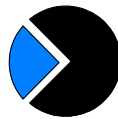


Klark Personal Proposals

Broker Program

Klark
■ Proposal
Software
I N C



Phone: 800-289-5774
Web: www.klark.com

Klark Software: Using the Main Menu

- Click on a **Category** icon to configure the main menu for the program desired.
- Notice the proposal icons (left side) reconfigure to match the category selected: **Personal, Business, Estate & Due Diligence**
- Placing the mouse pointer on any icon displays its title in the lower left hand corner.
- Holding the mouse pointer on any icon for a few seconds results in a title tag being displayed.
- Use TAB to move between input fields, SHIFT+TAB to back up.
- DEFAULT, DEFAULT loads automatically. Change any inputs and save them to suit your needs.

Example: Personal Proposals, Cover Page

The screenshot displays the software's main menu interface. At the top, a 'Categories' bar contains four icons: a family (Personal), a factory (Business), a building (Estate), and a pie chart (Due Diligence). Below this, the 'Personal' category is selected, showing a grid of 10 proposal icons. The 'Cover Page' tab is active, displaying a form with four title lines and three optional lines, each with an adjacent input field. A status bar at the top right shows 'Active case: DEFAULT, DEFAULT'. At the bottom, there are four buttons: 'Help - F1', 'Configure -', 'Preview - F8', and 'Print - F9'. Red arrows point to various elements: 'Category Icons' points to the top bar, 'Proposal Icons' points to the grid, 'Icon Title' points to the bottom-left corner of the grid, 'Open Case' points to the status bar, and 'Input Screen' points to the form area.

Category Icons

Categories

Active case: DEFAULT, DEFAULT

Open Case

Proposal Icons

Personal

Cover Page

Input Screen

Icon Title

Cover Page

Help - F1

Configure -

Preview - F8

Print - F9

Klark Software: Getting Started



Installing the program

- Close all Klark programs that are open.
- Insert the CD-ROM. Installation should start automatically.
- If not, at the Windows desktop, click on "Start" then click on "Run..."
- Type "d:\install" (or the appropriate cd-rom drive letter) and click "Ok"

Klark License Key & Configuration

- At the Windows desktop, click on "Start" then click on "Programs"
- Click on "Klark Proposal Software" and start Klark.
- *If prompted:*
 - At the License Key window, enter the information provided and click "Ok"
 - Enter "State License number" or "Company label" if applicable to your state
 - Adjust "Preview type" as desired
 - Click "Ok"

Setting up your printer

- At the Klark main menu, click on "File" then click on "Print ..."
- Designate a color printer and click "Ok"
- If print times seem slow, give us a call. We'll verify your printer is configured correctly.

Case Management

- DEFAULT, DEFAULT loads automatically. Modify its data to suit your needs. For example, you may want to adjust the "Optional lines" on the "Cover Page." Just enter the information and save the DEFAULT, DEFAULT case.
- At the Klark main menu, click on "File"
- Click on "Open case ..." (you'll notice four sample cases already on your system)
- Highlight the case you wish to view and click on "Open"
- Sample inputs will be loaded for each proposal
- Highlight a proposal and press F8 to preview

Klark
■ Proposal
Software
I N C



Phone: 800-289-5774
Web: www.klark.com

Cover Page - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Personal Cover Page

Title line one	Personal Planning Concepts
Title line two	for
Title line three	John Smith
Title line four	
Optional line one	574 Prairie Center Drive, #261
Optional line two	Eden Prairie, MN 55344
Optional line three	(800) 289-5774

LTC

Cover Page Help - F1 Configure - F2 Preview - F8 Print - F9

Personal Planning Concepts
for
John Smith

Prepared by
YOUR NAME HERE
574 Prairie Center Drive, #261
Eden Prairie, MN 55344
(800) 289-5774

Term & Invest - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Personal | **Term and Invest**

