



## Life Insurance Illustration

<b>Plan:</b>	Universal Life	<b>Date:</b>	October 17, 2023
<b>Insured:</b>	Male, Age 35	<b>Prepared by:</b>	
<b>Initial Basic Amount:</b>	\$50,000		
<b>Death Benefit:</b>	Option 1 - Death Benefit Remains Level		
<b>Premium Mode:</b>	Special Monthly	<b>License No:</b>	
<b>Definition of Life Insurance Test:</b>	Cash Value Accumulation Test	<b>Phone No:</b>	

*This illustration was produced to be used in California.*

### Summary of Illustrated Coverages and Premium

<b>Benefits and Riders:</b>	\$50,000 Universal Life Premium Class: Non-Tobacco
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The total first year premium outlay illustrated is \$1,200.00. The initial premium is \$100.00 each month. Please review this illustration for additional changes in illustrated premiums and coverages in years 2 and later.

### Description of Coverage

**Client thinks he's putting in \$100/m, but they're actually charging:**

**\$7/m Premium Charge**  
+  
**\$8/m Policy Charge**  
(Goes up to \$12 after yr 5)  
+  
**Cost of Insurance each month is not shown**

<b>Plan</b>	Universal Life (Form Number 20030 - 05) is a flexible premium adjustable life insurance policy. A Death Benefit is payable when the Insured dies. Flexible premiums are payable to the Insured's age 121.
<b>How This Plan Works</b>	<p>You start with a planned premium and Death Benefit. You may change either in the future subject to policy provisions. When you pay premiums, we deduct a 7% premium charge. The remaining premium is added to the Account Value. From this Account Value we deduct each month: (A) the current cost of insurance including the charges for any riders, and (B) a current monthly policy charge of \$8.00. The maximum monthly policy charge is \$8.00 in policy years one through five, and \$12.00 thereafter.</p> <p>During each of the first 120 months following issue or an increase, an issue charge will be deducted from the Account Value. The current monthly issue charge is \$0.05 per \$1000 of the Initial Basic Amount and each increase, each subject to a maximum of \$25.00 per month. The maximum monthly issue charge is \$0.05 per \$1000 of the Initial Basic Amount and each increase, each subject to a maximum amount of \$25.00 per month.</p> <p>The Account Value earns interest at the current interest rate, but a different rate may be credited to any Account Value which you have borrowed. The current interest rate depends on the Basic Amount and the unloaned Account Value. The current interest rate can be changed by the company on a monthly basis, but will never be less than the guaranteed rate of 1.00%.</p>

Basic Amount	Guaranteed Interest Rate	Illustrated Interest Rates	
		Unloaned Account Value below 10% of the Basic Amount	Unloaned Account Value that exceeds 10% of the Basic Amount
<\$100,000	1.00%	2.25%	2.45%
\$100,000 - \$249,999	1.00%	2.45%	2.60%
\$250,000 - \$999,999	1.00%	2.65%	2.75%
\$1,000,000+	1.00%	2.65%	2.75%



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### Description of Coverage

#### Important Tax Information

Surrender charges apply for 15 policy years following issue or an increase in the Basic Amount of insurance.

The current monthly cost of insurance rates, current monthly policy charge, and current monthly issue charge may be changed by the company at any time, but will never be more than the maximums given in the policy. The policy is participating, but no dividends are anticipated.

This policy complies with the definition of life insurance in Internal Revenue Code Section 7702 using the Cash Value Accumulation Test. This means that the Death Benefit payable will always be at least as great as the minimum amount required by the Internal Revenue Code Section 7702. If a premium increases the Death Benefit more than it increases the Account Value, we reserve the right to require evidence of insurability and a Basic Amount Increase or reject the premium payment. This illustration should not be relied on for tax advice. The tax status of this policy should be reviewed with the policy owner's legal and tax advisors.

If at any time during a 7 year measuring period, the total premiums paid exceed the cumulative MEC Reference Premium, this policy will become a Modified Endowment Contract (MEC). This means that distributions, which include cash withdrawals, policy loans, and assignments, may be subject to Federal Income Tax, to the extent there is a gain in the contract. An additional 10% penalty tax may also apply prior to the policyowner's age 59 1/2.

Increases in coverages will require a new premium test with a new 7 year test period. This can include increases in coverage due to Cash Value Accumulation Test minimum Death Benefit requirements, which generally result in a MEC Reference Premium close to \$0. At that point, planned premiums shown on this illustration may exceed the MEC Reference Premium Limit, which could result in the policy becoming a MEC.

