Back to School

SALES KIT

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PINNEY INSURANCE

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College funding with permanent life insurance

Help your clients gain financial protection and help pay for college

Agent guide

North American Company
for Life and Health Insurance
Since 1886

| Life

A financial shield against the unthinkable & a way to help pay tuition costs

The primary purpose of life insurance is to provide a death benefit to beneficiaries. It can be designed to meet your clients' changing needs with features such as a flexible death benefit and flexible premiums. The death benefit protection can make life insurance an attractive choice for establishing a self-completing plan to help fund a college education.

Earning a college degree today can now cost a significant amount—and that amount continues to rise faster than the rate of inflation.** With the spiraling costs of earning a diploma, your clients should review their options. An option to consider is permanent life insurance. Permanent life insurance provides death benefit protection and a way to potentially accumulate tax-deferred cash value growth.[1]

Two big drivers are creating an interest for using life insurance for death benefit protection and as a possible source for college funding. The first is lack of death benefit protection for many families, and the second is the rising costs of tuition. Consider these facts:

*Four in 10 households without any life insurance would have immediate trouble paying living expenses if their primary wage earner died.**

*Over the past decade, published tuition and fees for in-state students at public four-year colleges and universities increased at an average rate of 3.1% per year beyond the rate of general inflation.***

With the lack of death benefit protection and the continuing rise of tuition costs, families today need a solution to these two problems. In this guide you'll discover how to help your clients financially protect against the unthinkable while helping supplement their college savings plans with the potential cash value of permanent life insurance.

*2019 Insurance Barometer Study (Life Insurance and Market Research Association [LIMRA] and Life Happens)

**Trends in College Pricing. © 2018 The College Board. www.collegeboard.com.

What's inside

A close look at college funding

Research shows that six in ten Americans are covered by individual life insurance, however 30% know they need more.* Combine this with rising tuition costs, and many families are faced with a challenge.

Life insurance can give families protection should the insured die. His or her family will receive funds to continue their lives. The life insurance in this case may be described as "self completing" with respect to the family's college savings goal, meaning that the death benefit can be used to complete the college savings plan and help pay for college.

Additionally, with permanent life insurance, cash values may be accessed for other emergency needs if they arise, giving families a comprehensive financial protection strategy.

*Life Insurance and Market Research Association (LIMRA), Life Insurance Awareness Month, September 2015.

Understanding the concept

The first thing to remember is that life insurance provides death benefit protection. The cornerstone of a solid financial plan begins with life insurance. The college funding strategy using life insurance typically includes three parts.

1. Should a premature death occur, the life insurance death benefit could be used to complete the insured's college savings goal and help pay for college.
2. The second part of the strategy is tax-deferred[1] and potentially tax-free income through policy loans to help supplement your clients' other saving sources for college.[2]
3. After helping to pay college tuition, your clients can repurpose the policy and use it to help supplement retirement income while continuing to protect the family with the death benefit.

Why life insurance for college funding?

Key advantages

Let's take a look at several advantages of using life insurance for college funding.

- **Immediate death benefit protection.** Your clients can gain immediate death benefit protection from the start. Plus, the proceeds from the policy can help the family pay final expenses, plus help pay for college.
- **Parental stewardship.** The policyowner has control of the policy's potential cash value. Should plans change, the cash value may be used for purposes other than college funding without tax consequences.[2] This same flexibility may not be available with other financial vehicles.
- **Income tax-free death benefit.** When the insured passes away, the death benefit passes generally income tax-free to beneficiaries.[2]
- **Tax-efficient access to potential cash values.** Parents may access funds in a life insurance policy to pay for college expenses on a tax-free basis through loans or withdrawals as long as the policy is not a modified endowment contract (MEC).[3,4]
- **Diversification.** Life insurance offers a way to help clients allocate funds outside of other options, providing a way to spread any potential risk.
- **Tax-deferred growth.** With life insurance, any cash values grow on a tax-deferred basis.[1]

Items to consider

There are many ways to help pay for college tuition costs, and it's important to review several options. A thorough needs-based analysis will help your clients decide on a direction appropriate for their situation.

- **Avoid modified endowment contract (MEC)[4] status.** Weigh the MEC status with other benefits and considerations in the policy. In some circumstances, a policy that is considered a MEC may be subject to tax when a client accesses the cash values with loans or withdrawals.[3]
- **Non-guaranteed performance.** Cash values for loans and withdrawals in later years may be more or less than originally illustrated.
- **Insurance charges.** Permanent life insurance policies require monthly deductions to pay the policy's charges and expenses, some of which will increase as the insured gets older. These deductions may reduce the cash value of the policy.
- **Surrender charges.** Withdrawals may be subject to surrender charges and the amount available for policy loans.[3]
- **Loss of premium.** Depending on funding, life insurance may not guarantee avoiding loss of premium.
- **Maintaining the death benefit.** Additional premiums may be necessary to continue the desired death benefit, depending on funding.

How it works

Your clients should use personal savings as the main source for college funding. However, a key challenge with personal savings is that if the family's primary breadwinner passes away unexpectedly, personal savings plans may come to an abrupt end. Life insurance can help ensure the funding amount is available to pay for college tuition costs.

Additionally, a client's death doesn't have to be the key trigger event. Permanent life insurance with the opportunity to accumulate cash value may be used to help pay for college costs. A policy such as indexed universal life insurance may generate cash value growth while protecting against downside risk.

The fundamentals of the strategy are quite basic.

- The client purchases a permanent life insurance policy that provides death benefit protection and a way to help accumulate cash value.
- Potential cash value growth is accumulated on a tax-deferred basis.[1]
- Should the client die prematurely, the death benefit may be used to help pay college tuition costs. This event would complete the strategy.
- Alternatively, when it comes time to help pay tuition costs, the client may access the policy's cash values through generally tax-free loans or withdrawals.[3]
- After helping to pay tuition costs, clients may repurpose the policy for other possible needs, like helping to supplement retirement income, while still providing death benefit protection.

Client profile

There are potentially many clients in need of financial protection and a way to help fund the costs of a college education. The typical client profile may include:

- Those with a need for death benefit protection.
- Young families with children up to age 13.
- People concerned about college tuition costs.
- Those who are possibly looking to help supplement income in retirement years.

Why North American?

