------------------------------------------|
| 41 | 120 | 0 | 0 | 8,116,280 | 2.95% | 4.10% |
| 42 | 121 | 0 | 0 | 8,116,280 | 2.88% | 4.00% |
| 43 | 122 | 0 | 0 | 8,116,280 | 2.81% | 3.90% |
| 44 | 123 | 0 | 0 | 8,116,280 | 2.74% | 3.81% |
| 45 | 124 | 0 | 0 | 8,116,280 | 2.68% | 3.72% |
| 46 | 125 | 0 | 0 | 8,116,280 | 2.62% | 3.64% |

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Policy Analysis Report

Complete Table of Values at Current, Non-Guaranteed Assumptions

Universal Life Product 1

| Year | Attained Age | Planned Premium | Cash Surrender Value | Life Insurance Death Benefit | Internal Rate of Return on Death Benefit | Tax-Free Adjusted Internal Rate of Return |
|-----------|--------------|-----------------|----------------------|------------------------------|------------------------------------------|-------------------------------------------|
| 1 | 80 | 0 | 962,821 | 7,850,698 | 435.67% | 605.10% |
| 2 | 81 | 227,075 | 1,185,851 | 7,850,698 | 123.83% | 171.98% |
| 3 | 82 | 227,075 | 1,413,303 | 7,850,698 | 67.09% | 93.18% |
| 4 | 83 | 227,075 | 1,644,681 | 7,850,698 | 44.37% | 61.62% |
| 5 | 84 | 227,075 | 1,878,930 | 7,850,698 | 32.27% | 44.81% |
| 6 | 85 | 175,347 | 2,063,833 | 7,850,698 | 24.99% | 34.70% |
| 7 | 86 | 0 | 2,074,126 | 7,850,698 | 20.60% | 28.61% |
| 8 | 87 | 0 | 2,066,443 | 7,850,698 | 17.50% | 24.31% |
| 9 | 88 | 0 | 2,036,355 | 7,850,698 | 15.20% | 21.11% |
| 10 | 89 | 0 | 1,978,872 | 7,850,698 | 13.42% | 18.64% |
| 11 | 90 | 0 | 1,894,555 | 7,850,698 | 12.01% | 16.68% |
| 12 | 91 | 0 | 1,776,512 | 7,850,698 | 10.87% | 15.09% |
| 13 | 92 | 0 | 1,616,352 | 7,850,698 | 9.92% | 13.78% |
| 14 | 93 | 0 | 1,402,049 | 7,850,698 | 9.12% | 12.67% |
| 15 | 94 | 0 | 1,113,654 | 7,850,698 | 8.44% | 11.73% |
| 16 | 95 | 0 | 733,271 | 7,850,698 | 7.86% | 10.91% |
| 17 | 96 | 0 | 237,438 | 7,850,698 | 7.35% | 10.21% |
| 18 | 97 | 0 | 0 | 7,850,698 | 6.90% | 9.58% |
| 19 | 98 | 0 | 0 | 7,850,698 | 6.50% | 9.03% |
| 20 | 99 | 0 | 0 | 7,850,698 | 6.15% | 8.54% |
| 21 | 100 | 0 | 0 | 7,850,698 | 5.83% | 8.10% |
| 22 | 101 | 0 | 0 | 7,850,698 | 5.55% | 7.70% |
| 23 | 102 | 0 | 0 | 7,850,698 | 5.29% | 7.34% |
| 24 | 103 | 0 | 0 | 7,850,698 | 5.05% | 7.01% |
| 25 | 104 | 0 | 0 | 7,850,698 | 4.83% | 6.71% |
| 26 | 105 | 0 | 0 | 7,850,698 | 4.63% | 6.44% |
| 27 | 106 | 0 | 0 | 7,850,698 | 4.45% | 6.18% |
| 28 | 107 | 0 | 0 | 7,850,698 | 4.28% | 5.95% |
| 29 | 108 | 0 | 0 | 7,850,698 | 4.13% | 5.73% |
| 30 | 109 | 0 | 0 | 7,850,698 | 3.98% | 5.53% |
| 31 | 110 | 0 | 0 | 7,850,698 | 3.84% | 5.34% |
| 32 | 111 | 0 | 0 | 7,850,698 | 3.72% | 5.16% |
| 33 | 112 | 0 | 0 | 7,850,698 | 3.60% | 5.00% |
| 34 | 113 | 0 | 0 | 7,850,698 | 3.49% | 4.84% |
| 35 | 114 | 0 | 0 | 7,850,698 | 3.38% | 4.70% |
| 36 | 115 | 0 | 0 | 7,850,698 | 3.28% | 4.56% |
| 37 | 116 | 0 | 0 | 7,850,698 | 3.19% | 4.43% |
| 38 | 117 | 0 | 0 | 7,850,698 | 3.10% | 4.31% |
| 39 | 118 | 0 | 0 | 7,850,698 | 3.02% | 4.19% |
| 40 | 119 | 0 | 0 | 7,850,698 | 2.94% | 4.08% |

