

REP GUIDE

LIBERTY LIFE ASSURANCE COMPANY OF BOSTON



LEGACYLINK®

Innovation IN
WEALTH TRANSFER



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Legacy Link - Innovation in Wealth Transfer

Legacy Link is an innovative solution to a problem that is growing more and more prevalent in our aging society. Concerned about their retirements, millions of individuals have purchased deferred annuities as a way of saving money on a tax favored basis. After years of disciplined saving, individuals are now realizing they have accumulated significant amounts of money in their annuities, as well as in other retirement savings vehicles such as 401(k)'s, IRA's, and mutual funds. In many cases, people have done a better job preparing for their retirement than they had ever expected. Where this is the case, individuals are no longer concerned about how they will fund their retirements, but instead are contemplating the best ways to leave legacies to their loved ones.

The Problem:

Although the annuity, with its tax-deferred growth and its capability of providing a guaranteed life income, is a great choice when planning for retirement, it may not be the most efficient vehicle for transferring assets to heirs. Yes, earnings on the contributions to an annuity grow tax-deferred, but taxes must eventually be paid on the accumulated growth. Most people realize that taxes will be due when they finally begin taking distributions from their annuities, but few consider the tax consequences if they happen to die with their annuities.

An annuitant's beneficiaries are still responsible for paying income taxes on the accumulated growth within a deferred annuity. This means that the inheritance the annuitant thought would be left to his/her heirs will be reduced by the amount of taxes due to those beneficiaries.

The Solution:

If annuity owners plan for their legacies as well as they planned for their retirement, they have the opportunity to leave behind a larger net inheritance that will also avoid burdening heirs with additional income taxes. Through Legacy Link, Liberty Life is helping clients reposition their assets from what might be the perfect retirement planning vehicle -- an annuity -- into what could be the ideal asset transfer vehicle: life insurance.

How it works:

Legacy Link systematically repositions your clients' assets from their tax-deferred annuity to a life insurance policy with an income tax free death benefit.

Transferring Annuity Assets

If they are not already in an annuity with Liberty Life, funds from the client's existing annuity, are transferred to a Liberty annuity. The transfer takes place using a "1035 Exchange," which protects the tax-deferred status of the annuity's accumulated earnings. It is very important that this step is done correctly. If not, the annuitant could become liable for income taxes in the current year for all tax-deferred accumulations.

The Single Premium Immediate Annuity

The new Liberty Annuity, a Single Premium Immediate Annuity (SPIA), is used to distribute equal portions of principal and taxable interest, over a period of eight to 10 years. Instead of being distributed in one lump sum, funds are distributed over a period of years to minimize the impact of the income taxes that will be due to the annuity owner. Eight years is used to keep the life insurance contract that will be purchased from becoming a modified endowment contract or MEC.

Distributions from the SPIA are assigned by the annuitant to Liberty Life to pay the annual premiums for a universal life insurance policy. By assigning payments from the SPIA to Liberty, your client will not be bothered by receiving annual checks from Liberty for the annuity and then having to send checks right back to Liberty for life insurance premiums. Funds will be transferred seamlessly so your client will never have to worry about dealing with future distributions and life insurance premium payments. If your client chooses, Liberty can even withhold a portion of the annuity payments to cover income taxes that will be due. If taxes are not withheld and are paid using other resources, the maximum amount left from the annuity payments will be used to purchase a larger life insurance death benefit.

The Life Insurance Policy

A life insurance policy is purchased using the full annual annuity payments as premiums, or an amount that has been reduced by the withholdings just mentioned above. With Legacy Link in mind, the life insurance policy is generally set up so that it will endow at age 100 using the payments that will come from the annuity. This means that your clients will receive a lifetime of coverage and never be asked for another premium payment unless the performance of the contract is affected by loans or withdrawals from the policy's cash value.

Although Legacy Link is intended for individuals that do not anticipate personally needing the funds from their annuity, we understand that circumstances have a way of changing unexpectedly. Liberty's life insurance contract makes several options available to clients that need to access their funds in the event of an emergency. First, Legacy Link's universal life policy will accumulate policy cash values at competitive interest rates. These cash values will grow tax-deferred and can be accessed through loans and withdrawals. Despite being a convenient source of quick cash, clients should be warned that loans and withdrawals may jeopardize the ultimate performance of the contract. In addition, withdrawals in the early contract years may be subject to surrender charges.

If your clients qualify, funds may also be accessed through the contract's Waiver of Withdrawal Charge provision and Accelerated Death Benefit rider. These benefits may not be available in all states.

The Target Market

Legacy Link from Liberty Life is designed for individuals who:

- Own deferred annuities with relatively long accumulation periods. These annuities will have accumulated earnings that will eventually present an income tax liability to either the annuitant or his/her beneficiaries. These annuities are also generally beyond the period for which surrender penalties would be due.
- Recognize they are probably not going to need the money in their annuity for their own retirement.
- Are at least 59 ½ years old and can take distributions from their annuities without incurring federal early withdrawal penalties. Individuals over age 59 ½ will also have a better perspective on which assets they will need for their retirements and which assets will eventually be left to heirs.
- Have heirs with mid to high income tax brackets. By paying the taxes over a period of time at the annuity owner's tax bracket, less of the total value in the annuity may be consumed by income taxes than if they were assessed at the beneficiaries tax bracket.

Important Considerations

- Legacy Link is not for everyone! A number of factors can affect whether the life insurance death benefit will actually be greater than the projected annuity value at the time of death. These factors include the beneficiary's and annuitant's tax brackets, how long the insured lives, interest rates paid, and any loans or withdrawals that may have been taken from the contract.
- Legacy Link is not generally recommended for clients with money in a qualified plan. Unlike the funds from a non-qualified tax-deferred annuity, which are normally subject to taxes on the interest earned, funds from a qualified plan may be subject to taxes on both principal and interest.
- A 1035 Exchange and annuitization of funds are irrevocable decisions. Clients should not commit to Legacy Link until they understand that it is meant for people who don't intend to take an income from their annuity.

-
- If a Legacy Link client dies while funds are still being distributed from the SPIA, the beneficiaries designated in the SPIA will receive any remaining payments from the contract in addition to the life insurance death benefit. Although the life insurance death benefit will be received income tax free, taxes will be due on the remaining annuity payments.
 - Although life insurance offers certain income tax benefits, the net death benefit is generally considered an asset in the policy owner's estate. For this reason, the purchase of life insurance may contribute to a client's potential estate tax liability. A tax advisor should be consulted for detailed information.

Selling Legacy Link - Step by Step Sales Track

The Legacy Link presentation brochure has been designed for presenting the Legacy Link concept to your best prospects. The following scripts have been written to help give you a step by step “track” to run on as you discuss this concept with your clients.

Step 1 - Leveraging Your Success

Before anything else, Legacy Link prospects should be congratulated for their foresight. When they planned for their retirement, they wisely chose the deferred annuity as a savings vehicle. Due to competitive returns and tax favored accumulation, their savings have now appreciated to a considerable sum of money. Given their success, they should feel good about decisions that were made. They should feel confident that however their financial goals and objectives may have changed, they wisely made choices that now afford them the luxury of thinking beyond their personal needs to what they can do for others.

“Ms. Smith, thanks for coming in today. In preparing for our appointment, I carefully reviewed the status of your annuity, and it appears that you made a very wise decision when you purchased it. As of today, your annuity has a current value of (\$). That means you’ve gained (\$) since your initial investment was made (yrs) ago.”

“The reason I wanted you to come in today is to talk about this money and make sure that it continues to serve your long-term needs. Depending on your answers to a few questions, I believe there may be a terrific opportunity to leverage the success you’ve had preparing for your retirement.”

Step 2 - Now, Later, Never

Although the deferred annuity may have been purchased at one point in the past to provide a source of income during retirement, the time has come to decide whether it will actually be needed for that purpose. With retirement no longer being a dream but a reality, the prospect now has a clear perspective on whether he/she will personally need these funds for today’s needs, whether he/she will need them tomorrow, or whether the real intent is to pass these dollars on to heirs.

“As you know, Ms. Smith, your money is in a tax-deferred annuity. This means that all the interest earnings grow free from current income tax. The reason the government allows this tax-deferred growth is to encourage people to save for retirement.

So, let me ask you, what do you intend to do with the money in this annuity?”

Allow your client to respond to this open ended question. If the client does not have any intention of personally using the money, repeat her responses back to her and ask her to confirm the following statements.

“So, what you’re telling me is that you don’t intend to use these funds during your lifetime?”

“That’s not surprising really, because many people who own annuities do not ultimately need them for retirement.”

“Now if we just leave this annuity alone and do nothing with it, it would go to your daughter Allison at your death. Is that right? Let’s take a look at what might happen to that money when it passes to Allison.”

Step 3 - You’ve Got Choices

Now that your client has confirmed for you that they are not intending to personally use this money, they need to better understand how this change of plans is going to affect them and their beneficiaries. They may not even be aware that there is a problem. Your job is to educate the client about the problem and help them to better understand the potential solutions that are available and the consequences of not doing anything

“As I said, you made a wise decision several years ago when you purchased this annuity. Because of tax-deferral and its ability to provide an income for life, an annuity is a terrific tool to use when you’re planning for retirement. But, Ms. Smith, an annuity may not be the best tool for transferring assets from one generation to the next. You see, the taxes that you deferred with your annuity must be paid someday - either by you, if you were to use those funds yourself, or by your daughter if she were to inherit them. And, since you’re not actually going to use this money yourself, it could go from having been a tax savings for you, to being a tax burden for Allison.”