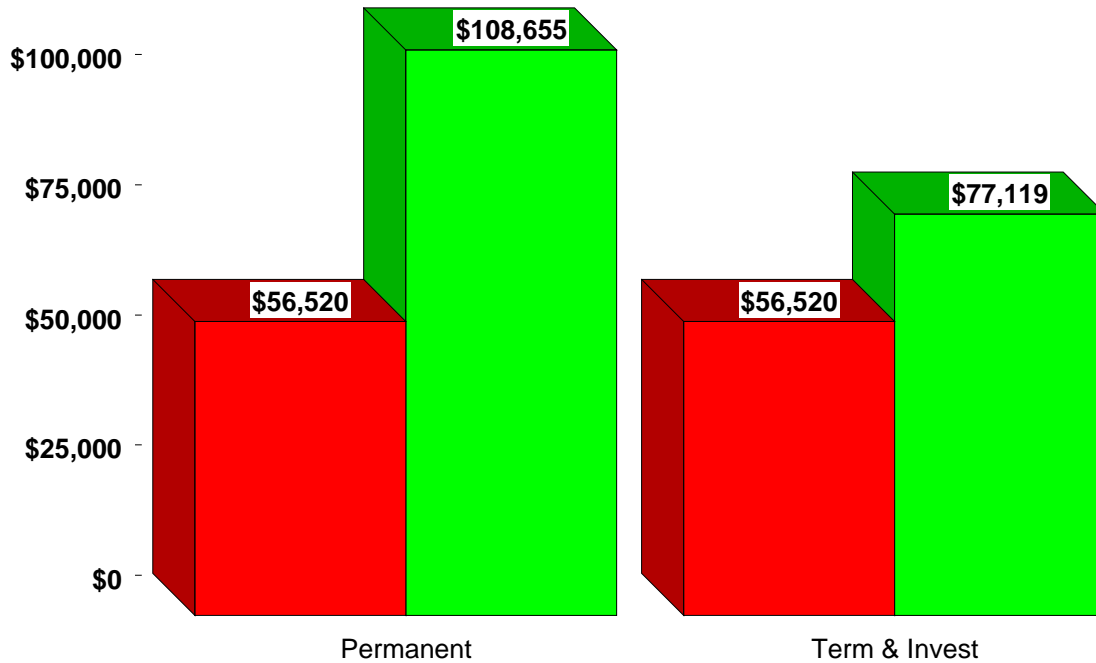
Prospect's name	<input type="text" value="John Smith"/>
Present tax bracket	<input type="text" value="35.0"/>
Current age	<input type="text" value="35"/>
Comparison or value age	<input type="text" value="65"/>
Term policy end age	<input type="text" value="70"/>
Investment ROR (gross)	<input type="text" value="8.0"/>
Compounded difference at comparison age	<input type="text" value="\$77,119"/>
Permanent cash value at comparison age	<input type="text" value="\$108,655"/>
Permanent gross ROR at comparison age	<input type="text" value="11.26"/>
Permanent plan annual premium	<input type="text" value="\$1,884"/>
Years premium paid	<input type="text" value="30"/>
Permanent product name	<input type="text" value="Permanent"/>
Year cash value exceeds compounded difference	<input type="text" value="14"/>

Term and Invest | Help - F1 | Configure - F2 | Preview - F8 | Print - F9

LTC

Term & Invest for John Smith

Prepared by YOUR NAME HERE



Values at age 65*



Points to consider:

- After year 13, Permanent cash value* will exceed Term & Invest equity value
- By age 65, Term & Invest must have grossed 11.26%* annually to equal Permanent plan
- Term coverage terminates at age 70

** Assumes 8.0% gross ROR, 35.0% tax bracket. Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Illustrated dividends reflect current (2010 scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This illustration does not reflect that money is paid and received at different times. This illustration shows a graphic presentation of the nonguaranteed values taken from the accompanying basic illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.*

This information may not be used with Variable products.

Effects of Waiting - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Effects of Waiting

