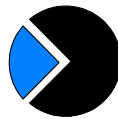


# Klark Personal Proposals

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## Broker Program

Klark  
■ Proposal  
Software  
I N C



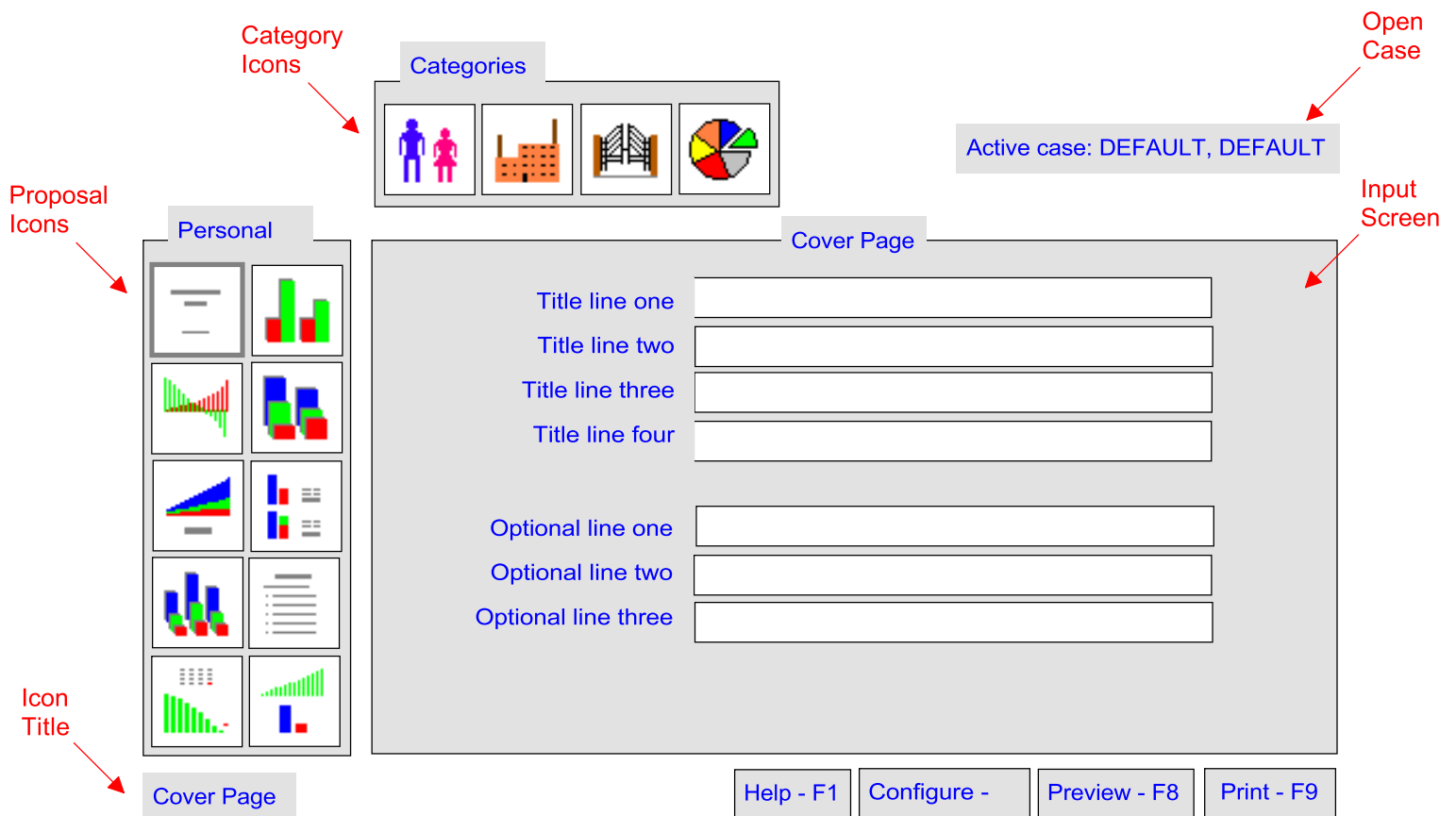
---

Phone: 800-289-5774  
Web: [www.klark.com](http://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



## 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  
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Software  
I N C



---

Phone: 800-289-5774  
Web: [www.klark.com](http://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 INC

Categories:    

Active Case: Samples, Personal

**Personal**

**Term and Invest**

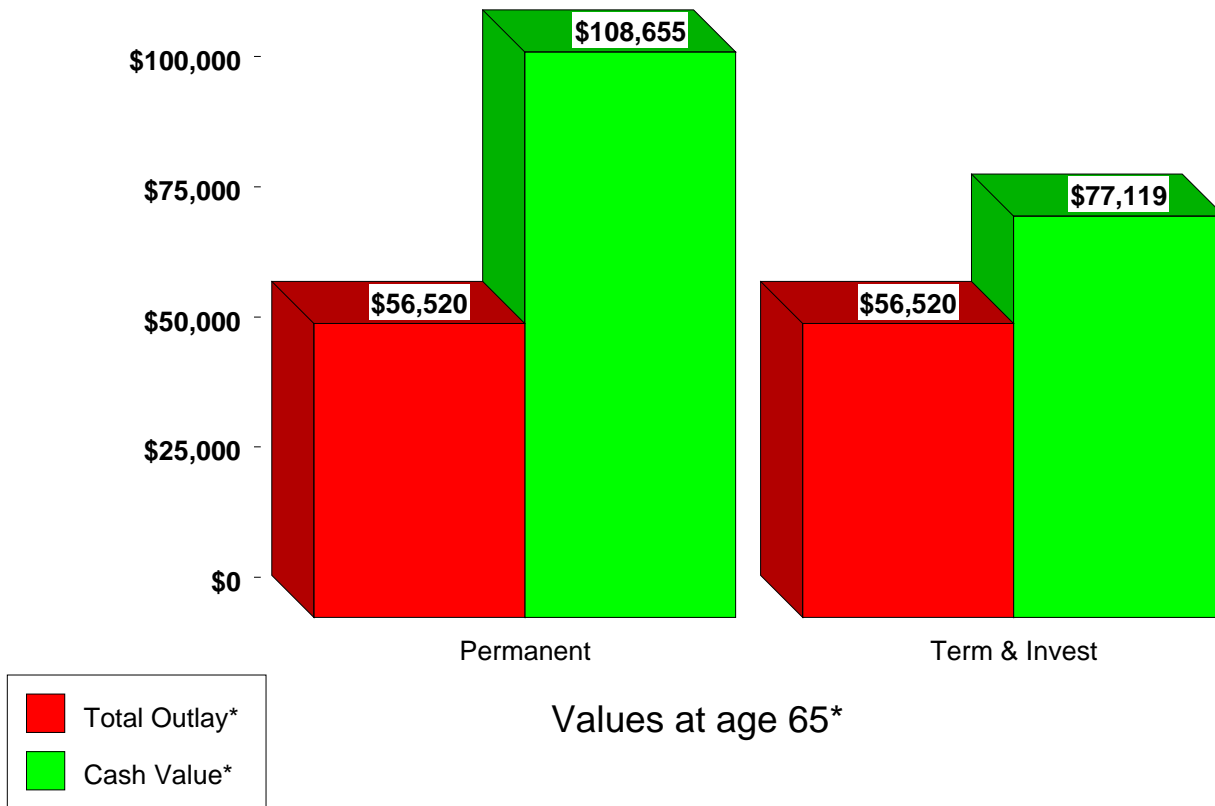
Prospect's name	John Smith
Present tax bracket	35.0
Current age	35
Comparison or value age	65
Term policy end age	70
Investment ROR (gross)	8.0
Compounded difference at comparison age	\$77,119
Permanent cash value at comparison age	\$108,655
Permanent gross ROR at comparison age	11.26
Permanent plan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

LTC

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

# Term & Invest for John Smith

Prepared by YOUR NAME HERE



## 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.

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


## Effects of Waiting - Input Screen

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:    

Active Case: Samples, Personal

**Personal**

**Effects of Waiting**

Prospect's name: John Smith

Current age: 35

Older age: 45

Comparison or value age: 65

"Younger age" death benefit	\$124,563
"Younger age" cash value	\$62,356
"Younger age" total premium	\$15,330
"Older age" death benefit	\$110,698
"Older age" cash value	\$53,534
"Older age" total premium	\$30,660