“Today your annuity has a value of (\$). Of that amount, (\$) was your original principal or cost basis. That leaves (\$) taxable to Allison if inherited today. At Allison’s (%) tax bracket, she would pay approximately (\$) in federal income taxes after your death.”

Formula for Estimating Beneficiary’s Tax:

(Annuity Value - Cost Basis) X Beneficiary Tax Bracket = estimated income tax due

“Ms. Smith, I know you’ve worked hard to build up this (\$). And since your goal is to leave it to Allison, it would be a shame for her to end up sending (\$) to Uncle Sam.”

“What I’d like to tell you is that your annuity is not your only option. There is an alternative.”

Step 4 - It’s Your Legacy

With a better understanding of the problem, it is now time to help your client understand why the Legacy Link alternative makes sense. This is your opportunity to use the Legacy Link illustration system to show your client the actual death benefit values available and how they might compare to the after-tax annuity values that would otherwise go to heirs.

“Instead of staying in this retirement planning vehicle, I want you to think about transitioning to a wealth transfer vehicle. Instead of having your money in an account that’s tax-deferred today, but which will ultimately be taxable to Allison when she inherits it, think about leaving Allison an income-tax-free inheritance that could, under the right circumstances, be greater than the after-tax value she would inherit through your annuity. Wouldn’t that make sense?”

“What I’m talking about is Legacy Link with Liberty Life. With Legacy Link, you would move your current annuity to an annuity with Liberty Life. Those funds would then be annuitized, meaning that principal and interest would be distributed over the next eight years. Payments from the annuity, either before taxes or after you pay taxes, are used to buy a life insurance policy. With Legacy Link, you purchase a life insurance death benefit for Allison, on which no income taxes are due, and which could provide a larger legacy.”

“Let’s see how this works in your particular situation (*Ask questions 22 and 23 to determine class then Run and Explain a Legacy Link Illustration*).”

“Now, you’ve told me today that this money’s going to Allison. It seems pretty clear that, instead of paying all those taxes on the annuity, that the Legacy Link alternative is the better choice. Don’t you agree?”

“All that’s really left to do is fill out some forms and make sure that you’re eligible for the life insurance. Do you have a few more minutes to complete the process? (*Start filling out life application*)”



Understanding the Legacy Link Supplemental Illustration

Illustration Assumptions: 65 Female, Standard, Non-Tobacco, State = MA

Prospect's Name

Legacy Link - A Life Insurance Policy Supplemental Illustration
Spectrum Universal Life - A Flexible Premium Universal Life Insurance Policy

Designed for: Passa D. Million Prepared By: Joe Agent

Illustration Assumptions:

Current Annuity Value: \$50,000
Annuity Cost Basis: \$25,000
Annuity Interest Rate: 5.00%

Owner's Tax Bracket: 30%
Beneficiary's Tax Bracket: 40%

Stream of payments available from the annuity if annuitized over 8 years.

If Liberty Life Annuitizes Proceeds:

Total Annuity Proceeds	# Of Annual Payments	Annual Annuity Payment *	Annuity Payment After Tax *
\$50,000	8	7,164	5,952

* The Annual Annuity Payment is based on Liberty Life's current Single Premium Immediate Annuity rates for an 8 Yr Period Certain Annuity and may be subject to change. The tax liability for each annual payment has been estimated using the Owner's Tax Bracket.

Net funds available to heirs if annuity owner dies with current annuity.

End of Year	Annuity		Legacy Link		
	Account Value of Annuity @ 5.00% #	After Tax Value to Beneficiary**	After Tax Immediate Ann Pymnts ##	Cash Surrender Val. of Life Ins. ***	Income Tax-Free Death Benefit ***
1	52,500	41,500	5,952	3,212	68,362
2	55,125	43,075	5,952	8,744	68,362
3	57,881	44,729	5,952	14,617	68,362
4	60,775	46,465	5,952	21,072	68,362
5	63,814	48,288	5,952	28,024	68,362
6	67,005	50,203	5,952	35,460	68,362
7	70,355	52,213	5,952	43,440	68,362
8	73,873	54,324	5,952	51,773	68,362
9	77,566	56,540	0	54,485	83,818
10	81,445	58,867	0	57,486	85,729
@ 85	132,605	89,599	0	89,097	109,028
@ 95	216,097	139,658	0	132,737	143,900
@ 100	275,801	175,480	0	165,773	169,056

Footnotes continued on the next page.

Supplemental Illustration Date Prepared 03/26/2002 Page 2 of 11 pages

Policy cash values available to the policy owner in the event of an emergency

Important items to consider.

Legacy Link - A Life Insurance Policy Supplemental Illustration
Spectrum Universal Life - A Flexible Premium Universal Life Insurance Policy

Designed for: Passa D. Million Prepared By: Joe Agent

These numbers are for illustration purposes only and do not represent the actual or projected growth of any particular annuity.

** Taxes have been estimated using the beneficiary's tax bracket.

Annuity payments, less estimated taxes, will be applied as premiums for life insurance. If the insured dies before all payments have been received from the annuity, the beneficiary will receive the remaining payments in addition to the life insurance death benefit.

***Policy Values and benefits are based on current interest rates, cost of insurance and expense charges and are not guaranteed. Actual results may be more or less favorable.

Note: This supplemental illustration does not include guaranteed values. It must be accompanied by a basic illustration for a Spectrum Universal Life Flexible Premium Adjustable Life Insurance Contract which includes guaranteed values and other policy information.

The Legacy Link supplemental illustration must be accompanied by a complete illustration for Liberty's Spectrum Universal Life

Submitting a Legacy Link Case

To submit a Legacy Link case, follow the three easy steps outlined in the Legacy Link **Application Checklist**. A copy of the checklist comes with each Legacy Link forms package. The following annotated pages have been prepared to answer many of the questions you may have on how to complete and submit the Legacy Link forms.

Application Checklist

Step 1

- ☐ A. Complete the Authorization and Disclosures form, the Application for Life Insurance, and the Medical History.
- ☐ B. Fax completed forms in the order below to **800-400-6694**. It is not necessary to attach a cover sheet nor call when you are faxing.
 - 1. Authorization and Disclosures
 - 2. Application for Life Insurance
 - 3. Medical History
 - 4. Page 2 of the Sales Illustration (Legacy Link /Annuity Comparison)
- ☐ C. Liberty will call you back in 15 minutes with a decision. If you do not hear from us after 20 minutes, please call our service team at **1-800-378-7490**.

Step 2

- ☐ A. Liberty will fax back an approval and a completed SPIA Application.
- ☐ B. Obtain customer's signature on SPIA Application and complete:
 - 1. IRC Section 1035 Assignment form
 - 2. Suitability Statement and Assignment of Annuity Payments form
 - 3. Replacement forms as required by your state.
- ☐ C. Package all completed forms from Steps 1 & 2, including the complete sales illustration, and forward them to the back office.

Step 3

- ☐ When Liberty receives the funds from the surrendering company, the insurance and annuity policies will be issued and sent to you for delivery. At that time, have the illustration and any other outstanding delivery requirements completed and returned to Liberty.

**If you have questions, contact:
800-500-2995**



Policy Number: _____

AUTHORIZATION AND DISCLOSURES

Proposed Insured	Date of Birth	Place of Birth	Occupation
Passa D. Million	4/1/36	Anytown, CA	Stock Broker

**LIBERTY LIFE ASSURANCE COMPANY OF BOSTON
AUTHORIZATION TO OBTAIN INFORMATION**

I AUTHORIZE any licensed physician, medical practitioner, hospital, clinic, other medical or medically-related facility, insurance or reinsuring company, the Medical Information Bureau, Inc. (MIB), consumer reporting agency, employer or former employer to give to Liberty Life Assurance Company of Boston (Liberty), its employees and reinsurers any information about my: physical or mental condition, character; general reputation; habits; finances; insurance history; occupation; and hobbies. I also authorize Liberty to obtain an investigative consumer report on me.

I AM AWARE that Liberty will use this information to determine if I am eligible for insurance or for benefits under an in-force policy. I am aware that Liberty may give this information to: its reinsurers; the MIB; other persons or entities that perform services related to my application or claim; or as may be authorized or required by law.

I AGREE that this form shall be valid for 30 months from the date below. I agree that a copy will be valid as this original.

I MAY ASK for a copy of this form.

I HAVE RECEIVED the Notice of Information Practices and the notices required by the Federal Fair Credit Reporting Act and MIB.

Date 3/26/02x Passa D. Million
Signature of Insured

Insured needs to sign twice.