Turn to North American for help with your college funding cases. In addition to our knowledgeable Sales Development team, you'll gain several benefits including:

- Competitive products. A robust product portfolio that meets your clients' needs for death benefit protection. For clients looking for solutions for college funding in addition to death benefit protection, consider products within our portfolio that can help generate cash value, like indexed universal life insurance (IUL). Here's why to consider IUL:
  - Interest credit is never less than zero percent, subject to cap on interest credits.
  - Clients can choose from several index selections, for cash value growth potential.
  - Our products guarantee that the account value has earned at least a 2.5% average per year calculated from policy issue every ten years.
  - Accelerated death benefits are available to help with living needs should certain conditions be met.
- Fair and consistent underwriting. You can depend on North American to provide fast turnaround times on your submitted business.
- Competitive compensation. Your time and commitment can be well-rewarded with our generous compensation. Plus, we take a collaborative approach to help grow your business and are here to answer your questions and provide guidance along the way.
- Financial stability. Our financial ratings are sound, and private ownership means we're focused on long-term value.[5]
  - A+ (Superior) A.M. Best (2nd of 15 categories)
  - A+ (Strong) Standard & Poor's (5th of 22 categories)
  - A+ (Stable) Fitch Ratings

Resources

Sales development

Phone: 800-800-3656, ext. 10411

Email: salessupport@nacolah.com

Hours: 7:30 a.m. – 5 p.m. CT, Monday through Thursday;
7:30 a.m. – 12:30 p.m. Friday

Agents offering, marketing, or selling accelerated death benefits for chronic illness in California must be able to describe the differences between benefits provided under an accelerated death benefit for chronic illness and benefits provided under long-term care insurance to clients. You must provide clients with the ADBE Consumer Brochure for California that includes this comparison. Comparison is for solicitation purpose only, not for conversions.

1 The tax-deferred feature of universal life or indexed universal life insurance is not necessary for a tax-qualified plan. In such instances, your client should consider whether other features, such as the death benefit and optional riders make the policy appropriate for the client's needs. Before purchasing a policy, your client should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the product.

2 Neither North American Company for Life and Health Insurance nor its agents give legal or tax advice. Please advise your customers to consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

3 In some situations, loans and withdrawals may be subject to federal taxes. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year.

4 For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).

5 A.M. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance, and ability to meet its obligations to policyholders. Rating shown reflect the opinion of the rating agency and are not implied warranties of the company's ability to meet its financial obligations. a) A.M. Best rating affirmed on August 2, 2018. For the latest rating, access www.ambest.com Standard & Poor's rating assigned February 26, 2009 and affirmed on September 10, 2018. Awarded to North American Company for Life and Health Insurance® as part of Sammons® Financial Group Inc., which consists of Midland National® Life Insurance Company. The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to encourage your clients to make personal savings the cornerstone of your clients' college funding program. However, even a well-conceived savings plan can be vulnerable. Should your clients die prematurely, their savings plan could come to an abrupt end. For detailed information about these companies, their ratings, and to learn more about North American's financial strength, please visit the About Us section of www.NorthAmericanCompany.com. Fitch Ratings, a global leader in financial information services and credit ratings, on April 17, 2019, assigned an Insurer Financial Strength rating of A+ Stable for North American. This rating is the fifth highest of 19 possible rating categories. The rating reflects the organization's strong business profile, low financial leverage, very strong statutory capitalization and strong operating profitability supported by strong investment performance. For more information, read the Fitch Ratings report.

To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your clients' college savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.

Products, features, riders, endorsement or issue ages may not be available in all jurisdictions. Restrictions or limitations may apply.

Indexed Universal Life products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

North American Company
for Life and Health Insurance
Since 1886

Life

College funding

Client profile

Name: ____________________ **Agent code:** ____________________

Email: ____________________ **MGA:** ____________________

The primary purpose of life insurance is to provide a death benefit to beneficiaries. Death benefit protection can make life insurance an attractive choice for establishing a self-completing plan to help fund a college education. Permanent life insurance that can accumulate cash value may be used to help pay for college costs.

Help your clients gain financial protection and help pay for college

If your clients…

- Need life insurance protection
- Have young families with children up to 13 years old
- Are concerned about college tuition costs
- Are possibly looking to help supplement income in retirement years

… College funding with permanent life insurance may be the answer.

List the names of five clients who fit the above profile and whom you would like to help meet their life insurance needs and financial goals.

Client name: ____________________ **Age:** ______ **Gender:** **Tobacco:Y/N** **State:**
Premium amount: ____________________ **Child age:** ______ ______ ______ ____

Client name: ____________________ **Age:** ______ **Gender:** **Tobacco:Y/N** **State:**
Premium amount: ____________________ **Child age:** ______ ______ ______ ____

Client name: ____________________ **Age:** ______ **Gender:** **Tobacco:Y/N** **State:**
Premium amount: ____________________ **Child age:** ______ ______ ______ ____

Client name: ____________________ **Age:** ______ **Gender:** **Tobacco:Y/N** **State:**
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Client name: ____________________ **Age:** ______ **Gender:** **Tobacco:Y/N** **State:**
Premium amount: ____________________ **Child age:** ______ ______ ______ ____

The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to encourage your clients to make personal savings the cornerstone of your clients' college funding program. However, even a well-conceived savings plan can be vulnerable. Should your clients die prematurely, their savings plan could come to an abrupt end.

To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your clients' college savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.

We're Here For Life®

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College funding with permanent life insurance

Help your clients reach their goals

QUICK LOOK

The primary purpose of life insurance is to provide a death benefit to beneficiaries. It can also be designed to meet your clients' changing needs with features such as a flexible death benefit and flexible premiums. Death benefit protection can make life insurance an attractive choice for establishing a self-completing plan to help fund a college education. The college funding strategy using life insurance typically includes three parts.

1. Should a premature death occur, the life insurance death benefit could be used to complete the insured's college savings goal and help pay for college.
2. The second part of the plan is tax-deferred[1] and potentially tax-free income through policy loans to supplement your clients' other saving sources for college.[2]
3. After helping to pay college tuition, your clients can reposition the policy and use it to help supplement retirement income while continuing to protect the family with the death benefit.

THE SITUATION

Your clients are proud parents of a six-month-old girl. The couple is eager to start planning for the future and want to put together a strategy to help them meet their future financial needs.

With the added responsibility, they realize that should something happen to the family's primary source of income, it would be a challenge for the other parent to keep up with expenses. With a mortgage, car loans, outstanding student debt, and all of the other household expenses, the couple currently feels financially vulnerable.