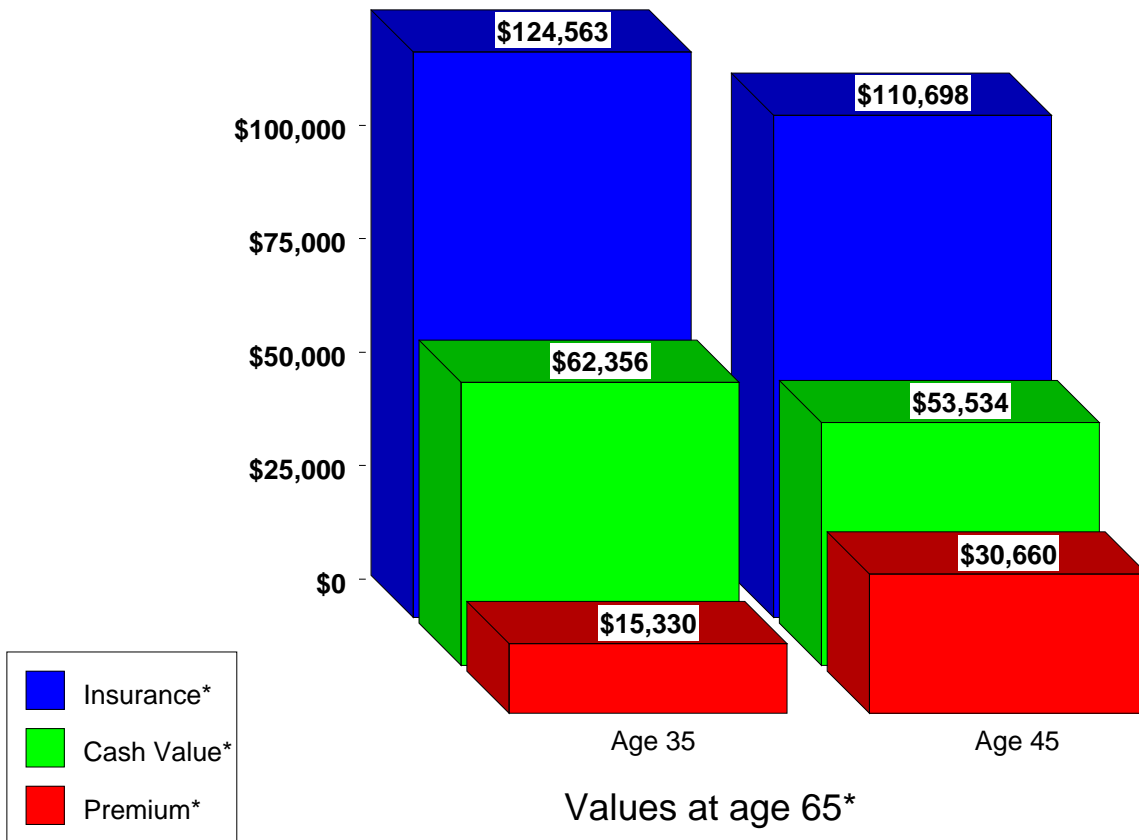
Prospect's name	<input type="text" value="John Smith"/>
Current age	<input type="text" value="35"/>
Older age	<input type="text" value="45"/>
Comparison or value age	<input type="text" value="65"/>
"Younger age" death benefit	<input type="text" value="\$124,563"/>
"Younger age" cash value	<input type="text" value="\$62,356"/>
"Younger age" total premium	<input type="text" value="\$15,330"/>
"Older age" death benefit	<input type="text" value="\$110,698"/>
"Older age" cash value	<input type="text" value="\$53,534"/>
"Older age" total premium	<input type="text" value="\$30,660"/>

Effects of Waiting

Help - F1 Configure - F2 Preview - F8 Print - F9

Effects of Waiting for John Smith

Prepared by YOUR NAME HERE



- Advantages of starting early:
- Total premium* is 50% less
 - Cash value* is 16% greater
 - Insurance* benefit is 12% larger
 - Insured for the first 10 years

** Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Illustrated dividends reflect current (2010 scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This illustration does not reflect that money is paid and received at different times. This illustration shows a graphic presentation of the nonguaranteed values taken from the accompanying basic illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.*

This information may not be used with Variable products.

Disability Insurance Profile - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Disability Insurance Profile

Prospect's name:

Optional text:

Present monthly income: Net

Present monthly benefit: Net

Supplemental monthly benefit: Net

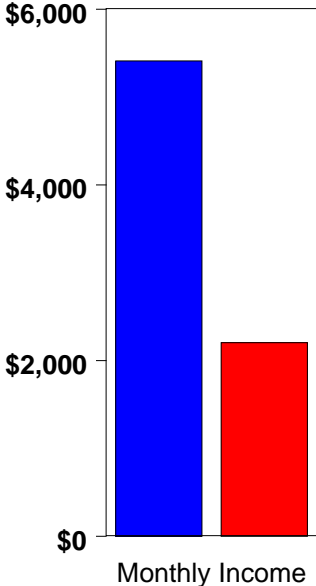
Personal: LTC

Disability Insurance Profile Help - F1 Configure - F2 Preview - F8 Print - F9

Disability Insurance for John Smith

Prepared by YOUR NAME HERE

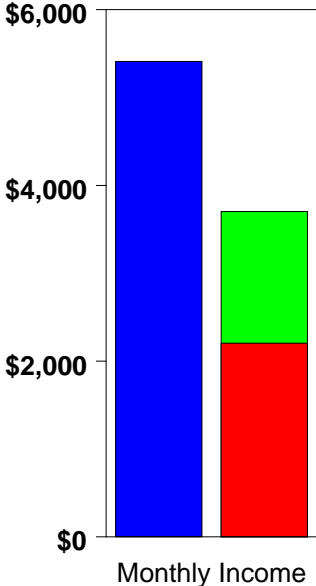
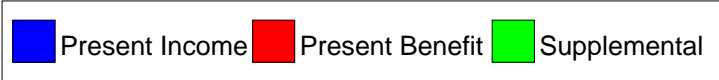
\$100,000/yr. gross @ 35% tax bracket