Rep signs here
as the witness.**LIVING BENEFIT DISCLOSURE ACKNOWLEDGMENT**

I acknowledge that if I have requested Liberty's Accelerated Death Benefit, I have read the disclosure in Liberty's Living Benefit brochure.

x Joe Agent
Signature of Witnessx Passa D. Million
Signature of InsuredDate 3/26/02Make sure all fields
are completed
clearly so Liberty
can contact you
with a decision.**PLEASE PRINT**

Representative Name	Liberty ID	Fax #	Time Sent
Joe Agent		Your Branch Fax #	3:00 pm
Your Bank Name	Branch	Phone #	State
	Branch Name	Your Branch Phone #	NH
Home Office Use Only		Authorized Home Office signature	
Approved for field issue?		<input type="checkbox"/> No: The following are necessary:	
<input type="checkbox"/> Yes - - Class A		Exam Blood/Urine/EKG Medical Records	
<input type="checkbox"/> Yes - - Standard			

State specific
forms are
required in
MN, PA, & SC.

BNK 94107



LIBERTY LIFE ASSURANCE COMPANY OF BOSTON
APPLICATION FOR LIFE INSURANCE

NU3

Enter Premium Class:
Standard or Class A.

Enter amount of initial
death benefit.

Provide office/ branch
and rep information.

Use a state specific
app in: DC, GA, KY,
LA, ME, MI, MN, MO,
OR, PA, SC, VT, &
WV.

Indicate the
amount of the
initial and planned
annual payment
These are often
the same number.

Answer both
replacement
questions. Since
an annuity is
generally
replaced, answer
"No" here and
"Yes" to the
replacement
question on the
SPIA application.

Be sure to sign
the App.

Indicate Legacy
Link and the
source of funds
for this policy, a
Liberty SPIA or
another
company's

PLAN OF INSURANCE				
1. Plan <u>Spectrum Universal Life</u>		2. Payment Mode <input type="checkbox"/> Semi-Annual <input checked="" type="checkbox"/> Pre-Authorized Check <input checked="" type="checkbox"/> Annual		
3. Additional Agreements <input checked="" type="checkbox"/> Accelerated Death Benefit <input type="checkbox"/> Other _____		4. Initial Payment \$ <u>5,952</u>		
5. Premium Class <u>Standard</u>		6. Planned Payment \$ <u>5,952</u>		
7. Initial Death Benefit \$ <u>68,362</u>		8. First Year Guaranteed Interest Rate: <u>5.75</u> % <u>(use current rate)</u>		
INSURED				
9. Name - First Middle Last <u>Passa D. Million</u>			10. <input type="checkbox"/> Male <input checked="" type="checkbox"/> Female	11. Age <u>65</u>
12. Address <u>123 Main Street Anytown, MA 12345</u>			13. Birthdate <u>4/1/36</u>	
			14. Social Security Number <u>123-45-6789</u>	
15. Has this person used tobacco of any kind within the last 24 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
16. Will this contract replace any existing life insurance policy or annuity contract in this or any other company? <input type="checkbox"/> Yes If yes, please list company name: _____ Policy / contract Number _____ <input checked="" type="checkbox"/> No				
OWNER (If Other than Insured)				
17. Name			18. Address	
19. Tax ID				
BENEFICIARY				
20. Name <u>Deserra D. Million</u>	Relationship (To Insured) <u>Daughter</u>	SSN or DOB (If Known) <u>987-65-4321</u>	<input checked="" type="checkbox"/> Primary <input type="checkbox"/> Contingent	100 %
21. Name	Relationship (To Insured)	SSN or DOB (If Known)	<input type="checkbox"/> Primary <input type="checkbox"/> Contingent	%
AGENT				
To the best of your knowledge, will the contract applied for replace any existing life insurance or annuity in this or any other company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Office <u>Your Bank Name</u>	Agent #	Agent's Name (please print) <u>Joe Agent</u>		
Office Number <u>Your Branch Name</u>	Agent License # <u>41260086</u>	Agent's Signature <u>Joe Agent</u>		
OFFICE USE ONLY				
Number of years to pay premium <u>8</u>		<input checked="" type="checkbox"/> Legacy Link		
Insured's Home Phone Number _____		Funding: <input checked="" type="checkbox"/> Liberty Life Annuity <input type="checkbox"/> Other _____		
PUL-94182-APP White copy (original) to Liberty Life APP-1 Yellow copy to Agent Blue copy to client				



LIBERTY LIFE ASSURANCE COMPANY OF BOSTON
MEDICAL HISTORY

NU3

22. Has the insured been:	
A. Hospitalized or surgically treated within the last 2 years for heart disease?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B. Treated within the last 5 years for cancer?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C. Diagnosed with or treated by a member of the medical profession for: stroke or other cerebrovascular disease, diabetes treated with insulin, kidney disease (not to include bladder or prostate), Alzheimer's disease or other neurological disorder, liver disease, organ transplant, Acquired Immunodeficiency Syndrome (AIDS) or AIDS Related Complex (ARC), alcohol or drug abuse? ARC is a condition with signs and symptoms which may include generalized lymphadenopathy (swollen lymph nodes), loss of appetite, weight loss, fever, oral thrush, skin rashes, unexplained infections, dementia, depression or other psychoneurotic disorders with no known cause.	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
23. Has the insured been:	
A. Diagnosed with or treated within the last 10 years for: heart disease or arrhythmia, blood pressure treated with medication, vascular or circulatory disease, fainting spells, emphysema or other chronic lung or respiratory disorder, cancer, diabetes, Crohn's disease, regional enteritis, ulcerative colitis, or chronic gastritis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B. Turned down, charged an extra rate, cancelled or refused renewal of life, health, or disability insurance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C. Unable to work or perform regular activities for more than 7 consecutive days within the past 6 months because of sickness or injury?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D. Hospitalized for any reason within the last 6 months?	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No
24. Provide full details here for questions 22 and 23 answered "Yes":	
Quest #	23 A Provide the Following: Doctor's Name
Quest #	Doctor's Address
Quest #	Doctor's Phone Number
Quest #	Date of Diagnosis
Quest #	Medication

Please provide details of sickness, injury, medications, & dosages. Include names and addresses or each doctor or hospital.

"NO" to all parts of questions 22 and 23 is eligible for Standard.

"NO's" to 22 and "Yes" to 23 A. or B. is eligible for Class A

"NO's" to 22 and "Yes" to 23 C. or D. contact Liberty

INSURING AGREEMENT

I declare that all statements and answers given in this application are true and complete to the best of my knowledge and belief. I agree that they will form the basis for, and be a part of, any contract of insurance issued by the Company.

SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER (TIN) CERTIFICATION

By signing this application, the named Owner certifies under penalties of perjury that: (1) the TIN shown on Question 19 of this application is correct, and (2) that I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interests or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding. (If you are subject to backup withholding, cross out item 2 above.)

Dated at Anytown, MA on 3/26/02 Joe Agent
City and State Date of Issue Signature of Witness

Passa D. Million _____
Signature of Insured Signature of Owner if Other than Insured

PUL-94182-APP

White copy (original) to Liberty Life

Yellow copy to Agent

Blue copy to client

APP-2



LIBERTY LIFE ASSURANCE COMPANY OF BOSTON

APPLICATION
SINGLE PREMIUM
IMMEDIATE ANNUITY

100 Liberty Way
Dover, NH 03820

1. Annuitant's Name (first, middle initial, last) and Address:
Passa D. Million
123 Main Street
Anytown, MA 12345

2. Date of Birth: 04 / 01 / 36 Age: 65
M D Y

3. ☐ Male ☒ Female

Social Security No: 123-45-6789

4. Joint Annuitant's Name (first, middle initial, last) and Address:

5. Date of Birth: / / Age:
M D Y

6. ☐ Male ☐ Female

Social Security No:
Relationship to Annuitant:
7. Owner's name and address (if no other Owner is designated, the Annuitant will be the Owner):

The Owner is ☐ Individual ☐ Corporation
☐ Partnership ☐ Trustee

8. Single Premium: Approx. \$50,000

9. ☒ Yes ☐ No Is this Annuity intended to replace or change, in whole or in part, any existing life insurance, including U.S. Government Life Insurance, or Annuity in this or another company: If "yes," give company, plan and amount:

ABC Financial, Policy # 9995564, Approx. \$50,000

10. Annuity Benefits:

8 year period certain with equal annual payments in the amount of \$5,952.

11. Name of Beneficiary and relationship to Annuitant:

Deserva D. Million, Daughter

12. Home Office Use Only

13. I declare that all statements and answers given above are true and complete to the best of my knowledge and belief. I agree that they will form the basis for, and be a part of, any Annuity contract issued by the Company.

Any person who knowingly, and with intent to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information may be subject to criminal or civil penalties.

Passa D. Million
Signature of Applicant/Owner

Anytown, MA 3/26/02
Dated at (City, State) On (Month, Day, Year)

Title

Agent: I declare that, to the best of my knowledge and belief, the policy applied for ☒ does ☐ does not involve the replacement of existing insurance or annuity as defined in the applicable regulation.

Joe Agent
Signature of Agent

Anytown, MA 3/26/02
Dated at (City, State) On (Month, Day, Year)

Your Bank Name
Agency

41260086
Agent # Agent License #

PLA 96185

Liberty will fax a completed SPIA App with the approval. Simply have the client sign it.

Don't forget your signature.



