

Protecting Your Family's Lifestyle

for

John Samples

and

Mary Samples

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Important Notes

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Important Notes

This report provides only broad, general guidelines, which may be helpful in shaping your thinking about discussing your planning needs with your professional advisors. The quality of this report is dependent upon the accuracy of data furnished by you. No legal or accounting advice is being rendered by this report or through any other oral or written communications. This report provides estimates based on our general understanding of current tax laws. Please discuss legal and accounting matters directly with your counselors in each of those areas.

Calculations contained in this report are estimates only. Actual results may vary substantially from the figures shown. All growth and discount rates are estimates provided by you. This analysis is based on information provided by you. To implement any planning option it may be necessary to change ownership or designated beneficiary before your revised will and any planning options will be effective.

You should consult your own tax and legal advisor before utilizing any planning option shown so that it can be evaluated based on your own needs and circumstances.

Protecting Your Family's Lifestyle

Important Planning Notes

When you think of protection, you think of your family. You think about protecting the lifestyle you have and are continuing to build together. Protection is best achieved through planning. The following report uses the information you have shared—your assets, your wishes, and your thoughts about the future. This report uses estimated calculations based on this information so that you can better consider your plans. Of course, the actual results may vary substantially from the figures shown. There are many areas of protection for your lifestyle. This report just considers the following:

Immediate Cash Needs



Life can be unpredictable. If something were to happen to you, would your family have the ability to pay the expenses associated with your death? These expenses are immediate cash needs such as funeral expenses, legal fees, taxes, mortgages and debts.

Education Funding



The education of your children continues to increase in importance. With educational costs increasing faster than inflation, planning is necessary to assure your children an education.

Income Replacement Needs



You provide for your family's lifestyle through your income. In the event of your death, your survivors will need to replace a portion of that income to maintain the lifestyle you have established. Social Security benefits may provide a portion of needed income. Usually this is only a part of the income needed. Withdrawals or liquidations of some of your assets may be necessary.

Family Income Needs if Disabled



Should you lose your ability to provide income through an accident or illness, how would you maintain your lifestyle? Social Security benefits may provide a portion of needed income. How long would your present assets provide the necessary funds?

Building and Planning for Retirement



A financially secure retirement requires careful planning as well as coordination of your existing assets and qualified retirement plans.

If any new life insurance is proposed, a complete insurance illustration should be attached, including any required prospectus.

Mary's Immediate Needs

for John Samples and Mary Samples

If John should die today, Mary will face a number of financial needs. This analysis illustrates the immediate cash needs at John's death and compares it to the assets that you have designated to be used for these needs.

Education Fund



The present value of the education fund is that amount needed today to provide the desired education fund for each child. The total funds needed today become a liability upon John's death.

Name	Age	Annual Education Fund	Start in Year	For Years	Funds Needed Today	Monthly Savings Required
Derek	12	\$25,000	7	4	\$107,374	\$1,075
Beth	10	\$25,000	9	4	\$109,429	\$954
Total Funds Needed Today					\$216,803	

Immediate Cash Needs



Upon John's death, many liabilities require immediate funding. Although you could use any of your assets to meet these needs, you have indicated that you would prefer to use only those shown as available below. Any other assets will be conserved for your family.

Assets Available		Liabilities	
Life Ins. Death Benefits	\$250,000	Mortgage	\$150,000
Cash Account	\$5,000	Other Debts	\$20,000
Other Savings	\$10,000	Final Expenses	\$10,000
Investments	\$25,000	Education Fund	\$216,803
Other Fixed Assets	\$20,000		
Total Assets Available	\$310,000	Total Liabilities	\$396,803

Assets Available for Immediate Cash Needs	\$310,000
Immediate Cash Needs at John's Death	\$396,803
Additional Amount Necessary for Cash Needs	\$86,803

Mary's Continuing Income Needs

for John Samples and Mary Samples

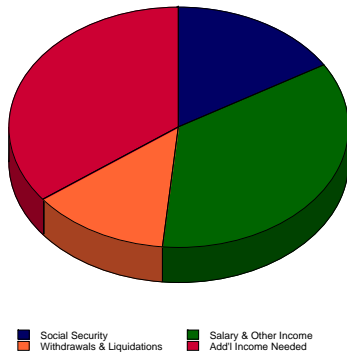
Survivor Income Needed

If John should die today, an initial annual income of \$99,996 is required. Income requirements may change in later years. The annual income required will increase each year based on an assumed inflation rate of 3.000%.

Annual Income Required (Today's Dollars)

During Readjustment Period	\$99,996
With Children at Home	\$69,996
Before Retirement	\$60,000
During Retirement	\$60,000

Mary's Income Sources



Possible sources of income for your family in the event of death include Social Security benefits, Mary's salary and other income, and withdrawals and liquidations of existing assets. Social Security provides **16%** of the income desired. Approximately **35%** comes from salaries and other income. Withdrawals and liquidations of assets will contribute **13%** more.

Approximately **35%** of the total cash and income needs remain after all other sources of income have been exhausted.

Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you die, benefits are payable to your spouse and children under 18 years of age, subject to a family maximum benefit. The monthly benefit is based on your earnings record at the date of your death. Survivor benefits each year may increase to reflect changes in the cost of living. In addition, there is a one-time lump sum death benefit of \$255. The estimated initial monthly Social Security survivor benefit is **\$2,436**.

Survivor Income Replacement

Additional income is necessary to maintain your family's lifestyle. This income can be provided by increasing spouse's earnings, added withdrawals and possible liquidation of existing assets, or through a fund provided by life insurance death proceeds. Life insurance death proceeds can provide the monthly income needed to maintain your family's lifestyle and provide cash to pay immediate expenses at your death.

Summary of Mary's Needs

for John Samples and Mary Samples

Cash Needs at John's Death



John, in the event of your death, you want to ensure that your family has the ability to pay the expenses associated with your death, such as funeral expenses, legal fees and taxes that your death may create. In addition, there are other needs for cash funds for emergencies, educational expenses and to pay off liabilities such as mortgages and other debts.

Final Expenses	\$10,000
Liabilities	\$170,000
Education Fund	\$216,803
Total Immediate Cash Needs	\$396,803

Income Replacement Needs



To maintain your family's lifestyle, supplemental income sources may be needed after your death. Social Security provides monthly benefits to children under 18 and your spouse while caring for children under age 16. Usually, this is only a portion of the income necessary to maintain their lifestyle. Additional income can be provided by withdrawals from a fund earning interest.

Lump Sum Needed at Death	\$664,641
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Total Cash Needs

Immediate Cash Needs	\$396,803	
Assets Available for Immediate Cash Needs	\$310,000	
Remaining Amount Needed		\$86,803
Lump Sum to Fund Income Needs through Life Expectancy	\$664,641	
Total Cash Needed if John Dies Today		\$751,444¹

¹ Lump sum is assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

Mary's Income Sources

for John Samples and Mary Samples

Mary's Earning Potential



	Percent of Current Salary	Additional Annual Earnings
During Readjustment Period (2 years)	75%	\$0
With Children at Home	100%	\$0
Before Mary Retires	100%	\$0
During Mary's Retirement	0%	\$0

Note: Additional annual earnings during the above periods are in addition to the indicated percentage of Mary's current annual salary of \$40,000.

Social Security Benefits



	Annual Benefits
Two or more children, one under 16	\$29,234
One child under 16	\$23,702
Youngest child under 18	\$11,851
Before Mary Retires	\$0
During Mary's Retirement	\$11,298

Lump sum survivor's death benefit is \$255.