Current Plan

Net Present Income:	\$5,410/month
Net Present Benefit:	\$2,200/month
Total Benefit:	\$2,200/month

41% of your income is insured



Proposed Plan

Net Present Income:	\$5,410/month
Net Present Benefit:	\$2,200/month
Net Supplemental Benefit:	\$1,500/month
Total Benefit:	\$3,700/month

68% of your income is insured

ABCD Comparison - Input Screen

Select the following:



Klark Standard 1.5.2
_ □ ×

File Edit Help

Active Case: Samples, Personal

Klark Proposal Software
I N C

Categories

Personal

ABCD Comparison

Prospect's name

Title

Values at Age ▾

	Plan A	Plan B	Plan C	Plan D
Product name	<input style="width: 80%;" type="text" value="Plan A"/>	<input style="width: 80%;" type="text" value="Plan B"/>	<input style="width: 80%;" type="text" value="Plan C"/>	<input style="width: 80%;" type="text"/>
Death benefit	<input style="width: 80%;" type="text" value="\$200,000"/>	<input style="width: 80%;" type="text" value="\$371,707"/>	<input style="width: 80%;" type="text" value="\$267,272"/>	<input style="width: 80%;" type="text"/>
Cash value	<input style="width: 80%;" type="text" value="\$0"/>	<input style="width: 80%;" type="text" value="\$170,428"/>	<input style="width: 80%;" type="text" value="\$155,272"/>	<input style="width: 80%;" type="text"/>
Total outlay	<input style="width: 80%;" type="text" value="\$53,895"/>	<input style="width: 80%;" type="text" value="\$78,008"/>	<input style="width: 80%;" type="text" value="\$35,930"/>	<input style="width: 80%;" type="text"/>

Is a non-insurance product being illustrated No ▾

Present tax bracket

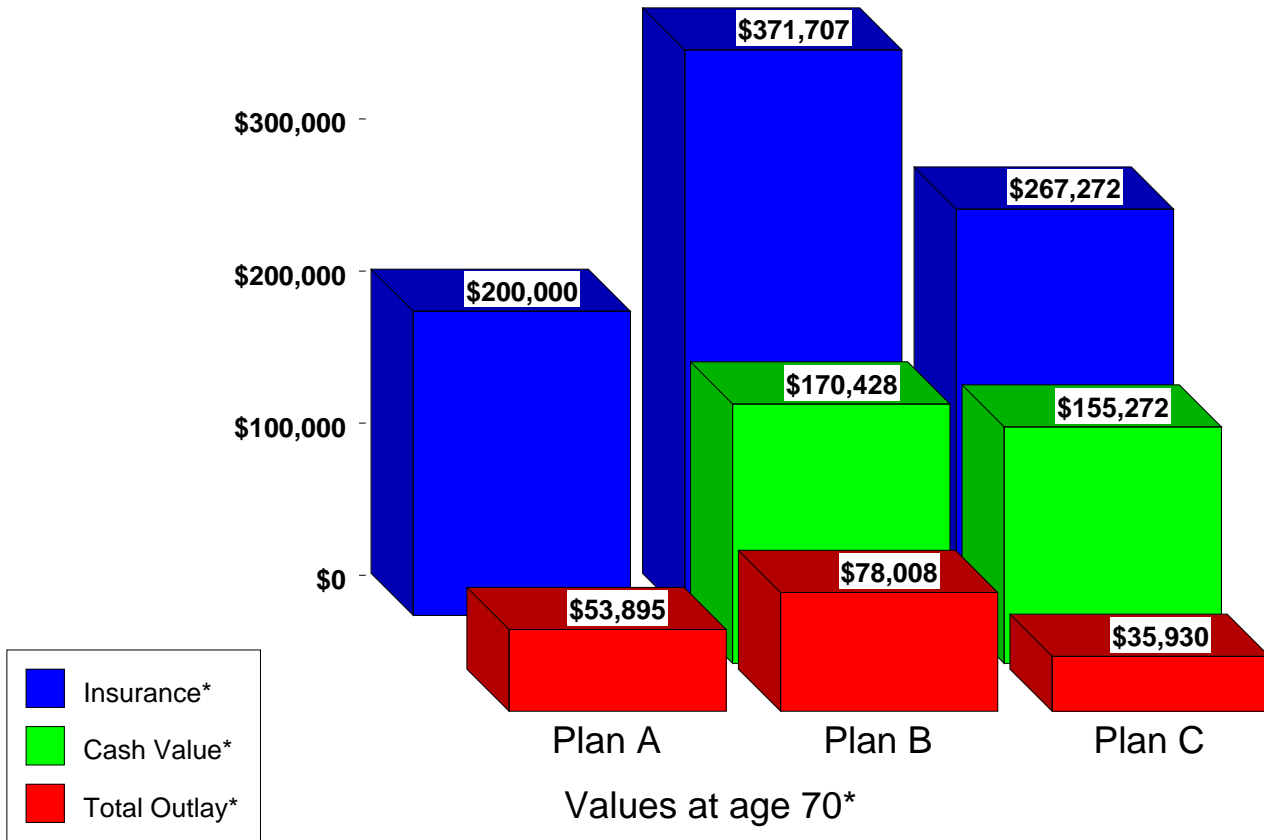
Investment ROR (gross)

