



Sample Comprehensive Evaluation Report: COMPANY Universal Life Insurance Policy #XXXXXX

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 in force 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.

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



Rate of Return:

This table represents your policy’s projected internal rate of return on the accumulated cash value based on the information submitted over certain periods. The information submitted. This table represents the cash value’s internal rate of return on your policy over five year periods. The death benefit internal rate of return is the actual return on premiums as compared to the death benefit. 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	Death Benefit Internal Rate of Return
50	5	\$9,232	\$32,832	\$1,000,000		2,166%
55	10	\$9,232	\$74,666	\$1,000,000	-14.98%	1,083%
65	20	\$9,232	\$195,040	\$1,000,000	-3.87%	542%
75	30	\$9,232	\$360,327	\$1,000,000	-1.52%	361%

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.

Income Tax Data for Policy:

The following table illustrates the potential income tax on the surrender value at certain time periods assuming a 35% gross overall income tax rate. This is for a traditional, non-modified endowment contract (policies held within a qualified retirement plan are subject to different tax rules).

Age	Year	Sum of Premiums Paid	Surrender Cash Value	Taxable Gain	Estimated Income Tax Incurred on Gain at 35% Gross Tax Rate	Net Surrender Value After Taxes
50	5	\$46,161	\$14,872	-31,289	None	\$14,872
55	10	\$92,321	\$74,666	-17,655	None	\$74,666
65	20	\$184,643	\$195,040	10,397	\$3,639	\$191,401
75	30	\$276,964	\$360,327	83,363	\$29,177	\$331,150



Present Value Calculations:

The following table illustrates the sum of premiums paid and the death benefit as measured in today’s dollars utilizing present value and net present value calculations.

Present Value (PV) is the amount of cash in today’s dollars of a future sum (or stream of payments). Net Present Value (NPV) is the present value of a future sum (or stream of payments) less the cost.

These calculations utilize a 5% discount rate at 5, 10, 20 and 30 year time periods. This rate was chosen as it is a conservative long term rate of return based on the long term historical rate of return on U.S. Treasuries.

The Net Present Value calculation is the net present value at the 5% discount rate of the future death benefit less the premiums paid.

The percentage return ratio illustrates the present value of the future death benefit as compared to the present value of the premiums paid. The higher the ratio the greater the amount, as measured in death benefits that is being returned to the policyholder.

<u>Age</u>	<u>Year</u>	Sum of Premiums:	Death Benefit:	Present Value at 5% discount rate – Total Premiums	Present Value at 5% discount rate- Death Benefit	Net Present Value at 5% discount rate on Death Benefit & Premiums	Percentage Return at 5% discount Rate – Present Value of Death Benefits to Present Value of Premiums
50	5	\$46,161	\$1,000,000	\$39,970	\$783,526	\$706,245	1,960.27%
55	10	\$92,231	\$1,000,000	\$771,288	\$613,913	\$513,391	861.17%
65	20	\$184,643	\$1,000,000	\$115,053	\$376,889	\$243,889	327.58%
75	30	\$276,964	\$1,000,000	\$141,921	\$231,377	\$78,439	163.08%



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.tonysteuver.com in the resources section:

[NAME OF INSURANCE COMPANY]

Group Affiliation: [name]
Address: [Address]
Phone Number: [Phone Number]
Web Site: [Website]
Date of Incorporation: [19xx]
Company Type: [Stock, Mutual, other]
NAIC Number: [xxx]

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

Insurance Marketplace Standards Association Membership (IMSA): **YES OR NO**

[COMPANY] is a member of IMSA as of **[DATE]**. IMSA stands for the Insurance Marketplace Standards Association. IMSA promotes high ethical standards in the sale and service of individually-sold life insurance, annuity and long-term care products.

IMSA member companies are insurers who have agreed to adopt and abide by IMSA's Principles and Code of Ethical Market Conduct to earn your trust and gain your confidence. For additional information please visit www.imsaethics.org.



Asset Analysis:

Total Admitted Assets:
Total Liabilities:
Separate Accounts:
Total Surplus & AVR:
Invested Assets:
 Bonds (%):
 Stocks (%):
 Mortgages (%):
 Real Estate (%):
 Policy Loans (%):
 Cash & Short-Term: (%)
 Other Invested Assets: (%)

Total Investment Return:
 2006 (Industry Average 6.06%): %
 2005 (Industry Average 5.80%): %
 2004 (Industry Average 5.95%): %
 2003 (Industry Average 6.27%): %
 2002 (Industry Average 5.53%): %

 5 Year Average (Industry Average 5.92%): %

Asset Quality Analysis:

Non-Investment Grade Bonds (Class 3 - 6)
 Non-Investment Grade Bonds/Total Bonds: %
 Non-Investment Grade Bonds/Surplus & AVR: %
Non-Performing Bonds (Class 6)
 Non-Performing Bonds/Total Bonds: %
 Non-Performing Bonds/Surplus & AVR: %
Non-Performing Mortgages & Real Estate
 Non-Performing Mort & R.E./ Total Mort & R.E.: %
 Non-Performing Mort & R.E./Surplus & AVR: %
Non-Performing Assets/Surplus & AVR
 Bonds In or Near Default: %
 Problem Mortgages: %
 Real Estate Acquired by Foreclosure: %
 Total Non-Performing Assets/Surplus & AVR: %
 As a Percent of Invested Assets: %



Bond Portfolio Analysis:

Total Bonds Book Value: \$
Total Bonds Market Value: \$
 Bonds Market Value/Book Value: %
Quality
 Class 1: Highest Quality: %
 Class 2: Higher Quality: %
 Class 3: Medium Quality: %
 Class 4: Low Quality: %
 Class 5: Lower Quality: %
 Class 6: In or Near Default: %
 Weighted Bond Class:

Profitability:

Return on Assets: %
Return on Equity: %

2006 Lapse Ratio: %
3-Year Average Lapse Ratio: %

Analysis of Face Amount of Insurance:

Total Insurance In Force: \$
 Ordinary Life: %
 Group Life: %
 Other: %

Ordinary Life Policies In Force:
 Average Policy Size (in dollars): \$
Ordinary Life Policies Issued in 2006:
 Average Policy Size (in dollars): \$

Data for Year-End 2006 from the life insurance companies' statutory annual statements. All dollar amounts are in thousands.