Both parents are big supporters of a good college education. The couple has decided that they would like to help their daughter through college when the time comes. The couple is well aware of high tuition costs, having student debt themselves. They worry that the costs of a college education will only continue to rise.

A SOLUTION

Your clients meet with you, a life insurance agent, to discuss their need for death benefit protection. Their first priority is life insurance protection. You ask several questions and take a thorough look at the family's finances. You present an option that offers financial protection plus a way to help fund their daughter's education with permanent life insurance.

Is there a way to help your clients financially protect their family now while helping to fund college for their daughter when the time comes?

A SOLUTION

Life insurance was an unexpected source of college funding for the couple, and they were happy to know they could both financially protect their family now and help provide for their daughter's future later.

Here were the key points covered by their agent:

- **Immediate death benefit protection.** The money from the policy can help pay expenses and also help with college tuition costs should the family's primary breadwinner die prematurely.
- **Parental stewardship.** The policyowner has control of the policy's potential accumulated cash value. Should the daughter's plans change, the accumulated cash value can be used for purposes other than college funding without tax consequences.[3] This same flexibility may not be available with other planning vehicles.
- **Tax-deferred growth.** With life insurance, cash values can grow on a tax-deferred basis.[1]
- **Tax-efficient access to potential cash values.** The couple may access funds in their life insurance policy to pay for college expenses generally tax-free through loans or withdrawals as long as the policy is not a modified endowment contract (MEC).[2,4,5]
- **Diversification.** Life insurance offers a way to help the couple allocate funds outside of other options, providing a way to spread any potential risk. Additionally, permanent life insurance offers protection from downside risk by guaranteeing a minimum credited interest rate.

CONSIDERATIONS

- **Avoid Modified Endowment Contract status (MEC).[5]** Weigh the MEC status with other benefits and considerations in the policy. In some circumstances, a policy that is considered a MEC may be subject to tax when a client accesses the cash values with loans or withdrawals.[2]
- **Non-guaranteed performance.** Cash values for loans and withdrawals in later years may be more or less than originally illustrated. We encourage you to look at a variety of scenarios to see how the life insurance policy performs under different assumptions.
- **Insurance charges.** Permanent life insurance policies require monthly deductions to pay the policy's charges and expenses, some of which will increase as the insured gets older. These deductions may reduce the cash value of the policy.
- **Loss of premium.** Depending on funding, life insurance may not guarantee avoiding loss of premium.
- **Surrender charges.** Withdrawals may be subject to surrender charges and the amount available for policy loans.

Share this concept with your clients today!

1 The tax-deferred feature of universal life or indexed universal life insurance is not necessary for a tax-qualified plan. In such instances, your client should consider whether other features, such as the death benefit and optional riders make the policy appropriate for the client's needs. Before purchasing a policy, your client should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the product.

2 In some situations, loans and withdrawals may be subject to federal taxes. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation.

3 Neither North American Company for Life and Health Insurance nor its agents give tax advice. Please advise your customers to consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

4 Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year.

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The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to encourage your clients to make personal savings the cornerstone of your clients' college funding program. However, even a well-conceived savings plan can be vulnerable. Should your clients die prematurely, their savings plan could come to an abrupt end.

To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your clients' college savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force. Indexed Universal Life products are not an investment in the "market" or in the applicable index and are subject to all policy fees and charges normally associated with most universal life insurance.

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Financial objectives discussion guide

Confidential

Date: ______________________________

1. PERSONAL OVERVIEW

	Client 1	Client 2
Name		
Gender		
Date of birth		
Address		
Home phone		
Work phone		
Cell phone		
Email		
Preferred contact method and time		
Occupation		
Business owner?		

Please provide me with a general overview of your financial situation and experience including any disappointments and achievements.

____

____

____

List any recent events in your life related to you, your loved ones or your financial situation. Examples include: change in marital status, death of a family member, health concerns, change in employment, change in income, new investments, etc.

____

____

____

Tell me about your current retirement plan.

What would your retirement look like if we worked together? Think about where you'd live during the various stages of your retirement, how you'd spend your typical days, what activities or hobbies you'd be involved in, etc.

Who have you relied on for financial guidance?

	Insurance professional	Broker or Financial advisor	Accountant	Attorney
Name				
Firm name				
Phone				
How did you meet?				
How long have you been associated?				
When did you last meet?				
Rate satisfaction Level from 1 – 5 with 1 being poor and 5 being excellent				

Your financial concerns

I'd like to understand your current financial concerns and know about the relationships in your life that may be impacted by these concerns. First, let me know if any of the following items are of concern to you and, if so, how they rank in order of importance.

Concern	Level of importance – Check appropriate column				
	1 None	2 Minimal	3 Somewhat	4 Very	5 Urgent
A. Income protection for my family					
B. Funding children's education[1]					
C. Outliving your assets in retirement					
D. Leaving a legacy for heirs					
E. Providing for extended family and/or dependents with special needs					
F. Estate planning/wealth transfer					
G. Charitable giving					
H. Concern about market volatility					
I. Concern about yields on savings or other fixed vehicles					
J. Affording to retire					
K. Business continuation					
L. Executive benefits for employees					
M. Loss of key employee or partner					
N. Affording in home health care or nursing home care					
O. Other:					

Additional comments: ______________________________

____

Your relationships

Based on your concerns, list others who you are supporting or plan to support financially. When identifying your relationship with these individuals, be as specific as possible from a legal perspective (i.e. "daughter of previous spouse" vs. "step-daughter", "son-in-law's child from a previous marriage" vs. "grandchild", etc.).

Name	Relationship	Gender	Date of birth	Social security number*	Concern (use letter from previous chart)

*Will be required if a life insurance transaction results from this conversation.

Now that we've discussed your personal situation, I'm going to ask you for a lot of data. Before we move on though, is there anything else that you'd like to share?

2. CURRENT FINANCIAL SITUATION

Pre-retirement earnings and benefits	Client 1	Client 2
Annual salary		
Bonus		
Other income		
Annual value of employer paid benefits/ contributions		
Health insurance		
Life insurance		
Disability insurance		
Other:		

General assets

Description	Current value	Owner (Client 1, Client 2 or J – joint, T - trust)	Plan to use for retirement?	Plan to pass on to heirs?
Residence				
Other property				
Automobiles				
RV/other				
Savings account				
Certificate of deposit				
Bonds				
Mutual funds				
Stocks				
Business interest				
Other:				
General assets total				

Note: A separate chart for Retirement Assets follows.