ABCD Comparison

Help - F1
Configure - F2
Preview - F8
Print - F9

Plan Comparison for John Smith

Prepared by YOUR NAME HERE



Age 70 Totals*			
	Plan A	Plan B	Plan C
Cash Value*	\$0	\$170,428	\$155,272
Total Outlay*	\$53,895	\$78,008	\$35,930
Difference*	\$53,895	\$92,420	\$119,342

* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Illustrated dividends reflect current (2010 scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those illustrated. This illustration does not reflect that money is paid and received at different times. This illustration shows a graphic presentation of the nonguaranteed values taken from the accompanying basic illustration. It must not be shown without the basic illustration which provides guarantees and other pertinent data.

This information may not be used with Variable products.

Gift of a Lifetime - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Personal

Gift of a Lifetime

Names:

First child's name:

Second child's name:

Third child's name:

Fourth child's name:

Comparison at:

Gift of a Lifetime

Help - F1 Configure - F2 Preview - F8 Print - F9

Gift of a Lifetime

Why purchase a life insurance contract today for Jenny and Jason ?

1. Premiums are lower at younger ages.
2. Options may be added which would guarantee the right to buy more insurance without proof of insurability, subject to the terms and condition of the contract.*
3. Can build a sizable amount of cash value for future needs.**
4. Option may be added that waives the payment of all premiums that come due during the partial or total disability of the insured.*
5. The sooner a contract is started the greater the advantage. Usually, you will pay less in total premiums, have higher cash values and more insurance than a policy started at a later age.
6. Provides a legacy to Jenny and Jason that will last a lifetime, probably long after you are gone.

Let's look at the actual numbers based on Jenny's and Jason's ages today versus age 21.

* Subject to underwriting and/or additional cost.

** Accessing cash value may reduce death benefit. Policy loans accrue interest.
Dividends received in cash may be taxed.

Provide ? - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Personal

Provide ?

Amount of principal	<input type="text" value="\$1,000,000"/>
Present annual income	<input type="text" value="\$100,000"/>
Present tax bracket	<input type="text" value="35.0"/>
Investment ROR (gross)	<input type="text" value="8.0"/>
Inflation rate	<input type="text" value="3.0"/>