Note: Calculations represent the annual benefit that would be available in the current year. Future increases in benefits for cost of living adjustments or reductions for earnings limitations are not considered here. Based on your suggestion, John's Social Security assumes 80% of the maximum benefits.

Assets Available to Supplement Income

Although you could use any of your assets to meet your survivors' needs, you have indicated that you would prefer to use only those shown as available below. This is in addition to any planned distributions or withdrawals from these assets.

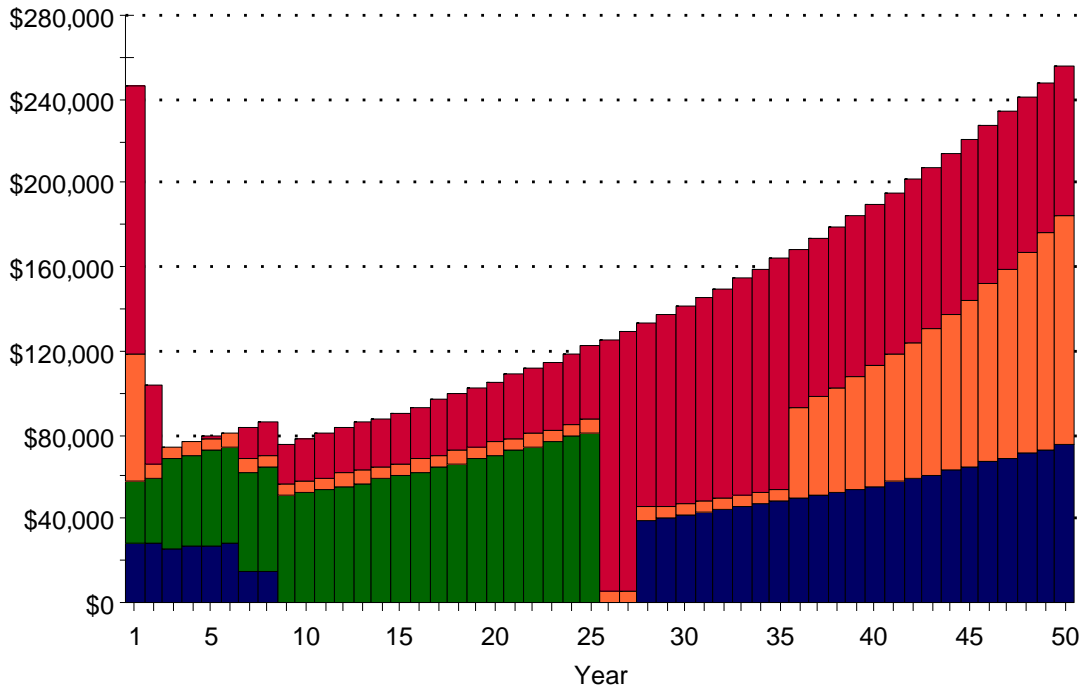
Available Asset	Initial Value
Life Ins. Death Benefits	\$250,000
Cash Account	\$5,000
Other Savings	\$10,000
Investments	\$25,000
Other Fixed Assets	\$20,000
Total Assets Available	\$310,000

Assets Used for Cash Needs at John's Death	\$310,000
Remaining Assets Available for Survivor Income Needs	\$0

Survivor Income Needs

for John Samples and Mary Samples

If John Should Die Today



■ Social Security ■ Salary & Other Income
■ Withdrawals & Liquidations ■ Add'l Income Needed

Period	Through Year	Lump Sum to Fund Period	Cumulative Fund Needed
Readjustment Period	2	\$157,559	\$157,559
With Children at Home	8	\$22,170	\$179,729
Before Retirement	25	\$193,317	\$373,046
During Retirement	50	\$378,398	\$751,444
Lump Sum Needed to Fully Fund Income Requirements			\$664,641

An additional \$86,803 is required to pay immediate cash needs, for a total need of \$751,444. If provided by life insurance death proceeds, the sum is assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

Survivor Income Needs

for John Samples and Mary Samples

If John Should Die Today

End of Year	Age	Salary & Other Income	Est. Social Security ¹	W'drawals from Assets	Total Income Available	Annual Income Desired	Excess to Cash Account ²	Remaining Need
1	36	\$30,000	\$28,354	\$60,000	\$118,354	\$246,799	\$0	\$128,445
2	37	30,900	28,747	6,000	65,647	102,996	0	37,348
<i>Readjustment period ends</i>								
3	38	42,436	25,899	5,923	74,258	74,259	0	0
4	39	43,709	26,676	6,083	76,468	76,487	0	18
5	40	45,020	27,477	6,000	78,497	78,781	0	284
<i>Youngest child is age 16</i>								
6	41	46,371	28,301	6,000	80,672	81,145	0	473
7	42	47,762	14,575	6,000	68,337	83,579	0	15,242
<i>Youngest child is age 18</i>								
8	43	49,195	15,012	6,000	70,207	86,086	0	15,879
9	44	50,671	0	6,000	56,671	76,006	0	19,335
10	45	52,191	0	6,000	58,191	78,286	0	20,095
11	46	53,757	0	6,000	59,757	80,635	0	20,878
12	47	55,369	0	6,000	61,369	83,054	0	21,685
13	48	57,030	0	6,000	63,030	85,546	0	22,515
14	49	58,741	0	6,000	64,741	88,112	0	23,371
15	50	60,504	0	6,000	66,504	90,755	0	24,252
16	51	62,319	0	6,000	68,319	93,478	0	25,159
17	52	64,188	0	6,000	70,188	96,282	0	26,094
18	53	66,114	0	6,000	72,114	99,171	0	27,057
19	54	68,097	0	6,000	74,097	102,146	0	28,049
20	55	70,140	0	6,000	76,140	105,210	0	29,070
<i>Mary retires at age 62</i>								
28	63	0	39,174	6,000	45,174	133,277	0	88,103
<i>Mary's year of death</i>								
50	85	0	75,062	109,269	184,331	255,373	0	71,042

¹ Social Security estimates are adjusted for spousal earnings, the survivor death benefit, and inflation.

² In years where Total Income Available exceeds Annual Income Desired, the excess is deposited in the Cash Account earning an annual interest rate of 5.000%. The Cash Account is available for use in years where the need is greater than the income available.

Life Insurance Provides Needed Cash

for John Samples and Mary Samples

Life insurance can provide the cash your family needs when you die. Benefits are usually income tax free and normally avoid the probate process, giving your family access to the funds shortly after your death. For many people, the cost of life insurance is small in comparison to the peace of mind it provides you and your family.

Total Cash Needed if John Dies Today



With the proposed life insurance death benefits your family has the ability to pay the expenses associated with your death, such as funeral costs, legal fees, and taxes such as state and federal income, estate and inheritance taxes. Additional cash is available for emergencies, educational expenses and to pay off liabilities such as mortgages and other debts.

Total Immediate Cash Needs **\$396,803**



Life insurance can also provide the ability to maintain your family's lifestyle, as supplemental income sources may be needed after your death. Social Security provides monthly benefits to children under 18 and your spouse caring for children under 16. Usually this is only a portion of the income necessary to maintain their lifestyle.

Lump Sum Needed at Death **\$664,641**

Proposed New Life Insurance



A proposed life insurance death benefit of **\$1,000,000** can provide some of the funds needed at the time of death. The death proceeds pay for the immediate cash needs and the balance invested, or as an annuity, can provide a source of monthly income for survivors. With proper planning, life insurance death benefits can be received free of income and estate taxes.