Liberty Life Assurance Company of Boston

IRC Section 1035 Assignment Form

To: ABC Financial 555 Main Street, Anytown, NH 54321
Name of Current Company Address

Re: 9995564 Passa D. Million Passa D. Million
Contract Number Contract Owner Annuitant/Insured

I hereby assign and transfer all right, title and interest of every nature and character in the above Contract ("the Contract") to Liberty Life Assurance Company of Boston ("Liberty Life"). I understand that I am irrevocably waiving all rights, claims and demands under the Contract. The purpose of this assignment is to effect a non-taxable exchange of the contracts under the Internal Revenue Code Section 1035 (IRC Sec. 1035).

I hereby declare that the Contract is not subject to any assignment, pledge, collateral assignment or other lien. I further declare that no proceedings in bankruptcy or insolvency, voluntary or involuntary, have been instituted by or against me and that I am not under guardianship or any legal disability.

Complete
Sections I & II by
having the client
initial his/her
responses.

I understand it is the intent of Liberty Life to surrender the original Contract to the Company which issued it and that Liberty Life assumes no responsibility for any delay by that Company in paying the surrender proceeds.

I understand that the proposed transfer may have important tax consequences and I represent and agree that Liberty Life is furnishing this form and is participating in this transaction at my request. I agree that Liberty Life makes no representations concerning my tax treatment under IRC Sec. 1035 or otherwise and that Liberty Life has no responsibility nor liability for the validity of this assignment.

(Owner should initial each section)

Section I

PM I have enclosed the Contract

I certify that the Contract has been lost or destroyed.
After due search and inquiry, to the best of my knowledge, it is
not in the possession or control of any other person.

Section II

PM I understand that the Liberty Life contract issued will have a new surrender charge period and a new suicide and contestable period.

The date Liberty Life receives the surrender proceeds will be A) the date on which coverage first becomes effective under a Liberty life contract and B) the date on which the surrender check will be applied to the Liberty Life contract.

Joe Agent
Signature of Witness - Licensed Agent

3/26/02
Date

Passa D. Million
Signature of Owner

3/26/02
Date

Irrevocable Beneficiary (if any)

Date

Signature of Owner's Spouse
(Community Property states only)

Date

BNK 9552 (LegLink)



Liberty Life Assurance Company of Boston

LEGACY LINK[®]

Suitability Statement

PLEASE INITIAL
understand:

- that I am purchasing life insurance and that the death benefit of the life insurance policy will be paid free of federal income tax to my personal beneficiaries. (This reflects current law).
- that the death benefit and policy values are subject to change based on interest crediting rates, cost of insurance charges, expenses charges, surrender charges, loans, and withdrawals.

I intend to pay for the policy either with payment from an annuity and/or with other liquid assets and I am not utilizing these funds as a source of current income.

I understand that if I am paying for the life insurance policy with payments from an annuity, part of the annuity payments are taxable as income. In addition, liquidation of the annuity may result in other tax consequences, early withdrawal penalties, and other costs and penalties.

I understand that:

- if I am under age 59 1/2, there may be a 10% federal tax penalty on the taxable portion of payments from an annuity,
- that annuitization or full surrender of an existing annuity is an irrevocable decision and cannot be reversed even if I choose to return or surrender my life insurance policy.

This disclosure is not meant to replace any required state replacement forms. It is designed to assist me in understanding the nature of and funding for my wealth transfer life insurance purchase. I understand that I should consult with my tax adviser regarding any tax considerations relating to this transaction.

Assignment of Annuity Payments

To: Liberty Life Assurance Company of Boston, 100 Liberty Way, Dover, NH 03820

Re: 123-45-6789
SSN/Contract #

Passa D. Million
Contract Owner

Passa D. Million
Annuitant/Insured

I hereby assign the annuity payments from the above issued Contract ("the Contract") to Liberty Life Assurance Company of Boston ("Liberty Life"). I understand that I am irrevocably waiving all rights, claims and demands under the Contract while this assignment is in effect.

I understand it is the intent of Liberty Life to utilize the annuity payments to pay premiums on a life insurance policy that I have applied for and they have agreed to issue before this assignment takes effect.

Generally, Federal income tax withholding applies to the taxable part of payments made from annuity plans. You can also choose not to have income tax withheld from your payments. However, you may **not** make this choice for eligible rollover distributions. **Caution:** There are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. You cannot designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3. I understand Federal income tax will be withheld from my annuity payments using IRS wage withholding and number of exemptions.

1. Check here if you **do not want any** Federal income tax withheld from your periodic annuity payments. (Do not complete line 2 or 3.) ☐
2. Total number of allowances and marital status you are claiming for withholding from each periodic annuity payment. (You may also designate an additional dollar amount on line 3.) 2
Marital Status: ☐ Single ☒ Married ☐ Married, but withhold at a higher single rate (Enter # of allowances.)
3. Additional amount, if any, you want withheld from each annuity payment. **Note:** For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2. \$ 1,212

I want Federal income taxes withheld as indicated and the not payment applied to the life insurance contract for which I have applied and Liberty Life has agreed to issue on the basis of my statements made by me in the application. (Unless you elect otherwise, Liberty Life is required to withhold based on a married person claiming three withholding allowances.)

Joe Asent
Signature of Witness - Licensed Agent

3/26/02
Date

Passa D. Million
Signature of Owner

3/26/02
Date

Irrevocable Beneficiary (if any)

Date

Signature of Owner's Spouse
(Community Property States only)

Date

Legacy Link is a combination issuance of certain life insurance policies issued by Liberty Life Assurance Company of Boston.
It is Not A Deposit - Not FDIC Insured - Not Insured By Any Federal Government Agency - Not Guaranteed By The Bank - May Go Down In Value.

BNK-99502

Please read to client and have client initial each statement as answered.

Complete all of the necessary withholding information.



LIBERTY LIFE ASSURANCE COMPANY OF BOSTON
175 BERKELEY STREET
BOSTON, MA 02117

NOTICE REGARDING REPLACEMENT

REPLACING YOUR LIFE INSURANCE POLICY OR ANNUITY CONTRACT?

You are applying for a new life insurance policy or annuity contract from Liberty Life Assurance Company of Boston and you have indicated that you are thinking about discontinuing or changing an existing one. Your decision to replace or change your existing life insurance policy or annuity contract could be a good one - or not. You will not know for sure unless you make a careful comparison of your existing benefits and the proposed benefits.

Make sure you understand all of the facts. You should ask the company or agent that sold you your existing policy or contract to give you advice and information concerning the replacement or modification of your existing policy or contract.

As a general rule, there are disadvantages to you when you drop or change your existing life insurance policies or annuity contracts. Hear both sides before you decide. That way, you can be sure you are making a decision that is in your best interest.

Passa D. Millio

Applicant's Signature

3/26/02

Date

Joe Agent

Sales Representative's Signature

3/26/02

Date

PLA - 20152

Fill out the appropriate replacement forms according to your state's requirements.

Delivering the Policies

Once Liberty Life receives the funds from the client's previous annuity carrier, the SPIA is issued and generates its first payment which puts the life insurance coverage into effect. At this time a package will be compiled for your delivery to the client. The package will consist of:

- The single premium immediate annuity contract
- The life insurance contract
- Amendments, revised illustrations, delivery receipts, and any other outstanding delivery requirements.

Set up an appointment with your client. At the appointment, review the contracts to ensure that all information has been processed accurately. If something is not correct or if the client has changed his or her mind for any reason, they have 20 days from the time of delivery to review the contracts and return them for a full refund. If the client declines the Legacy Link package within the 20 day free look period, they will get their money back, but they will not be able to put their money back into their former annuity. They will be liable at that point for any taxes that may be due on the total distribution.

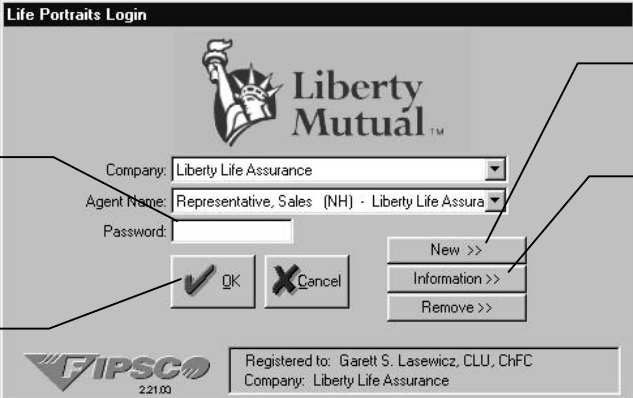
Legacy Link Illustrations

Personalized Legacy Link illustrations can be generated using the Life Views Windows - Illustration Edge system. In the following pages you will find a quick introduction to Illustration Edge. This introduction will review basic commands and assist you in creating a Legacy Link illustration. For a description of the system as well as instructions on how to install and use the software please see the appendix.

Step 1: The Life Portraits Log-in screen appears upon selecting Life View Windows. The first time you enter the system, you must click on the **New Agent** button, and type in your agent information. Click on the **OK** button to register this information, and return to the Log-in screen.

From the Log-in screen, you can choose to review or edit existing agent information, enter information on a new agent, or select your agent name. Once you have chosen your agent name, skip over the Password field, and click on the **OK** button to enter the Illustration Edge system.

Note: The Password field is not used on the Log-in screen.



The password field is not used on this screen - leave it blank.

Click "OK" to continue.

