

The Life Insurance Design Questionnaire®

INTRODUCTION



HOW TO MATCH YOUR LIFE INSURANCE WITH YOUR NEEDS

The Life Insurance Design Questionnaire® is an assessment tool that enables your insurance advisor to assist you in the selection, design and purchase of life insurance products. While there are significant differences between companies, products tend to fall into several broad categories. Before you select a product or company, however, it is important to ask:

IS THIS THE RIGHT TYPE OF INSURANCE?

IS THE POLICY DESIGNED TO MEET MY NEEDS & DESIRES?

The Life Insurance Design Questionnaire® is intended to help you and your advisors answer these questions, so that you select the right type of insurance and that the policy is designed to meet your needs.

The Life Insurance Design Questionnaire[®]

DESIGN CONSIDERATIONS

CLIENT NAME(S): ① _____

② _____

DATE(S) OF BIRTH: ① MO / ____ DAY / ____ YR / ____

② MO / ____ DAY / ____ YR / ____

GENDER: (M/F) ① _____ ② _____

NICOTINE USE? (Y/N) ① _____ ② _____

TYPE OF DEATH BENEFIT: INDIVIDUAL SURVIVORSHIP

AMOUNT OF DEATH BENEFIT: _____

POLICY OWNER: _____

IF OWNED BY TRUST: EXACT NAME & DATE OF TRUST:

PREMIUM PAID BY: _____

STATE OF OWNERSHIP: _____

DO YOU HAVE EXISTING LIFE INSURANCE? YES NO

IF YES, PLEASE REFER TO "EXISTING POLICY INFORMATION" SUPPLEMENT

NOTES:

OBJECTIVE OF LIFE INSURANCE COVERAGE:

PLEASE CHECK ADDITIONAL OBJECTIVES THAT MAY APPLY:

- WEALTH PROTECTION | *Provide liquidity to pay transfer taxes*
- INCOME REPLACEMENT
- BUSINESS CONTINUITY | *Buy-Sell Funding*
- BUSINESS CONTINUITY | *Key Person Insurance*
- EXECUTIVE BENEFIT
- ENHANCED CHARITABLE GIFTS
- ASSET PRESERVATION
- DEBT PROTECTION
- ESTATE EQUALIZATION STRATEGY
- REPLENISH/PRESERVE BUYING POWER
- LEVERAGE EXISTING ASSETS | *In GST Estate Planning*
- RETIREMENT SUPPLEMENT

1

How long will you require the death benefit?

TO AGE: _____

LIFE EXPECTANCY: _____

TODAY

Please circle on line or enter years.

LIFE EXPECTANCY AGE 100 BEYOND 100



2

Which premium duration do you prefer to pay?

AGE: _____

Please circle on line or enter years.

1 YEAR 5 YEARS 10 YEARS 20 YEARS LIFE EXPECTANCY ALL YEARS



PRIORITIES

CHOOSING PRIORITIES AMONG PERMANENT PLANS

Permanent life insurance policies involve trade-offs among the potential for long term results, strong guarantees, and lower planned premiums. What are your priorities?

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A. Prioritize these objectives in order of their importance to you.

- I WANT STRONG GUARANTEES (DEATH BENEFIT AND PREMIUM)* _____
- I WANT TO PAY A LOWER PLANNED PREMIUM _____
- I WANT THE BEST POTENTIAL FOR LONG TERM RESULTS _____