LTC

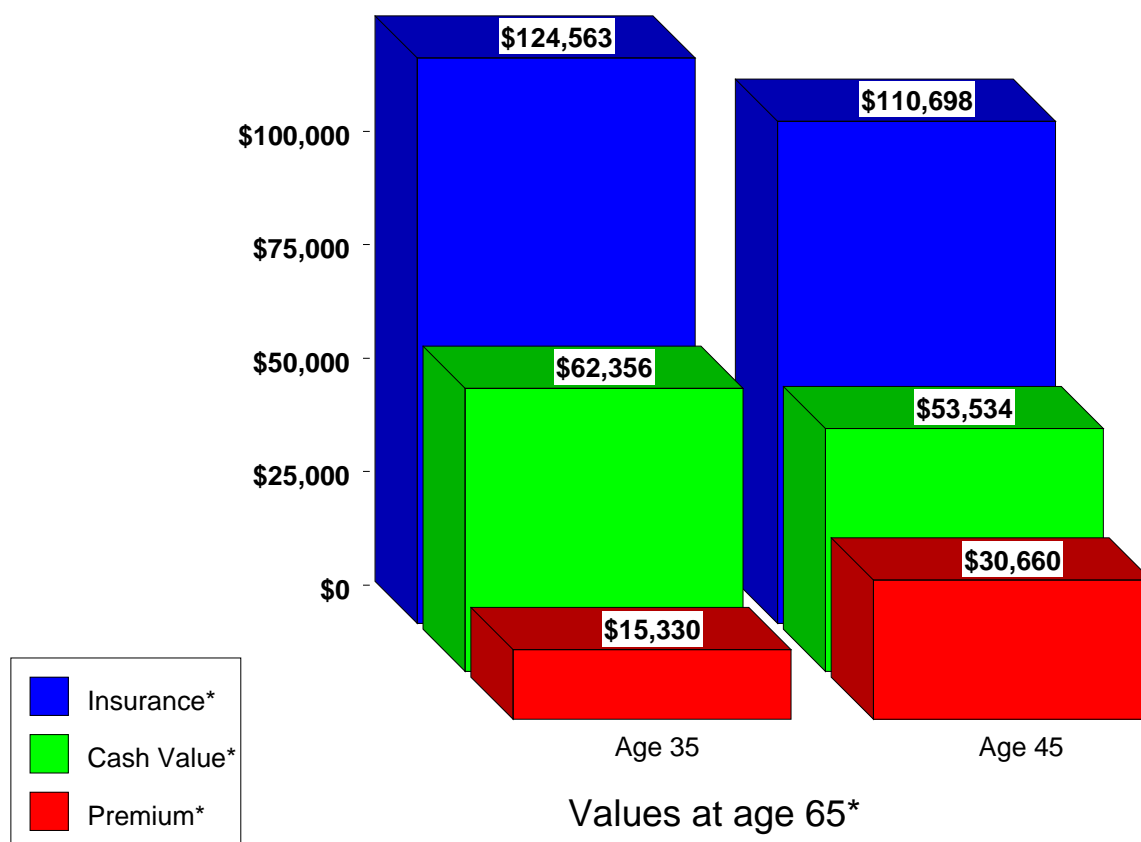
Effects of Waiting

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**

Categories

Active Case: Samples, Personal

**Personal**

**Disability Insurance Profile**

Prospect's name: John Smith

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

Present monthly income: \$5,410 Net

Present monthly benefit: \$2,200 Net

Supplemental monthly benefit: \$1,500 Net

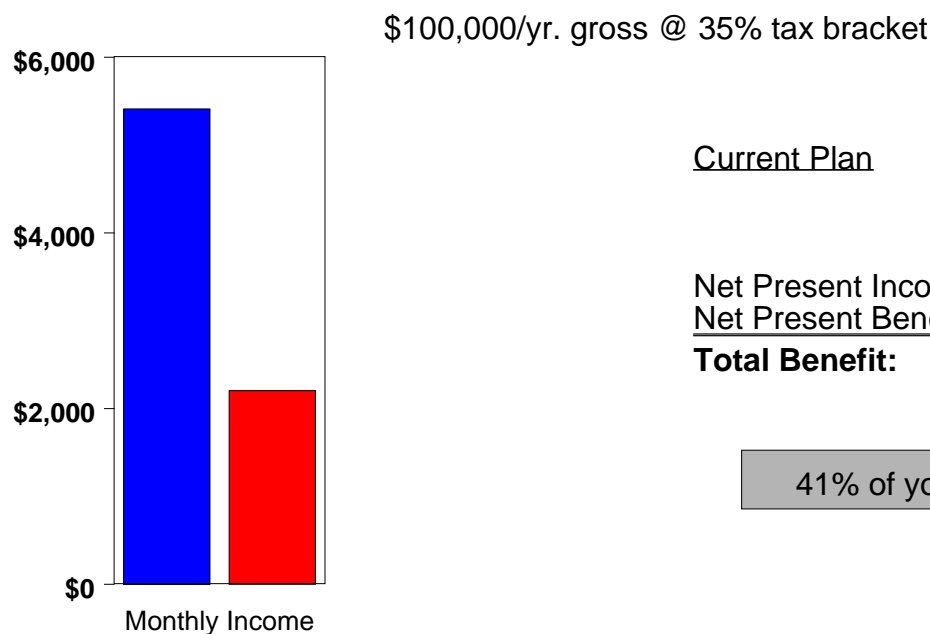
LTC

Disability Insurance Profile

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

# Disability Insurance for John Smith

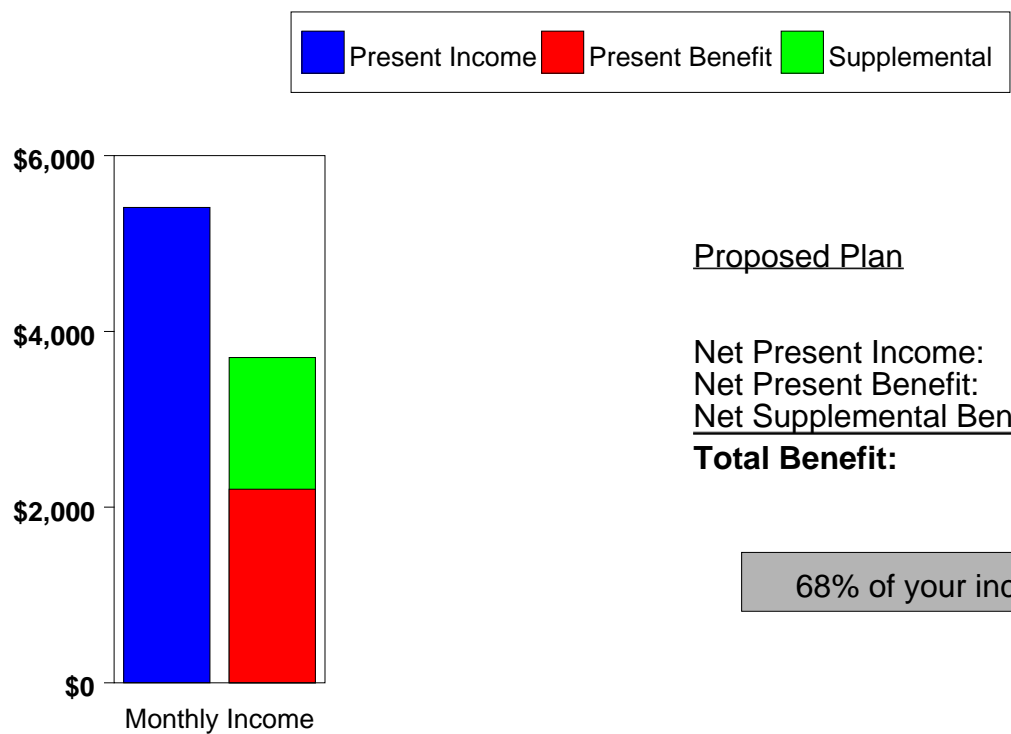
Prepared by YOUR NAME HERE



## Current Plan

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

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
<b>Total Benefit:</b>	<b>\$3,700/month</b>

68% of your income is insured





## ABCD Comparison - Input Screen

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:    

Active Case: Samples, Personal

**Personal**

**ABCD Comparison**

Prospect's name: John Smith

Title: Plan Comparison

Values at: Age 70

	Plan A	Plan B	Plan C	Plan D
Product name	Plan A	Plan B	Plan C	
Death benefit	\$200,000	\$371,707	\$267,272	
Cash value	\$0	\$170,428	\$155,272	
Total outlay	\$53,895	\$78,008	\$35,930	

Is a non-insurance product being illustrated: No

Present tax bracket: 35.0

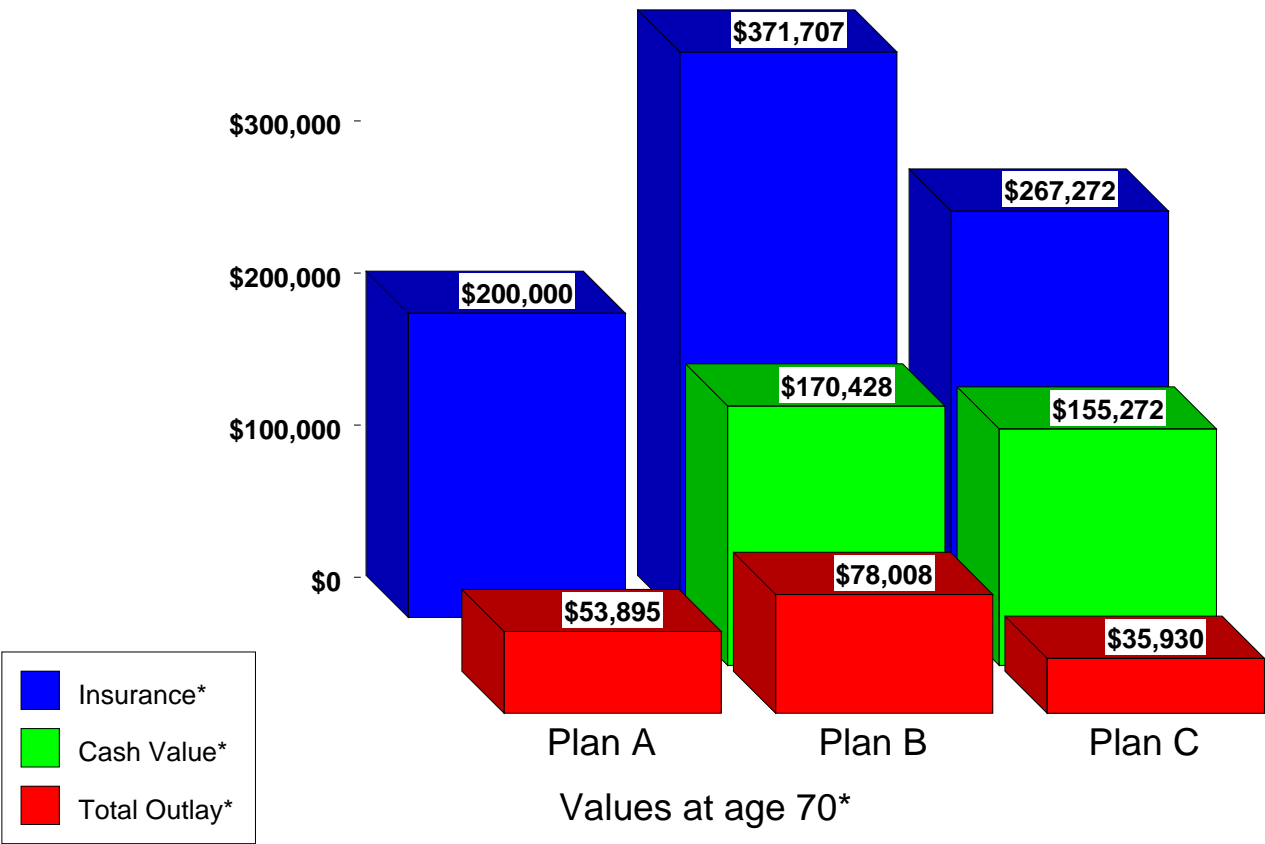
Investment ROR (gross): 8.0

LTC

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.

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## 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: **Names listed below** ▼

First child's name:

Second child's name:

Third child's name:

Fourth child's name:

Comparison at: **Age** ▼

**LTC**

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.

\*\* Accesssing 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 \$1,000,000

Present annual income \$100,000

Present tax bracket 35.0

Investment ROR (gross) 8.0

Inflation rate 3.0

Number of benefit years 12

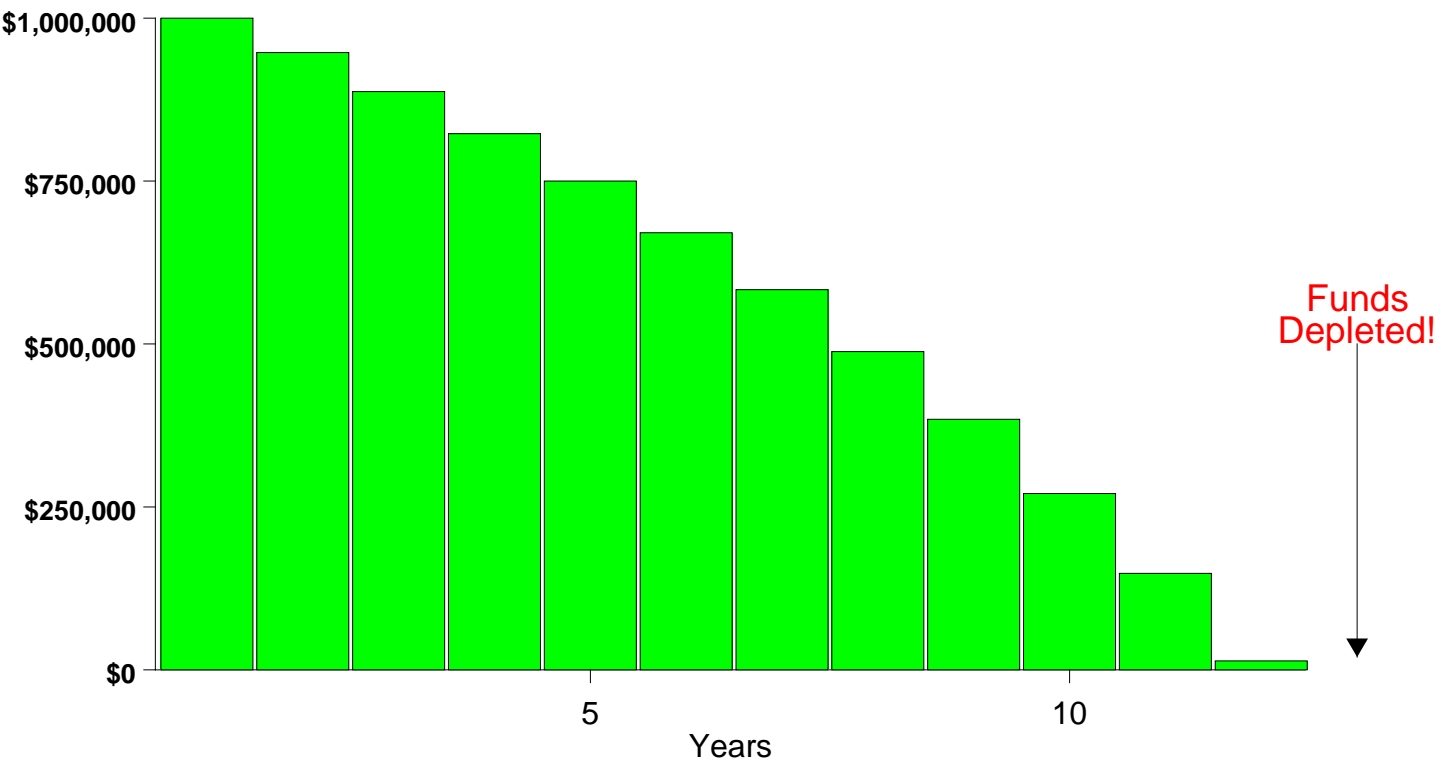
LTC

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 INC

Categories:    