Retirement assets

Description	Current value		Annual contributions			
	Client 1	Client 2	Client 1	Client 1's employer	Client 2	Client 2's employer
401(k)						
403(b)						
Pension plan						
Employee stock plan						
Traditional IRA						
Roth IRA						
Annuities						
Life insurance						
Other:						
Retirement assets totals						

Liabilities

Description	Amounted owed	Duration
Mortgage 1		
Mortgage 2		
Home equity loan		
Credit cards		
Student loans		
Line of credit		
Business loan		
Other:		
Liabilities		

Net worth

(Assets ____________ + Retirement assets ____________ = ____________) – Liabilities ___________ = Net worth ___________

Taxes

	Current	Expected at retirement
Federal tax bracket		
State tax bracket		

3. COLLEGE FUNDING NEEDS[1]

Current college funding sources

Saving vehicles	Current value
529 Plan	
Savings accounts	
Certificate of deposit	
Sources from family (grandparents, etc.)	
Future potential sources (scholarships, grants, loans, student aid, other?)	
Life Insurance	
Other:	

Expenses	Estimated cost
Tuition	
Housing	
Food	
Books	
Supplies (computer, pens, notebooks, other?)	
Fees (activity, parking, other?)	
Transportation	
Other:	

4. INSURANCE REVIEW

Do you currently have coverage under any of the following types of insurance policies? Indicate the number of policies if you have more than one of any type.

Type	Client 1	Client 2
Life insurance		
Disability insurance		
Long term care insurance		

How did you purchase this coverage? (i.e. from the same representative, multiple representatives, on-line, other)

How did you come to a decision on the amount of death benefit coverage you currently have.

What life changes have occurred since you bought these policies? (i.e. marriage, children, mortgage, other?)

When was the last time you reviewed your beneficiary designations?

Let's review the insurance policies that you current have as well as any annuities that you referenced earlier.

NOTE: Use additional sheet(s) for multiple policies/contracts.

Life insurance coverage

Current coverage	Client 1 (insured)	Client 2 (insured)
Owner*		
Beneficiary(ies)*		
Issuing insurance company		
Policy issue date		
Product type		
Death benefit		
Annual premium		
Underwriting classification		
Riders (type and reason for having them):		
For permanent life insurance:		
Death benefit guarantee		
Cash accumulated value		
Cash surrender value		
Surrender charge period		
Guaranteed interest rate		
For term life insurance:		
Level term period		
Years remaining of initial level term period		
Years remaining for eligible conversion privilege		

*Be sure to list trusts if appropriate.

Disability insurance coverage

Current coverage	Client 1 (insured)	Client 2 (insured)
Issuing insurance company		
Annual premium		
Monthly benefit		
Inflation adjustment?		
Offset by social security?		

Long term care insurance coverage

Current coverage	Client 1	Client 2
Issuing insurance company		
Annual premium		
Daily benefit (in-home)		
Daily benefit (care facility)		
Maximum lifetime benefit		
Inflation adjustment?		

Annuity contracts

Current coverage	Client 1	Client 2
Issuing insurance company		
Current value		
Cost basis		
Growth rate		
Other:		

5. DISCUSSION SUMMARY

Is there anything that we haven't discussed that you feel is important for me to know?

Next appointment

Date: ______________________________

Time: ______________________________

Place: ______________________________

The content of this material is not intended sell, discuss the risks, recommend, or provide any type of advice relative to securities. Nor is it intended to recommend the liquidation of specific securities, or identify specific securities that could be used to fund a life insurance product.

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1 The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to make personal savings the cornerstone of your client's college funding program. However, even a well-conceived savings plan can be vulnerable. Should your client die prematurely, your client's savings plan could come to an abrupt end.

To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your client's college savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.

Life

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Next appointment

Date: ______________________________

Time: ______________________________

Place: ______________________________

NOTES

PROPERTY RECEIPT

This receipt should be left with the client should the financial representative obtain copies of the client's insurance policies.

The following policies have been provided by the client(s) to the financial representative for review. Those policies will be returned to the clients by _______________(date).

Issuing company	Policy number	Insured	Policy owner

Client #1 printed name　　Client #1 signature　　Date

Client #2 printed name　　Client #2 signature　　Date

Financial representative printed name　　Financial representative signature　　Date

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Neither North American Company nor its agents give legal or tax advice. Please consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

1 The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to make personal savings the cornerstone of your client's college funding program. However, even a well-conceived savings plan can be vulnerable. Should your client die prematurely, your client's savings plan could come to an abrupt end.

To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your client's college savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.

Life

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John Hancock INSURANCE

CLIENT PROFILE

INDIVIDUAL NEEDS | Advanced Markets

Life Insurance and College Funding

Using Life Insurance as a College Funding Supplement

CLIENT PROFILE	
Age	30–50
Status	Has a long term college funding need for their children.
Concern	Would like to fund their children's college education and are looking for options.

Situation

- Client would like to save money for their children's college education.
- Client would like additional life insurance protection for income replacement needs if death occurs.

Solution

- Client can purchase a permanent life insurance policy. The policy builds a cash value account over time, based on premiums paid into the policy. During the accumulation period and prior to the client needing the money for tuition, the policy will provide income tax-free death benefit protection; during the college years, the potential policy cash value can be used to fund education costs, and provide a residual death benefit.

How it Works

- Client applies for and purchases life insurance policy on his/her own life. Client pays the premium on the policy.
- The policy will provide an income tax-free death benefit to the client's heirs.
- When the child needs money for tuition or other expenses, the client can access any potential policy cash value via tax-favored loans and withdrawals.

Benefits

- Life insurance can increase the amount left to heirs.
- Life insurance provides an income tax-free death benefit.[1]
- The life insurance policy cash value grows tax-deferred.
- Life insurance, depending on the state, can offer creditor protection.
- Withdrawals from insurance policies are not mandatory and may occur at any time or not at all, unlike distributions from a 529 plan, which have to be used for qualified higher education expenses, otherwise a 10% penalty and tax will be assessed on the gain.[2]

Considerations

- Plan requires evidence of insurability.
- The life insurance premium is not tax deductible.
- Policy should not be structured as a Modified Endowment Contract (MEC). Policies classified as MECs may be subject to tax when a loan or withdrawal is made, and a federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½.
- The policy cash value available for loans and withdrawals may be worth more or less than the original investment amount, depending on the performance of the policy.
- Withdrawals and loans can reduce the policy death benefit and cash surrender value and may cause the policy to lapse. Lapse of a life insurance policy can cause the loss of the death benefit and potential adverse income tax consequences.

