

Estate Equalization Analysis



Helping to ensure a fair inheritance
for all your heirs

PRESENTED BY

Advanced Markets
John Hancock
197 Clarendon St.
Boston, MA 02116
Tel.: 888-266-7498, Option #3
Fax: 617-572-6595
Email: AdvancedMarkets@Jhancock.com

PREPARED FOR

Johnny Widget & Susie Widget

Your Current Situation

The Concern

You have worked hard to accumulate your wealth; however, you are concerned about passing that wealth fairly to your heirs. You may have some assets which will be difficult to divide equally without liquidating them, such as real estate or a family business. It can be particularly difficult to determine how to dispose of a family business when some of your children have been active in that business, and others haven't. How can you treat all of your heirs fairly, while still preserving the assets you have worked so hard to build? Life insurance can help.

The Solution

Life insurance can provide a pool of liquid assets at your death that you can use to make sure all your heirs receive a proper inheritance.

How Does It Work?

You purchase a John Hancock life insurance policy on your life. At your death, you can pass your business or other illiquid assets intact to the designated heirs, while using the life insurance death proceeds to provide a legacy for the rest of your family.

The following flowchart shows the potential distribution of your assets at death without life insurance.



Your Estate Today: \$3,000,000
Total Estate in Year 10: \$4,179,483

Business Assets:	\$2,220,366
Real Estate:	\$1,218,994
Stocks and Bonds:	\$740,122
Cash:	\$0



Inheritance for John Jr.:	Inheritance for Sally:	Inheritance for Bobby:
\$2,220,366	\$979,558	\$979,558



The data shown is taken from a hypothetical calculation. It assumes a hypothetical rate of return and may not be used to project or predict investment results.

Proposed Situation with Life Insurance

The Benefits of Life Insurance

Life insurance can help provide the liquidity to make sure all your heirs receive a fair inheritance. Additionally, life insurance death proceeds are received by your family free of income taxes.¹ This means that your family may receive more money and a better return on the premium than if you had invested those dollars in a taxable asset. Furthermore, life insurance policy cash values grow tax-deferred and can be accessed in a tax-favored manner. Also, the tax-favored nature of life insurance means you can take tax-free withdrawals up to the total premiums you paid into the policy. Then, if you take distributions from the policy in the form of policy loans above this amount, the loans generally will not be taxable.² Finally, if your policy is owned by a properly drafted trust that exists outside of your taxable estate, the proceeds should not be subject to estate tax when the policy is owned by the trust.³

Important Considerations

- **Insurance Eligibility** – Life insurance eligibility will be based on financial and medical underwriting. You may not financially qualify for all of the life insurance death benefit needed to fully equalize your estate.
- **Additional Costs** – Life insurance policies have charges associated with them such as the cost of insurance and potential surrender charges. Please consult with your tax advisor for more information.
- **Long Term Care Rider** – If you are considering creating a policy with a long-term care rider where the owner is not the insured, there may be adverse consequences - both tax and contractual in nature. You should review the particulars of your intended ownership arrangement with your legal and tax counsels in light of the income, gift, and estate tax provisions of the Internal Revenue Code.

The following flowchart shows the potential distribution of your assets at death with life insurance.



Your Estate Today: \$3,000,000
Total Estate in Year 10: \$4,179,483

Business Assets:	\$2,220,366
Real Estate:	\$1,218,994
Stocks and Bonds:	\$740,122
Cash:	\$0



John Hancock Life Insurance: \$2,481,616

Inheritance for John Jr.: \$2,220,366	Inheritance for Sally with Life Insurance: \$2,220,366	Inheritance for Bobby with Life Insurance: \$2,220,366
---	--	--



Non-insurance data are taken from a hypothetical calculation. They assume a hypothetical rate of return and may not be used to project or predict investment results. Insurance data are taken from an illustration.