Active Case: Samples, Personal

**Personal**

**Human Life Value**

Prospect's name:

Current age:

Comparison or value age:

Present annual income:

Initial insurance:

Income growth rate:

Present tax bracket:

Investment ROR (gross):

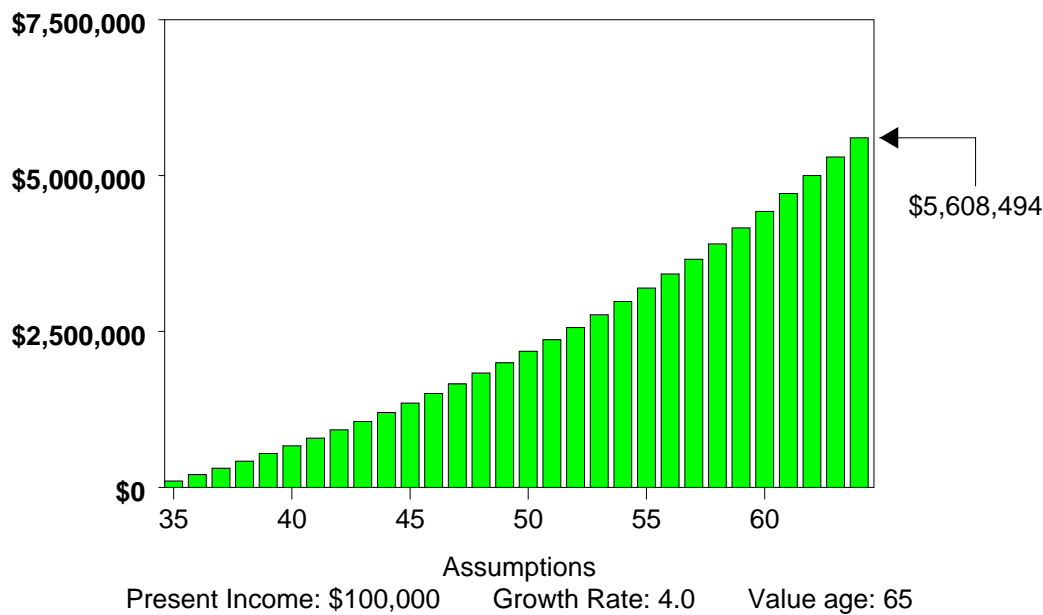
Print spreadsheet:

Human Life Value

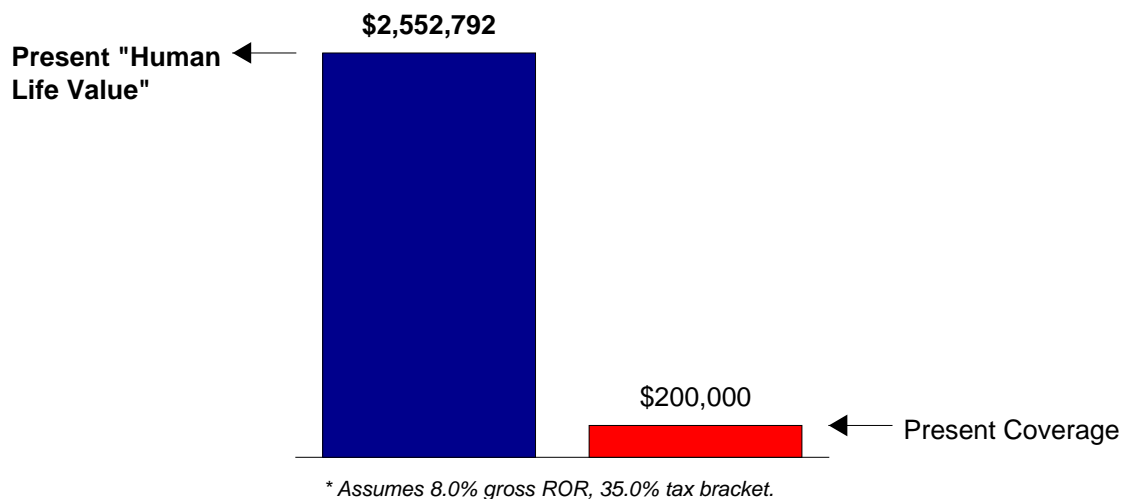
Help - F1    Configure - F2    Preview - F8    Print - F9

# "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.



## Retirement Profile - Input Screen

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

**Personal**

**Retirement Profile**

Prospect's name: John Smith

Current age: 35

Retirement age: 65

Life expectancy age: 80

Present annual income: \$100,000 **Gross Annual Income**

Percent of income for retirement: 85.0 **@ Age 65 \$324,340**

Present retirement assets: \$50,000

Income growth rate: 4.0 **Retirement Income**

Qualified asset growth ROR: 8.5 **@ Age 65 \$275,689**

Qualified asset income ROR: 6.5 **@ Age 80 \$429,514**

Inflation at retirement: 3.0

**Lump Sum**

Include Social Security benefit: Yes 100.0 **Today \$264,932**

Social Security cost-of-living index: 3.0

**Percent of annual income needed to be saved 12.63%**

Print spreadsheet: No

LTC

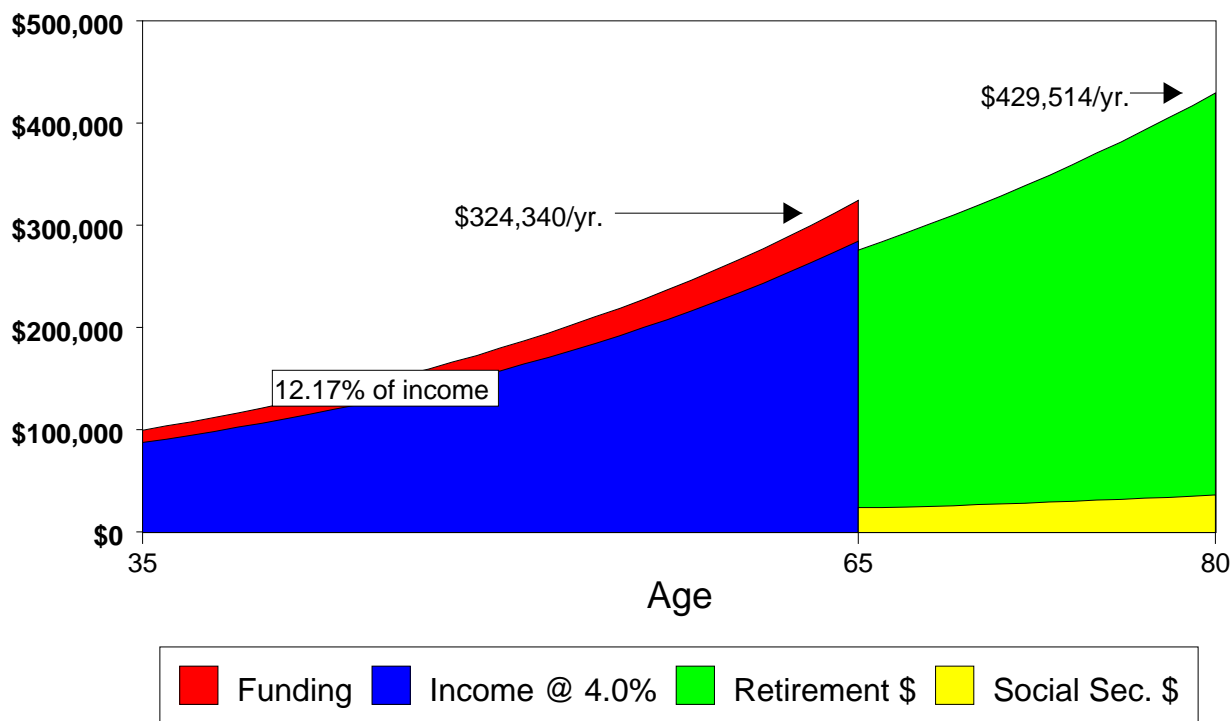
Help - F1 Configure - F2 Preview - F8 Print - F9

# 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.



*\* 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 INC

Categories:

Active Case: Sample, The Wall

**Personal**

Current age

Sex

Comparison year

Present tax bracket

**The "Wall"**

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"/>
Equivalent ROR	<input type="text" value="6.93"/>	<input type="text" value="9.84"/>	<input type="text" value="10.75"/>	<input type="text" value="11.04"/>
Optional line one	<input type="text"/>			
Optional line two	<input type="text"/>			

LTC

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

# The "Wall" - Erected June 21, 1988

Prepared by YOUR NAME HERE

Permanent Contracts (male, age 35)				"IRC Sec. 7702"	Modified Endowment
	Plan A	Plan B	Plan C		Plan D
Monthly premium*	\$225	\$350	\$525		\$700
Initial insurance*	\$500,000	\$500,000	\$500,000		\$500,000
Cash value year 30*	\$159,530	\$360,753	\$605,058		\$853,846
Equivalent ROR*	6.93%	9.84%	10.75%		11.04%

\* Assumes 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.

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## College Funding - Input Screen

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

**Personal**

**College Funding**

First child's name	Jenny	Age	6	College years	4
Second child's name	Jason	Age	4	College years	4
Third child's name		Age		College years	
Fourth child's name		Age		College years	

Tuition asset tax bracket	34.0
Tuition asset ROR (gross)	8.0
Tuition inflation rate	5.0
Present college assets	\$0
Annual tuition today	\$15,000

**Total tuition outlay \$244,112**  
**Additional lump sum needed today \$115,454**  
**Monthly amount needed to be saved \$847**

Print spreadsheet **No** ▼

College Funding

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

# College Funding

Prepared by YOUR NAME HERE

Most experts agree that a college education will be a prerequisite to better jobs in the future and college graduates will earn significantly more over their working years than non-graduates.

In helping you estimate the future costs of educating your children, the following assumptions were used:

Tuition asset tax bracket	: 0.0%
Tuition asset ROR	: 8.0%
Tuition inflation rate	: 5.0%
Present college assets	: \$0
Annual tuition 2010	: \$15,000

With these figures in mind, let's look at the actual projections.

Name	Present Age	Year	Tuition
Jenny	6	2022	\$26,938
		2023	\$28,285
Jason	4	2024	\$59,398
		2025	\$62,368
		2026	\$32,743
		2027	\$34,380
			<b>\$244,112</b> Total Outlay

## **Solutions:**

**Lump sum.** Using the assumptions above, an additional lump sum of **\$79,830** would need to be saved today in order to fund the future education costs of your children.

**Monthly savings.** On a monthly basis you will have to save **\$699** every month for the next 17 years to cover the projected education costs by Jason's graduation.

**Combination.** A plan that accumulates funds to help pay future education costs while guaranteeing a lump sum payment in the unlikely event of the contributor's death. A permanent life insurance contract can accomplish this.





