

# **In-Force Basic Life Insurance Policy Illustration**

## **Generic Universal Life**

**Prepared for:**

Joseph Client

**Policy Number:**

123456789

**Presented by:**

Valued Agent

November 16, 2016

**Generic Universal Life  
Inforce Life Insurance Illustration**

Tabular Values

Prepared for: Joseph Client

Male, 65, Select Preferred Tobacco

Policy: Generic Universal Life  
Death Benefit Option: Level Death Benefit Option (1)  
Face Amount: \$500,000

Policy Number: 123456789  
Issue Date: December 27, 2005  
Planned Premium: \$17,831.36  
Premium Frequency: Annual

Year	Age End Year	Premium Outlay Beg Year	3.00% Guaranteed Interest Rate			4.40% Current Interest Rate		
			Fund Value End Year	Cash Surrender Value End Year	Death Benefit End Year	Fund Value End Year	Cash Surrender Value End Year	Death Benefit End Year
8	72	0	46,865	30,139	500,000	64,897	48,171	500,000
9	73	17,831	31,732	16,032	500,000	74,327	58,628	500,000
10	74	17,831	11,144	0	500,000	84,668	69,992	500,000
11	75	17,831	0	0	0	95,793	82,118	500,000
12	76	17,831	0	0	0	107,764	95,139	500,000
13	77	17,831	0	0	0	120,644	109,070	500,000
14	78	17,831	0	0	0	134,503	124,002	500,000
15	79	17,831	0	0	0	149,414	140,064	500,000
16	80	17,831	0	0	0	165,457	157,383	500,000
17	81	17,831	0	0	0	182,720	176,095	500,000
18	82	17,831	0	0	0	201,293	196,393	500,000
19	83	17,831	0	0	0	221,277	218,502	500,000
20	84	17,831	0	0	0	243,374	243,374	500,000
21	85	17,831	0	0	0	240,929	240,929	500,000
22	86	17,831	0	0	0	235,442	235,442	500,000
23	87	17,831	0	0	0	226,041	226,041	500,000
24	88	17,831	0	0	0	211,637	211,637	500,000
25	89	17,831	0	0	0	190,283	190,283	500,000
26	90	17,831	0	0	0	159,588	159,588	500,000
27	91	17,831	0	0	0	116,150	116,150	500,000
36	100	17,831	0	0	0	55,055	55,055	500,000

Values in the guaranteed columns reflect guaranteed interest, guaranteed cost of insurance rates and guaranteed expense loads. Values in the current interest rate columns reflect a 4.40% current interest rate, current cost of insurance rates and current expense loads. Actual rates of return may be more or less than shown. As provided in the Fund Value Interest Calculations provisions of the policy, the credited interest rate will be increased by 0.25% in the 10<sup>th</sup> policy year, another 0.25% increase in the 20<sup>th</sup> policy year, another 0.25% increase in the 30<sup>th</sup> policy year, and another 0.25% increase in the 40<sup>th</sup> policy year. In addition, none of the assumed increases would be paid on borrowed funds. Based on Home Office records as of November 16, 2016. See attached page for footnotes, assumptions and explanations.

**Generic Universal Life  
Inforce Life Insurance Illustration**

Tabular Values

---

Prepared for: Joseph Client

Male, 65, Select Preferred Tobacco

---

Policy: Generic Universal Life  
Death Benefit Option: Level Death Benefit Option (1)  
Face Amount: \$500,000

Policy Number: 123456789  
Issue Date: December 27, 2005  
Planned Premium: \$17,831.36  
Premium Frequency: Annual

---

Based on Home Office records as of November 16, 2016.

Values and benefits illustrated based on non-guaranteed elements are not guaranteed. The assumptions on which non-guaranteed values are based are subject to change by the insurer and actual results may be more or less favorable.

Illustrated results of this insurance policy may change with variations in interest rates, cost of insurance, expense charges and the frequency, timing and amount of payments. Cash values may be less than Fund Values due to the impact of charges described in the policy. Actual rates of return may be more or less than those shown.

Values were calculated using cost of insurance rates and assumed investment returns as indicated and include any increases in coverage and charges for riders, if elected. The effective annual yields are hypothetical and are neither a guarantee nor estimate for the future.

Current costs of insurance are not guaranteed nor are they estimates for the future. The guaranteed interest rate on this policy is 3.00%. The current interest rate is determined by the Company on a monthly basis.

This illustration assumes no outstanding loans.

Net outlay is based on a tax bracket of 28%. The fully allocated expense method is used to allocate overhead expenses for all illustrations.

**IMPORTANT TAX INFORMATION**

As illustrated, this policy would not become a Modified Endowment Contract (MEC) under the Internal Revenue Code. Changes made to the policy may cause the policy to become a MEC.

Withdrawals and distributions are subject to income tax to the extent they exceed the policy's cost basis. If the policy is a MEC, withdrawals and loans are taxable to the extent of gain and are subject to a 10% tax penalty.

Death benefit proceeds from this policy are generally excludable from the beneficiary's gross income for income tax purposes (IRC Section 101(a)(1)). Policy loans on non-MEC policies are not treated as distributions or subject to income tax (IRC Section 72). However, if the policy is not held until death, taxes are generally due on surrender or lapse and may in fact exceed the policy's Net Surrender Value if prior loans and surrenders were extensive.

The information provided above is not written or intended as tax advice and may not be relied on for purposes of avoiding any federal tax penalty. Individuals are encouraged to seek advice from their own personal tax or legal counsel.