CASE STUDY

CLIENTS: **Fred Durkin**, Male, Preferred Non Smoker, Age 35. Has a young child who is projected to go to school in 16 years. $500,000 Accumulation IUL policy, $11,300 initial premium for 15 years, thereafter; assumes annual income payment of $50,000 is taken from policy for 4 years starting in year 16.

	LIFE INSURANCE	
Initial Death Benefit Contribution Amount Number of Years	$500,000 $11,300 15	During the accumulation phase, there is a $500k death benefit.
At the Start of College		
Planned Gross Annual Distributions Planned Annual After-Tax Distribution Cash Value at Year 16 Net Death Benefit at Year 16	$50,000 $50,000 $165,832 $480,253	If all goes as planned, distributions can be made for college.
In Year 19		
Cumulative Gross Distributions Cumulative After-Tax Distribution Cash Value at Year 19 Net Death Benefit at Year 19	$200,000 $200,000 $33,125 $330,029	Life insurance provided for 4 years of college ($200k) and still has a $330,029 death benefit and potential cash value access.

Consider this: If the child does not go to school, the clients could leave the policy as is and use it later for retirement purposes. This flexibility can be extremely valuable to the client!

This is a supplemental illustration. Benefits and values may not be guaranteed; the assumptions on which non-guaranteed elements are based are subject to change by the insurer. Actual results may be more or less favorable. The hypothetical rate of return in the above example is 6%.

For additional information, please contact your local John Hancock Representative or call the Advanced Markets Group at (888) 266-7498, option 3.

1. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration. Please consult your professional tax advisor.
2. 529 plans may allow changes to the beneficiary if certain requirement are made. Generally another member of the family can benefit from the 529 plan.
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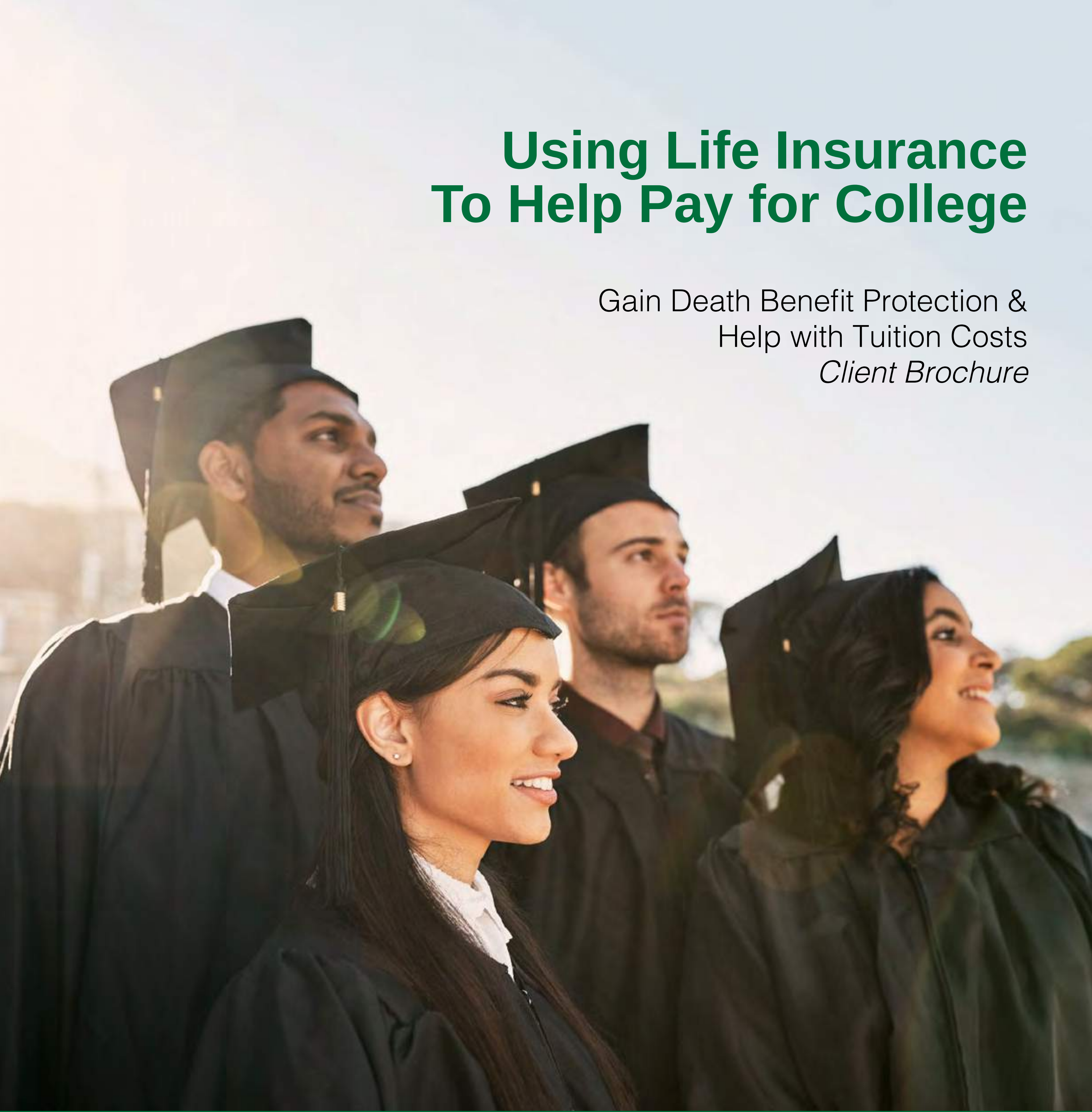

Using Life Insurance To Help Pay for College

Gain Death Benefit Protection & Help with Tuition Costs
Client Brochure

Life

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Since 1886

Achieve financial protection and help pay for the increasing costs of college tuition.

The primary purpose of life insurance is to provide a death benefit to beneficiaries. This death benefit protection can make life insurance an attractive choice to help fund a college education.