## Discounted Dollars - Input Screen

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:    

Active Case: Samples, Personal

**Personal**

**Discounted Dollars**

Prospect's name:

Annual premium:

Years premium paid:

Initial insurance:

First comparison year:

Insurance:

Second comparison year:

Insurance:

Plot premiums at net cost of money:

Net cost of money:

LTC

Discounted Dollars

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

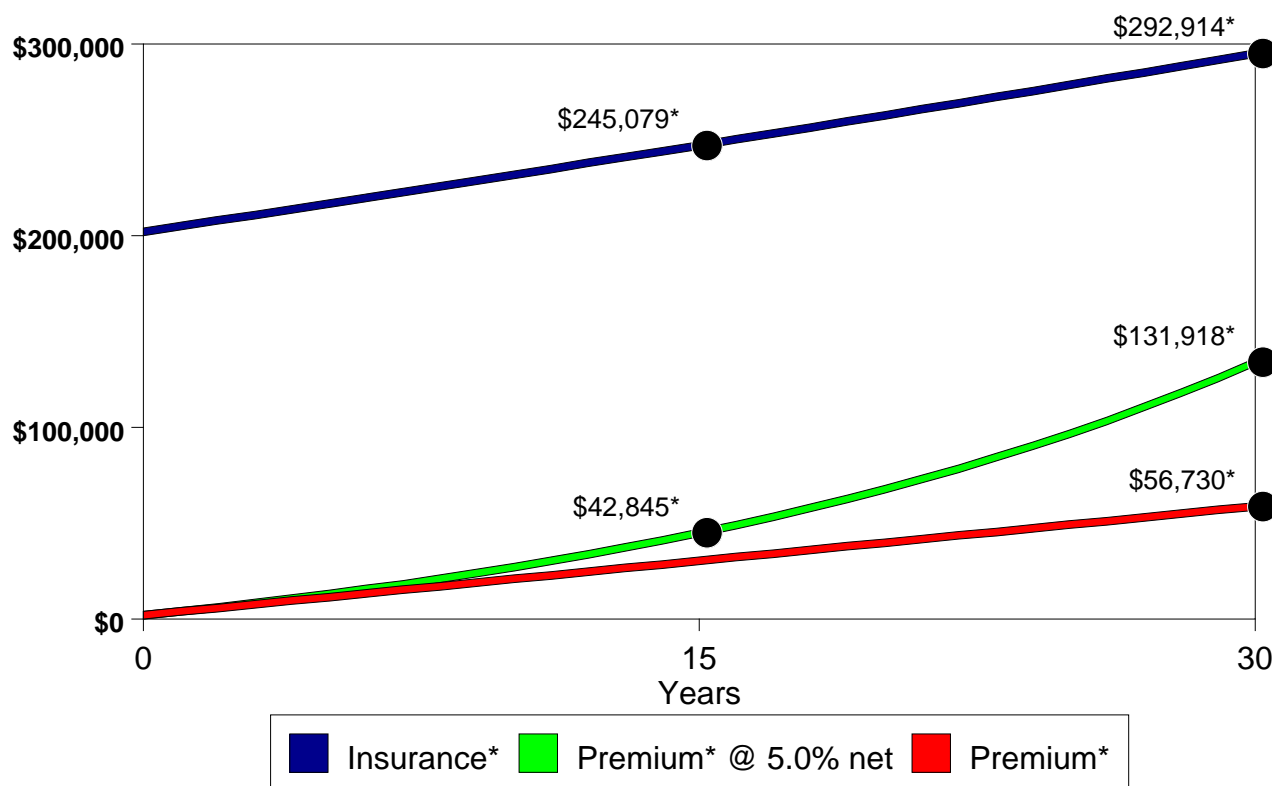
# Discounted Dollars\* for John Smith

Prepared by YOUR NAME HERE

Permanent life insurance contracts allow a relatively small amount of premium to provide a significantly larger death benefit. Profiled below is a permanent contract over a 30 year period.

Annual premium: \$1,891\*

Years premium paid: 30\*



## Total Cost Per \$1.00 of Insurance

Year 15: 17 cents\*

Year 30: 45 cents\*

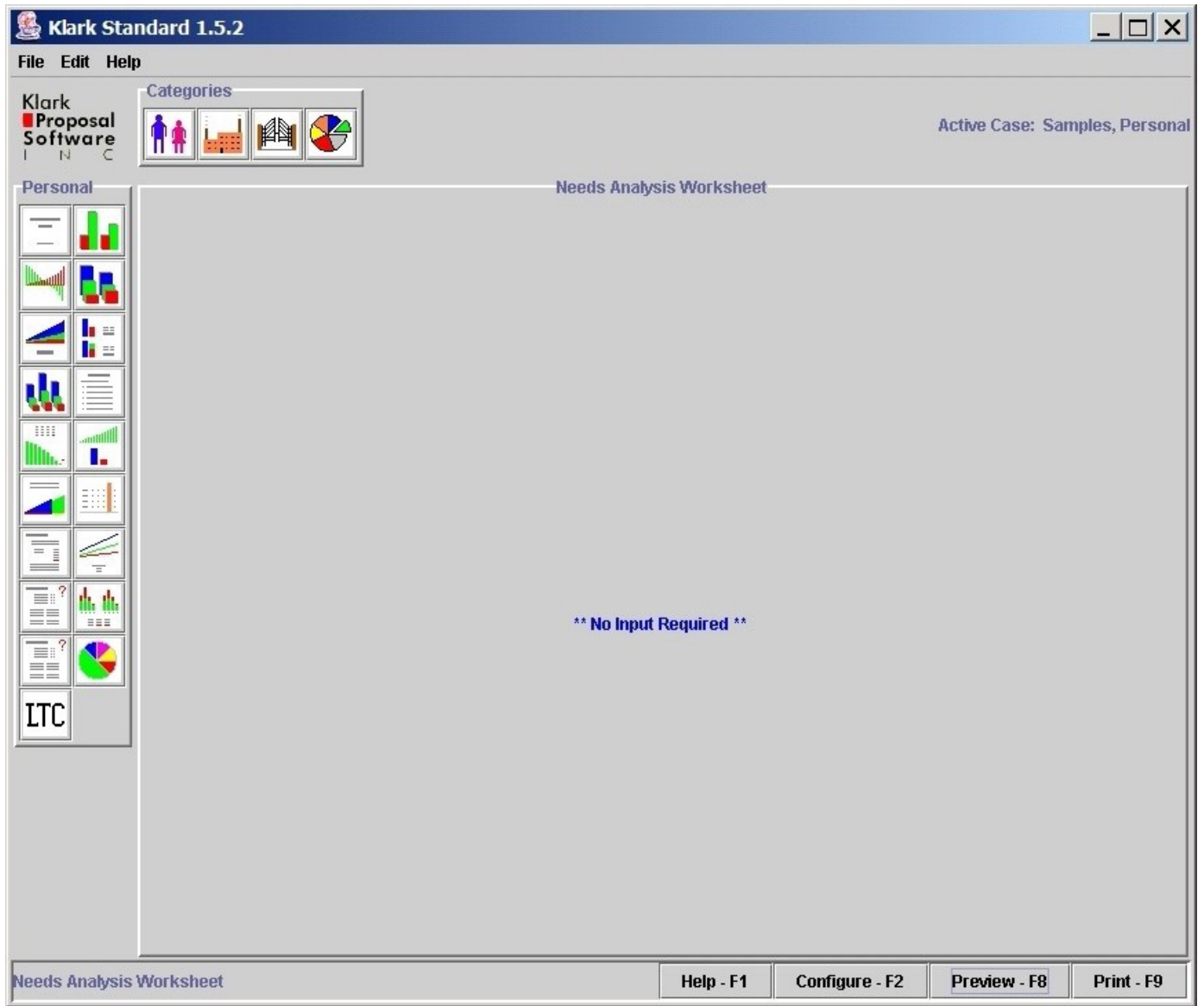
\* Values and benefits include dividends. Dividends assume no loans: loans may reduce dividends. Illustrated dividends reflect current (2010 scale) claim, expenses and investment experience and are not estimates or guarantees of future results. Dividends actually paid may be larger or smaller than those 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.

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## Needs Analysis Worksheet - Input Screen

Select the following:



# Needs Analysis Worksheet

Prepared by YOUR NAME HERE

Date: \_\_\_\_\_

## Family Needs

Pay off home mortgage	Y	N
Cover funeral expenses	Y	N
Pay off all remaining debt	Y	N
Provide an adequate family income	Y	N
Fund an education plan	Y	N
Create an emergency fund	Y	N
Fund surviving spouse's retirement	Y	N
_____	Y	N
_____	Y	N

Include Social Security survivor benefits	Y	N	% _____
Include Social Security retirement benefits	Y	N	% _____
Social security cost-of-living index % _____			

Use Qualified Assets immediately	Y	N
----------------------------------	---	---

Family's last name: \_\_\_\_\_

Spouse #1's name: _____	Age: _____	Gross income/yr: \$ _____
Spouse #2's name: _____	Age: _____	Gross income/yr: \$ _____

## Optional income adjustments (in today's dollars)

Spouse #1's 1st adjustment year: _____	Gross income/yr: \$ _____
Spouse #1's 2nd adjustment year: _____	Gross income/yr: \$ _____
Spouse #2's 1st adjustment year: _____	Gross income/yr: \$ _____
Spouse #2's 2nd adjustment year: _____	Gross income/yr: \$ _____

# Needs Analysis Worksheet

Prepared by YOUR NAME HERE

Income growth rate : % \_\_\_\_\_  
Present tax bracket : % \_\_\_\_\_ Retirement tax bracket : % \_\_\_\_\_  
Present inflation rate : % \_\_\_\_\_ Inflation at retirement : % \_\_\_\_\_  
Retirement age : \_\_\_\_\_ Life expectancy age : \_\_\_\_\_

Accumulation ROR (gross) : % \_\_\_\_\_ Distribution ROR (gross) : % \_\_\_\_\_

Child #1's name: \_\_\_\_\_ Age: \_\_\_\_\_ College years: \_\_\_\_\_  
Child #2's name: \_\_\_\_\_ Age: \_\_\_\_\_ College years: \_\_\_\_\_  
Child #3's name: \_\_\_\_\_ Age: \_\_\_\_\_ College years: \_\_\_\_\_  
Child #4's name: \_\_\_\_\_ Age: \_\_\_\_\_ College years: \_\_\_\_\_

Tuition asset tax bracket: % \_\_\_\_\_ Tuition asset ROR (gross): % \_\_\_\_\_  
Tuition inflation rate : % \_\_\_\_\_ Present college assets: \$ \_\_\_\_\_  
Annual tuition today : \$ \_\_\_\_\_

Survivor's needs (as a percentage of total gross monthly income)

Until youngest reaches age 18 % \_\_\_\_\_ (75% recommended minimum)  
Blackout period % \_\_\_\_\_ (60% recommended minimum)  
Retirement years % \_\_\_\_\_ (50% recommended minimum)

# Needs Analysis Worksheet

Prepared by YOUR NAME HERE

## Nonqualified Assets

Cash

Securities

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Joint

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

## Qualified Assets

\_\_\_\_\_  
\_\_\_\_\_

## Spouse #1

\$ \_\_\_\_\_  
\$ \_\_\_\_\_

## Spouse #2

\$ \_\_\_\_\_  
\$ \_\_\_\_\_

## Life Insurance\*

*\* Excluding all insurance policies specific to estate planning.*

Group

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

## Immediate Family Needs

Funeral expenses

Mortgage

College fund

Debt

Emergency fund

\_\_\_\_\_  
\_\_\_\_\_

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
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\$ \_\_\_\_\_  
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\$ \_\_\_\_\_



## Needs Analysis - Input Screen "Questions"

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

Personal

Life Insurance Needs Analysis

Questions Spouses Children Assets Expenses & Totals

**Family Needs**

Pay off home mortgage Yes ▾

Cover funeral expenses Yes ▾

Pay off all remaining debt Yes ▾

Provide an adequate family income Yes ▾

Fund an education plan Yes ▾

Create an emergency fund Yes ▾

Fund surviving spouse's retirement Yes ▾

Other (enter a title) Day care

Other (enter a title)

Include Social Security survivor benefits Yes ▾ 100.0

Include Social Security retirement benefits Yes ▾ 100.0

Social Security cost-of-living index 3.0

Use Qualified Assets immediately No ▾

Life Insurance Needs Analysis

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

## Needs Analysis - Input Screen “Spouses”

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

Personal

Life Insurance Needs Analysis

Questions Spouses Children Assets Expenses & Totals

Family's last name

Spouse #1's name  Age  Gross income/yr

Spouse #2's name  Age  Gross income/yr

**Optional income adjustments (in today's dollars)**

Spouse #1 1st adjustment year  Gross income/yr

Spouse #1 2nd adjustment year  Gross income/yr

Spouse #2 1st adjustment year  Gross income/yr

Spouse #2 2nd adjustment year  Gross income/yr

Income growth rate

Present tax bracket

Retirement tax bracket

Inflation rate

Inflation at retirement

Retirement age

Life expectancy age

Accumulation ROR (gross)