Reductions in coverages during a 7 year test period will generally result in a lower MEC Reference Premium retroactive to the beginning of the 7 year test period.

Planned premiums after the 1st year shown on this illustration have not been checked to determine if the MEC Reference Premium limit has been exceeded.

MEC Reference Premium at issue: \$3,067

### Definitions

<b>Non-Tobacco</b>	Available for those who do not currently use tobacco or other nicotine products and have not used tobacco or other nicotine products within the 12-month period prior to application.
<b>Basic Amount</b>	The Initial Basic Amount plus any increases less any decreases.
<b>Monthly Deductions</b>	The sum of the monthly cost of insurance charges, the monthly policy charge, the monthly issue charge, and charges for any riders.
<b>Guaranteed Values</b>	These values are calculated using the illustrated premiums, 7% premium expense charge, <b>guaranteed interest rate of 1.00%</b> and the maximum monthly deductions.

**Means your savings grows at 1% interest**



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### Definitions

<b>Non-Guaranteed Intermediate Values</b>	These values are calculated using the illustrated premiums, 7% premium expense charge, average of the illustrated and guaranteed interest rates, and the average of the current and maximum monthly deductions. The intermediate values are not guaranteed. They demonstrate the impact of changes in company experience.
<b>Non-Guaranteed Illustrated Values</b>	These values are calculated using the illustrated premiums, 7% premium expense charge, illustrated interest rates, and current monthly deductions. These values are not guaranteed.
<b>Annualized Premium Outlay</b>	The actual cash outlay each year.
<b>Total Annualized Premium Outlay</b>	The sum of each year's annualized premium outlay.
<b>Account Value</b>	This is the accumulation of premiums shown less a 7% expense charge and monthly deductions.
<b>Cash Surrender Value</b>	This value is the Account Value less the applicable surrender charge. Surrender charges apply for 15 policy years following issue or an increase in the Basic Amount of insurance.
<b>Death Benefit</b>	This is the amount payable at the death of the Insured. Any increase or decrease must be approved by the Company, subject to policy provisions. Future increases are illustrated using the premium class of the base policy, subject to the minimum amount requirements as of the date of the illustration.
<b>Option 1</b>	Under Option 1, the Death Benefit is the Basic Amount of insurance. The Death Benefit may be increased due to Internal Revenue Code provisions. Changes in the Death Benefit Option can result in the Basic Amount being lowered below the Policy's Minimum Basic Amount. In these cases, the Minimum Basic Amount stated in the policy will be amended to reflect a reduced Minimum Basic Amount.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown. The assumptions on which they are based are subject to change by the Company. Cash values and death benefits shown are end of year values. Premiums are assumed to be paid when due. For years for which a premium is not shown, charges continue to be required. Depending on actual results, premiums may need to be continued or resumed for benefits to be provided. This illustration contains a general description of coverage. A complete statement of coverage is found in the policy.

**This means if it doesn't say "Guaranteed" its not going to happen**

### Interest Adjusted Cost Indices at 5.00%

	<b>Guaranteed</b>		<b>Illustrated</b>	
	<b>10 Year</b>	<b>20 Year</b>	<b>10 Year</b>	<b>20 Year</b>
Surrender Cost Index	9.92	12.57	8.16	9.95
Net Payment Index	24.00	24.00	24.00	24.00
Equivalent Level Annual Dividend	N/A	N/A	N/A	N/A

These indices are computed by the formulas prescribed by the National Association of Insurance Commissioners and reflect the time value of money at 5%. These indices do not include the cost of additional benefits.



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### Guaranteed and Non-Guaranteed Values