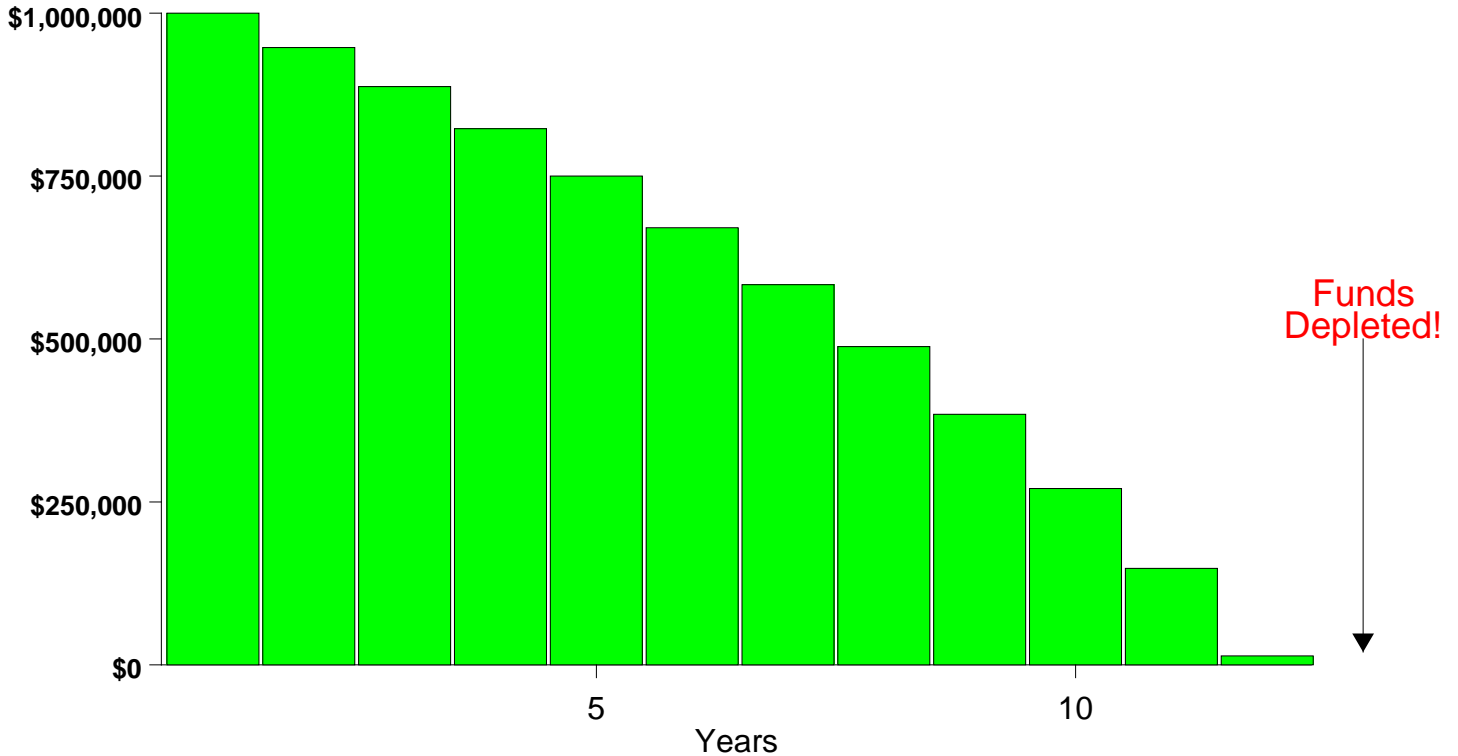
Number of benefit years 12

LTC

Provide ? Help - F1 Configure - F2 Preview - F8 Print - F9

What would \$1,000,000 provide ?

Prepared by YOUR NAME HERE



Assumptions provided by Client

Initial annual income:	\$100,000
Inflation:	3.0%
Tax bracket:	35.0%
Gross ROR:	8.0%

What would \$1,000,000 provide ?

Prepared by YOUR NAME HERE

<u>Year</u>	<u>Initial Principal</u>	<u>Annual Income*</u>	<u>Year End Principal**</u>
1	\$1,000,000	\$100,000	\$946,800
2	\$946,800	\$103,000	\$887,678
3	\$887,678	\$106,090	\$822,230
4	\$822,230	\$109,273	\$750,031
5	\$750,031	\$112,551	\$670,629
6	\$670,629	\$115,927	\$583,546
7	\$583,546	\$119,405	\$488,277
8	\$488,277	\$122,987	\$384,284
9	\$384,284	\$126,677	\$271,003
10	\$271,003	\$130,477	\$147,833
11	\$147,833	\$134,392	\$14,140
12	\$14,140	\$138,423	(\$130,745)

* Client assumes a 3.0% inflation rate on the amount taken as "Annual Income" every year.

** Client assumes 8.0% Gross ROR, 35.0% tax bracket = 5.2% Net.

Human Life Value - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Personal Human Life Value

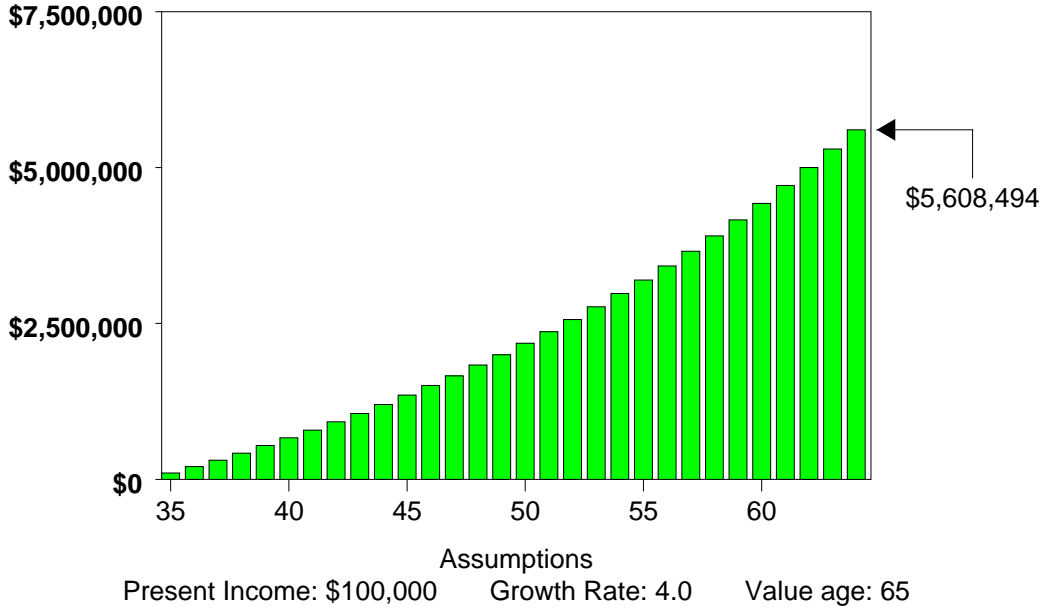
Prospect's name	<input type="text" value="John Smith"/>
Current age	<input type="text" value="35"/>
Comparison or value age	<input type="text" value="65"/>
Present annual income	<input type="text" value="\$100,000"/>
Initial insurance	<input type="text" value="\$200,000"/>
Income growth rate	<input type="text" value="4.0"/>
Present tax bracket	<input type="text" value="35.0"/>
Investment ROR (gross)	<input type="text" value="8.0"/>
Print spreadsheet	<input type="button" value="No"/>