Disbursement ROR (gross)

Life Insurance Needs Analysis

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

## Needs Analysis - Input Screen “Children”

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

Personal

Life Insurance Needs Analysis

Questions Spouses **Children** Assets Expenses & Totals

First child's name	Jenny	Age	6	College years	4
Second child's name	Jason	Age	4	College years	4
Third child's name		Age		College years	
Fourth child's name		Age		College years	
Tuition asset tax bracket	34.0				
Tuition asset ROR (gross)	8.0				
Tuition inflation rate	5.0				
Present college assets	\$0				
Annual tuition today	\$15,000				
<b>Survivor's needs (as a percentage of total gross monthly income)</b>					
Until youngest reaches age 18	75.0	\$6,250/month gross (\$4,062 net)			
Blackout period	60.0	\$5,000/month gross (\$3,250 net)			
Retirement years	50.0	\$4,167/month gross (\$2,709 net)			

LTC

Life Insurance Needs Analysis

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

## Needs Analysis - Input Screen “Assets”

Select the following:



**Klark Standard 1.5.2**

File Edit Help

Klark Proposal Software INC

Categories

Active Case: Samples, Personal

Personal

Life Insurance Needs Analysis

Questions Spouses Children Assets Expenses & Totals

**Nonqualified Assets**

Joint

Cash \$5,000

Securities \$23,000

**Qualified Assets**

John Karen

401-K \$51,000 \$0

IRA \$7,200 \$16,000

**Life Insurance**

Group \$140,000 \$25,000

Personal \$60,000 \$10,000

**Total** \$228,000 \$63,000

LTC

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

## Needs Analysis - Input Screen “Expenses & Totals”

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

Personal

Life Insurance Needs Analysis

Questions Spouses Children Assets **Expenses & Totals**

	John	Karen
<b>Immediate Family Needs</b>		
Funeral expenses	\$10,000	\$10,000
Mortgage	\$165,000	\$0
College fund	\$115,454	\$115,454
Debt	\$1,800	\$1,800
Emergency fund	\$5,000	\$5,000
Day care	\$0	\$10,000
<b>Total</b>	<b>\$297,254</b>	<b>\$142,254</b>
<b>Capital Shortfall</b>		
Immediate	\$69,254	\$79,254
Until youngest reaches age 18	\$225,092	
Blackout period	\$225,361	
Retirement years	\$126,121	\$139,731
<b>Total</b>	<b>\$645,828</b>	<b>\$218,985</b>

Lump sum \$115,454

Print summary only

Life Insurance Needs Analysis

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

# Assumptions: Smith Family

---

Prepared by YOUR NAME HERE

4/15/2010

Dear John and Karen:

The following proposal illustrates how your current planning will protect and meet your family's needs. It is important to understand that this illustration represents a current financial "snapshot." We have made assumptions on Social Security benefits, tax laws, tax brackets, inflation and rates of return which may not be accurate over long periods of time. We should review and update your situation periodically to insure this plan continues to meet your family's needs.

As previously discussed, the major points you felt were important to address in the event of the premature death of a spouse are:

1. Pay off your home mortgage.
2. Cover funeral expenses.
3. Pay off all remaining debts.
4. Provide an adequate income for your family and surviving spouse.
5. Fund an education plan for Jenny and Jason.
6. Create an emergency fund.
7. Day care.

Following this introduction is a balance sheet of your current assets. Next, there are details regarding your immediate and future family income needs as you have specified. Finally, I am including a one page, graphic summary.

Please let me know if the above points are consistent with your goals and objectives.

Sincerely,

YOUR NAME HERE

# Balance Sheet

Prepared by YOUR NAME HERE

4/15/2010

## **Present Liquid Assets**

Cash	5,000
Securities	23,000
	<b>\$28,000</b>

## **Qualified Assets**

401-K	51,000
IRA	23,200
	<b>\$74,200*</b>

## **Life Insurance**

	<u>John (dies)</u>	<u>Karen (dies)</u>
Group	200,000	25,000
Personal	60,000	10,000
	<b>\$260,000</b>	<b>\$35,000</b>

Total Assets	<b>\$288,000</b>	<b>\$63,000</b>
--------------	------------------	-----------------

## **Immediate Family Needs**

Funeral	10,000	10,000
Mortgage	250,000	0
College Fund**	79,830	79,830
Debt	1,800	1,800
Emergency	5,000	5,000
Day care	0	100,000
	<b>\$346,630</b>	<b>\$196,630</b>

<b>Net Capital Available</b>	<b>(\$58,630)</b>	<b>(\$133,630)</b>
------------------------------	-------------------	--------------------

\* Assumes no premature use of Qualified Assets.

\*\* Jenny, age 6, attends college from 2022 to 2026, Jason, age 4, from 2024 to 2028. Assumes 8.0% gross ROR, 0.0% tuition asset tax bracket, a tuition inflation rate of 5.0%, an annual tuition in 2010 of \$15,000 and present college assets of \$0.

# Family Needs: 2010 through 2024

Prepared by YOUR NAME HERE

4/15/2010

Assuming a spouse's death today, you have indicated that until Jason reaches age 18, your family's gross monthly income be no less than \$6,666, in 2010 dollars, adjusted annually for 3.0% inflation.

<b><u>Projected Monthly Income - 2010</u></b>	<b><u>Karen (lives)</u></b>	<b><u>John (lives)</u></b>
Family Needs	<b>6,666</b>	<b>6,666</b>
Earned Income****	0	8,333
Social Security (14 yrs.)*	3,682	515
Total	<b>3,682</b>	<b>8,848</b>
Monthly Shortfall	<b>\$2,984</b>	<b>\$0</b>
Capital Shortfall - 2010 through 2024***	<b>\$300,461</b>	<b>\$0</b>

\* Assumes Social Security factor of 100.0% and that benefits will be increased 3.0% annually. Survivor Benefits are reduced in 2022 when Jenny reaches age 18. Up to 85% of Social Security benefits may be subject to income taxes. Present ages: John 35, Karen 33.

\*\*\* Capital needed today (2010) at 6.5% gross distribution ROR, 35.0% tax bracket, to cover Monthly Shortfall depleting principal and interest until Jason reaches age 18, adjusted for 3.0% inflation.

\*\*\*\* Assumes Karen begins earning \$30,000/yr. in 2024. Income is in 2010 dollars adjusted annually for 3.0% inflation.



# Blackout Period

Prepared by YOUR NAME HERE

4/15/2010

Survivor Benefits from Social Security end in 2024. Assuming a spouse's death today, you have indicated that the surviving spouse's gross monthly income be no less than \$5,000, in 2010 dollars, adjusted annually for 3.0% inflation. This amount will be provided until age 65.

<b>Projected Monthly Income - 2024</b>	<u>Karen (lives)</u>	<u>John (lives)</u>
Spouse's Needs	<b>7,563</b>	<b>7,563</b>
Earned Income****	3,781	12,605
Monthly Shortfall	<b>\$3,782</b>	<b>\$0</b>
 <b>Capital Shortfall - 2024 to age 65***</b>	 <b>\$225,361</b>	 <b>\$0</b>

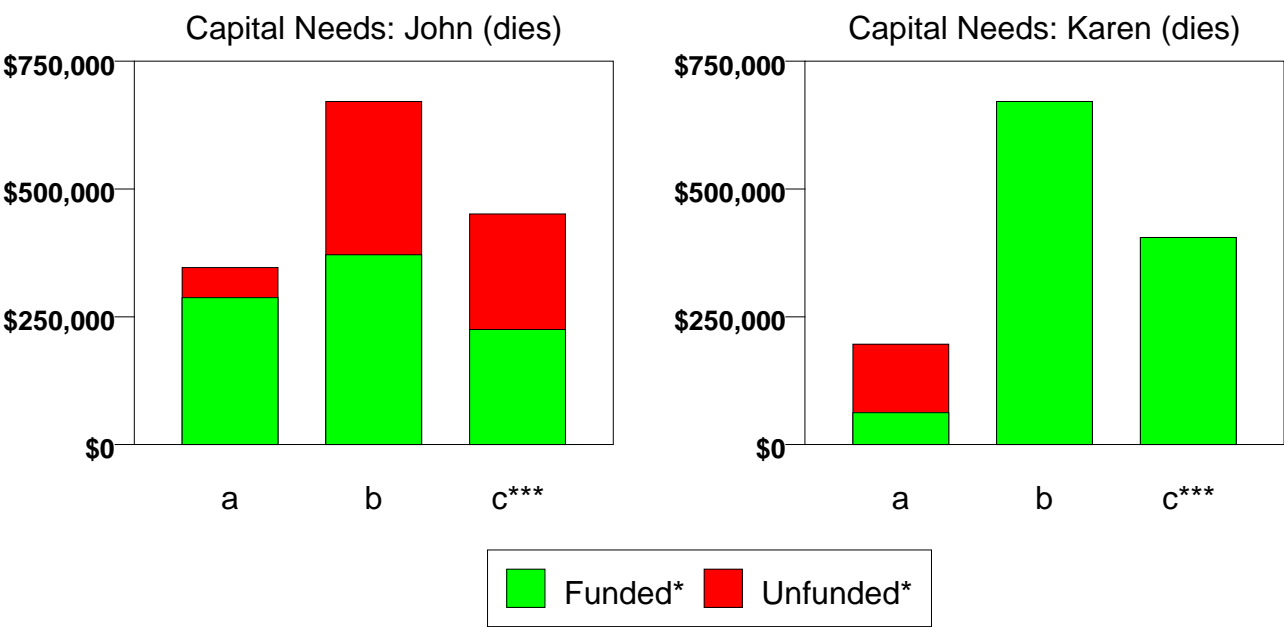
\*\*\* Capital needed today (2010) at a 8.5% gross accumulation ROR, 6.5% gross distribution ROR and a 35.0% tax bracket, to cover Monthly Shortfall depleting principal and interest until the surviving spouse reaches age 65, adjusted for 3.0% inflation. Blackout period for John starts in 2024 and ends in 2040 at age 65. Blackout period for Karen starts in 2024 and ends in 2042 at age 65.

\*\*\*\* Assumes Karen begins earning \$30,000/yr. in 2024. Income is in 2010 dollars adjusted annually for 3.0% inflation.