Immediate Cash Needs	\$396,803	
Assets Available for Immediate Cash Needs	\$310,000	
Remaining Amount Needed		\$86,803
Lump Sum to Fund Income Needs through Life Expectancy		\$664,641 ¹
Total Cash Needed if John Dies Today		\$751,444
Proposed Life Insurance Death Proceeds		\$1,000,000
Remaining Cash Needed at John's Death		\$0

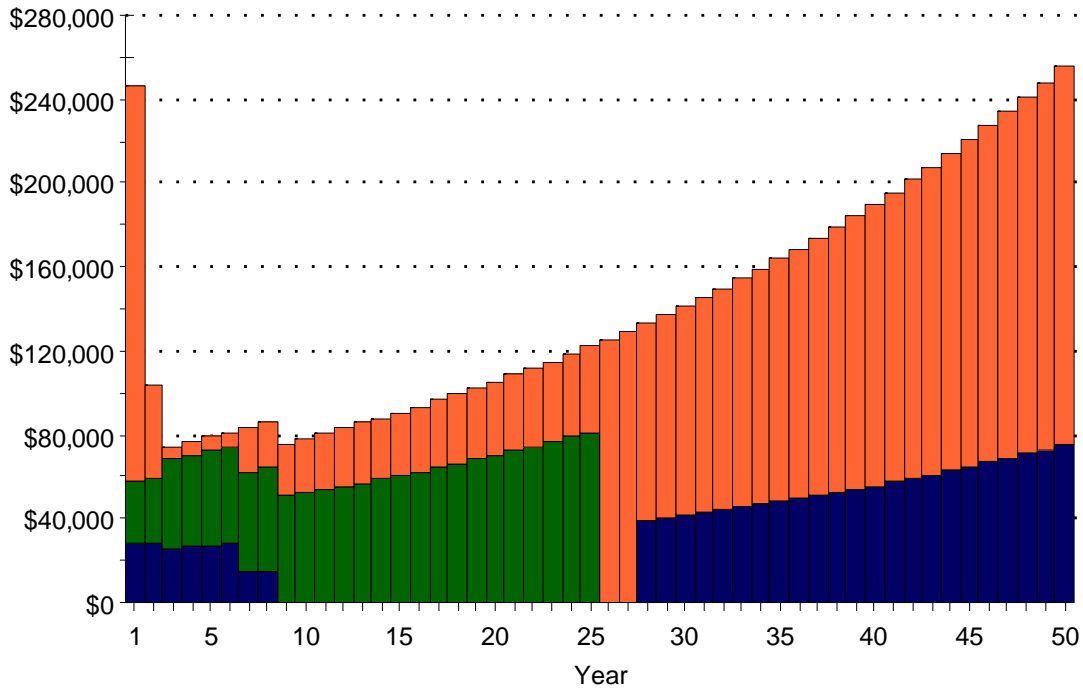
¹ Lump sum is assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by a complete illustration of proposed policy values.

Using Life Insurance

for John Samples and Mary Samples

If John Should Die Today



■ Social Security ■ Salary & Other Income
■ Withdrawals & Liquidations ■ Add'l Income Needed

Period	Through Year	Lump Sum to Fund Period	Cumulative Fund Needed
Readjustment Period	2	\$0	\$0
With Children at Home	8	\$0	\$0
Before Retirement	25	\$0	\$0
During Retirement	50	\$0	\$0
Lump Sum Needed to Fully Fund Needs			\$0

At John's death, \$1,000,000 is provided through new life insurance death proceeds. All life insurance death proceeds are assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by a complete illustration of proposed policy values.

Using Life Insurance

for John Samples and Mary Samples

If John Should Die Today

End of Year	Age	Salary & Other Income	Est. Social Security ¹	W'drawals from Assets	Total Income Available	Annual Income Desired	Excess to Cash Account ²	Remaining Need
1	36	\$30,000	\$28,354	\$188,445	\$246,799	\$246,799	\$0	\$0
2	37	30,900	28,747	43,348	102,996	102,996	0	0
<i>Readjustment period ends</i>								
3	38	42,436	25,899	5,923	74,258	74,259	0	0
4	39	43,709	26,676	6,101	76,487	76,487	0	0
5	40	45,020	27,477	6,284	78,781	78,781	0	0
<i>Youngest child is age 16</i>								
6	41	46,371	28,301	6,473	81,145	81,145	0	0
7	42	47,762	14,575	21,242	83,579	83,579	0	0
<i>Youngest child is age 18</i>								
8	43	49,195	15,012	21,879	86,086	86,086	0	0
9	44	50,671	0	25,335	76,006	76,006	0	0
10	45	52,191	0	26,095	78,286	78,286	0	0
11	46	53,757	0	26,878	80,635	80,635	0	0
12	47	55,369	0	27,685	83,054	83,054	0	0
13	48	57,030	0	28,515	85,546	85,546	0	0
14	49	58,741	0	29,371	88,112	88,112	0	0
15	50	60,504	0	30,252	90,755	90,755	0	0
16	51	62,319	0	31,159	93,478	93,478	0	0
17	52	64,188	0	32,094	96,282	96,282	0	0
18	53	66,114	0	33,057	99,171	99,171	0	0
19	54	68,097	0	34,049	102,146	102,146	0	0
20	55	70,140	0	35,070	105,210	105,210	0	0
<i>Mary retires at age 62</i>								
28	63	0	39,174	94,103	133,277	133,277	0	0
<i>Mary's year of death</i>								
50	85	0	75,062	180,311	255,373	255,373	0	0

¹ Social Security estimates are adjusted for spousal earnings, the survivor death benefit, and inflation.

² In years where Total Income Available exceeds Annual Income Desired, the excess is deposited in the Cash Account earning an annual interest rate of 5.000%. The Cash Account is available for use in years where the need is greater than the income available.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by a complete illustration of proposed policy values.

John's Immediate Needs

for John Samples and Mary Samples

If Mary should die today, John will face a number of financial needs. This analysis illustrates the immediate cash needs at Mary's death and compares it to the assets that you have designated to be used for these needs.

Education Fund



The present value of the education fund is that amount needed today to provide the desired education fund for each child. The total funds needed today become a liability upon Mary's death.

Name	Age	Annual Education Fund	Start in Year	For Years	Funds Needed Today	Monthly Savings Required
Derek	12	\$25,000	7	4	\$107,374	\$1,075
Beth	10	\$25,000	9	4	\$109,429	\$954
Total Funds Needed Today					\$216,803	

Immediate Cash Needs



Upon Mary's death, many liabilities require immediate funding. Although you could use any of your assets to meet these needs, you have indicated that you would prefer to use only those shown as available below. Any other assets will be conserved for your family.

Assets Available		Liabilities	
Life Ins. Death Benefits	\$250,000	Mortgage	\$150,000
Cash Account	\$5,000	Other Debts	\$20,000
Other Savings	\$10,000	Final Expenses	\$10,000
Investments	\$25,000	Education Fund	\$216,803
Other Fixed Assets	\$20,000		
Total Assets Available	\$310,000	Total Liabilities	\$396,803

Assets Available for Immediate Cash Needs	\$310,000
Immediate Cash Needs at Mary's Death	\$396,803
Additional Amount Necessary for Cash Needs	\$86,803

John's Continuing Income Needs

for John Samples and Mary Samples

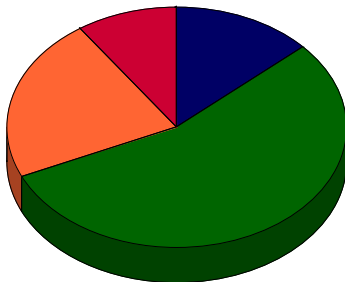
Survivor Income Needed

If Mary should die today, an initial annual income of \$99,996 is required. Income requirements may change in later years. The annual income required will increase each year based on an assumed inflation rate of 3.000%.