Estate Equalization Analysis

Numerical Summary of Rates of Return

Product: Protection SIUL 16 Initial Premium: \$21,839
 Insured(s): Johnny and Susie Widget Initial Death Benefit: \$2,481,616
 Tax Bracket: 35.00%

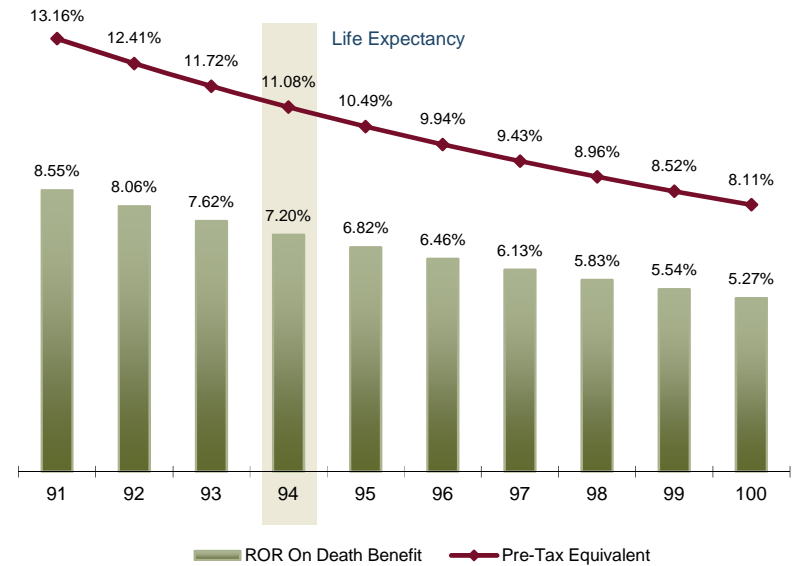
Male Age 63, Preferred NonSmoker/Female Age 61, Preferred NonSmoker

Year	Attained Age	Planned Premium	Death Benefit	ROR On Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving (EOY)	Probability of Both Surviving (EOY)
1	64/62	21,839	2,481,616	11263.23%	17328.05%	100.00%	99.75%
2	65/63	21,839	2,481,616	917.16%	1411.01%	100.00%	99.34%
3	66/64	21,839	2,481,616	346.81%	533.55%	100.00%	98.78%
4	67/65	21,839	2,481,616	195.42%	300.65%	99.99%	98.07%
5	68/66	21,839	2,481,616	130.72%	201.11%	99.98%	97.20%
10	73/71	21,839	2,481,616	42.69%	65.68%	99.77%	90.17%
15	78/76	21,839	2,481,616	22.97%	35.33%	98.68%	77.31%
20	83/81	21,839	2,481,616	14.72%	22.64%	94.47%	56.81%
25	88/86	21,839	2,481,616	10.31%	15.86%	81.35%	30.42%
30	93/91	21,839	2,481,616	7.62%	11.72%	54.04%	9.01%
31 LE	94/92	21,839	2,481,616	7.20%	11.08%	47.69%	6.44%
35	98/96	21,839	2,481,616	5.83%	8.96%	24.60%	1.18%
40	103/101	21,839	2,481,616	4.56%	7.02%	6.60%	0.05%
45	108/106	21,839	2,481,616	3.63%	5.59%	0.75%	0.00%

Rates of Return

By the age(s) of 94/92 there is a 47.69% chance of at least one client surviving. An investment must have earned 7.20% after-tax to have earned enough to equal the death benefit.

Note, if you are insurable at standard or better class, the insurance company believes that you will outlive the general population's life expectancy. The ROR on Death Benefit is 5.83%, if you survive life expectancy by 4 years.



Comparing Rates of Return at Death

- The ROR on death benefit is equivalent to an interest rate at which an amount equal to the illustrated premium could have been invested outside the policy to arrive at the net death benefit of the policy.
- By year 31 (joint life expectancy) there is a 47.69% at least one client surviving.
- An investment must have earned 7.20% after tax to have earned enough to equal the death benefit, or in other words,
- An investment must have earned 11.08% pre-tax (assumes 35.0% tax rate).
- Unlike most investments, life insurance proceeds have no potential built-in capital gains in the event of the repeal or modification of the Federal Estate Tax.

