



INSURANCE POLICY REVIEW

POLICY MANAGEMENT COMPANY

POLICY SUMMARY

Policy Information	
Policy #: NLXXXXXX	Purpose: Death Benefit - Estate Liquidity
Effective Date: 10/10/1999	
Policy Year:	Owner: John L Smith
Carrier:	
Product:	Beneficiary: John L Smith

Riders: None

Policy Coverage

Insured(s):	John L Smith	Judy S Smith
Age:	68	60
Underwriting Class:	Non-Smoker	Preferred Non-Smoker
Life Expectancy (Years):	30.41	

Current Values and Performance

Death Benefit: Loan	\$9,622,555.00	Cash Value:	\$622,555.00
Amount: Premium	\$0.00	Surrender Value:	\$622,555.00
Plan: Premium	\$8,439.00 (Annually)	0%/Max Charges Lapse Age:	67
Structure:	All Pay	Projected Coverage Age:	81
Assumed Rate:	7.00%	Probability of Outliving Coverage:	90.99%

COMMENTARY

Guidance: Evaluate Replacement

- Assuming the client pays the planned premium, 7.00% gross, and current charges, the policy is projected to age 81 of the younger insured. Policy does not contain a guarantee provision.
- Subaccount allocation is currently a mix of 3 subaccounts and is not set to systematic rebalancing.
- Death benefit option is currently set to option 2, increasing with cash value. This is assumed to remain unchanged in all future policy years.
- Joint life expectancy is beyond the projected coverage duration. Probability of outliving coverage is high.
- Assuming 7.0% gross and current charges, future annual premiums of \$184,921.14 through age 100 projects coverage to age 100 of the younger insured.
- Initial market comparison shows that coverage may be improved through a new replacement policy. Evaluate options to extend coverage such as paying additional premium or replacing the policy.



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Definitions and Disclosures

The information presented in this report was obtained from sources believed to be reliable; however, it is important to validate the information directly with the insurance carrier before making decisions about your policy.

Report Values – Sourced from illustrations, statements, and other supporting documents provided by the carrier. Information also obtained from carrier's website, by phone, and data feeds. Illustration(s) contain hypothetical policy performance scenarios based on guaranteed and non-guaranteed assumptions. Projections are subject to change and can be higher or lower than illustrated. See contract and illustration(s) for details.

Assumed Rate (AR) – Hypothetical rate of return for the underlying cash value in the policy. Depending on the type of policy and product, it may be the crediting rate, dividend rate, hypothetical subaccount allocation return, or other value provided by the carrier to project non-guaranteed performance.

Carrier Ratings – Reflect the carrier financial strength and claims paying ability as assigned by Nationally Recognized Statistical Ratings Organizations (NRSROs): AM Best, Standard & Poor's, Moody's, and Fitch. Valmark Strength Tracking and Assessment Report™ (STAR) ranking is an analysis of the relative claims paying ability of insurance companies that maintain a selling agreement with Valmark Securities, Inc. The number shown in parentheses indicates where that rating ranks within that NRSRO scale. The total number of ratings from each NRSRO is the range from best (1) to worst. The NRSRO ratings and STAR Rankings™ are as of the end of the last quarter and may change at any time.

Cash Value/Cash Surrender Value – Sourced from the current illustration, annual statement, carrier website, or data feeds.

Commentary and Guidance – Developed by the Valmark PMC with the insurance advisor using their professional judgement. The Policy Review does not constitute legal, tax, or accounting advice. Guidance is provided to evaluate options including: monitor/manage, recalibrate, conversion, replacement, new coverage, life settlement or surrender. Policyowner has discretion to implement, accept, or reject the guidance.

Death Benefit – Amount payable to policy beneficiary at the time of claim.

Guaranteed Coverage Age – Age of younger insured when the policy is guaranteed to lapse assuming guaranteed policy charges and planned premium payment design. Guarantee is dependent on provisions related to certain policy features, riders, or benefits. Guarantee provisions are complex and backed by the financial strength and claims paying ability of the carrier. See policy contract for detail.

Lapse Age – Age of the younger insured when the policy is projected to lapse using non-guaranteed assumptions. Sourced from current as-is illustration provided by the carrier based on current assumed rate and current policy charges.

Life Expectancy (LE) – The calculated mortality age given a particular gender, age, smoking status, and relative health/morbidity statistics. Values are determined by the 2017 Unloaded CSO Preferred Structure Age Nearest Birthday Mortality Tables (Society of Actuaries).

Policy Year – The most recently completed policy year that is under review, or age of policy as of the most recent anniversary.

Premium Plan – The premium payment amount and premium payment mode assumed on current performance illustrations.

Premium Structure – The premium payment duration assumed on current performance illustrations.

Probability of Outliving Coverage – An estimated value showing the potential the insured(s) will be living at projected coverage age. Calculated using the Projected Coverage Age compared to the age and LE of the younger insured.

Projected Coverage Age – Age of younger insured when the policy is illustrated to lapse assuming non-guaranteed charges, non-guaranteed assumed rate of return and the planned premium structure. Carriers may charge expenses at a lower rate than the guaranteed expenses set forth in the contract. Such lower rates are used when referencing "current or projected" performance and the rate will likely change over time.

Riders – Optional features which may modify or enhance benefits provided by the policy. See the policy contract for details concerning riders and the effect of any such rider(s) on the operation of the policy.