Annual Income Required (Today's Dollars)

During Readjustment Period	\$99,996
With Children at Home	\$69,996
Before Retirement	\$60,000
During Retirement	\$60,000

John's Income Sources



■ Social Security
■ Withdrawals & Liquidations
■ Salary & Other Income
■ Add'l Income Needed

Possible sources of income for your family in the event of death include Social Security benefits, John's salary and other income, and withdrawals and liquidations of existing assets. Social Security provides **13%** of the income desired. Approximately **55%** comes from salaries and other income. Withdrawals and liquidations of assets will contribute **22%** more.

Approximately **10%** of the total cash and income needs remain after all other sources of income have been exhausted.

Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you die, benefits are payable to your spouse and children under 18 years of age, subject to a family maximum benefit. The monthly benefit is based on your earnings record at the date of your death. Survivor benefits each year may increase to reflect changes in the cost of living. In addition, there is a one-time lump sum death benefit of \$255. The estimated initial monthly Social Security survivor benefit is **\$1,234**.

Survivor Income Replacement

Additional income is necessary to maintain your family's lifestyle. This income can be provided by increasing spouse's earnings, added withdrawals and possible liquidation of existing assets, or through a fund provided by life insurance death proceeds. Life insurance death proceeds can provide the monthly income needed to maintain your family's lifestyle and provide cash to pay immediate expenses at your death.

Summary of John's Needs

for John Samples and Mary Samples

Cash Needs at Mary's Death



Mary, in the event of your death, you want to ensure that your family has the ability to pay the expenses associated with your death, such as funeral expenses, legal fees and taxes that your death may create. In addition, there are other needs for cash funds for emergencies, educational expenses and to pay off liabilities such as mortgages and other debts.

Final Expenses	\$10,000
Liabilities	\$170,000
Education Fund	\$216,803
Total Immediate Cash Needs	\$396,803

Income Replacement Needs



To maintain your family's lifestyle, supplemental income sources may be needed after your death. Social Security provides monthly benefits to children under 18 and your spouse while caring for children under age 16. Usually, this is only a portion of the income necessary to maintain their lifestyle. Additional income can be provided by withdrawals from a fund earning interest.

Lump Sum Needed at Death	\$105,331
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Total Cash Needs

Immediate Cash Needs	\$396,803	
Assets Available for Immediate Cash Needs	\$310,000	
Remaining Amount Needed		\$86,803
Lump Sum to Fund Income Needs through Life Expectancy	\$105,331	
Total Cash Needed if Mary Dies Today		\$192,133¹

¹ Lump sum is assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

John's Income Sources

for John Samples and Mary Samples

John's Earning Potential



	Percent of Current Salary	Additional Annual Earnings
During Readjustment Period (2 years)	75%	\$0
With Children at Home	100%	\$0
Before John Retires	100%	\$0
During John's Retirement	0%	\$0

Note: Additional annual earnings during the above periods are in addition to the indicated percentage of John's current annual salary of \$60,000.

Social Security Benefits



	Annual Benefits
Two or more children, one under 16	\$14,813
One child under 16	\$14,813
Youngest child under 18	\$7,407
Before John Retires	\$0
During John's Retirement	\$7,061

Lump sum survivor's death benefit is \$255.

Note: Calculations represent the annual benefit that would be available in the current year. Future increases in benefits for cost of living adjustments or reductions for earnings limitations are not considered here. Based on your suggestion, Mary's Social Security assumes 50% of the maximum benefits.

Assets Available to Supplement Income

Although you could use any of your assets to meet your survivors' needs, you have indicated that you would prefer to use only those shown as available below. This is in addition to any planned distributions or withdrawals from these assets.

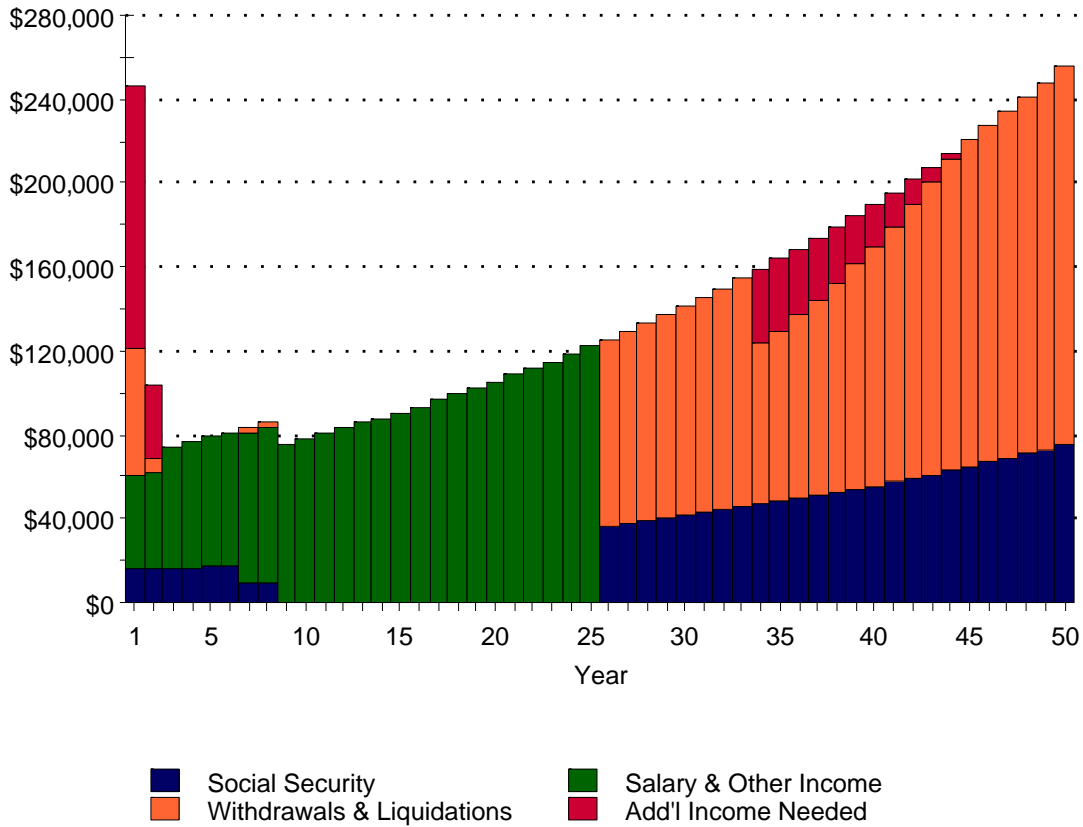
Available Asset	Initial Value
Life Ins. Death Benefits	\$250,000
Cash Account	\$5,000
Other Savings	\$10,000
Investments	\$25,000
Other Fixed Assets	\$20,000
Total Assets Available	\$310,000

Assets Used for Cash Needs at Mary's Death	\$310,000
Remaining Assets Available for Survivor Income Needs	\$0

Survivor Income Needs

for John Samples and Mary Samples

If Mary Should Die Today



Period	Through Year	Lump Sum to Fund Period	Cumulative Fund Needed
Readjustment Period	2	\$153,207	\$153,207
With Children at Home	8	\$0	\$153,207
Before Retirement	25	\$0	\$153,207
During Retirement	45	\$38,926	\$192,133
Lump Sum Needed to Fully Fund Income Requirements			\$105,331