# Summary

Prepared by YOUR NAME HERE

4/15/2010



Capital Shortfall	John (dies)	Karen (dies)
Immediate (a)	\$58,630	\$133,630
2010 through 2024 (b)	\$300,461	\$0
***Blackout Period (c)	\$225,361	\$0
Total**	\$584,452	\$133,630

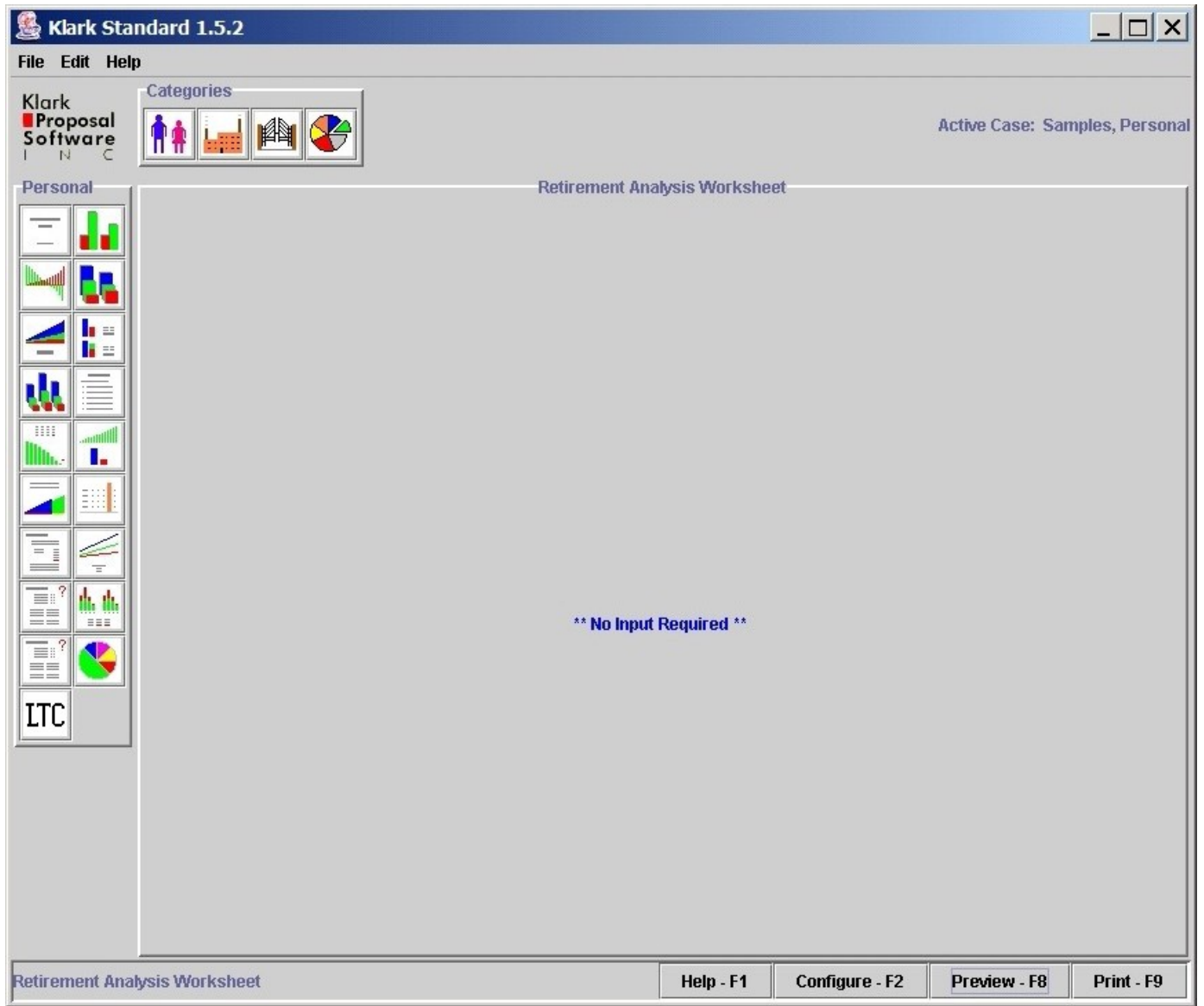
\* Funded (green) represents the portion of Capital Needs subsidized with existing assets. Unfunded (red) represents the portion of unsubsidized Capital Needs.

\*\* Total capital needed today (2010) at a 8.5% gross accumulation ROR, 6.5% gross distribution ROR and a 35.0% tax bracket, to cover all Monthly Shortfalls depleting principal and interest.

\*\*\* Blackout period for John starts in 2024 and ends in 2040 at age 65. Blackout period for Karen starts in 2024 and ends in 2042 at age 65.

## Retirement Analysis Worksheet - Input Screen

Select the following:



# Retirement Analysis Worksheet

Prepared by YOUR NAME HERE

Name: \_\_\_\_\_

Current age: \_\_\_\_\_

Retirement age: \_\_\_\_\_

Life expectancy age: \_\_\_\_\_

Gross annual income: \$ \_\_\_\_\_

Percent of income for retirement: % \_\_\_\_\_

Income growth rate: % \_\_\_\_\_

Present tax bracket: % \_\_\_\_\_

Retirement tax bracket: % \_\_\_\_\_

Inflation at retirement: % \_\_\_\_\_

Include Social Security benefit: Y N % \_\_\_\_\_

Social Security cost-of-living index: % \_\_\_\_\_

Net cost of money: % \_\_\_\_\_

Asset(s) Qualified	Present Balance	Growth ROR	Income ROR	Annual Deposit	Years	Indexing
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____

Defined Benefit - Annual amount: \$ \_\_\_\_\_

Years paid: \_\_\_\_\_

## Roth IRA/Tax Exempt

_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____

## Tax Deferred

_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	Basis: % _____					
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	Basis: % _____					
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	Basis: % _____					
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	Basis: % _____					

## Taxable

_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____
_____	\$ _____	% _____	% _____	\$ _____	_____	% _____

- Worksheet for agent use only -





## Retirement Analysis - Input Screen “Income & Social Security”

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:    

Active Case: Samples, Personal

Personal

Retirement Analysis

**Income & Social Security** Qualified & Tax Exempt Tax Deferred & Taxable Defined Benefit & Totals

Prospect's name: John Smith

Current age: 35

Retirement age: 65

Life expectancy age: 80

Present annual income: \$100,000

Percent of income for retirement: 85.0

Income growth rate: 4.0

Present tax bracket: 35.0

Retirement tax bracket: 28.0

Inflation at retirement: 3.0

Include Social Security benefit: Yes

Social Security cost-of-living index: 3.0

Net cost of money: 5.0

LTC

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

## Retirement Analysis - Input Screen “Qualified & Tax Exempt”

Select the following:



**Klark Standard 1.5.2**

File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

Personal

Retirement Analysis

Income & Social Security   **Qualified & Tax Exempt**   Tax Deferred & Taxable   Defined Benefit & Totals

Asset(s)	Present Balance	Growth ROR	Income ROR	Annual Deposit	Years	Indexing
401-K	\$50,000	10.0	7.0	\$4,000	25	0.0
IRA	\$38,000	10.0	7.0	\$0	0	0.0

**Roth IRA/  
Tax Exempt**

Roth	\$0	10.0	7.0	\$0	25	0.0

LTC

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

## Retirement Analysis - Input Screen “Tax Deferred & Taxable”

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Personal

Personal

Retirement Analysis

Income & Social Security   Qualified & Tax Exempt   **Tax Deferred & Taxable**   Defined Benefit & Totals

Tax Deferred	Present Balance	Growth ROR	Income ROR	Annual Deposit	Years	Indexing	Basis %
Annuity	\$25,000	10.0	7.0	\$0	25	0.0	30.0
???	\$0	8.0	6.0	\$0	25	0.0	0.0

**Taxable**

M-Funds	\$0	10.0	7.0	\$0	25	0.0	

LTC

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





## Retirement Analysis - Input Screen “Defined Benefits & Totals”

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:    

Active Case: Samples, Personal

Personal

Retirement Analysis

Income & Social Security | Qualified & Tax Exempt | Tax Deferred & Taxable | **Defined Benefit & Totals**

Defined Benefit annual amount

Defined Benefit years paid

Defined Benefit cost-of-living index

Funding requirements satisfied: 89.67%

Gross Annual Income  
Age 65: \$324,340

Retirement Income  
Age 65: \$275,689  
Age 80: \$429,514

LTC

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



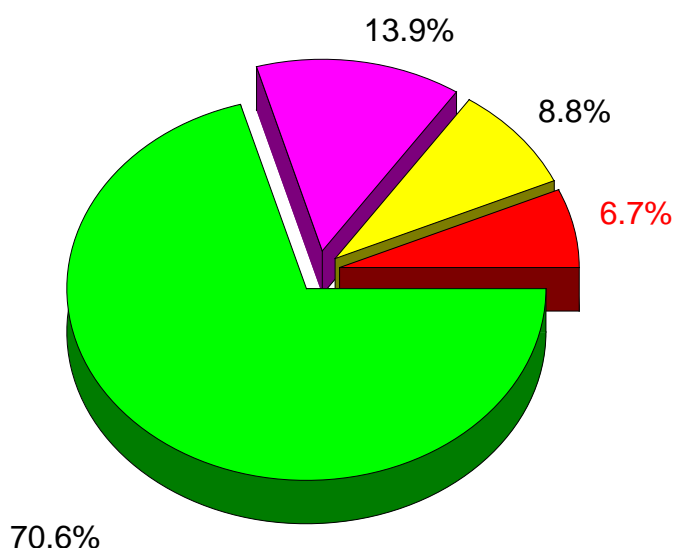
# Retirement Analysis for John Smith

Prepared by YOUR NAME HERE

Present income (gross): \$100,000	Retirement income:	85.0%
Current age: 35	Retirement age:	65
Life expectancy: 80	Income growth rate:	4.0%
Present tax bracket: 35.0%	Retirement tax bracket:	28.0%
Inflation at retirement: 3.0%	Cost-of-living index:	3.0%

Using the assumptions above, 85.0% of your gross annual income would equal \$275,689 by the time you retire. By age 80 it would equal \$429,514. Combined with the assumptions on page two, the chart below projects the percentage each asset will satisfy of your total retirement needs. Current funding is projected to fulfill **93.29%** of your goal.

**Percentages at Retirement**



■ Qualified   ■ Tax Deferred\*\*   ■ Soc. Sec.\*   ■ Shortage

*\* Based on 2010 data, this proposal assumes John Smith, at age 65, would be eligible for a retirement benefit of \$2,019/month (100.0%) and that Social Security benefits will be increased 3.0% annually. Up to 85% of Social Security benefits may be subject to income taxes.*

*\*\* When applicable, an asset's tax-free income has been adjusted to its gross income equivalent.*

**This information may not be used with Variable Life products.**

Page 1 of 2

# Retirement Analysis for John Smith

Prepared by YOUR NAME HERE

## Retirement Assets: 4/15/2010

Qualified	Present Balance	Growth ROR	Income ROR	Annual Deposit	Years	Indexing	Assets at Retirement	Required Earnings*
401-K	\$50,000	10.0%	7.0%	\$4,000	30		\$1,565,568	\$1,223/yr
IRA	\$38,000	10.0%	7.0%		1		\$663,077	\$12,673/yr

### Roth/Tax Exempt

Roth		10.0%	7.0%		30		\$0	\$1,354/yr
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### Tax Deferred\*\*

Annuity	\$25,000	10.0%	7.0%		30		\$436,235	\$1,833/yr
???		8.0%	6.0%		30		\$0	\$2,815/yr

### Taxable

M-Funds		10.0%	7.0%		30		\$0	\$2,983/yr
---------	--	-------	------	--	----	--	-----	------------

**Total Assets\*\*\* \$113,000** **\$2,664,880**

\* Numbers followed by "/yr" represent the annual earnings required for that specific asset to reach your goal. Numbers without that qualifier represent the lump sum earnings needed today for that specific asset to reach your goal. Contributions to non-qualified assets are made with after tax dollars. To compare non-qualified to qualified plan contributions, you must multiply the non-qualified plan contribution by the reciprocal of 1.0 - the present tax bracket, in this case 1.54. The required net contributions needed to fund your goal are: 401-K: \$1,223/yr, IRA: \$12,673/yr, Roth: \$880/yr, Annuity: \$1,192/yr, ????: \$1,830/yr, M-Funds: \$1,939/yr.

\*\* Tax Deferred asset basis: Annuity 30.0%

\*\*\* "Total Assets" do not include the present values of any Defined Benefit plan or Social Security. A 5.0% net cost of money was used for any Defined Benefit or Social Security assets.

## Long Term Care Costs - Input Screen

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software I N C

Categories:

Active Case: Sample, L.T.C.

### Long Term Care Costs

Prospect's name	John Smith
Current age	60
Life expectancy age	80
Years L.T.C. needed	5
Annual L.T.C. costs	\$58,400
L.T.C. inflation rate	5.0
Net cost of money	6.0
"Plan A" L.T.C. premium	\$5,219
Years "Plan A" L.T.C. premiums paid	15
"Plan B" L.T.C. premium	\$7,365
Years "Plan B" L.T.C. premiums paid	10
Show "Self Insured" payments	Yes ▼
Print "Long Term Care Facts"	Yes ▼

Long Term Care Costs

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

# Long Term Care Facts

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Prepared by YOUR NAME HERE

- Close to half of all Americans, over the age of 65, will require long term care at some point in their lives.
- With Americans living longer, they are increasingly experiencing chronic diseases such as Alzheimer's and Parkinson's. These ailments eventually require professional caregivers working within professional facilities to take care of them.
- Many Americans mistakenly believe that Medicare will cover the cost of long term care. Medicare typically covers nursing home costs for a brief period following a hospital stay to recuperate from a serious illness or injury.
- For those who qualify, Medicaid will provide financial help to those requiring long term care. To qualify, you must prove you've been reduced to the poverty level.
- Family members constitute the vast majority of caregivers. A significant portion of family member caregivers will either cut back on their work hours or quit work in order to provide care.
- The estimated annual cost of a stay at a full care facility in 2004 is over \$70,000. During the past 10 years, long term care costs have increased an average of 5.0% per year.
- A prolonged illness, requiring long term care, can have a profound financial impact on an estate. Proper planning can help minimize the chances of a potential "asset meltdown" due to the costs associated with providing long term care.
- The U.S. General Accounting Office estimates that more than one third of the 13,000,000 Americans currently receiving long term care are between the ages of 18 and 64.