Life Expectancy (LE) tables are based on actual mortality experience collected from sources such as life insurance companies and the Social Security Administration. As used in this presentation, LE tables show both the average age at death based on your current age, as well as the average probability of death by a certain year. The LE data provided in this presentation is not necessarily indicative of your own personal life expectancy, and you may live longer than indicated by the table. The LE tables used are not tailored to your personal situation; rather, they are based on population averages and are presented merely to help you form a generalized idea of potential ages at death.

Life Insurance Values

Policy Information

Product: Protection SIUL 16
 Insured(s): Johnny and Susie Widget
Male Age 63, Preferred NonSmoker/Female Age 61, Preferred NonSmoker

Initial Premium: \$21,839
 Initial Death Benefit: \$2,481,616
 Tax Bracket: 35.00%

Survivorship Indexed Life Insurance : See Assumptions Page for Interest Rate Information

Year	EOY Age	Annual Premium Payment	Death Benefit	ROR on Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving
1	64/62	21,839	2,481,616	11263.23%	17328.05%	100.00%
2	65/63	21,839	2,481,616	917.16%	1411.01%	100.00%
3	66/64	21,839	2,481,616	346.81%	533.55%	100.00%
4	67/65	21,839	2,481,616	195.42%	300.65%	99.99%
5	68/66	21,839	2,481,616	130.72%	201.11%	99.98%
6	69/67	21,839	2,481,616	95.97%	147.65%	99.97%
7	70/68	21,839	2,481,616	74.65%	114.85%	99.94%
8	71/69	21,839	2,481,616	60.38%	92.90%	99.90%
9	72/70	21,839	2,481,616	50.24%	77.29%	99.85%
10	73/71	21,839	2,481,616	42.69%	65.68%	99.77%
11	74/72	21,839	2,481,616	36.89%	56.75%	99.66%
12	75/73	21,839	2,481,616	32.29%	49.68%	99.51%
13	76/74	21,839	2,481,616	28.58%	43.97%	99.31%
14	77/75	21,839	2,481,616	25.52%	39.27%	99.04%
15	78/76	21,839	2,481,616	22.97%	35.33%	98.68%
16	79/77	21,839	2,481,616	20.80%	32.00%	98.21%
17	80/78	21,839	2,481,616	18.95%	29.15%	97.60%
18	81/79	21,839	2,481,616	17.34%	26.68%	96.80%
19	82/80	21,839	2,481,616	15.95%	24.53%	95.78%
20	83/81	21,839	2,481,616	14.72%	22.64%	94.47%
21	84/82	21,839	2,481,616	13.63%	20.97%	92.84%
22	85/83	21,839	2,481,616	12.66%	19.48%	90.80%
23	86/84	21,839	2,481,616	11.79%	18.14%	88.26%
24	87/85	21,839	2,481,616	11.01%	16.94%	85.14%
25	88/86	21,839	2,481,616	10.31%	15.86%	81.35%

Year	EOY Age	Annual Premium Payment	Death Benefit	ROR on Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving
26	89/87	21,839	2,481,616	9.67%	14.87%	76.85%
27	90/88	21,839	2,481,616	9.09%	13.98%	71.79%
28	91/89	21,839	2,481,616	8.55%	13.16%	66.24%
29	92/90	21,839	2,481,616	8.06%	12.41%	60.28%
30	93/91	21,839	2,481,616	7.62%	11.72%	54.04%
31	94/92	21,839	2,481,616	7.20%	11.08%	47.69%
32	95/93	21,839	2,481,616	6.82%	10.49%	41.42%
33	96/94	21,839	2,481,616	6.46%	9.94%	35.41%
34	97/95	21,839	2,481,616	6.13%	9.43%	29.76%
35	98/96	21,839	2,481,616	5.83%	8.96%	24.60%
36	99/97	21,839	2,481,616	5.54%	8.52%	19.97%
37	100/98	21,839	2,481,616	5.27%	8.11%	15.90%
38	101/99	21,839	2,481,616	5.02%	7.72%	12.27%
39	102/100	21,839	2,481,616	4.78%	7.36%	9.15%
40	103/101	21,839	2,481,616	4.56%	7.02%	6.60%
41	104/102	21,839	2,481,616	4.36%	6.70%	4.59%
42	105/103	21,839	2,481,616	4.16%	6.40%	3.08%
43	106/104	21,839	2,481,616	3.97%	6.11%	1.99%
44	107/105	21,839	2,481,616	3.80%	5.85%	1.25%
45	108/106	21,839	2,481,616	3.63%	5.59%	0.75%
46	109/107	21,839	2,481,616	3.48%	5.35%	0.44%
47	110/108	21,839	2,481,616	3.33%	5.12%	0.26%
48	111/109	21,839	2,481,616	3.19%	4.91%	0.15%
49	112/110	21,839	2,481,616	3.05%	4.70%	0.08%
50	113/111	21,839	2,481,616	2.93%	4.50%	0.05%