While many people are aware that the cost of a college education has been on the rise, many underestimate just how large this cost has grown. According to the 2016 Trends in College Pricing published by The College Board, over the past decade, the published in-state tuition and fees for four-year public colleges and universities grew at an average rate of 3.5% per year beyond the rate of inflation.* At the same time, many families lack life insurance protection, which many consider to be the cornerstone of financial protection. Recent studies show that four in ten U.S. households have no life insurance coverage at all,** which leaves them vulnerable should the primary breadwinner die unexpectedly. What many people may not realize is that with the right life insurance policy, you can secure needed death benefit protection while gaining a way to help pay for college education.

* Trends in College Pricing. © 2016 The College Board. www.collegeboard.com.

** Life Insurance and Market Research Association (LIMRA) 2016 Insurance Barometer Study.

KEY QUESTIONS	ITEMS DISCUSSED
Why life insurance?	Learn how life insurance can meet death benefit protection needs and help pay for college education.
Who can benefit?	Explore whether using life insurance to help fund college tuition costs is right for you.
How does it work?	Discover the steps to financially protect what's important while fulfilling the desire to help pay for college.

WHY LIFE INSURANCE?

Your personal savings should be the primary source for college funding.[1] However, that comes with a challenge: if the family's primary breadwinner dies prematurely, the personal savings plan typically comes to an abrupt end. In this situation, a life insurance policy can help. The policy's death benefit could be used to help pay college tuition costs.

A key benefit of permanent life insurance, is that it has the potential to accumulate cash value on a tax-deferred basis.[2] Those funds can then be accessed while you are living to help pay for college costs.

Some of the advantages of a permanent life insurance policy include:

- **Parental stewardship.** The policyowner has control of the policy's potential accumulated cash value. Should plans change, the accumulated cash value can be used for other purposes without tax consequences.[3]
- **Tax-deferred growth.** Cash values within a life insurance policy generally grow tax-deferred.[2]
- **Policy loan options.** Different loan options are available to help you access the potential cash values within your policy.[4]

WHO CAN BENEFIT?

There are a few items to consider before using life insurance for death benefit protection and a way to help pay for tuition costs:

- Are you in need of death benefit protection to help ensure your family is financially protected?
- Do you have a child or children up to 13 years old?
- Are you concerned about college tuition costs?

Life Insurance Considerations

It's important to explore your options and to work with your life insurance representative to gain a clear picture of your needs. There are costs with life insurance. Permanent life insurance policies require monthly deductions to pay the policy's charges and expenses, some of which will increase as you get older. These deductions may reduce the cash value of the policy. Additional premiums may be necessary to continue the desired death benefit, depending on funding. Withdrawals may be subject to surrender charges and the amount available for policy loans.

HOW DOES IT WORK?

After a thorough needs-based discussion with your life insurance representative, you select a life insurance policy that matches your needs. The basic steps typically include:

- Purchase a permanent life insurance policy. The policy provides death benefit protection and a way to help accumulate cash value on a tax-deferred basis.[2]
- If the unexpected happens and you die prematurely, the life insurance death benefit would be paid generally income tax-free[3] to beneficiaries.
- Alternatively, when it comes time for you to pay tuition costs, you may access the policy's potential cash values through generally tax-free loans or withdrawals.[4]
- After helping pay tuition costs, you may reposition the policy for other possible needs.

North American Company
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Since 1886

Get started today. Contact your North American representative and financially protect what's important now, while helping to fund a college education.

North American Company for Life and Health Insurance has been providing quality life insurance products since 1886. As one of the leading life insurance companies in the U.S., we'll make it as easy as possible for you to become one of our insureds. Please visit our Website at www.NorthAmericanCompany.com to find out more about our company.

1. The primary purpose of life insurance is to provide a death benefit to beneficiaries. Because of the uncertainty surrounding all funding options except savings, it is critical to make personal savings the cornerstone of your college funding program. However, even a well-conceived savings plan can be vulnerable. Should you die prematurely, your savings plan could come to an abrupt end.

To protect against this unexpected event, life insurance may be the only vehicle that can help assure the completion of a funding plan. In addition to the financial protection aspect of insurance, the tax-deferred buildup of cash values can be part of your college savings plan. Generally, if the policy is not a Modified Endowment Contract then tax-free withdrawals can be made up to the contract's cost basis. Moreover, if the policy is not a Modified Endowment Contract, then loans in excess of the cost basis are also tax free as long as the policy remains in force.

2. The tax-deferred feature of universal life or indexed universal life insurance is not necessary for a tax-qualified plan. In such instances, you should consider whether other features, such as the death benefit and optional riders make the policy appropriate for your needs. Before purchasing a policy, you should obtain competent tax advice both as to the tax treatment of the policy and the suitability of the product.

3. Neither North American Company nor its agents give legal or tax advice. Please consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

4. Policy loans from life insurance policies generally are not subject to income tax, provided the contract is not a Modified Endowment Contract (MEC), as defined by Section 7702A of the Internal Revenue Code. A policy loan or withdrawal from a life insurance policy that is a MEC is taxable upon receipt to the extent cash value of the contract exceeds premium paid. Distributions from MECs are subject to federal income tax to the extent of the gain in the policy and taxable distributions are subject to a 10% additional tax prior to age 59½, with certain exceptions. Policy loans and withdrawals will reduce cash value and death benefit. Policy loans are subject to interest charges. Consult with and rely on your tax advisor or attorney on your specific situation. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year.

Life insurance policies have terms under which the policy may be continued in force or discontinued. Permanent life insurance requires monthly deductions to pay the policy's charges and expenses, some of which will increase as the insured gets older. These deductions may reduce the cash value of the policy. Current cost of insurance rates and current interest rates are not guaranteed. Therefore, the planned periodic premium may not be sufficient to carry the contract to maturity. For costs and complete details, refer to the policy or call 877-872-0757 or write North American Company for Life and Health Insurance, One Sammons Plaza, Sioux Falls, SD, 57193.

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INDEX UNIVERSAL LIFE INSURANCE (IUL)

Income for college and retirement funding

Saving for college and retirement can take many forms, but life insurance is one form that covers both.

Pay **$6,000** per year in, and get **$80,000** out for college & **$600,000** for retirement?

See how IUL can help provide this kind of security for your future.