An additional \$86,803 is required to pay immediate cash needs, for a total need of \$192,133. If provided by life insurance death proceeds, the sum is assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

Survivor Income Needs

for John Samples and Mary Samples

If Mary Should Die Today

End of Year	Age	Salary & Other Income	Est. Social Security ¹	W'drawals from Assets	Total Income Available	Annual Income Desired	Excess to Cash Account ²	Remaining Need
1	41	\$45,000	\$15,513	\$60,000	\$120,513	\$246,799	\$0	\$126,286
2	42	46,350	15,716	6,000	68,066	102,996	0	34,930
<i>Readjustment period ends</i>								
3	43	63,654	16,187	0	79,841	74,259	5,582	0
4	44	65,564	16,673	0	82,236	76,487	5,750	0
5	45	67,531	17,173	0	84,703	78,781	5,922	0
<i>Youngest child is age 16</i>								
6	46	69,556	17,688	0	87,244	81,145	6,100	0
7	47	71,643	9,109	2,826	83,579	83,579	0	0
<i>Youngest child is age 18</i>								
8	48	73,792	9,383	2,911	86,086	86,086	0	0
9	49	76,006	0	0	76,006	76,006	0	0
10	50	78,286	0	0	78,286	78,286	0	0
11	51	80,635	0	0	80,635	80,635	0	0
12	52	83,054	0	0	83,054	83,054	0	0
13	53	85,546	0	0	85,546	85,546	0	0
14	54	88,112	0	0	88,112	88,112	0	0
15	55	90,755	0	0	90,755	90,755	0	0
16	56	93,478	0	0	93,478	93,478	0	0
17	57	96,282	0	0	96,282	96,282	0	0
18	58	99,171	0	0	99,171	99,171	0	0
19	59	102,146	0	0	102,146	102,146	0	0
20	60	105,210	0	0	105,210	105,210	0	0
<i>John retires at age 65</i>								
26	66	0	36,925	88,701	125,627	125,627	0	0
<i>John's year of death</i>								
45	85	0	64,749	155,538	220,287	220,287	0	0

¹ Social Security estimates are adjusted for spousal earnings, the survivor death benefit, and inflation.

² In years where Total Income Available exceeds Annual Income Desired, the excess is deposited in the Cash Account earning an annual interest rate of 5.000%. The Cash Account is available for use in years where the need is greater than the income available.

Life Insurance Provides Needed Cash

for John Samples and Mary Samples

Life insurance can provide the cash your family needs when you die. Benefits are usually income tax free and normally avoid the probate process, giving your family access to the funds shortly after your death. For many people, the cost of life insurance is small in comparison to the peace of mind it provides you and your family.

Total Cash Needed if Mary Dies Today



With the proposed life insurance death benefits your family has the ability to pay the expenses associated with your death, such as funeral costs, legal fees, and taxes such as state and federal income, estate and inheritance taxes. Additional cash is available for emergencies, educational expenses and to pay off liabilities such as mortgages and other debts.

Total Immediate Cash Needs **\$396,803**



Life insurance can also provide the ability to maintain your family's lifestyle, as supplemental income sources may be needed after your death. Social Security provides monthly benefits to children under 18 and your spouse caring for children under 16. Usually this is only a portion of the income necessary to maintain their lifestyle.

Lump Sum Needed at Death **\$105,331**

Proposed New Life Insurance



A proposed life insurance death benefit of **\$250,000** can provide some of the funds needed at the time of death. The death proceeds pay for the immediate cash needs and the balance invested, or as an annuity, can provide a source of monthly income for survivors. With proper planning, life insurance death benefits can be received free of income and estate taxes.

Immediate Cash Needs	\$396,803	
Assets Available for Immediate Cash Needs	\$310,000	
Remaining Amount Needed		\$86,803
Lump Sum to Fund Income Needs through Life Expectancy		\$105,331 ¹
Total Cash Needed if Mary Dies Today		\$192,133
Proposed Life Insurance Death Proceeds		\$250,000
Remaining Cash Needed at Mary's Death		\$0

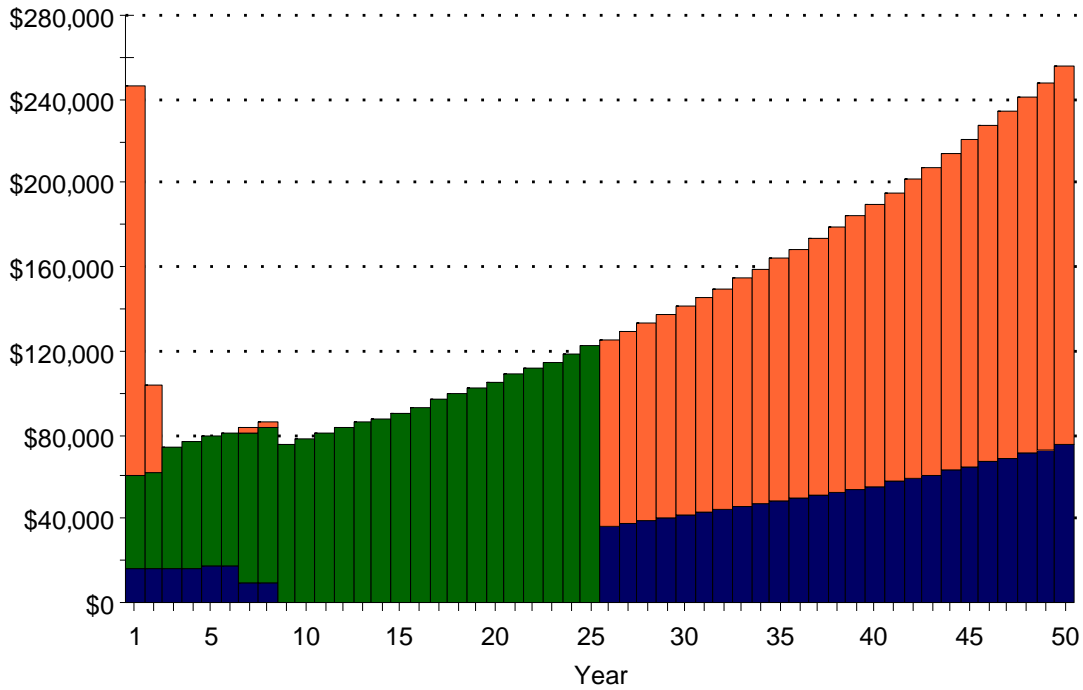
¹ Lump sum is assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by a complete illustration of proposed policy values.

Using Life Insurance

for John Samples and Mary Samples

If Mary Should Die Today



■ Social Security ■ Salary & Other Income
■ Withdrawals & Liquidations ■ Add'l Income Needed

Period	Through Year	Lump Sum to Fund Period	Cumulative Fund Needed
Readjustment Period	2	\$0	\$0
With Children at Home	8	\$0	\$0
Before Retirement	25	\$0	\$0
During Retirement	45	\$0	\$0
Lump Sum Needed to Fully Fund Needs			\$0

At Mary's death, \$250,000 is provided through new life insurance death proceeds. All life insurance death proceeds are assumed to be deposited into an account earning 5.000% annually. Withdrawals for income needs occur at the end of each year.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by a complete illustration of proposed policy values.