Enter a new sales rep into the system

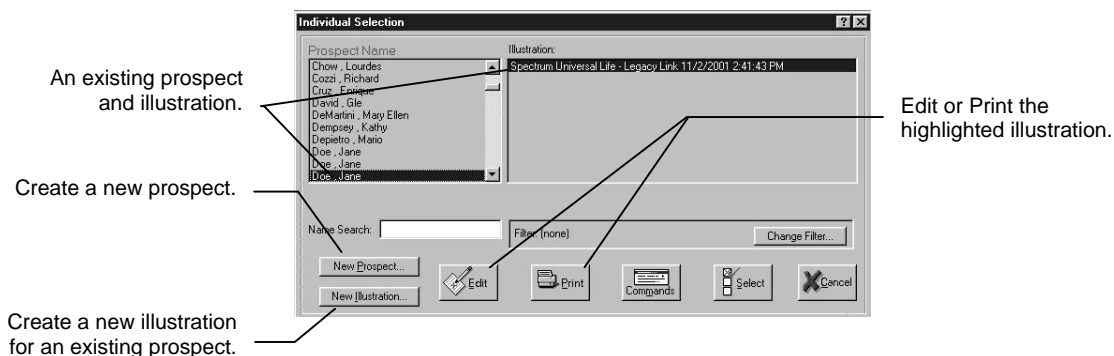
Edit an existing sales rep's information

The screenshot shows the 'Life Portraits Login' window. It features the Liberty Mutual logo at the top. Below the logo are three dropdown menus: 'Company' (set to 'Liberty Life Assurance'), 'Agent Name' (set to 'Representative, Sales (NH) - Liberty Life Assura'), and 'Password' (which is empty). To the right of these fields are three buttons: 'New >>', 'Information >>', and 'Remove >>'. Below the dropdowns are two buttons: 'OK' (with a checkmark icon) and 'Cancel' (with an 'X' icon). At the bottom of the window, there is a footer area with the FIPSCO logo on the left and registration information on the right: 'Registered to: Garrett S. Lasewicz, CLU, ChFC' and 'Company: Liberty Life Assurance'.

Step 2: On the **Individual Selection** screen, you can:

- create a new prospect,
- edit an existing prospect,
- or create an illustration for an existing prospect.

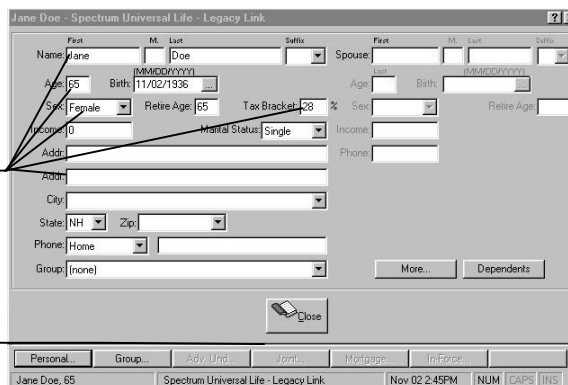
Click on **the New Prospect** button, then enter the pertinent prospect information, and click **CLOSE** to save.



Enter Prospect's:

- Name
- Age or DOB
- Sex
- Tax Bracket
- Address

Select "Close" when done with this screen.



Annotations for the Jane Doe - Spectrum Universal Life - Legacy Link form:

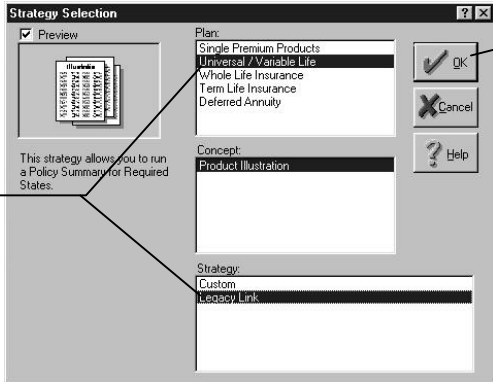
- Enter Prospect's: (Points to the Name, Age, Sex, Tax Bracket, and Address fields)
- Select "Close" when done with this screen. (Points to the Close button)

Step 3: The **Strategy Selection** Screen appears next. On this screen, make sure the following choices are selected:

Plan - Choose “Universal/Variable Life”.

Concept - “Product Illustration” should already be selected.

Strategy - select “Legacy Link”.



Click “OK” when done.

Select “Universal Life” for the plan and “Legacy Link” for the strategy.

This strategy allows you to run a Policy Summary for Required States.

Plan:
Single Premium Products
Universal / Variable Life
Whole Life Insurance
Term Life Insurance
Deferred Annuity

Concept:
Product Illustration

Strategy:
Custom
Legacy Link

Preview

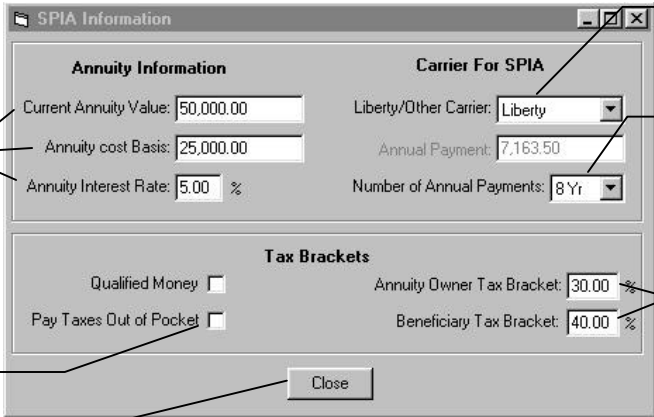
OK

Cancel

Help

Step 4: The **SPIA Information** screen appears next. On this screen, you will enter information about:

- the prospect’s existing annuity
- the SPIA that will be used to fund the life insurance
- applicable tax information



Enter information for current Annuity :

- current value
- cost basis
- interest rate

Check here if Annuity owner wants the full annuity payment to go toward the life insurance. Taxes will not be withheld from payments.

Click **Close** to continue.

Select “Liberty” if using a Liberty. SPIA

Select number of payments to come from the SPIA - 8, 9, or 10

Enter Annuity owner and beneficiary tax brackets

SPIA Information

Annuity Information

Current Annuity Value: 50,000.00

Annuity cost Basis: 25,000.00

Annuity Interest Rate: 5.00 %

Carrier For SPIA

Liberty/Other Carrier: Liberty

Annual Payment: 7,163.50

Number of Annual Payments: 8 Yr

Tax Brackets

Qualified Money ☐

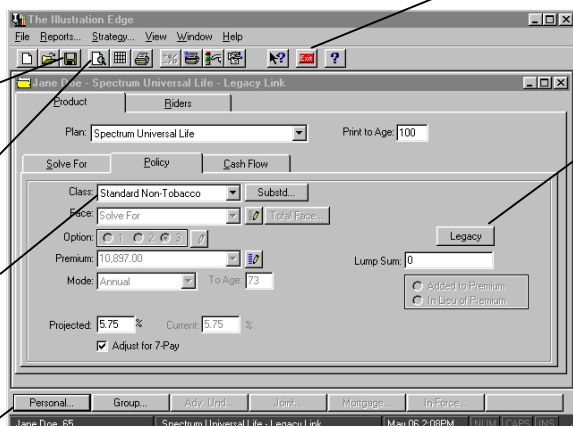
Pay Taxes Out of Pocket ☐

Annuity Owner Tax Bracket: 30.00 %

Beneficiary Tax Bracket: 40.00 %

Close

Step 5: After completing the SPIA Information Screen, use the next screen to select the prospect's underwriting class.



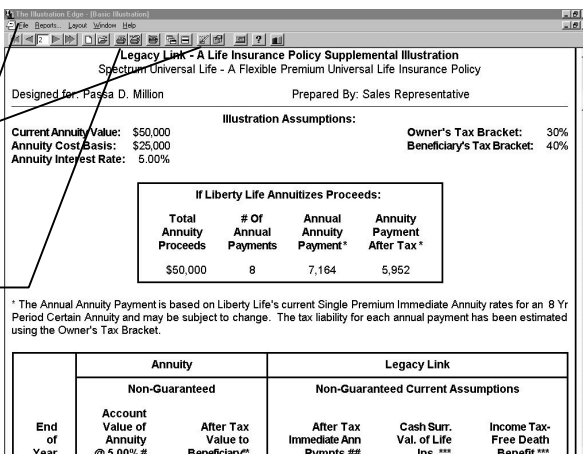
Annotations for Step 5:

- Save current illustration to file (points to File menu)
- Print Preview (points to Print icon on toolbar)
- Underwriting Class = Standard or Class A Tobacco or Non-tobacco (points to Class dropdown menu)
- Click on the Personal button to bring you back to the personal information screen (points to Personal button at bottom)
- Exit Life Views Windows (points to Exit icon on toolbar)
- Click on the Legacy button to bring you back to the SPIA information screen. (points to Legacy button on right)

Step 6: In order to view the illustration output, click on the **Print Preview** icon on the tool bar at the top of the Input screen, or press the **F5** key. This will provide you with a Print Preview of the illustration.

If after previewing the illustration you are ready to print a hard copy, click on the **Print** icon at the top of the Print Preview screen.

If you are not yet ready to print and want to return to the input screen, click on the **Edit** icon at the top of the Print Preview screen, or click on file, then click **Edit**. To edit the SPIA information, click on the Legacy Button on the right hand side of the Input screen.