SITUATION

Evangeline is a 34 year-old single mother, in good health, with a 2 year-old daughter. Evangeline needs a solid plan that will provide protection for her daughter Rachel in case something were to happen to her, and an alternative source of funds for both Rachel's college expenses and her own retirement. Her financial professional recommends an index universal life insurance policy to meet her needs.[1]

SOLUTION

Evangeline purchases an index universal life insurance policy.[2]

- Evangeline pays an annual premium of $6,000 for 15 years.
- In year 16, Evangeline stops paying premiums and begins taking tax-free distributions from the policy for 4 years, to help pay Rachel's college expenses.
- After 4 years, Evangeline begins to pay the annual $6,000 policy premium again, starting at age 54 and stopping at her retirement at age 65.
- Over the next 15 years she takes out tax-free funds to supplement her retirement income.

AIG

Policies issued by American General Life Insurance Company

The United States Life Insurance Company in the City of New York

THE BENEFITS

- Although the amount of the policy death benefit varies, her initial benefit is $275,000 and stays close to that over time, providing the needed protection for Rachel.
- Evangeline is able to provide $20,000 per year for college expenses for Rachel, on a tax-free basis.[3] She also retains control of the funds after Rachel turns 18.
- Distributions from the policy will not impact financial aid calculations if Evangeline finds it necessary to apply for additional aid during college.
- At age 65 Evangeline takes tax-free[4] annual distributions of $40,000 for 15 years to supplement her own retirement.
- At age 80 Evangeline's policy distributions stop, and her death benefit is approximately $300,000. The death benefit protection can continue for life.

In this example, Evangeline has paid total premiums of $156,000. Over the life of the policy, total potential distributions to Evangeline of up to $680,000 may supplement both Rachel's college and her own retirement expenses, and still provide a death benefit should she should die prematurely.

[1] Not an actual case and is a hypothetical representation for illustrative purposes.

[2] The policy values illustrated here are taken from a currently-offered index universal life policy from American General Life Insurance Company. Some numbers were rounded for ease of explanation. Your numbers will be different for a variety of reasons, including age, gender and underwriting class. All policy values represent current assumptions. A basic illustration will show guaranteed values that will be substantially lower.

[3] There are rules that must be followed in the policy in order to enjoy tax-free distributions from a life insurance policy. A licensed insurance professional can help advise you.

TO FIND OUT MORE, CONTACT:

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AIG®

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LIFE INSURANCE

Is a Million Dollars Enough?

It's easy to think that having a million dollars will take care of your financial needs forever.

But if you leave $1 million to your family in the form of a life insurance policy's death benefit, how long will it really last? Let's take a look.

HOW LIFE INSURANCE CAN HELP

Life insurance can help protect your family or business by providing a death benefit (a sum of money) if you should die prematurely. Your beneficiary receives these proceeds generally free of federal income tax (IRC §101(a)) to help replace some of the income you would have earned. In this way, the death benefit can help to:

- Maintain your family's standard of living.
- Protect your family's home by helping them pay off the mortgage and other debts.
- Safeguard your child's future college funds.
- Provide supplemental retirement income for your spouse or partner.
- Provide funds to pay estate taxes and other final expenses.
- Keep your business in the family.

IS $1 MILLION ENOUGH?

You may be surprised to find out that your need for life insurance may be as much as or even greater than $1 million. Of course, everyone's needs are different, and a complete needs analysis is the best way to determine the amount of life insurance that's right for you.

Taking a closer look at the numbers—what you earn and how the death benefit would be used—can also help put things into perspective.

If, for example, you earn $40,000 a year for 25 years and never get an increase in pay, you will have earned $1,000,000. Although we are not taking into account inflation, years actually worked, and actual salary, this simplified calculation can help you realize just how much you earn over time.

LET'S LOOK AT A QUICK CASE STUDY

You have a **30-year mortgage**.
You have **two children**, ages 2 and 4.
Both you and your spouse work and each **earn $60,000** per year.
Your goals: • to provide for your children's education. • to enable your family to be able to pay off all final expenses and debt. • to allow your family's standard of living to remain the same. • to enable your spouse to retire comfortably.

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Will $1 million be enough to meet your objectives?

WHERE THE MONEY GOES

Let's see how far $1 million will go to help your loved ones if you pass away.

Death Benefit	$1,000,000
Mortgage	–$200,000
	= **$800,000**
College Costs[1]	–$407,200
	= **$392,800**
Funeral Costs (funeral, debt, etc.)	–$10,000
	= **$382,800**
Rate of Return (5%)	X .05[2]
Annual Income Stream Remaining	= **$19,140**[3]

$19,140 replaces less than 32% of the missing pre-tax income with no adjustment for inflation. What if your family has debt not reflected here? How well will your family live on a paycheck with no inflation adjustment?

HOW LONG WILL THE LUMP SUM OF $382,800 LAST WITH INFLATION?

If you would like to maintain your annual pre-tax income of $60,000 and, assuming a 3% inflation rate and an annual investment rate of 5% (after taxes), the lump sum of $382,800 (after paying off the costs shown in the case study) will last approximately 5.9 years.

Maybe it is time to consider supplementing your existing coverage with additional term policies. Did you know that both you and your spouse may be able to purchase a $1,000,000 term policy from Pruco Life Insurance Company for less than $71 per month?[4]

HOW FAR WOULD A MILLION DOLLARS GO FOR YOUR FAMILY?

Get a personalized estimate to find out. A financial professional can complete a needs analysis for you to help determine how much insurance you may need. He or she can also help you find the right life insurance policy appropriate for your needs and budget.

[1] College costs assume both children attend a private non-profit school (average total cost per year of $50,900 nationally for 2017 – 2018). (2 children x 4 years x $50,900/yr = $407,200, excluding inflation). This cost includes resident tuition, room and board, books, supplies, transportation, and other expenses. Source: The College Board, "Trends in College Pricing, 2017," Figure 1.
[2] A hypothetical rate of return.
[3] The Annual Income Stream Remaining is a before-tax annual amount.
[4] This example refers to monthly rates for a $1,000,000 Term Essential® 30 policy, based on our Preferred Best underwriting category for a 35-year-old male and female. If you choose to keep the policy after the level premium period ends, premiums will increase each year as outlined in your contract. Payment modes other than annual will result in higher aggregate premiums.

It is important to understand that the amounts represented here are hypothetical. Actual results may vary substantially from the figures shown. The only conclusions that should be drawn from this brochure are that additional analysis may be appropriate and that a personal needs analysis can help identify the size of your life insurance needs.

Life insurance policies contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. For costs and complete details, see your financial professional. The issuer may have the right to contest the policy for misrepresentation or to apply a suicide clause.