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. This illustration is not intended to be accounting, legal, or tax advice. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations. Insurance policies and/or associated riders and features may not be available in all states.

Life Insurance Values

Policy Information

Product: Protection SIUL 16
 Insured(s): Johnny and Susie Widget
Male Age 63, Preferred NonSmoker/Female Age 61, Preferred NonSmoker

Initial Premium: \$21,839
 Initial Death Benefit: \$2,481,616
 Tax Bracket: 35.00%

Survivorship Indexed Life Insurance : See Assumptions Page for Interest Rate Information

Year	EOY Age	Annual Premium Payment	Death Benefit	ROR on Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving
51	114/112	21,839	2,481,616	2.81%	4.32%	0.02%
52	115/113	0	2,481,616	2.72%	4.18%	0.01%
53	116/114	0	2,481,616	2.64%	4.06%	0.01%
54	117/115	0	2,481,616	2.56%	3.94%	0.00%
55	118/116	0	2,481,616	2.49%	3.82%	0.00%
56	119/117	0	2,481,616	2.42%	3.72%	0.00%
57	120/118	0	2,481,616	2.35%	3.62%	0.00%
58	121/119	0	2,481,616	2.29%	3.52%	0.00%
59	122/120	0	2,481,616	2.23%	3.43%	0.00%
60	123/121	0	2,481,616	2.17%	3.34%	0.00%

Year	EOY Age	Annual Premium Payment	Death Benefit	ROR on Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving
------	---------	------------------------	---------------	----------------------	--------------------	-------------------------------------

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. This illustration is not intended to be accounting, legal, or tax advice. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations. Insurance policies and/or associated riders and features may not be available in all states.

Life Insurance Values

Policy Information

Product: Protection SIUL 16
 Insured(s): Johnny and Susie Widget
Male Age 63, Preferred NonSmoker/Female Age 61, Preferred NonSmoker

Initial Premium: \$21,839
 Initial Death Benefit: \$2,481,616
 Tax Bracket: 35.00%

Survivorship Indexed Life Insurance : See Assumptions Page for Interest Rate Information

