

Life Insurance: The Devil Is In The Details Exhibit A

Insurance Analysis
CLIENT 1
21-Apr-20

In Exhibit A, you will notice that after 50 years, one carrier will have total expenses amount to \$20,650,951 and another carrier, of BETTER credit quality, would have total expenses amount to \$4,006,630. This means that someone could pay \$16,644,321 more in expenses over their lifetime for the exact same level of coverage.

	Major National Company 1	Major National Company 2	Major National Company 3	Major National Company 4	Major National Company 5	Major National Company 6
Ratings						
A.M. Best	A+	A+	A+	A+	A+	A+
Fitch	Not Rated	Not Rated	AA	AA-	AA-	Not Rated
Moodys	A1	Aa3	Aa3	A1	Aa3	A1
S&P	AA	A+	AA-	AA-	AA-	A+
Better Business Bureau	A+	A-	B	A-	C-	A+
J.D. Power & Associates	Not Rated	733	739	765	754	783
Risk Class						
Client's Health Rating	Preferred Plus	Preferred Plus	Preferred Plus	Preferred Plus	Preferred Plus	Preferred Plus
Premium Illustrated						
Premium (Years 1-3)	\$ 365,225	\$ 222,468	\$ 72,000	\$ 635,383	\$ 131,600	\$ 92,500
Premium (Years 4-12)	\$ 1,127,732	\$ 1,254,000	\$ 1,349,000	\$ 1,295,000	\$ 1,348,000	\$ 1,273,000
Total Premiums	\$ 11,245,265	\$ 11,953,404	\$ 12,357,000	\$ 13,561,149	\$ 12,526,800	\$ 11,734,500
Projected Death Benefit Cash Value						
Initial Death Benefit	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
Death Benefit Yr 10	\$ 45,169,407	\$ 44,586,423	\$ 45,681,242	\$ 43,584,345	\$ 45,424,590	\$ 44,196,875
Yr 10 Net Cash Value	\$ 9,798,757	\$ 9,586,423	\$ 10,681,242	\$ 8,584,345	\$ 10,088,621	\$ 9,112,963
Death Benefit Yr 20	\$ 35,468,344	\$ 48,465,306	\$ 49,806,448	\$ 47,106,455	\$ 49,576,863	\$ 47,688,073
Yr 20 Net Cash Value	\$ 23,080,364	\$ 22,281,227	\$ 24,142,598	\$ 18,547,357	\$ 24,124,553	\$ 19,814,386
Death Benefit Yr 30	\$ 53,438,848	\$ 50,548,236	\$ 53,697,827	\$ 47,106,455	\$ 55,266,375	\$ 47,688,073
Yr 30 Net Cash Value	\$ 44,532,373	\$ 42,477,510	\$ 45,124,242	\$ 33,131,104	\$ 46,055,312	\$ 34,860,135
Death Benefit Yr 40	\$ 90,064,038	\$ 85,919,994	\$ 89,206,042	\$ 64,642,892	\$ 92,687,987	\$ 65,196,294
Yr 40 Net Cash Value	\$ 85,775,274	\$ 81,828,566	\$ 84,598,135	\$ 61,564,659	\$ 88,274,273	\$ 62,091,709
Death Benefit Yr 50	\$ 172,912,090	\$ 164,209,000	\$ 167,365,109	\$ 112,193,000	\$ 158,616,362	\$ 115,256,000
Yr 50 Net Cash Value	\$ 164,678,181	\$ 156,390,000	\$ 159,395,342	\$ 106,850,000	\$ 151,063,202	\$ 109,768,000
Current Policy Charges (Subject to Change)						
10 Year Policy Charges	\$ 1,568,490	\$ 2,208,075	\$ 1,260,265	\$ 4,354,511	\$ 1,633,509	\$ 1,410,458
20 Year Policy Charges	\$ 2,117,119	\$ 2,909,834	\$ 1,797,724	\$ 5,896,414	\$ 2,821,226	\$ 1,904,698
30 Year Policy Charges	\$ 2,445,522	\$ 3,562,545	\$ 2,373,598	\$ 8,545,546	\$ 4,131,445	\$ 2,474,460
40 Year Policy Charges	\$ 3,166,470	\$ 4,241,438	\$ 3,010,027	\$ 12,688,787	\$ 6,424,364	\$ 2,832,891
50 Year Policy Charges	\$ 5,076,311	\$ 6,630,242	\$ 4,681,229	\$ 20,650,951	\$ 10,909,422	\$ 4,006,630
Policy Information						
Floor	0%	1%	0%	0%	0%	0%
Cap	Uncapped	10.00%	9.75%	7.05%	9.50%	13.00%
Average Crediting Rate	7.93%	6.45%	7.75%	7.41%	6.52%	7.44%
Target	\$365,225	\$434,035	\$341,600	\$1,260,700	\$348,950	\$404,250
Illustrated	6.00%	6.00%	6.00%	6.00%	5.92%	6.00%
IRR @ Year 30	6.74%	6.30%	6.50%	5.30%	6.54%	6.19%
IRR @ Year 50	6.43%	6.20%	6.21%	4.91%	6.02%	5.41%

- Notes:**
1. Net Death Benefit Does not Include Repayment of loan which will vary depending on the policy chosen.
 2. This is for informational purposes only, all information should be confirmed directly with the carrier illustration.
 3. There are risks associated with premium finance transactions and many variables that will affect the outcome of this analysis which are outside of our control, some of these include interest rate risk, policy performance and insurance costs (which can increase or decrease). Please see our premium finance disclosure for more information.