Annotations for Step 6:

- To edit this illustration select File/Edit or the Edit icon. (points to File/Edit menu)
- To print this illustration select File/Print or the Print icon. (points to Print icon on toolbar)

Legacy Link - A Life Insurance Policy Supplemental Illustration

Spectrum Universal Life - A Flexible Premium Universal Life Insurance Policy

Designed for: Passa D. Million Prepared By: Sales Representative

Current Annuity Value: \$50,000 Illustration Assumptions: Owner's Tax Bracket: 30%

Annuity Cost Basis: \$25,000 Beneficiary's Tax Bracket: 40%

Annuity Interest Rate: 5.00%

If Liberty Life Annuitizes Proceeds:			
Total Annuity Proceeds	# Of Annual Payments	Annual Annuity Payment*	Annuity Payment After Tax*
\$50,000	8	7,164	5,952

* The Annual Annuity Payment is based on Liberty Life's current Single Premium Immediate Annuity rates for an 8 Yr Period Certain Annuity and may be subject to change. The tax liability for each annual payment has been estimated using the Owner's Tax Bracket.

End of Year	Annuity		Legacy Link		
	Account Value of Annuity (in 5.00% #)	After Tax Value to Beneficiary**	After Tax Immediate Ann Pymnts. #	Cash Surre. Val. of Life Ins. ***	Income Tax-Free Death Benefit ****

Liberty Life Assurance Company of Boston

100 Liberty Way
Dover, NH 03820-5808
(800) 400-1377

A Life Insurance Policy Illustration

Spectrum Universal Life

A Flexible Premium Adjustable Life Plan

Policy Form UL-20100

Designed for

Passa D. Million
123 Main Street
Anytown, MA 12345

Presented by

Sales Representative
Liberty Life Assurance Company of Boston
100 Liberty Way
Dover, NH 03820
800-500-2995

May 30, 2002

This proposal is valid only in the state of MA



Legacy Link - A Life Insurance Policy Supplemental Illustration
Spectrum Universal Life - A Flexible Premium Adjustable Life Plan

Designed for: Passa D. Million

Prepared By: Sales Representative

Illustration Assumptions:

Current Annuity Value: \$50,000
Annuity Cost Basis: \$25,000
Annuity Interest Rate: 5.00%

Owner's Tax Bracket: 30%
Beneficiary's Tax Bracket: 40%

If Liberty Life Annuitizes Proceeds:

Total Annuity Proceeds	# Of Annual Payments	Annual Annuity Payment *	Annuity Payment After Tax *
\$50,000	8	7,164	5,952

* The Annual Annuity Payment is based on Liberty Life's current Single Premium Immediate Annuity rates for an 8 Yr Period Certain Annuity and may be subject to change. The tax liability for each annual payment has been estimated using the Owner's Tax Bracket.

End of Year	Annuity		Legacy Link		
	Non-Guaranteed		Non-Guaranteed Current Assumptions		
	Account Value of Annuity @ 5.00% #	After Tax Value to Beneficiary**	After Tax Immediate Ann Pymnts ##	Cash Surr. Val. of Life Ins. ***	Income Tax- Free Death Benefit ***
1	52,500	41,500	5,952	3,146	68,362
2	55,125	43,075	5,952	8,542	68,362
3	57,881	44,729	5,952	14,201	68,362
4	60,775	46,465	5,952	20,354	68,362
5	63,814	48,288	5,952	26,902	68,362
6	67,005	50,203	5,952	33,820	68,362
7	70,355	52,213	5,952	41,152	68,362
8	73,873	54,324	5,952	48,778	77,326
9	77,566	56,540	0	50,727	78,121
10	81,445	58,867	0	52,909	78,952
@ 85	132,665	89,599	0	72,750	89,024
@ 95	216,097	139,658	0	96,032	104,108
@ 100	275,801	175,480	0	112,887	115,122

Footnotes continued on the next page.



Legacy Link - A Life Insurance Policy Supplemental Illustration
Spectrum Universal Life - A Flexible Premium Adjustable Life Plan

Designed for: Passa D. Million

Prepared By: Sales Representative

These numbers are for illustration purposes only and do not represent the actual or projected growth of any particular annuity.

** Taxes have been estimated using the beneficiary's tax bracket.

Annuity payments, less estimated taxes, will be applied as premiums for life insurance. If the insured dies before all payments have been received from the annuity, the beneficiary will receive the remaining payments in addition to the life insurance death benefit.

***Policy Values and benefits are based on current interest rates, cost of insurance and expense charges and are not guaranteed. Actual results may be more or less favorable.

Note: This supplemental illustration does not include guaranteed values. It must be accompanied by a basic illustration for a Spectrum Universal Life Flexible Premium Adjustable Life Insurance Contract which includes guaranteed values and other policy information.



Liberty Life Assurance Company of Boston

100 Liberty Way, Dover, NH 03820-5808
(800) 400-1377

Liberty Life's Spectrum Universal Life Form UL-20100

Designed for: Passa D. Million
Premium Class: Female, Age 65, Standard Non-Tobacco

Initial Death Benefit: \$68,362

Spectrum Universal Life

The Spectrum Universal Life policy which you are considering, also known as Flexible Premium Adjustable Life, is a life insurance policy providing for a flexible death benefit and flexible premium payments. These flexible premiums are payable to age 100. The values in the life insurance contract change based on the amount of your premium payments, monthly policy charges, and the interest credited to the policy. This rate is subject to change at any time, but is guaranteed never to be below a 4.00% minimum (effective annual rate). Additional non-guaranteed elements of this policy are described on the following pages.

Coverage Guarantees

This Contract offers three Death Benefit coverage guarantees: a Lifetime Guaranteed Coverage, a Limited Guaranteed Coverage to the later of age 75 or 15 years after the contract is issued and a 3 Year Guaranteed Coverage for the first three contract years. While any guarantee is in effect and there is no outstanding indebtedness, the contract will not lapse if the cash value is insufficient to pay the monthly deduction. For the guarantee to be in effect the total premiums paid from the Contract Date must equal or exceed the Guaranteed Coverage monthly premiums plus any partial withdrawals. If you decide to pay only the Minimum or Limited Guaranteed Coverage premium, you may be foregoing the advantage of building up a significant Account Value.

Initial Insurance Benefit

The death benefit at issue is assumed to be \$68,362. The death benefit is the amount payable in the event of death. The actual amount payable may be decreased by loans or withdrawals. In addition, if you take a loan against the contract, your contract may lapse if the surrender value becomes insufficient to cover the monthly contract charge.

Death Benefit Option

This illustration is based on an Option 3, Level Death Benefit. The Option 3 Death Benefit will be the greater of the face amount or a percentage of the account value. The initial death benefit is equal to the contract face amount.

Underwriting Class: Female, Age 65, Standard Non-Tobacco

The death benefit and contract charges calculated for this illustration assume the contract is issued with the underwriting class listed at the left. Actual amounts will depend on the outcome of the underwriting process, and may vary from what is illustrated. Face increases and decreases, withdrawals, and adding and dropping riders and benefits after issue will change the Lifetime and Limited Guaranteed Death Benefit premiums listed below.

The first year planned Annual premium is: \$5,951.50
The annualized Lifetime Guaranteed Death Benefit Premium is: \$3,180.49
The annualized Limited Guaranteed Death Benefit Premium is: \$2,097.64

Surrender Value

The surrender value is the amount available to the contract owner upon surrender of the contract. At Issue, your surrender value equals your Account Value less an initial withdrawal charge of \$2,001.64, which reduces to zero over 10 years.

Liberty Life Assurance Company of Boston100 Liberty Way, Dover, NH 03820-5808
(800) 400-1377

Liberty Life's Spectrum Universal Life Form UL-20100

Designed for: Passa D. Million
Premium Class: Female, Age 65, Standard Non-Tobacco

Initial Death Benefit: \$68,362

**Non-Guaranteed
Elements of the Policy**

Many aspects of your life insurance contract are guaranteed, including the minimum interest rate and maximum charges. However, certain aspects of the policy cannot be predicted with absolute certainty. For example, the interest rate credited may exceed the minimum guaranteed rate and monthly charges may be less than the maximum guaranteed charges.

The non-guaranteed elements can improve the value of your life insurance policy in one of two ways:

- by increasing your policy's surrender value and/or death benefit; or
- by reducing the out-of-pocket cost of your policy.

The non-guaranteed columns provide snapshots of your policy assuming higher interest and lower charges than those that are guaranteed. Since interest and charges cannot be predicted with absolute certainty, ranges of results have been illustrated. The actual policy values will be more or less favorable than those illustrated ranges of results. Variations in these factors could affect:

- Death benefit
- Surrender value, and
- Total out of pocket payments over the lifetime of the policy

Other factors affecting Surrender Value, Death Benefit and total out-of-pocket payments include:

- Policy loan activity
- Partial withdrawals
- The timing and amount of:
 - each premium payment
 - loans and loan repayments
 - partial withdrawals

Policy Illustration Explanation

Spectrum Universal Life - A Flexible Premium Adjustable Life Plan

Designed for: Passa D. Million

Rating Class: Female, Age 65, Standard Non-Tobacco

Available Modes: **Annual** **Semi-Annual** **Quarterly** **P.A.C**

Premium Payment and Mode Selected: \$5,951.50 annually

Premium Outlay: 8 Years at 5,952 Per Year.

