



Sample Basic Evaluation Report: COMPANY Life Insurance Policy #XXXXX

Evaluation:

For a new policy: The evaluation would be the facts above as a disclosure of what to expect in terms of a cash build-up along with the financial strength ratings on the other side of this report.

For an existing policy: The evaluation would read as follows: Your policy was originally projected to stay inforce until your policy [age]. Your policy is projected to go your policy [age] based on the submitted projections [dated] as provided by your [life insurance company]. As your life expectancy is [years], this policy will continue past your life expectancy or terminate prior to your life expectancy. (Life Expectancy is based on: Commissioners 2001 Standard Ordinary Mortality Table (Society of Actuaries)).

Recommended Action:

This section would address whether any changes might be necessary at this time. If the policy is underperforming, then a recommendation of action(s) such as increasing planned premiums; reduce the death benefit or other applicable options would be listed here.

Rate of Return:

This table represents your policy’s projected one-year internal rate of return on the accumulated cash value based on the information submitted over certain periods. This statement is a snapshot of your policy today based on current interest rates and/or dividends, cost of insurance, premium loads and expenses. Your insurance company can change these factors at any time. Only periodic evaluations, such as this one, will capture those changes.

Age	Year	Premium	Accumulated Cash Value	Death Benefit	Accumulated Cash Value Internal Rate of Return
50	5	\$9,232	\$32,832	\$1,000,000	
55	10	\$9,232	\$74,666	\$1,000,000	-5.25%
65	20	\$9,232	\$195,040	\$1,000,000	-3.87%
75	30	\$9,232	\$360,327	\$1,000,000	-9.17%

The figures represented in this table are based on a universal life insurance illustration with a level annual premium for a newly issued individual universal life insurance policy insuring a male, preferred health classification, non-tobacco user age 45 with a \$1,000,000 level death benefit. This policy assumes a credited interest rate of 4.85% with current mortality and expense charges. The rate of return formula utilizes IRS Table 2001 term rates and the cash value from five years prior. The resulting rate of return is based on a before tax internal buildup. The evaluation report for an inforce policy would commence from the date of the inforce illustration.

This evaluation was performed on October 9, 2007 and is only valid for that date.
This evaluation was based on the information provided and makes no guarantees or obligations



Continued Monitoring Of Your Policy:

Remember, factors such as current interest rates and/or dividends, cost of insurance, premium loads and expenses will change over time and those changes will affect the return rates quoted in this check-up and the overall ability of the policy to meet your objectives. The only thing that is guaranteed about a life insurance illustration provided at the date of sale is that it will not come true. It would be nearly impossible for a life insurance company to pay out the same interest rate (or dividend rate each year. This applies to the other components as well.

Annual statements are a snapshot of a certain point in time, inforce ledgers are a look into a potential future. Sometimes there is no way to know that a component, (or components) have been changed except by the ongoing evaluation of inforce illustrations. Therefore, it is highly recommended to actively monitor your policy’s performance by requesting these (and a check-up) every two to three years.

Reading your life insurance contract will help you understand what rights you have and what rights the insurance company has. However this is easier said than done as a life insurance contract is very complex so take your time and re-read as much as you need or want to.

Loans will negatively affect the return and performance of the policy. If loan interest is not paid, then, as shown on the inforce illustration, the policy’s cash will quickly decline, lapsing (terminating) the policy quickly.

Financial Strength Ratings:

The financial strength of a life insurance is highly important as a life insurance policy is a long term investment. Life insurance companies are evaluated by ratings services and represent their independent opinions after evaluating a company's financial condition and operating performance, using their specific criteria. The ratings agencies assign ratings of a company’s financial strength and ability to meet obligations to policyholders. The following are the financial strength ratings for your submitted life insurance policy’s current company (due to mergers and spin-offs), your current company may not be the same as the original company which is a good reason to continue to monitor the financial strength. The relative rank is included to give you a sense of how the ratings compare. Some insurance companies are not rated by all of the rating services. For further information on ratings (and contact information for the rating services), please visit the ratings area on my main website at www.tonysteuier.com in the resources section:

Sample: [NAME OF INSURANCE COMPANY]– Life Insurer Financial Strength Ratings as of [DATE] :

Agency	Rating	Description	Relative Ranking
A.M. Best Company Rating	A	Excellent	3 out of 15
Standard & Poor's Financial Strength Rating	AA	Very Strong	3 out of 20
Moody's Financial Strength Rating	Aa3	Excellent	4 out of 21
Fitch/Duff & Phelps Claims Paying Ability	AA-	Very High	4 out of 18