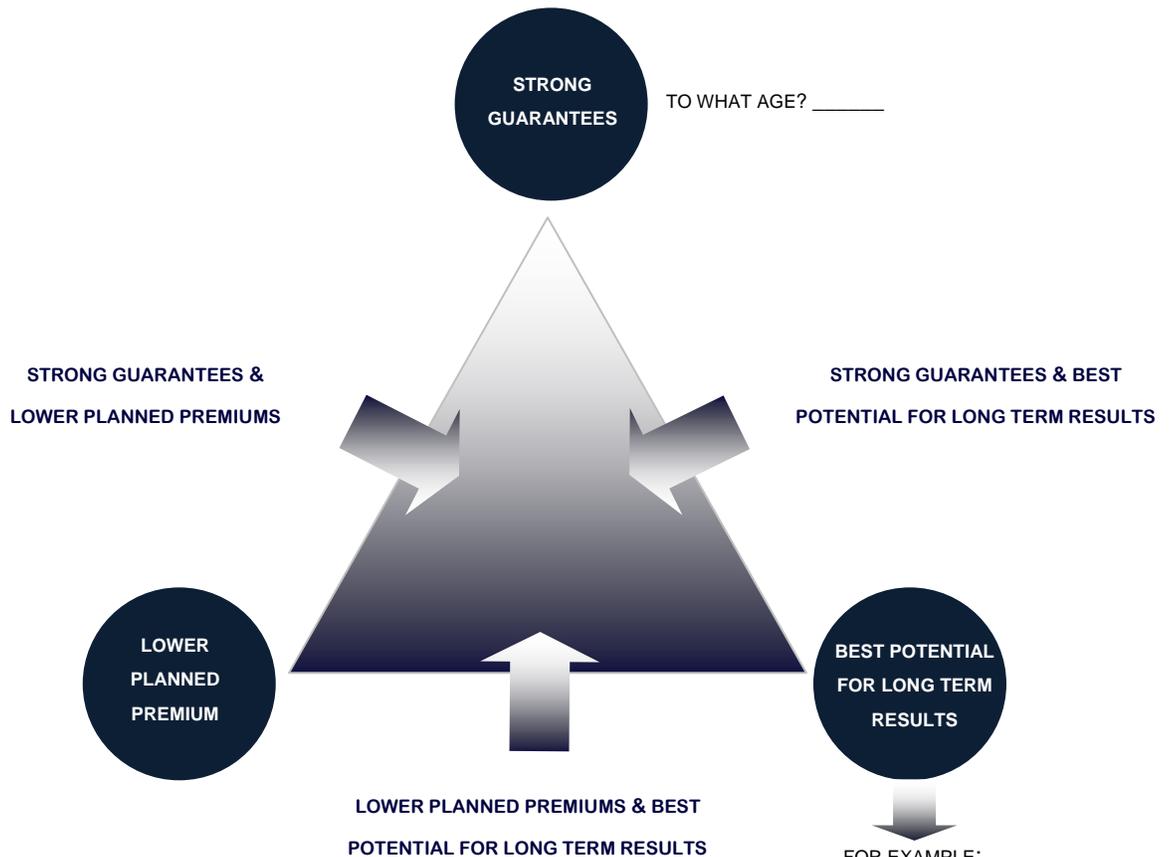
RANK

B. I feel that a guaranteed death benefit is a critical design element.

YES NO

C. If yes, to what age do you want the death benefit guaranteed?

AGE _____



FOR EXAMPLE:

- REDUCE AGGREGATE PREMIUM
- CREATE INCREASING DEATH BENEFIT
- ACCUMULATE CASH VALUE

** Note: Guarantees made by a life insurance company are supported by the financial stability and claims paying ability of the company making the guarantee. Thus, the guarantee can be no stronger than the company making the guarantee.*

DESIGN CONSIDERATIONS

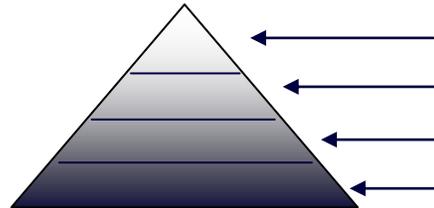
4

How important is the ability to control and change the underlying investments in this contract?

- VERY IMPORTANT
- SOMEWHAT IMPORTANT
- NOT IMPORTANT

5

A. How important is the financial strength* of the company?



- VERY IMPORTANT
- IMPORTANT
- SOMEWHAT IMPORTANT
- NOT IMPORTANT

B. Would you be willing to pay a higher premium for a stronger company? YES NO

6

How important is policy flexibility to your situation?