# Long Term Care Costs: John Smith

Prepared by YOUR NAME HERE

Current age	: 60	Life expectancy age	: 80
Years L.T.C. needed	: 5	Annual L.T.C. costs*	: \$58,400
L.T.C. inflation rate	: 5.0%	Net cost of money	: 6.0%

Age	Annual L.T.C. Costs @ 5.0%	Self Insured 15 Payments**	L.T.C. Plan A 15 Payments**	L.T.C. Plan B 10 Payments**
60	\$58,400	\$24,144	\$5,219	\$7,365
61	\$61,320	\$24,144	\$5,219	\$7,365
62	\$64,386	\$24,144	\$5,219	\$7,365
63	\$67,605	\$24,144	\$5,219	\$7,365
64	\$70,986	\$24,144	\$5,219	\$7,365
65	\$74,535	\$24,144	\$5,219	\$7,365
66	\$78,262	\$24,144	\$5,219	\$7,365
67	\$82,175	\$24,144	\$5,219	\$7,365
68	\$86,283	\$24,144	\$5,219	\$7,365
69	\$90,598	\$24,144	\$5,219	\$7,365
70	\$95,127	\$24,144	\$5,219	n/a
71	\$99,884	\$24,144	\$5,219	n/a
72	\$104,878	\$24,144	\$5,219	n/a
73	\$110,122	\$24,144	\$5,219	n/a
74	\$115,628	\$24,144	\$5,219	n/a
75	\$121,409	n/a	n/a	n/a
76	\$127,480	n/a	n/a	n/a
77	\$133,854	n/a	n/a	n/a
78	\$140,547	n/a	n/a	n/a
79	\$147,574	n/a	n/a	n/a
<b>Total</b>	<b>\$670,864</b>	<b>\$362,160</b>	<b>\$78,285</b>	<b>\$73,650</b>

\* Equals daily benefit of \$160. (\$58,400 / 365 = \$160)

\*\* Present value of "Self Insured" option is \$248,566, "L.T.C. Plan A" is \$53,730 and "L.T.C. Plan B" is \$57,459. L.T.C. premiums are not guaranteed and can be raised, with the State Insurance Commissioners approval, on a class basis.

## Company Profiles - Input Screen

Select the following:



**Klark Standard 1.5.2** [Minimize] [Maximize] [Close]

File Edit Help

**Klark Proposal Software** I N C

Categories: [People] [Factory] [Building] [Pie Chart]

Active Case: Samples, Due Diligence

**Due Diligence:**

[Bar Chart] [Bar Chart]

A++ 5

[Pie Chart] [Pyramid]

[Calendar] [Bar Chart]

A++ LTC 5 LTC

**Company Profiles**

Company 1: Northwestern Mutual, WI

Company 2: Prudential Insurance, NJ

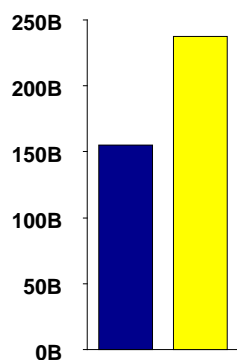
Company Profiles

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

# Company Profiles\*

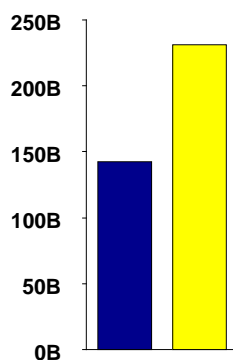
Prepared by YOUR NAME HERE

Admitted Assets



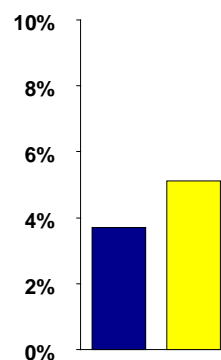
NML: \$154.8 Billion  
PRU: \$237.5 Billion

Total Liabilities



NML: \$142.4 Billion  
PRU: \$231.1 Billion

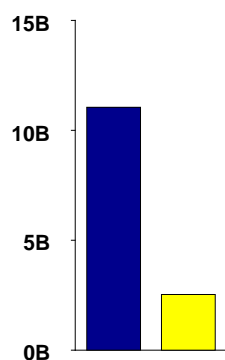
5 Yr. Avg. Ordinary Lapse Ratio



NML: 3.7%  
PRU: 5.11%

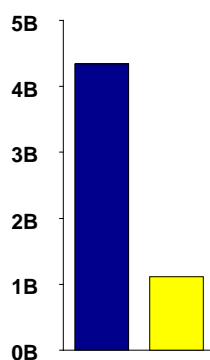
■ Northwestern Mutual, WI    ■ Prudential Insurance, NJ

Ordinary Life Premiums



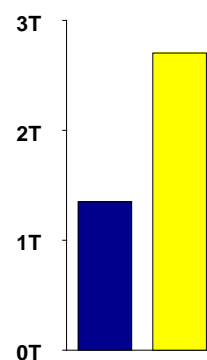
NML: \$11 Billion  
PRU: \$2.5 Billion

Life Dividends



NML: \$4.3 Billion  
PRU: \$1.1 Billion

Insurance in Force



NML: \$1.1 Trillion  
PRU: \$2.3 Trillion

1 Life Retention: NML - \$25,000,000    PRU - \$20,000,000  
Year of Incorporation: NML - 1857    PRU - 1873

\* Based on an analysis of financial data derived from "Best's Insurance Reports, Life-Health United States, 2009 Edition."

This information is not meant to suggest replacement of an existing policy.

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## Industry Ratings - Input Screen

Select the following:



**Klark Standard 1.5.2** File Edit Help

Klark Proposal Software INC

Categories:

Active Case: Samples, Due Diligence

Due Diligence:

Industry Ratings

Company 1	Northwestern Mutual, WI
Company 2	Prudential Insurance, NJ
Company 3	New York Life Ins, NY
Company 4	State Farm Life Ins, IL
Company 5	Select a company
Company 6	Select a company

Display ratings numbers: No

Industry Ratings

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

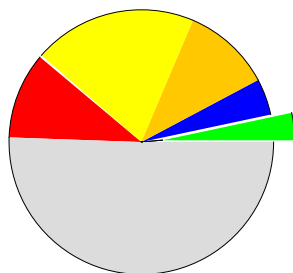


# Industry Ratings\*

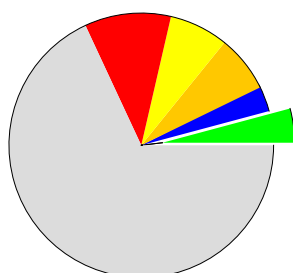
Prepared by YOUR NAME HERE

To simplify this presentation, companies that received a rating below the four highest were consolidated into the category "5th & below." This should not be interpreted to mean a company in the category "5th & below" is necessarily unacceptable.

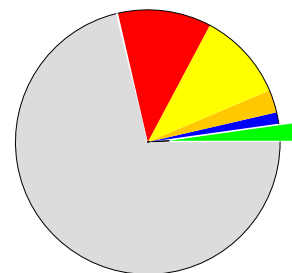
Standard & Poor's



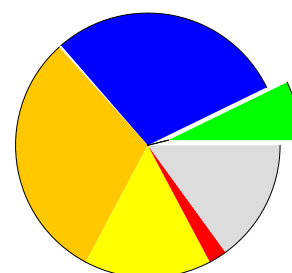
Fitch



Moody's



A.M. Best



## RATING SCALE



	S&P	Moody's	Fitch	Best
Northwestern Mutual, WI	AAA	Aaa	AAA	A++
Prudential Insurance, NJ	AA-	A2	A+	A+
New York Life Ins, NY	AAA	Aaa	AAA	A++
State Farm Life Ins, IL	AA	Aa1	AA+	A++

\* Third party ratings as of April, 2010 of the largest 219 companies based on insurance in force. See text titled "Rating Categories" for details on claims paying ability. These ratings do not apply to investment performance of investment products.

\*\* Rating services require companies to subscribe and pay a fee for their service. A "Not Rated" rating means a company does not subscribe to that service.

## 5 Year Industry Ratings History - Input Screen

Select the following:



**Klark Standard 1.5.2**

File Edit Help

Klark Proposal Software INC

Categories

Active Case: Samples, Due Diligence

Due Diligence

5 Year Industry Ratings History

Company 1 Northwestern Mutual, WI







Company 2 Guardian Life Ins, NY





















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





















# 5 Year Industry Ratings History\*

Prepared by YOUR NAME HERE

To simplify this presentation, companies that received a rating below the four highest were consolidated into the category "5th & below." This should not be interpreted to mean a company in the category "5th & below" is necessarily unacceptable.

RATING SCALE	
 Highest	 4th
 2nd	 5th & below
 3rd	 Not Rated**

Northwestern Mutual, WI					
	2006	2007	2008	2009	2010
S&P	 AAA	 AAA	 AAA	 AAA	 AAA
Moody's	 Aaa	 Aaa	 Aaa	 Aaa	 Aaa
Fitch***	 AAA	 AAA	 AAA	 AAA	 AAA
A.M. Best	 A++	 A++	 A++	 A++	 A++

Guardian Life Ins, NY					
	2006	2007	2008	2009	2010
S&P	 AA	 AA	 AA+	 AA+	 AA+
Moody's	 Aa2	 Aa2	 Aa2	 Aa2	 Aa2
Fitch***	 AA	 AA	 AA+	 AA+	 AA+
A.M. Best	 A+	 A+	 A+	 A++	 A++

\* Third party ratings as of April, 2010 of the largest 219 companies based on insurance in force. See text titled "Rating Categories" for details on claims paying ability. These ratings do not apply to investment performance of investment products. Ratings prior to April, 2010 represent information available during the fourth quarter of that year.


\*\* Rating services require companies to subscribe and pay a fee for their service. A "Not Rated" rating means a company does not subscribe to that service.

\*\*\* Formerly Duff & Phelps.