Using Life Insurance

for John Samples and Mary Samples

If Mary Should Die Today

End of Year	Age	Salary & Other Income	Est. Social Security ¹	W'drawals from Assets	Total Income Available	Annual Income Desired	Excess to Cash Account ²	Remaining Need
1	41	\$45,000	\$15,513	\$186,286	\$246,799	\$246,799	\$0	\$0
2	42	46,350	15,716	40,930	102,996	102,996	0	0
<i>Readjustment period ends</i>								
3	43	63,654	16,187	0	79,841	74,259	5,582	0
4	44	65,564	16,673	0	82,236	76,487	5,750	0
5	45	67,531	17,173	0	84,703	78,781	5,922	0
<i>Youngest child is age 16</i>								
6	46	69,556	17,688	0	87,244	81,145	6,100	0
7	47	71,643	9,109	2,826	83,579	83,579	0	0
<i>Youngest child is age 18</i>								
8	48	73,792	9,383	2,911	86,086	86,086	0	0
9	49	76,006	0	0	76,006	76,006	0	0
10	50	78,286	0	0	78,286	78,286	0	0
11	51	80,635	0	0	80,635	80,635	0	0
12	52	83,054	0	0	83,054	83,054	0	0
13	53	85,546	0	0	85,546	85,546	0	0
14	54	88,112	0	0	88,112	88,112	0	0
15	55	90,755	0	0	90,755	90,755	0	0
16	56	93,478	0	0	93,478	93,478	0	0
17	57	96,282	0	0	96,282	96,282	0	0
18	58	99,171	0	0	99,171	99,171	0	0
19	59	102,146	0	0	102,146	102,146	0	0
20	60	105,210	0	0	105,210	105,210	0	0
<i>John retires at age 65</i>								
26	66	0	36,925	88,701	125,627	125,627	0	0
<i>John's year of death</i>								
45	85	0	64,749	155,538	220,287	220,287	0	0

¹ Social Security estimates are adjusted for spousal earnings, the survivor death benefit, and inflation.

² In years where Total Income Available exceeds Annual Income Desired, the excess is deposited in the Cash Account earning an annual interest rate of 5.000%. The Cash Account is available for use in years where the need is greater than the income available.

Premiums may vary based on many factors, including the age, sex, and health of the insured. This presentation is not valid unless accompanied by a complete illustration of proposed policy values.

John's Disability Income Needs

for John Samples and Mary Samples

Disability Income Needed

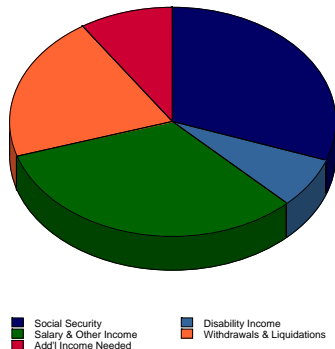
John, should you lose your ability to provide an income due to an accident or illness, how would your family maintain its lifestyle? If you suffered a long-term disability today, most of your income needs would continue. These income needs may change in later years with adjustments for major family periods. Based on the information you have shared, an initial annual income of \$85,000 is required. The annual income required will increase each year based on an assumed inflation rate of 3.000%.



Annual Income Required (Today's Dollars)

During Readjustment Period	\$85,000
With Children at Home	\$75,000
Before Retirement	\$65,000
During Retirement	\$65,000

Disability Income Sources



Possible sources of income during disability include Social Security benefits, disability income, spouse's salary and other income, and withdrawals and liquidations of existing assets. Social Security provides **31%** of the income desired. An additional **7%** will come from anticipated disability income. Approximately **32%** comes from salaries and other income. Withdrawals and liquidations of assets will contribute **21%** more. Approximately **9%** additional income or **\$890** per month is needed after all other sources of income have been exhausted.

Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you are disabled for 6 months or longer prior to your normal retirement age, you can receive a monthly benefit for you, your spouse and children under 18 years of age, subject to a family maximum benefit. To qualify for Social Security disability benefits, you must not be able to perform any substantial employment. Benefits begin after a full five-month waiting period and continue as long as you are disabled. The estimated initial monthly Social Security disability benefit is **\$1,975**.

Disability Income Replacement

Long-term disability income coverage may be available through employer benefit programs and individual disability income plans. The maximum benefit available is usually limited to a percentage of pre-disability earnings, normally 60%. Benefits may also be coordinated with Social Security benefits and other disability income plans, whether provided by the employer or the disabled individual. Benefits also depend on occupation, waiting periods and the term of coverage. Some plans cover an insured individual until retirement age; others are limited to a term of years. The additional monthly need of **\$890** is approximately **18%** of John's current salary.

John's Disability Income Sources

for John Samples and Mary Samples

Mary's Earning Potential



	Percent of Current Salary	Additional Annual Earnings
During Readjustment Period (2 years)	75%	\$0
With Children at Home	100%	\$0
Before Mary Retires	100%	\$0
During Retirement	100%	\$0

Note: Additional annual earnings during the above periods are in addition to the indicated percentage of Mary's current annual salary of \$40,000.

Social Security Benefits



	Annual Benefits
Child under 18	\$23,702
Before Mary Retires	\$15,801
During Retirement	\$25,677

Note: Calculations represent the annual benefit that would be available in the current year. Future increases in benefits for cost of living adjustments or reductions for earnings limitations are not considered here. Based on your suggestion, John's Social Security assumes 80% of the maximum benefits.

Disability Income Benefits

Monthly Benefit: \$3,000 Elimination Period: 90 Days Benefit Period: 5 Years

Assets Available for Disability Needs

Although you could use any of your assets to meet your disability needs, you have indicated that you would prefer to use only those shown as available below. This is in addition to any planned distributions or withdrawals from these assets.

Available Asset	Initial Value
Cash Account	\$5,000
Other Savings	\$10,000
Investments	\$25,000
Other Fixed Assets	\$20,000

Mary's Disability Income Needs

for John Samples and Mary Samples

Disability Income Needed

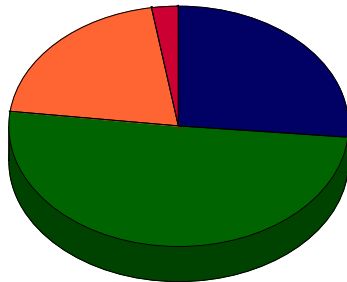
Mary, should you lose your ability to provide an income due to an accident or illness, how would your family maintain its lifestyle? If you suffered a long-term disability today, most of your income needs would continue. These income needs may change in later years with adjustments for major family periods. Based on the information you have shared, an initial annual income of \$85,000 is required. The annual income required will increase each year based on an assumed inflation rate of 3.000%.



Annual Income Required (Today's Dollars)

During Readjustment Period	\$85,000
With Children at Home	\$75,000
Before Retirement	\$65,000
During Retirement	\$65,000

Disability Income Sources



■ Social Security
■ Withdrawals & Liquidations
■ Salary & Other Income
■ Add'l Income Needed

Possible sources of income during disability include Social Security benefits, disability income, spouse's salary and other income, and withdrawals and liquidations of existing assets. Social Security provides **27%** of the income desired. Approximately **50%** comes from salaries and other income. Withdrawals and liquidations of assets will contribute **21%** more. Approximately **2%** additional income or **\$236** per month is needed after all other sources of income have been exhausted.

Social Security Benefits

Social Security benefits are available to those who fulfill work requirements in positions covered by Social Security. If you are disabled for 6 months or longer prior to your normal retirement age, you can receive a monthly benefit for you, your spouse and children under 18 years of age, subject to a family maximum benefit. To qualify for Social Security disability benefits, you must not be able to perform any substantial employment. Benefits begin after a full five-month waiting period and continue as long as you are disabled. The estimated initial monthly Social Security disability benefit is **\$1,234**.