Guaranteed

Assuming the 4.00% guaranteed interest rate and guaranteed charges, the insurance coverage of \$68,362 would cease at age 100.

Non-Guaranteed

The policy benefits and values in this illustration are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable than those shown.

Current

Assumes current interest rate of 5.75% and current policy charges will remain in effect. Based on the assumed payments insurance coverage would remain in force to age 100.

Midpoint

Assumes an interest rate of 4.88% which is midway between the guaranteed and current rate and an average of current and guaranteed charges. Based on the assumed payments insurance coverage of \$68,362 would cease at age 100.

Option to suspend premiums assumes non-guaranteed values are used to pay monthly deductions beginning after the year indicated. Results may be more or less favorable.

Premiums are assumed to be paid at the beginning of the year and policy values are illustrated as of the end of the year.

Any outstanding loan and loan interest would reduce the death benefit and surrender value.

	Guaranteed	Non-Guaranteed	
		Midpoint Assumptions	Current Assumptions
Pay \$5,951.50 for 8 Years			
Summary Year 5			
Surrender Value	25,122	26,008	26,902
Death Benefit	68,362	68,362	68,362
Summary Year 10			
Surrender Value	47,493	50,149	52,909
Death Benefit	70,930	74,864	78,952
Summary Year 20			
Surrender Value	56,503	64,154	72,750
Death Benefit	69,143	78,505	89,024

A Life Insurance Policy Illustration

Spectrum Universal Life - A Flexible Premium Adjustable Life Plan

Designed for: Passa D. Million

Rating Class: Female, Age 65, Standard Non-Tobacco

Available Modes: **Annual** **Semi-Annual** **Quarterly** **P.A.C**

Premium Payment and Mode Selected: \$5,951.50 annually

Premium Outlay: 8 Years at 5,952 Per Year.

Flexible Premium Adjustable Life
Initial Death Benefit: \$68,362

Level Death Benefit Option Planned
Premium Outlay: \$5,951.50

Guaranteed
Assuming the 4.00% guaranteed interest rate and guaranteed charges, the insurance coverage of \$68,362 would cease at age 100.

Non-Guaranteed

Current Assumptions
Assumes current interest rate of 5.75% and current policy charges will remain in effect. Based on the assumed payments insurance coverage would remain in force to age 100.

The policy benefits and values in this illustration are not guaranteed. The assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable than those shown.

Premiums are assumed to be paid at the beginning of the year and policy values are illustrated as of the end of the year.

Any outstanding loan and loan interest would reduce the death benefit and surrender value.

\$68,362 Spectrum Universal Life Policy

Age	End Of Yr	Premium# Outlay in Yr	Guaranteed		Non-Guaranteed Current Assumption	
			Surrender Value**	Death Benefit	Surrender Value**	Death Benefit
66	1	5,952	2,922	68,362	3,146	68,362
67	2	5,952	8,032	68,362	8,542	68,362
68	3	5,952	13,352	68,362	14,201	68,362
69	4	5,952	19,107	68,362	20,354	68,362
70	5	5,952	25,122	68,362	26,902	68,362
71	6	5,952	31,421	68,362	33,820	68,362
72	7	5,952	38,035	68,362	41,152	68,362
73	8	5,952	44,941	71,366	48,778	77,326
74	9	0	46,126	71,145	50,727	78,121
75	10	0	47,493	70,930	52,909	78,952
1 - 10		47,612				
76	11	0	48,841	70,712	55,119	79,802
77	12	0	49,770	70,509	56,955	80,688
78	13	0	50,682	70,317	58,822	81,610
79	14	0	51,580	70,133	60,722	82,563
80	15	0	52,461	69,957	62,656	83,552
81	16	0	53,324	69,780	64,624	84,566
82	17	0	54,164	69,612	66,621	85,621
83	18	0	54,976	69,446	68,643	86,710
84	19	0	55,756	69,288	70,688	87,844
85	20	0	56,503	69,143	72,750	89,024
1 - 20		47,612				

Premium outlay includes benefit premiums.

** Both the Guaranteed and Non-Guaranteed Surrender Values include the Contract's Surrender Charges which apply for the first 10 years of the Contract.



A Life Insurance Policy Illustration

Spectrum Universal Life - A Flexible Premium Adjustable Life Plan

Designed for: Passa D. Million

Rating Class: Female, Age 65, Standard Non-Tobacco

Available Modes: Annual Semi-Annual Quarterly P.A.C

Premium Payment and Mode Selected: \$5,951.50 annually

Premium Outlay: 8 Years at 5,952 Per Year.

Flexible Premium Adjustable Life Initial Death Benefit: \$68,362	Age	End Of Yr	Premium# Outlay in Yr	Guaranteed		Non-Guaranteed Current Assumption	
				Surrender Value**	Death Benefit	Surrender Value**	Death Benefit
Level Death Benefit Option Planned Premium Outlay: \$5,951.50							
Guaranteed	86	21	0	57,219	69,012	74,833	90,256
Assuming the 4.00% guaranteed interest	87	22	0	57,907	68,898	76,940	91,544
rate and guaranteed charges, the	88	23	0	58,573	68,800	79,080	92,888
insurance coverage of \$68,362 would	89	24	0	59,222	68,721	81,261	94,296
cease at age 100.	90	25	0	59,862	68,661	83,494	95,768
	91	26	0	60,503	68,622	85,791	97,304
Non-Guaranteed	92	27	0	61,156	68,604	88,168	98,907
	93	28	0	61,835	68,600	90,648	100,565
Current Assumptions	94	29	0	62,554	68,622	93,255	102,301
Assumes current interest rate of 5.75%	95	30	0	63,324	68,650	96,032	104,108
and current policy charges will remain in	1 - 30		47,612				
effect. Based on the assumed payments							
insurance coverage would remain in force	96	31	0	64,146	68,681	98,984	105,982
to age 100.	97	32	0	65,007	68,700	102,129	107,930
The policy benefits and values in this	98	33	0	65,897	68,724	105,475	110,000
illustration are not guaranteed. The	99	34	0	66,871	68,871	109,032	112,292
assumptions on which they are based are	100	35	0	68,362	69,715	112,887	115,122
subject to change by the insurer. Actual			47,612				
results may be more or less favorable							
than those shown.							

Premiums are assumed to be paid at the beginning of the year and policy values are illustrated as of the end of the year.

Any outstanding loan and loan interest would reduce the death benefit and surrender value.

Premium outlay includes benefit premiums.

** Both the Guaranteed and Non-Guaranteed Surrender Values include the Contract's Surrender Charges which apply for the first 10 years of the Contract.

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Date Prepared 05/30/2002

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Important Notes

Spectrum Universal Life - A Flexible Premium Adjustable Life Plan

Taxation of Life Insurance

In order to receive favorable tax treatment of distributions (including loans) under the Internal Revenue Code, a life insurance policy must satisfy a 7-Pay Premium limitation during the first 7 years and during 7 years after certain policy changes. Failure to satisfy this limitation would cause distributions to be taxable to the extent there is a gain in the contract. In addition, there is a penalty of 10% of taxable income for distributions from such policies before age 59 1/2 with certain exceptions. In any case, a gain in the contract is taxable upon full surrender of the policy.

Initial 7-Pay Premium: \$6,158

Based on the Initial 7-Pay Premium, the premiums illustrated during the first 7 years are within the limitation for favorable status.

Certain changes to the policy's benefits (whether illustrated or not) will alter the premium limitation, and could cause the policy to lose its favorable status. Please consult your insurance representative or tax advisor for more information.

Life Views Windows - Illustration Edge System

Illustration Edge, a complete proposal system, supports a full range of insurance products with easy to understand sales illustrations, standard and custom reports, and available charts and graphs.

The strategy-driven design of Illustration Edge streamlines sales illustrations and almost effortlessly solves insurance needs. This approach presets policy options based on the client goals selected and automatically prompts for required information.

Only applicable input fields appear on the screen, making the format easy to follow. State of the art tab design is used to organize and group input data to prevent screen clutter. In addition, multiple illustrations for a prospect can be quickly processed and evaluated without re-entering personal information. System preferences and defaults can also be selected for optimum convenience.

System Requirements:

Minimum:

- Windows 95, 98, or NT
- 486 Processor
- VGA Color Monitor
- 16 MB RAM (32 MB for Windows NT)
- CD-ROM Drive
- 25 MB Hard Drive Space Available

Recommended:

- Windows 95, 98, or NT
- Pentium Processor
- VGA Color Monitor
- 32 MB RAM (64 MB for Windows NT)
- CD-ROM Drive
- 50 MB Hard Drive Space Available
- Mouse

Illustration System Installation Instructions

- Step 1:**
- Close all Windows applications (i.e. Outlook, Excel, Word, etc.).
 - Insert the Life Views Windows CD in your CD-ROM drive.
 - Click on the **Start** button, and then click on **Run**.

- Step 2:** On the Command Line, type **D:\setup.exe** and then hit **Enter**.