# Straight to the Point - Input Screen

Select the following:







 Klark Standard 1.5.2

File Edit Help



Klark  
Proposal  
Software  
I N C



Categories







Active Case: Samples, Due Diligence



Due Diligence











Straight to the Point

Include Weiss 

No

Help - F1

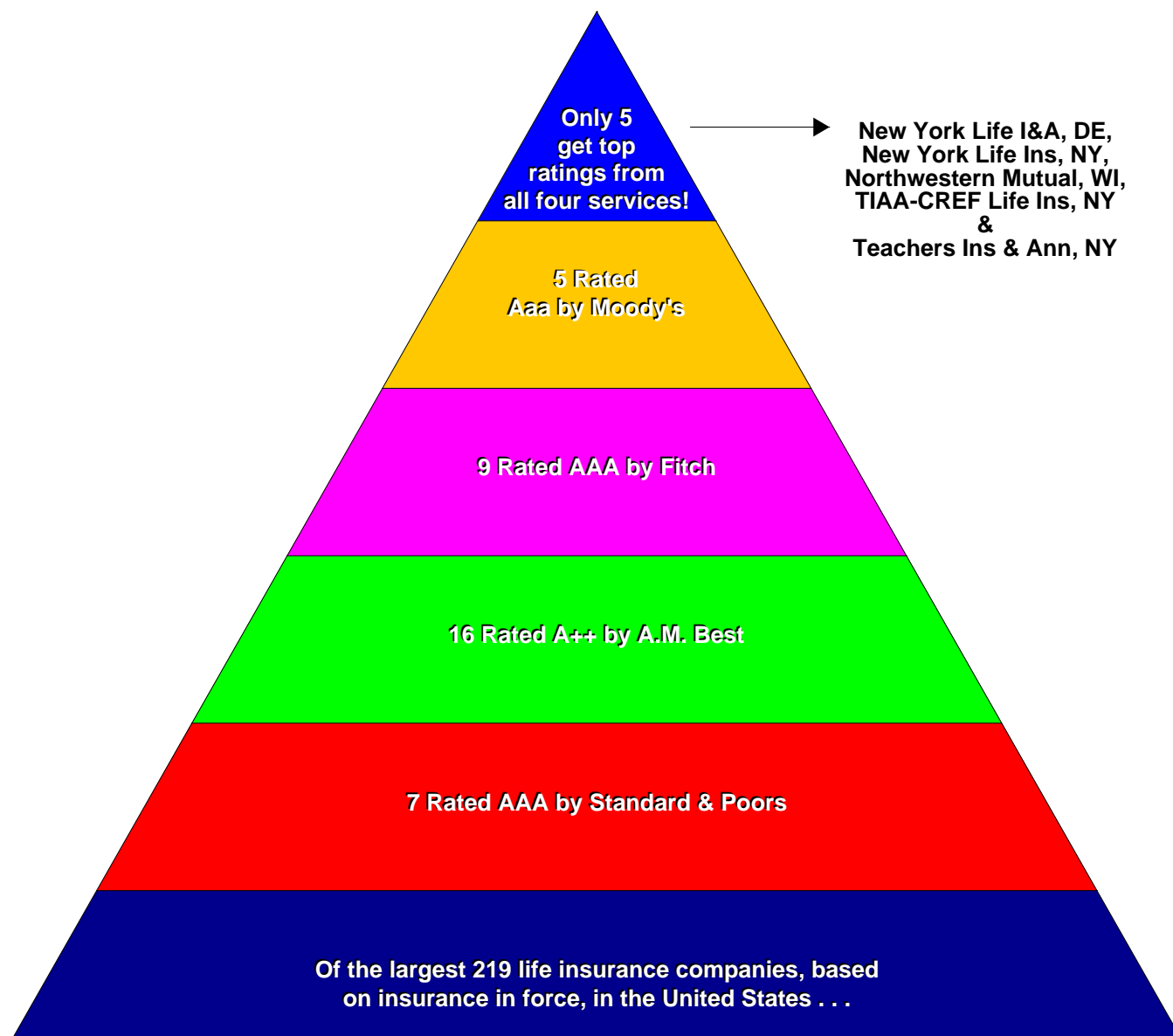
Configure - F2

Preview - F8

Print - F9

# Straight to the Point\*

Prepared by YOUR NAME HERE



*\* Third party industry ratings as of April, 2010. See accompanying text titled "Rating Categories" for details.*

## 10 Year Dividend History - Input Screen

Select the following:



**Klark Standard 1.5.2** [Minimize] [Maximize] [Close]

File Edit Help

**Klark Proposal Software** I N C

Categories: [People] [Factory] [Building] [Pie Chart]

Active Case: Samples, Due Diligence

Due Diligence: [Bar Chart] [Line Chart] [A++] [5] [Pie Chart] [Pyramid] [Calendar] [Bar Chart] [A++ LTC] [5 LTC]

10 Year Dividend History

Company 1: **Northwestern Mutual** ▼

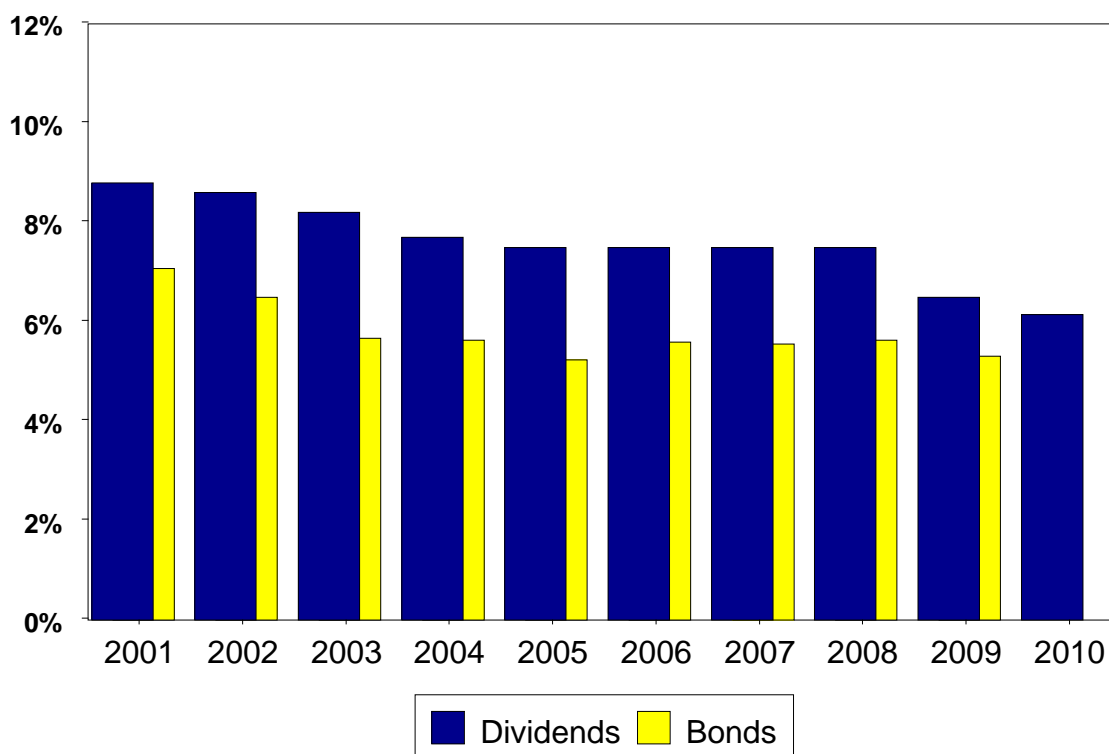
10 Year Dividend History

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

# 10 Year Dividend History - Northwestern Mutual

Prepared by YOUR NAME HERE

<u>Year</u>	<u>Dividend Interest Rate*</u>	<u>Corporate Bonds (Moody's Aaa)</u>
2001	8.80%	7.08%
2002	8.60%	6.49%
2003	8.20%	5.67%
2004	7.70%	5.63%
2005	7.50%	5.23%
2006	7.50%	5.59%
2007	7.50%	5.56%
2008	7.50%	5.63%
2009	6.50%	5.31%
2010	6.15%	-



\* Although interest is credited on the cash value of a policy using the dividend interest rate, charges are also made to cover the cost of mortality and expenses. The net result is reflected in the calculation of the dividend. Dividend interest rates are not guaranteed and are subject to change. The above dividend interest rates are for non-borrowed funds on policies with direct recognition.

This information is not meant to suggest replacement of an existing policy.

# Long Term Care Company Ratings - Input Screen

Select the following:



File

Edit

Help

Klark

Proposal Software

INC

Due Diligence

A++

5

A++ LTC

5 LTC

Categories

Active Case: Samples, Due Diligence

Long Term Care Company Ratings

Company 1

Northwestern LTC Ins, WI

▼

Company 2

Fortis Ins Co, WI

▼

Company 3

Metropolitan Life, NY

▼

Company 4

Mutual of Omaha, NE

▼

Company 5

Select a company

▼

Company 6

Select a company

▼

Display ratings numbers

No

▼

Long Term Care Company Ratings

Help - F1

Configure - F2

Preview - F8

Print - F9

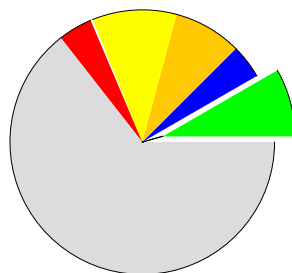


# Long Term Care Company Ratings\*

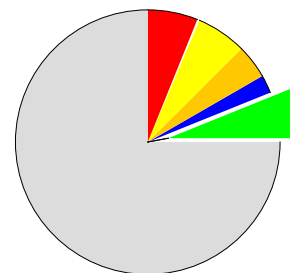
Prepared by YOUR NAME HERE

To simplify this presentation, companies that received a rating below the four highest were consolidated into the category "5th & below." This should not be interpreted to mean a company in the category "5th & below" is necessarily unacceptable.

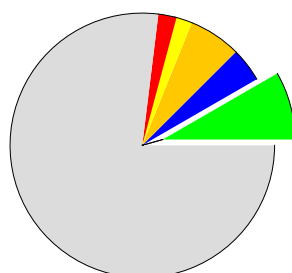
Standard & Poor's



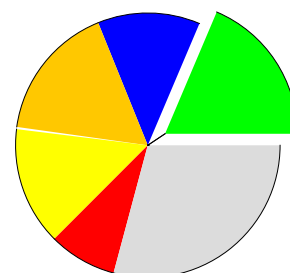
Moody's



Fitch



A.M. Best



## RATING SCALE



	S&P	Moody's	Fitch	Best
Northwestern LTC Ins, WI	AAA	Aaa	AAA	A++
Metropolitan Life, NY	AA-	Aa3	AA	A+
Mutual of Omaha, NE	AA-	Aa3	nr	A+
Knights of Columbus, CT	AAA	nr	nr	A++

\* Third party ratings as of April, 2010 of the largest 48 companies based on contracts in force. See text titled "Rating Categories" for details on claims paying ability. These ratings do not apply to investment performance of investment products.

\*\* Rating services require companies to subscribe and pay a fee for their service. A "Not Rated" rating means a company does not subscribe to that service.

## 5 Year L.T.C. Company Ratings History - Input Screen

Select the following:



**Klark Standard 1.5.2** [Minimize] [Maximize] [Close]

File Edit Help

**Klark Proposal Software** I N C

Categories: [People] [Factory] [Building] [Pie Chart]

Active Case: Samples, Due Diligence

Due Diligence: [Bar Chart] [Line Chart] [A++ 5] [Pie Chart] [Pyramid] [Calendar] [Bar Chart] [A++ LTC] [5 LTC]

5 Year L.T.C. Company Ratings History

Company 1: Northwestern LTC Ins, WI ▼

Company 2: IDS Life Ins Co, MN ▼







5 Year L.T.C. Company Ratings History





















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





















# 5 Year L.T.C. Company Ratings History\*

Prepared by YOUR NAME HERE

To simplify this presentation, companies that received a rating below the four highest were consolidated into the category "5th & below." This should not be interpreted to mean a company in the category "5th & below" is necessarily unacceptable.

RATING SCALE	
 Highest	 4th
 2nd	 5th & below
 3rd	 Not Rated**

Northwestern LTC Ins, WI					
	2006	2007	2008	2009	2010
S&P	 AAA	 AAA	 AAA	 AAA	 AAA
Moody's	 Aaa	 Aaa	 Aaa	 Aaa	 Aaa
Fitch***	 AAA	 AAA	 AAA	 AAA	 AAA
A.M. Best	 A++	 A++	 A++	 A++	 A++

Metropolitan Life, NY					
	2006	2007	2008	2009	2010
S&P	 AA	 AA	 AA	 AA-	 AA-
Moody's	 Aa2	 Aa2	 Aa2	 Aa2	 Aa3
Fitch***	 AA	 AA	 AA	 AA	 AA
A.M. Best	 A+	 A+	 A+	 A+	 A+

\* Third party ratings as of April, 2010 of the largest 48 companies based on contracts in force. See text titled "Rating Categories" for details on claims paying ability. These ratings do not apply to investment performance of investment products. Ratings prior to April, 2010 represent information available during the fourth quarter of that year.

\*\* Rating services require companies to subscribe and pay a fee for their service. A "Not Rated" rating means a company does not subscribe to that service.

\*\*\* Formerly Duff & Phelps.