End of Year	Age	Annualized Premium Outlay	Total Annualized Premium Outlay	Guaranteed Values			Non-Guaranteed Illustrated Values		
				Account Value	Cash Surrender Value	Death Benefit	Account Value	Cash Surrender Value	Death Benefit
1	36	1,200	1,200	950	776	50,000	965	791	50,000
2	37	1,200	2,400	1,903	1,555	50,000	1,950	1,602	50,000
3	38	1,200	3,600	2,860	2,512	50,000	2,957	2,609	50,000
4	39	1,200	4,800	3,822	3,474	50,000	3,985	3,637	50,000
5	40	1,200	6,000	4,792	4,444	50,000	5,035	4,687	50,000
6	41	1,200	7,200	5,721	5,373	50,000	6,108	5,760	50,000
7	42	1,200	8,400	6,658	6,344	50,000	7,206	6,893	50,000
8	43	1,200	9,600	7,600	7,322	50,000	8,332	8,053	50,000
9	44	1,200	10,800	8,550	8,306	50,000	9,486	9,242	50,000
10	45	1,200	12,000	9,508	9,299	50,000	10,667	10,458	50,000
11	46	1,200	13,200	10,505	10,331	50,000	11,904	11,730	50,000
12	47	1,200	14,400	11,511	11,372	50,000	13,170	13,031	50,000
13	48	1,200	15,600	12,527	12,422	50,000	14,464	14,360	50,000
14	49	1,200	16,800	13,551	13,482	50,000	15,787	15,718	50,000
15	50	1,200	18,000	14,585	14,550	50,000	17,140	17,106	50,000
16	51	1,200	19,200	15,626	15,626	50,000	18,524	18,524	50,000
17	52	1,200	20,400	16,674	16,674	50,000	19,940	19,940	50,000
18	53	1,200	21,600	17,727	17,727	50,000	21,389	21,389	50,000
19	54	1,200	22,800	18,786	18,786	50,000	22,873	22,873	50,000
20	55	1,200	24,000	19,850	19,850	50,000	24,392	24,392	50,000
21	56	1,200	25,200	20,921	20,921	50,000	25,946	25,946	50,000
22	57	1,200	26,400	22,000	22,000	50,000	27,537	27,537	50,000
23	58	1,200	27,600	23,087	23,087	50,000	29,163	29,163	50,000
24	59	1,200	28,800	24,182	24,182	50,000	30,827	30,827	50,865
25	60	1,200	30,000	25,285	25,285	50,000	32,525	32,525	52,691
26	61	1,200	31,200	26,395	26,395	50,000	34,254	34,254	54,806
27	62	1,200	32,400	27,509	27,509	50,000	36,015	36,015	56,544
28	63	1,200	33,600	28,626	28,626	50,000	37,810	37,810	58,228
29	64	1,200	34,800	29,747	29,747	50,000	39,638	39,638	60,250
30	65	1,200	36,000	30,872	30,872	50,000	41,501	41,501	61,837

These figures do not recognize that, because of interest, a dollar in the future has less value than a dollar today.



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### Guaranteed and Non-Guaranteed Values

Death benefit doesn't start to grow  
until after the 35th year

End of Year	Age	Annualized Premium Outlay	Total Annualized Premium Outlay	Guaranteed Values			Non-Guaranteed Illustrated Values		
				Account Value	Cash Surrender Value	Death Benefit	Account Value	Cash Surrender Value	Death Benefit
31	66	1,200	37,200	32,001	32,001	50,000	43,396	43,396	63,793
32	67	1,200	38,400	33,136	33,136	50,000	45,322	45,322	65,716
33	68	1,200	39,600	34,277	34,277	50,000	47,278	47,278	67,135
34	69	1,200	40,800	35,425	35,425	50,000	49,259	49,259	68,963
35	70	1,200	42,000	36,579	36,579	50,479	51,263	51,263	70,743
36	71	1,200	43,200	37,732	37,732	51,316	53,286	53,286	72,469
37	72	1,200	44,400	38,880	38,880	52,099	55,330	55,330	74,142
38	73	1,200	45,600	40,018	40,018	52,824	57,396	57,396	75,763
39	74	1,200	46,800	41,147	41,147	53,491	59,488	59,488	77,334
40	75	1,200	48,000	42,265	42,265	54,099	61,608	61,608	78,858
41	76	1,200	49,200	43,362	43,362	55,070	63,741	63,741	80,951
42	77	1,200	50,400	44,449	44,449	55,561	65,899	65,899	82,374
43	78	1,200	51,600	45,527	45,527	55,999	68,081	68,081	83,740
44	79	1,200	52,800	46,581	46,581	56,829	70,263	70,263	85,720
45	80	1,200	54,000	47,627	47,627	57,152	72,462	72,462	86,954
46	81	1,200	55,200	48,644	48,644	57,886	74,647	74,647	88,830
47	82	1,200	56,400	49,628	49,628	58,561	76,782	76,782	90,603
48	83	1,200	57,600	50,607	50,607	58,704	78,957	78,957	91,590
49	84	1,200	58,800	51,552	51,552	59,285	81,136	81,136	93,307
50	85	1,200	60,000	52,459	52,459	59,804	83,323	83,323	94,988
51	86	1,200	61,200	53,326	53,326	60,259	85,520	85,520	96,638
52	87	1,200	62,400	54,152	54,152	60,650	87,732	87,732	98,260
53	88	1,200	63,600	54,936	54,936	60,979	89,966	89,966	99,862
54	89	1,200	64,800	55,686	55,686	61,255	92,230	92,230	101,453
55	90	1,200	66,000	56,412	56,412	61,489	94,537	94,537	103,046
56	91	1,200	67,200	57,026	57,026	62,159	96,777	96,777	105,487
57	92	1,200	68,400	57,640	57,640	62,251	99,067	99,067	106,993
58	93	1,200	69,600	58,278	58,278	62,357	101,426	101,426	108,526
59	94	1,200	70,800	58,821	58,821	62,939	103,700	103,700	110,959
60	95	1,200	72,000	59,434	59,434	63,000	106,069	106,069	112,433