Disability Income Replacement

Long-term disability income coverage may be available through employer benefit programs and individual disability income plans. The maximum benefit available is usually limited to a percentage of pre-disability earnings, normally 60%. Benefits may also be coordinated with Social Security benefits and other disability income plans, whether provided by the employer or the disabled individual. Benefits also depend on occupation, waiting periods and the term of coverage. Some plans cover an insured individual until retirement age; others are limited to a term of years. The additional monthly need of **\$236** is approximately **7%** of Mary's current salary.

Mary's Disability Income Sources

for John Samples and Mary Samples

John's Earning Potential



	Percent of Current Salary	Additional Annual Earnings
During Readjustment Period (2 years)	75%	\$0
With Children at Home	100%	\$0
Before John Retires	100%	\$0
During Retirement	0%	\$0

Note: Additional annual earnings during the above periods are in addition to the indicated percentage of John's current annual salary of \$60,000.

Social Security Benefits



	Annual Benefits
Child under 18	\$14,813
Before John Retires	\$9,876
During Retirement	\$25,677

Note: Calculations represent the annual benefit that would be available in the current year. Future increases in benefits for cost of living adjustments or reductions for earnings limitations are not considered here. Based on your suggestion, Mary's Social Security assumes 50% of the maximum benefits.

Assets Available for Disability Needs

Although you could use any of your assets to meet your disability needs, you have indicated that you would prefer to use only those shown as available below. This is in addition to any planned distributions or withdrawals from these assets.

Available Asset	Initial Value
Cash Account	\$5,000
Other Savings	\$10,000
Investments	\$25,000
Other Fixed Assets	\$20,000

Retirement Funding

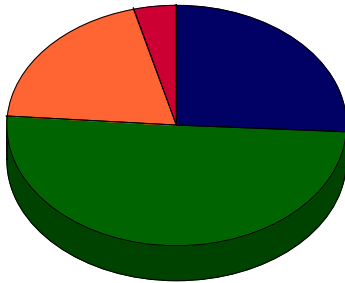
for John Samples and Mary Samples

Retirement Objectives

John's objective is to retire at age 65 (starting Social Security at age 65). Mary plans to retire at age 60 (starting Social Security at age 65). The desired initial annual income is \$100,000, starting with retirement in year 26. Assuming an inflation rate of 3.000% per year, the annual income will need to increase to \$209,378 at the start of retirement. To provide a financially secure retirement, you would like to coordinate the use of your existing assets and qualified retirement plans.

Annual Income Required (Today's Dollars) \$100,000
Adjusted for Inflation (Real Dollars) \$209,378

Retirement Income Sources



■ Social Security
■ Withdrawals & Liquidations
■ Qualified Plans
■ Add'l Income Needed

Available sources of retirement income can include Social Security benefits, qualified plan distributions, salaries and other income, and withdrawals and liquidations of existing assets. Social Security provides **26%** of the income desired. An additional **50%** will come from qualified plan distributions. Withdrawals and liquidations of assets will contribute **20%** more. Approximately **4%** additional income is needed after all other sources of income have been exhausted.

Fund Needed at Retirement

To provide **\$100,000** in annual income at retirement, John and Mary will need to have an additional **\$161,621** available at the start of retirement in an account assumed to earn 5.000% annually. This is only an estimate of the fund needed based on funding for 25 years of retirement; more or less money may be required depending on the actual growth rate of the fund values. Other factors may also affect the amount needed: John and Mary may choose to withdraw earnings or liquidate selected assets to provide needed income.

Saving for Retirement



A savings plan can provide the additional **\$161,621** needed at retirement. Regular annual deposits are made into an account at the end of each year. These deposits are assumed to earn 5.000% annually. The size of the deposit will change as current salaries increase—each deposit represents a fixed percentage of current salaries.

Additional Annual Deposits as a Percent of Salary **2.4%**
(This year's deposit would be \$2,382.)

Retirement Income Sources

for John Samples and Mary Samples

Social Security Benefits

Social Security benefits are based on a number of factors. One factor is the portion of your wages each year that are subject to Social Security taxes. Based on your suggestion, John's Social Security assumes 80% of the maximum benefits. Mary's Social Security assumes 50% of the maximum benefits.



	Annual Benefits
During Retirement	\$36,925

Note: This is an estimate of the annual benefit available in the first year of retirement. Reductions for earnings limitations are not considered here. Actual retirement benefits may be greater or less than the amount shown here.

Obtaining Social Security Records

You may obtain a copy of your earnings record by requesting a Personal Earnings and Benefits Statement (PEBES) from the Social Security Administration. This report allows you to verify your earnings record and provides an estimate of the benefits you are eligible to receive. You may request an PEBES form on the Internet by visiting the Social Security web site at www.ssa.gov or calling the Social Security Administration at 1-800-772-1213.

Qualified Retirement Plans

John's 401K	Current Value:	\$50,000
Mary's Qualified Plan	Current Value:	\$25,000

Assets Available for Retirement Needs

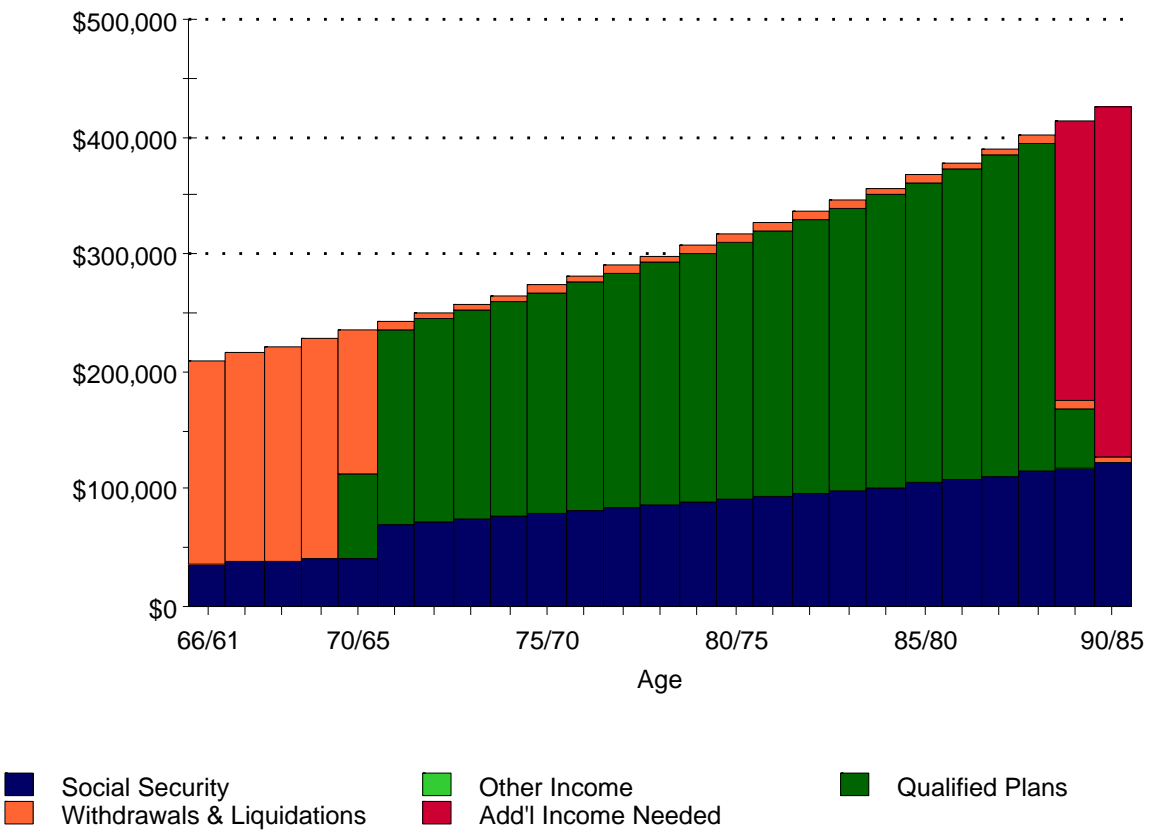
Although you could use any of your assets to meet your retirement needs, you have indicated that you would prefer to use only those shown as available below. This is in addition to any planned distributions or withdrawals from these assets.