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Policy Analysis Report

Complete Table of Values at Current, Non-Guaranteed Assumptions

Universal Life Product 1

| Year | Attained Age | Planned Premium | Cash Surrender Value | Life Insurance Death Benefit | Internal Rate of Return on Death Benefit | Tax-Free Adjusted Internal Rate of Return |
|------|--------------|-----------------|----------------------|------------------------------|------------------------------------------|-------------------------------------------|
| 41 | 120 | 0 | 0 | 7,850,698 | 2.87% | 3.98% |
| 42 | 121 | 0 | 0 | 7,850,698 | 2.79% | 3.88% |
| 43 | 122 | 0 | 0 | 7,850,698 | 2.73% | 3.79% |
| 44 | 123 | 0 | 0 | 7,850,698 | 2.66% | 3.70% |
| 45 | 124 | 0 | 0 | 7,850,698 | 2.60% | 3.61% |
| 46 | 125 | 0 | 0 | 7,850,698 | 2.54% | 3.53% |

This presentation is for illustrative purposes only, it is not a contract. The actual policy values may differ from those shown due to underwriting decisions and actual policy performance. The above facts, figures and quotations have been obtained from sources believed to be reliable, but cannot be guaranteed.

We have the advantage of drawing upon the expertise of our entire network to deliver sophisticated and tailored alternatives to our clients.

As a member firm of PartnersFinancial, we are ideally suited to be part of your carefully selected planning team. PartnersFinancial is a national organization comprised of over 230 independent financial services firms that have one thing in common: representing the needs of affluent individuals and successful corporations.

Since 1987, PartnersFinancial (part of National Financial Partners Corporation; NYSE:NFP) has grown to be one of the leading financial services distributors in the United States. The expertise, resources and purchasing power we access through PartnersFinancial allow us to provide our clients with the products and services typically only available to the largest financial services institutions, while still maintaining the client focus of a boutique firm.

Expertise & Professionalism

Each PartnersFinancial member firm is a long-standing, recognized leader in their field and has been stringently chosen from among the elite advisors in the industry. Our firm consists of seasoned professionals who understand the complex issues facing today's affluent families and successful corporations.

Choice & Objectivity

Our clients demand choice and objectivity when making decisions about their future. As an independent firm, we are an advocate for our clients and in no way obligated to any product or service provider. We only represent our clients, bringing them the best and most appropriate planning solutions.

Preferred Access to Leading Products & Services

PartnersFinancial member firms have the best of both worlds. Each firm maintains its independence while bringing clients the advantages generated by the size, scale and leverage of a national financial services organization.

As one of the leading independent financial services distributors, PartnersFinancial is striving to bring clients superior results. Our buying power delivers the highest quality of services, products, solutions, offers and minds in the industry. In addition to providing Wealth Transfer planning, our firm has the ability to serve your broader needs including: Wealth Accumulation & Management, Planning for the Business Owner, Executive Benefits and Employee Benefits.

Current Assumptions

The underlying factors, such as cost of insurance (COI) and policy crediting interest rates, currently used by an issuing company to project policy performance. Current Assumptions are not guaranteed and the interest rate credited is usually declared by the Board of Directors, at least annually.

Guaranteed Assumptions

The maximum cost of insurance (COI) charge and minimum interest crediting rate that a carrier guarantees on a Universal Life (UL) or Whole Life (WL) insurance policy. Should a change in financial markets or actuarial statistics warrant, insurers have the right to raise the COIs from current or projected rates and to lower the interest crediting rate to these guaranteed.

Guaranteed Net Cash Surrender Value

The guaranteed equity amount available to the owner of a life insurance policy, based upon Guaranteed Assumptions. It is the total cash that has accumulated in the policy (guaranteed cash value) less applicable surrender charges and any outstanding policy loans and accrued interest.

In-Force

A policy for which a current Premium has been paid, or in which the cost of insurance (COI) and other expenses have been assessed against policy values, and the contract would pay a death benefit.

Initial Death Benefit

The amount of insurance originally illustrated/issued.

Internal Rate of Return (IRR)

The IRR on the death benefit or cash value that is equivalent to an interest rate (after taxes) at which an amount equal to the illustrated premium payments could have been invested outside the policy to arrive at the death benefit or cash value of the policy.

Lapse

The cessation of life insurance coverage through nonpayment of premiums or when there is insufficient policy cash value to cover current policy costs.

Loan

A transfer of money with an obligation to repay the money plus interest. One way to access the cash value of a permanent life insurance policy.

Net Cash Surrender Value

The equity amount available to the owner of a life insurance policy, based upon Current Assumptions, should he or she decide it is no longer wanted. It is the total cash that has accumulated in the policy (cash value) less applicable surrender charges and any outstanding Policy Loans and accrued interest.

Net Death Benefit

The amount of insurance payable minus any outstanding loans and accrued interest.

Policy Loan

A loan made by an insurance company to a policyholder on the security of the cash value in the policy.

Premium

The amount charged by a life insurance company for a policy.

Policy Analysis Report

Carrier Illustrations