A. How important is it to be able to alter your premiums up or down, or skip a premium in a given year?

- VERY IMPORTANT
- SOMEWHAT IMPORTANT
- NOT IMPORTANT

B. How important is it to have the flexibility to increase or decrease your policy's death benefit?

- VERY IMPORTANT
- SOMEWHAT IMPORTANT
- NOT IMPORTANT

C. How important is it to have access to significant cash values at some point in the future?

- VERY IMPORTANT
- SOMEWHAT IMPORTANT
- NOT IMPORTANT

1. At what age? _____
2. How much? _____

7

Other Design Specifications:

WOULD YOU LIKE YOUR PREMIUMS TO BE PAID BY THE INSURANCE COMPANY IN THE EVENT OF DISABILITY? YES NO

DO YOU WANT A LEVEL OR INCREASING DEATH BENEFIT? LEVEL INCREASING

IF SO, TO WHAT AGE? _____

OTHER DESIGN CONSIDERATIONS: _____

* Based on the independent third-party financial ratings of S&P, Moody's, A.M. Best, the Comdex rating systems, and quantitative measures such as P/E ratios, P/B ratios, and total return of the stocks. Many of these ratings apply to the insurance company's financial stability and claims paying ability. Financial strength does not necessarily impact the policy's economic benefit nor does it apply to any aspect of policy performance, including sub-account performance for variable life products.

CONSIDERATIONS FOR CLIENTS INDICATING A DESIRE FOR THE BEST POTENTIAL FOR LONG

8

HYPOTHETICAL EXAMPLES

YEAR	PATTERN 1	PATTERN 2	PATTERN 3
1	2.0%	6.7%	6.8%
2	74.5%	2.2%	6.5%
3	-9.5%	31.1%	6.4%
4	1.7%	-4.2%	5.9%
5	59.5%	4.2%	6.6%
6	-13.5%	21.2%	4.9%
7	-2.5%	-10.8%	6.9%
8	52.2%	2.7%	5.4%
9	37.1%	15.5%	5.4%
10	<u>-36.7%</u>	<u>33.1%</u>	<u>7.7%</u>
AVERAGE*	11.55%	9.28%	6.25%

ENTER
SCORE

A. Indicate the pattern that best matches your desires with regard to the returns on your policy values.

POINTS	11	5	1
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B. I am willing to accept large variations in annual returns as I seek higher long-term returns.

STRONGLY AGREE 11	AGREE 7	DISAGREE 4	STRONGLY DISAGREE 1
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C. I am willing to accept a substantial short-term decline in my cash value if it is required to obtain potentially higher long-term returns.

STRONGLY AGREE 11	AGREE 9	DISAGREE 4	STRONGLY DISAGREE 1
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TOTAL FOR QUESTIONS 8-10:

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D. How would you rate your experience or knowledge of investments and money management?

VERY HIGH 10	HIGH 7	MEDIUM 5	LOW 1
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E. What has been your primary investment / savings focus?

TANGIBLE ASSETS 10	EQUITIES 7	FIXED INCOME 4	BANK CDs MONEY MARKET 2
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F. What is your level of concern about inflation?

VERY HIGH 10	HIGH 7	MEDIUM 5	LOW 2
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G. How long, if at all, before you may need access to policy cash values?

NEVER 11	MORE THAN 16 YEARS 9	10 TO 16 YEARS 3	6 TO 9 YEARS 2	LESS THAN 6 YEARS 0
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* Geometric

OVERALL TOTAL SCORE

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RECOMMENDED CASH VALUE ALLOCATION

YOUR SCORE	PORTFOLIO	DESCRIPTION
62 OR OVER	AGGRESSIVE	 <p>HIGHEST RISK / HIGHEST RETURN</p> <p>LOWEST RISK / LOWEST RETURN</p>
49 TO 61	MODERATELY AGGRESSIVE	
35 TO 48	MODERATE	
22 TO 34	MODERATELY CONSERVATIVE	
21 OR UNDER	CONSERVATIVE	

NOTES

These allocations only apply to variable life insurance policies. If your goals and preferences indicate that a non-variable product is more suitable for you, the table above does not apply to you.

■ **If your total score for questions #8 A-C is less than 13, or if your overall score is less than 22, you probably should focus on general account life insurance rather than variable life.**

VERIFICATION

The answers to this questionnaire correctly reflect my beliefs, preferences and goals with respect to the life insurance under consideration. I have discussed these responses with my representative. I understand that the above data will be used to help me evaluate and select an appropriate product type and design.

SIGNATURE(S): _____

DATE: _____
DATE: _____

IF POLICY IS OWNED BY A TRUST:

NAME OF TRUST: _____

DATE OF TRUST: _____