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**Death Benefit:** Option 1  
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### Guaranteed and Non-Guaranteed Values

End of Year	Age	Annualized Premium Outlay	Total Annualized Premium Outlay	Guaranteed Values			Non-Guaranteed Illustrated Values		
				Account Value	Cash Surrender Value	Death Benefit	Account Value	Cash Surrender Value	Death Benefit
61	96	1,200	73,200	59,964	59,964	63,562	108,338	108,338	114,839
62	97	1,200	74,400	60,586	60,586	63,615	110,742	110,742	116,279
63	98	1,200	75,600	61,329	61,329	63,782	113,326	113,326	117,859
64	99	1,200	76,800	62,225	62,225	64,091	116,147	116,147	119,632
65	100	1,200	78,000	63,317	63,317	64,584	119,282	119,282	121,667
66	101	1,200	79,200	64,928	64,928	64,928	123,227	123,227	123,227
67	102	1,200	80,400	66,554	66,554	66,554	127,270	127,270	127,270
68	103	1,200	81,600	68,197	68,197	68,197	131,412	131,412	131,412
69	104	1,200	82,800	69,856	69,856	69,856	135,655	135,655	135,655
70	105	1,200	84,000	71,532	71,532	71,532	140,002	140,002	140,002
71	106	1,200	85,200	73,224	73,224	73,224	144,456	144,456	144,456
72	107	1,200	86,400	74,934	74,934	74,934	149,019	149,019	149,019
73	108	1,200	87,600	76,660	76,660	76,660	153,693	153,693	153,693
74	109	1,200	88,800	78,404	78,404	78,404	158,482	158,482	158,482
75	110	1,200	90,000	80,166	80,166	80,166	163,389	163,389	163,389
76	111	1,200	91,200	81,944	81,944	81,944	168,415	168,415	168,415
77	112	1,200	92,400	83,741	83,741	83,741	173,565	173,565	173,565
78	113	1,200	93,600	85,556	85,556	85,556	178,841	178,841	178,841
79	114	1,200	94,800	87,389	87,389	87,389	184,246	184,246	184,246
80	115	1,200	96,000	89,240	89,240	89,240	189,784	189,784	189,784
81	116	1,200	97,200	91,109	91,109	91,109	195,457	195,457	195,457
82	117	1,200	98,400	92,998	92,998	92,998	201,270	201,270	201,270
83	118	1,200	99,600	94,905	94,905	94,905	207,224	207,224	207,224
84	119	1,200	100,800	96,831	96,831	96,831	213,325	213,325	213,325
85	120	1,200	102,000	98,776	98,776	98,776	219,575	219,575	219,575
86	121	1,200	103,200	100,741	100,741	100,741	225,978	225,978	225,978

**So after 89 years, when the client is 121 yrs old, he's paid in \$103,200 to only get back \$100,741 in the savings.**

**He would have more money saved up if he just put it under his mattress.**

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Primerica Quote

35 yr old / 35 yr term		
Applicant 1: 35 Class 6		
Term	Coverage Amount	Monthly Premium
PrecisionTerm 35	\$150,000	\$41.42 *
Total:	\$150,000	\$41.42*

Total Combined Coverage

Total Coverage:	Total Monthly Premium:
\$150,000	\$41.42*

State Farm	\$50,000	\$100/m
Primerica	\$150,000	\$41/m

Saves the client 59/m

Compound Interest Calculator

Client invests the extra 59/m into mutual funds for 35 years...

Starting Balance

0

Annual Return Rate (%)

10

Duration (years)

35

Periodic Addition

59

Compound (Addition) Frequency

Yearly

Quarterly

Monthly

Weekly

Investment Value	\$224,001.65
Contributions	\$24,780.00
Profit	\$199,221.65

Client savings after 35 years

State Farm	Primerica
\$36,579	\$224,001