Human Life Value

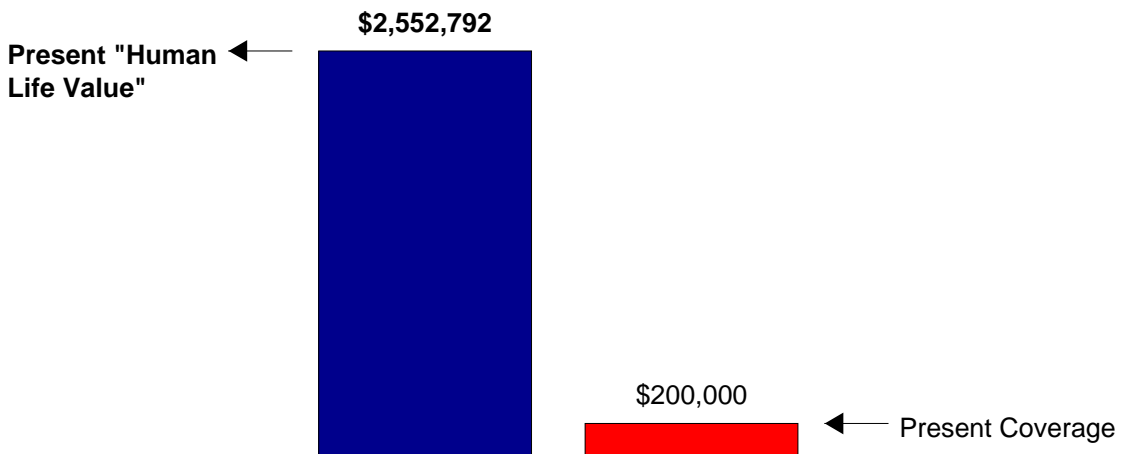
Help - F1 Configure - F2 Preview - F8 Print - F9

"Human Life Value" for John Smith

Prepared by YOUR NAME HERE



Your cumulative earning potential over 30 years is \$5,608,494. The present amount of money needed to pay out, in income, what you would have earned is \$2,552,792. In other words, this amount of money, with the unpaid balance earning 5.2%* net interest, would replace your income until age 65. Therefore, \$2,552,792 represents your "Human Life Value." Currently you have \$200,000 of insurance protecting 7.83% of your "Value" as illustrated below.



* Assumes 8.0% gross ROR, 35.0% tax bracket.

Retirement Profile - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Samples, Personal

Personal Retirement Profile

Prospect's name	<input type="text" value="John Smith"/>	
Current age	<input type="text" value="35"/>	
Retirement age	<input type="text" value="65"/>	
Life expectancy age	<input type="text" value="80"/>	
Present annual income	<input type="text" value="\$100,000"/>	Gross Annual Income
Percent of income for retirement	<input type="text" value="85.0"/>	@ Age 65 \$324,340
Present retirement assets	<input type="text" value="\$50,000"/>	
Income growth rate	<input type="text" value="4.0"/>	Retirement Income
Qualified asset growth ROR	<input type="text" value="8.5"/>	@ Age 65 \$275,689
Qualified asset income ROR	<input type="text" value="8.5"/>	@ Age 80 \$429,514
Inflation at retirement	<input type="text" value="3.0"/>	
Include Social Security benefit	Yes <input type="text" value="100.0"/>	Lump Sum
Social Security cost-of-living index	<input type="text" value="3.0"/>	Today \$264,932
Percent of annual income needed to be saved	12.63%	
Print spreadsheet	No <input type="text"/>	