Note: *This assumes that your CD-ROM drive letter is 'D:.' If not, please adjust for your appropriate CD-ROM drive letter. In order to find out what drive letter is assigned to your CD-ROM, double-click on the **My Computer** icon on your Desktop, and look for the CD-ROM drive icon. The drive letter will be below or next to this icon.*

The Life Portraits screen will appear as the **Setup** program is initializing.

- Step 3:** Read the instructions on the Welcome screen, then click on the **Next** button to proceed to the **User Information** screen.
- Step 4:** Enter the user and company name on the **User Information** screen, and then click on the **Next** button to continue.
- Step 5:** The **Setup Type Selection** screen is only displayed if no previous versions of Life Views Windows exist on your computer. Select the stand alone installation, and the **Select Destination** folder screen will appear. It is recommended that you install the program in the displayed directory by clicking on the **Next** button.
- Step 6:** The Life Portraits Component Selection screen will appear. Click on the **Next** button to install the Illustration Edge program and help system.
- Step 7:** The next screen will allow you to change the settings before the files are installed. To review or change the settings, click on the **Back** button. To begin copying files, click on the **Next** button.
- Step 8:** The next prompt asks if a backup should be made of the Windows system files replaced during setup. It is suggested that you select **Yes** to back up these files. The system acknowledges that it is copying the files, and displays the progress.

To access the Life Views Windows system, click on the **Start** button, then click on **Programs**, choose the folder entitled **Life Views Windows or Legacy Link**, and then click on **Life Views Windows or Legacy Link**. In addition, a Life Views Windows or Legacy Link icon will be created on your desktop.

Stand Alone Installation

The Complete Setup screen will inform you that your computer must be rebooted to complete the installation. Click on the **Finish** button to reboot and complete the setup.

Uninstalling Life Views Windows

If you find it necessary to delete the Life Views Windows program from your system, you must remove all previous versions by running the Uninstall program.

- Step 1:** Select the **Uninstall** icon in the Life Views Windows Program Group to remove the previous installation.
- Step 2:** Click on the **Remove** button from the Uninstall screen to continue.
- Step 3:** Select **Yes** from the Confirmation screen to verify deletion of the system from your computer. Life Views Windows will then be removed from your system.

Inputting Data (Software Tutorial)

Screens contain prompts and areas where you enter the answers to those prompts, known as fields. Using your mouse, select (or highlight) the field by clicking on it. When an entire field is highlighted, begin typing to overwrite the data. Press **Enter** or **Tab**, or use your mouse to move to the next field on the screen.

Fields containing a down arrow to the right of the input area offer a list of options. Clicking on the arrow opens a pop-up window containing the choices. Simply click on the desired selection to change the field. If the list is extensive, a scroll bar will appear. Move up and down the list by dragging the solid box, or by clicking on the arrow buttons.

Menus

The top of the Input screen contains a series of commands with drop-down menus. These menus offer additional options and commands. The available commands and options vary according to your system.

File Contains New, Open, Save, Copy, Close, Delete, Agent Information, Grid View, Print Preview, Print, Print All, Print Setup, Revised Illustration, Financial Insights, Preferences, Login, and Exit commands.

Note: Many of the File commands can be quickly accessed from the tool bar at the top of the screen. For additional help, please refer to the next section, Tool Bar Commands.

Reports Accesses a screen for report selection.

Strategy Displays a listing of available plans, concepts, and strategies.

View Offers the option to show or hide the tool bar and status bar.

Window	Ability to cascade or tile illustrations that are open, and view selected reports.
Help	Accesses the online help system. Select from Illustration Edge Help Topics, Custom, Product Reference, how to Use Help, and About Illustration Edge.
Tool Bar Commands	The tool bar at the top of the Input screen contains icons (buttons) to help you quickly perform common commands. If a button is grayed-out, it is not currently available. Some buttons may not be available on all screens.
New or Open	Accesses the Individual Selection screen in order to create or edit prospects and illustrations.
Save	Saves the current illustration.
Print Preview	Shows how the current illustration will look when printed. Use this command to preview the illustration before printing.
Grid View	Brings up the Preview Grid with policy values. Click on the Print button to print the illustration, the Print Preview button to preview the illustration on the screen, or Edit to return to the Input screen.
Print	Processes and prints the current illustration or report.
Interest Update	Displays the current interest rates for the life products, and allows changes to be made. Interest rates may be set lower than the current rates, but may not exceed the current rates.
Print Setup	Displays a screen for printer selection and setup.
Preferences	Sets defaults used when you create a new illustration.
Cascade	Displays all open illustrations and reports by overlapping each window.
Tile	Displays all open illustrations and reports in separate windows for viewing without overlapping.
Edit	Returns to the Input screen for changes.
Reports	Accesses a screen for report selection.
Exit	Exits the illustration system.
?	Accesses the Help menu.

Help

Illustration Edge contains **Help**, a complete on-line reference tool that includes step-by-step procedures, a glossary of common insurance terms, and product reference. Comprehensive help is available within the system by pressing the **F1** key, or by clicking on the **?** button from the tool bar at the top of the screen.

The help system contains certain words and phrases, called **hotspots**, which are *underlined* and *green*. Click on a hotspot to view additional information about the current topic. A hotspot with a solid green underline will “jump” to additional help topics. A hotspot with a dotted green underline will pop open a window on the help screen containing definitions of terms. This type of hotspot will not jump to a new screen.

Contents Select this option to view the primary help topics for your system. To view more specific information about a topic, click on it, and the system will “jump” to the selected topic.

For example:

- If you are using the help system for the first time, select the **Basics of Illustration Edge Help System** topic.
- If you understand the basics of help, but are using Illustration Edge (IE) for the first time, select the **Tips on Getting Started** topic.
- If you need help with a specific task, select the **How To...** topic. The system will display a list of the common tasks (topics) detailed in the help system.
- If you would like descriptions on any of the following items, select the applicable topic: **Buttons, Commands, Tool bar Commands, Menus, Prompts, Screens, and Tabs.**

Glossary Select this option for an alphabetical list of common insurance terms and definitions.

Product Reference Select this option to view specifications for available plans and riders.

Search Choose **Search** from the Help menu to quickly locate a specific help topic. The Search dialogue box will be displayed. Click on a topic from the list, or type in the word(s) describing the necessary help.

How To Use Help Select this option to reveal a window with information on how to use Microsoft Windows Help.

About Illustration Edge Select this option to view details about the Illustration Edge module, such as Version Number and User Name.

Included with the Illustration Edge software is the Illustration Edge Tutor, an interactive tutorial that will show you the basics of the Life Views Windows illustration system.

Note: *This application will use approximately 60MB of hard drive space on your computer. If you are concerned about the space limitations of your computer, you may run this application directly from the CD. In order to run without installing, please follow these instructions:*

- 1) Insert the CD in your CD-ROM drive.
- 2) Click on the Start button, and then click on Run.
- 3) On the Command Line, type D:\ie_tutor\ie_tutor.exe , and then hit Enter.

Note: This assumes that your CD-ROM drive letter is “D:.” If not, please adjust for your appropriate CD-ROM drive letter. In order to find out what drive letter is assigned to your CD-ROM, double-click on the **My Computer** icon on your Desktop, and look for the CD-ROM drive icon. The drive letter will be below or next to this icon.

- 4) This will bring you to the Welcome screen, and allow you to access the tutorial directly from the CD.

If you would like to **install** the Illustration Edge Tutor, please use the following instructions:

Step 1: Close all Windows applications (i.e. Outlook, Excel, Word, etc.). Insert the Life Views Windows CD in your CD-ROM drive. Click on the **Start** button, and then click on **Run**.

Step 2: On the Command Line, type **D:\ie_tutor\setup.exe** and then hit **Enter**.

Note: *This assumes that your CD-ROM drive letter is “D:.” If not, please adjust for your appropriate CD-ROM drive letter. In order to find out what drive letter is assigned to your CD-ROM, double-click on the My Computer icon on your Desktop, and look for the CD-ROM drive icon. The drive letter will be below or next to this icon.*

Step 3: Read the instructions on the Welcome screen, then click on the **Next** button to proceed to the **Choose Destination Location** screen. To install in the displayed destination folder, click on the **Next** button.

Step 4: At the Select Components screen, choose **Full (60MB)** installation, and click on the Next button to continue.

Step 5: The Select Program Folder screen allows you to choose where the application will appear on your Start Menu. Choose a different Program Folder, or click on the **Next** button to accept the default folder.

Step 6: The Summary screen allows you to verify the settings that you have chosen, or to go back and make changes. If these settings are correct, then click on the **Next** button to continue.

Step 7: Illustration Edge Tutor will now be installed on your computer. Go to the Program folder where you installed the application, and click on the **Illustration Edge Tutor** icon to start the interactive tutorial. You will not need the CD to run this program.

If you no longer need Illustration Edge Tutor, and would like to delete it to free up hard drive space, please follow these steps:

- 1) On your Desktop, double-click on the **My Computer** icon.
- 2) Double-click on the **Fipsco** folder.
- 3) Place your pointer on the **Ie_tutor** folder, and right-click once.
- 4) Choose **Delete** from the menu that appears, and click on **Yes** to confirm.
- 5) If you are informed that deleting this folder will impact registered programs, click on **Yes** to continue.
- 6) Click on **Yes to All** to confirm. The Illustration Edge Tutor will now be removed from your system.





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