Term Essential (PLTIC-2016 or ICC16-PLTIC-2016) is issued by Pruco Life Insurance Company except in New York, where it is issued by Pruco Life Insurance Company of New Jersey. Other insurance policies are issued by The Prudential Insurance Company of America and its affiliates. All are Prudential Financial companies located in Newark, NJ. Each is solely responsible for its own financial condition and contractual obligations.

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UNDERSTANDING HOW MUCH YOU MAY NEED

Understanding how much you may need to invest in order to pay for your child's higher education is an important part of developing an effective education savings plan.

However, just as important is protecting your plan and its completion if you should die prematurely. One way to help protect your plan is with life insurance issued by Pruco Life Insurance Company. The death benefit amount can help cover your child's tuition if something unexpected happens to you.

Term Essential is issued by Pruco Life Insurance Company except in New York, where it is issued by Pruco Life Insurance Company of New Jersey. Both are Prudential Financial companies located in Newark, NJ. Each is solely responsible for its own financial condition and contractual obligations. The policy form number is PLTIC-2016 or ICC16 PLTIC-2016. Premiums increase annually after the level-premium period ends to age 95 but will never exceed the maximum stated in the contract.

Guarantees are based on the claims-paying ability of the issuing company.

Our policies and contracts contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. A financial professional can provide you with costs and complete details.

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HELP ENSURE FUNDS WILL BE THERE

Protecting Your Child's Education Plan

Life Insurance

Prudential
Bring Your Challenges®

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A QUICK SNAPSHOT

The following charts give a quick snapshot of various projected college tuition costs, the amounts needed to cover two children, and the annual amounts needed to protect tuition objectives with term insurance issued by Pruco Life Insurance Company.

To easily project college costs, we have assumed the same rate of inflation (5%) as your assumed after-tax investment return (5%).* Therefore, it does not matter when your children will attend college. The present value of their college costs is simply the sum of the current year's costs times the number of years they will each attend school. If you delay setting aside funds, the costs to protect their education plans will increase.

- Assuming current college costs for public in-state schools of $20,770, you would need $166,160 in insurance protection.[3]
- Assuming current college costs for public out-of-state schools of $36,420, you would need $291,360 in insurance protection.[3]
- Assuming current college costs for private schools of $46,950, you would need $375,600 in insurance protection.[3]

Setting aside funds now will decrease the amount of protection you will need to help cover education costs. Saving now is always better than saving later. A financial professional would be happy to help you calculate your specific projected college costs for the college or colleges of your choice.

*The rate of return is purely hypothetical and is used for illustration purposes only. The performance is not indicative of any particular investment. Actual results and investment risks will vary. Sales loads, sales charges, and administrative fees are not taken into account and would reduce the performance shown if they were.

LIFE INSURANCE HELPS YOU ENSURE THAT THE FUNDS FOR COLLEGE COSTS WILL BE THERE, EVEN IF YOU ARE NOT.

	NATIONAL ANNUAL COLLEGE COSTS[1]		
	PUBLIC IN-STATE	PUBLIC OUT-OF-STATE	PRIVATE
ANNUAL TUITION + COSTS	$20,770	$36,420	$46,950
YEARS IN SCHOOL	X 4	X 4	X 4
TOTAL TUITION	$83,080	$145,680	$187,800[2]
X 2 CHILDREN	X 2	X 2	X 2
APPROXIMATE AMOUNT OF PROTECTION NEEDED	**$166,160[3]**	**$291,360[3]**	**$375,600[3]**

		ANNUAL LIFE INSURANCE EXPENSE		
PROTECTION NEEDED		**$166,160**	**$291,360**	**$375,600**
AGE 25	10 YEARS	$206.30	$233.59	$276.56
	15 YEARS	$214.60	$236.51	$280.31
	20 YEARS	$222.91	$239.42	$284.07
	30 YEARS	$264.45	$256.90	$306.60
AGE 35	10 YEARS	$207.96	$242.33	$287.82
	15 YEARS	$219.59	$256.90	$306.60
	20 YEARS	$237.87	$262.73	$314.12
AGE 45	10 YEARS	$277.75	$297.69	$359.19
	15 YEARS	$289.38	$303.52	$366.70

1 Trends in College Pricing 2017-18. http://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2017-18.

2 Costs include resident tuition, room and board, and fees.

3 The annual amounts for "Protection Needed" are based upon Term Essential® (10), Term Essential® (15), Term Essential® (20), and Term Essential® (30) term life insurance policies, respectively, for death benefit amounts that match the average four-year tuition costs. The amounts are then rounded to a common face amount for ease of use. The rates are for a male, non-smoker, in the "Preferred Best" underwriting category, which is not guaranteed, and with no riders. Availability and actual rates will vary based on how you satisfy our underwriting and eligibility criteria. The issuer may have the right to contest the policy for misrepresentation or to apply a suicide clause. The minimum amount of protection for these types of policies is $100,000. A complete analysis done by your financial professional may determine other needs and objectives that you may want to protect through the use of life insurance. Rates and availability may vary by state. Rates are as of 02/2018.

COLLEGE EDUCATION CHECKLIST

☐ Teach child the basics of home economics: budgeting, how checking and savings accounts work, time value of money, balancing consumption and savings, equity vs. debt, etc., to assure child's fiscal knowledge and prudence.

☐ Calculate how much to save for college expenses based on: the time frame until college begins, type of institution planning to attend (e.g. private 4-year university, 2-year trade school, etc.), and other sources of funding available. Prepare a monthly budget and include college expenses in that budget.

☐ Explore the various strategies for savings for college, such as: annuities, cash value life insurance, Coverdell education savings accounts, Section 529 plans and custodial accounts (UGMA and UTMA).

☐ Research what scholarships, grants or work-study programs may be available to cover some or all college expenses.

☐ Examine what tax credits and deductions may be available when saving or paying for college expenses, such as: HOPE credit (a.k.a. American Opportunity tax credit through 2017), Lifetime Learning Credit, student loan interest deductions, etc.

☐ Determine what assets, including education savings plans, are considered resources of the student or the parent for financial aid purposes.

☐ Help child to evaluate educational institutions and/or alternatives (e.g., apprenticeship programs), and to prepare and submit financial aid forms.

☐ Establish such spendthrift protections and restraints as are necessary but workable for the away-at-college child.

- ☐ Prepare yourself emotionally for the "empty nest," and for your child's growing independence. This is no time for despair but for pride in the job you have done as a parent!

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