Available Asset	Initial Value
Cash Account	\$5,000
Other Savings	\$10,000
Investments	\$25,000
Other Fixed Assets	\$20,000
Qualified Retirement Plans	\$75,000

Retirement Income Needs

for John Samples and Mary Samples



An additional lump sum at retirement of \$161,621 is needed to provide required income; the lump sum provides for 25 years of retirement. This may be funded by annual deposits of \$2,382 into an account growing at 5.000% annually. The deposit is equal to 2.4% of current salary income and is assumed to increase as salary income increases, representing a fixed percent of salary income between now and retirement.

Retirement Income Needs

for John Samples and Mary Samples

Assumes John and Mary Are Both Living

End of Year	Age	Salary & Other Income	Est. Social Security ¹	W'drawals from Assets	Total Income Available	Annual Income Desired	Excess to Cash Account ²	Remaining Need
26	66/61	\$0	\$36,925	\$172,452	\$209,378	\$209,378	\$0	\$0
45	85/80	0	105,217	261,928	367,145	367,145	0	0
<i>End of funding period</i>								
50	90/85	0	121,975	6,000	127,975	425,622	0	297,647

¹ Social Security estimates are adjusted for inflation.

² In years where Total Income Available exceeds Annual Income Desired, the excess is deposited in the Cash Account earning an annual interest rate of 5.000%. The Cash Account is available for use in years where the need is greater than the income available.

An additional lump sum at retirement of \$161,621 is needed to provide required income; the lump sum provides for 25 years of retirement. This may be funded by annual deposits of \$2,382 into an account growing at 5.000% annually. The deposit is equal to 2.4% of current salary income and is assumed to increase as salary income increases, representing a fixed percent of salary income between now and retirement.

Education Funding

for John Samples and Mary Samples



The present value of the education fund is that amount needed today to provide the desired education fund for each child.

Name	Age	Annual Education Fund	Start in Year	For Years	Funds Needed Today	Monthly Savings Required
Derek	12	\$25,000	7	4	\$107,374	\$1,075
Beth	10	\$25,000	9	4	\$109,429	\$954

Annual Education Needs

End of Year	Funding for	Annual Amount Needed for Specified Year
1		\$0
2		0
3		0
4		0
5		0
6		0
7	Derek	35,463
8	Derek	37,591
9	Derek, Beth	79,692
10	Derek, Beth	84,474
11	Beth	44,771
12	Beth	47,457

Based on information provided, total education needs are \$329,449. If you wish to prefund education costs in the event of death today, insurance death proceeds of \$216,803 accumulating at 5.000% annually may fully fund the educational needs illustrated above.

Planning Needs for John

for John Samples and Mary Samples

Needs for John's Survivors

If John should die today



Remaining Immediate Cash Need	\$86,803	
Income Replacement—Lump Sum Needed	\$664,641	
Total Cash Needs at Death		\$751,444

Immediate cash needs include family emergency funds and final expenses at death such as estate taxes, probate fees and funeral expenses totaling \$10,000.

In addition, John wishes to provide funds for education expenses of \$216,803 and payment of \$170,000 in debts.

Available assets of \$310,000 reduce the remaining immediate cash needed. To provide continuing income for living expenses an additional lump sum is needed if John should die.

John's Disability Needs

If John should become disabled today



Estimated Disability Income Need	\$890 per month
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Approximately \$890 per month is needed to supplement available income sources if John becomes disabled. This represents 18% of John's current salary.

Eligibility for disability income coverage depends on many factors, including Social Security benefits, other disability income payments, employer sponsored plans, and occupation. The maximum coverage which insurers will issue for long-term disability is normally limited to 60% or less of current (pre-disability) earnings.

Retirement Needs



Annual Income Required (Today's Dollars)	\$100,000
Adjusted for Inflation (Real Dollars)	\$209,378

Projected income during retirement is insufficient to provide the required income. You will need to accumulate additional funds prior to retirement.

Lump Sum Needed to Provide Additional Income	\$161,621
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To provide the funds at retirement, you will need to increase savings. The monthly deposit shown below assumes the deposits accumulate at 5.000%. Deposits are assumed to increase as salary income increases. The deposits represent a fixed percentage of each month's salary received between now and retirement.

Additional Annual Deposits as a Percent of Salary	2.4%
(This year's deposit would be \$2,382.)	

Planning Needs for Mary

for John Samples and Mary Samples

Needs for Mary's Survivors

If Mary should die today



Remaining Immediate Cash Need	\$86,803	
Income Replacement—Lump Sum Needed	\$105,331	
Total Cash Needs at Death		\$192,133

Immediate cash needs include family emergency funds and final expenses at death such as estate taxes, probate fees and funeral expenses totaling \$10,000.

In addition, Mary wishes to provide funds for education expenses of \$216,803 and payment of \$170,000 in debts.

Available assets of \$310,000 reduce the remaining immediate cash needed. To provide continuing income for living expenses an additional lump sum is needed if Mary should die.

Mary's Disability Needs

If Mary should become disabled today



Estimated Disability Income Need	\$236 per month
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Approximately \$236 per month is needed to supplement available income sources if Mary becomes disabled. This represents 7% of Mary's current salary.

Eligibility for disability income coverage depends on many factors, including Social Security benefits, other disability income payments, employer sponsored plans, and occupation. The maximum coverage which insurers will issue for long-term disability is normally limited to 60% or less of current (pre-disability) earnings.

Retirement Needs



Annual Income Required (Today's Dollars)	\$100,000
Adjusted for Inflation (Real Dollars)	\$209,378

Projected income during retirement is insufficient to provide the required income. You will need to accumulate additional funds prior to retirement.

Lump Sum Needed to Provide Additional Income	\$161,621
---	------------------

To provide the funds at retirement, you will need to increase savings. The monthly deposit shown below assumes the deposits accumulate at 5.000%. Deposits are assumed to increase as salary income increases. The deposits represent a fixed percentage of each month's salary received between now and retirement.

Additional Annual Deposits as a Percent of Salary	2.4%
(This year's deposit would be \$2,382.)	

Additional Details

for John Samples and Mary Samples

Personal Information

John Samples's current age is 40. John plans to retire at age 65 and will start receiving Social Security retirement benefits at age 65 at 80% of estimated maximum benefits. John's estimated life expectancy is age 82. Calculations assume John lives to age 85. Estimated life expectancy is based on IRS Table V, Single Life Multiples.

Mary Samples's current age is 35. Mary plans to retire at age 60 and will start receiving Social Security retirement benefits at age 65 at 50% of estimated maximum benefits. Mary's estimated life expectancy is age 82. Calculations assume Mary lives to age 85. Estimated life expectancy is based on IRS Table V, Single Life Multiples.

Income Sources

Income is available from several sources for illustrated needs. These sources include salaries, Social Security benefits, qualified retirement plans and withdrawals and liquidations of designated assets.

Important Notes

The numbers produced by this analysis in no way guarantee the right to purchase life insurance in the amounts illustrated.

Version: 2.410 (2/12/2008)