LTC

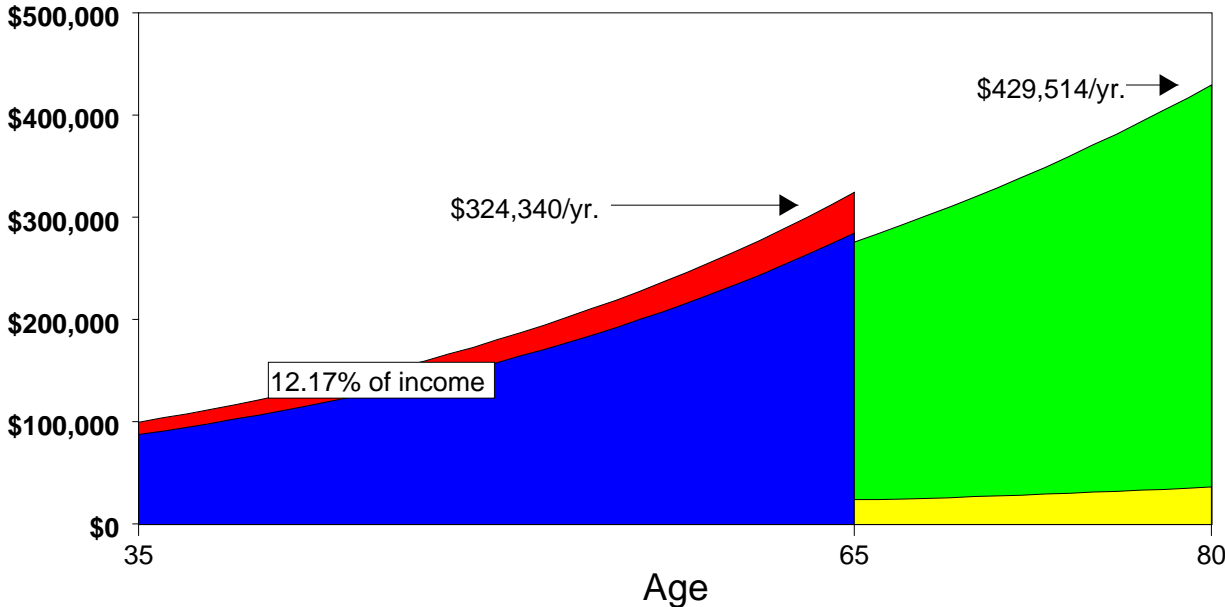
Help - F1 Configure - F2 Preview - F8 Print - F9

Retirement Profile for John Smith

Prepared by YOUR NAME HERE

Present income (gross):	\$100,000	Present assets:	\$50,000
Retirement income:	85.0%	Retirement age:	65
Income growth rate:	4.0%	Life expectancy:	80
Qualified asset RORs*:	8.5%/6.5%	Inflation at retirement:	3.0%

Using the assumptions you provided above, 85.0% of your annual gross income would equal \$275,689 by the time you retire. To provide \$275,689 annually for 15 years, adjusted for inflation, you'd need **\$2,970,711*** of capital. Present retirement assets will be worth \$577,913 by age 65, satisfying 19.45% of future needs. You'd have to save 12.17% of your annual income for the next 30 years to reach your retirement goals.



■ Funding	■ Income @ 4.0%	■ Retirement \$	■ Social Sec. \$
--	---	--	--

* An additional \$207,021 is needed today, assuming a qualified asset accumulation ROR of 8.5% and a distribution ROR of 6.5%. Based on 2010 data, this proposal assumes John Smith, at age 65, would be eligible for an initial retirement benefit of \$2,019/month (100.0%). This proposal also assumes Social Security benefits will be increased 3.0% annually. Up to 85% of Social Security benefits may be subject to income taxes.

Qualified assets grow tax deferred.

The "Wall" - Input Screen

Select the following:



Klark Standard 1.5.2 File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Sample, The Wall

The "Wall"

Current age

Sex

Comparison year

Present tax bracket

Permanent Contracts	Plan A	Plan B	Plan C	Endowment
Product name	<input type="text" value="Plan A"/>	<input type="text" value="Plan B"/>	<input type="text" value="Plan C"/>	<input type="text" value="Plan D"/>
Death benefit	<input type="text" value="\$500,000"/>	<input type="text" value="\$500,000"/>	<input type="text" value="\$500,000"/>	<input type="text" value="\$500,000"/>
Cash value	<input type="text" value="\$159,530"/>	<input type="text" value="\$360,753"/>	<input type="text" value="\$605,058"/>	<input type="text" value="\$853,846"/>
Monthly premium	<input type="text" value="\$225"/>	<input type="text" value="\$350"/>	<input type="text" value="\$525"/>	<input type="text" value="\$700"/>