Year	EOY Age	Annual Premium Payment	Cash Value	Death Benefit	ROR On Cash Value	ROR on Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving
1	64/62	21839	0	2,481,616	-100.00%	11263.23%	17328.05%	100.00%
2	65/63	21839	0	2,481,616	-100.00%	917.16%	1411.01%	100.00%
3	66/64	21839	0	2,481,616	-100.00%	346.81%	533.55%	100.00%
4	67/65	21839	8,338	2,481,616	-72.25%	195.42%	300.65%	99.99%
5	68/66	21839	21,167	2,481,616	-49.99%	130.72%	201.11%	99.98%
6	69/67	21839	41,234	2,481,616	-32.39%	95.97%	147.65%	99.97%
7	70/68	21839	62,385	2,481,616	-22.58%	74.65%	114.85%	99.94%
8	71/69	21839	84,164	2,481,616	-16.57%	60.38%	92.90%	99.90%
9	72/70	21839	106,641	2,481,616	-12.55%	50.24%	77.29%	99.85%
10	73/71	21839	129,930	2,481,616	-9.71%	42.69%	65.68%	99.77%
11	74/72	21839	156,158	2,481,616	-7.38%	36.89%	56.75%	99.66%
12	75/73	21839	183,958	2,481,616	-5.58%	32.29%	49.68%	99.51%
13	76/74	21839	213,892	2,481,616	-4.14%	28.58%	43.97%	99.31%
14	77/75	21839	246,091	2,481,616	-2.95%	25.52%	39.27%	99.04%
15	78/76	21839	280,678	2,481,616	-1.96%	22.97%	35.33%	98.68%
16	79/77	21839	317,711	2,481,616	-1.13%	20.80%	32.00%	98.21%
17	80/78	21839	357,287	2,481,616	-0.43%	18.95%	29.15%	97.60%
18	81/79	21839	399,437	2,481,616	0.17%	17.34%	26.68%	96.80%
19	82/80	21839	444,045	2,481,616	0.67%	15.95%	24.53%	95.78%
20	83/81	21839	490,929	2,481,616	1.10%	14.72%	22.64%	94.47%
21	84/82	21839	539,769	2,481,616	1.46%	13.63%	20.97%	92.84%
22	85/83	21839	590,205	2,481,616	1.75%	12.66%	19.48%	90.80%
23	86/84	21839	641,829	2,481,616	1.99%	11.79%	18.14%	88.26%
24	87/85	21839	694,173	2,481,616	2.18%	11.01%	16.94%	85.14%
25	88/86	21839	746,629	2,481,616	2.33%	10.31%	15.86%	81.35%
26	89/87	21,839	798,552	2,481,616	2.43%	9.67%	14.87%	76.85%
27	90/88	21,839	849,495	2,481,616	2.51%	9.09%	13.98%	71.79%
28	91/89	21,839	898,877	2,481,616	2.55%	8.55%	13.16%	66.24%
29	92/90	21,839	946,126	2,481,616	2.56%	8.06%	12.41%	60.28%
30	93/91	21,839	990,979	2,481,616	2.55%	7.62%	11.72%	54.04%
31	94/92	21,839	1,029,371	2,481,616	2.50%	7.20%	11.08%	47.69%
32	95/93	21,839	1,064,004	2,481,616	2.43%	6.82%	10.49%	41.42%
33	96/94	21,839	1,094,936	2,481,616	2.34%	6.46%	9.94%	35.41%
34	97/95	21,839	1,122,024	2,481,616	2.25%	6.13%	9.43%	29.76%
35	98/96	21,839	1,145,144	2,481,616	2.14%	5.83%	8.96%	24.60%
36	99/97	21,839	1,163,767	2,481,616	2.02%	5.54%	8.52%	19.97%
37	100/98	21,839	1,177,117	2,481,616	1.89%	5.27%	8.11%	15.90%
38	101/99	21,839	1,181,339	2,481,616	1.73%	5.02%	7.72%	12.27%
39	102/100	21,839	1,173,596	2,481,616	1.54%	4.78%	7.36%	9.15%
40	103/101	21,839	1,192,240	2,481,616	1.46%	4.56%	7.02%	6.60%
41	104/102	21,839	1,210,450	2,481,616	1.38%	4.36%	6.70%	4.59%
42	105/103	21,839	1,224,664	2,481,616	1.30%	4.16%	6.40%	3.08%
43	106/104	21,839	1,235,976	2,481,616	1.21%	3.97%	6.11%	1.99%
44	107/105	21,839	1,244,790	2,481,616	1.11%	3.80%	5.85%	1.25%
45	108/106	21,839	1,251,670	2,481,616	1.02%	3.63%	5.59%	0.75%
46	109/107	21,839	1,256,763	2,481,616	0.93%	3.48%	5.35%	0.44%
47	110/108	21,839	1,259,877	2,481,616	0.83%	3.33%	5.12%	0.26%
48	111/109	21,839	1,260,656	2,481,616	0.73%	3.19%	4.91%	0.15%
49	112/110	21,839	1,258,782	2,481,616	0.64%	3.05%	4.70%	0.08%
50	113/111	21,839	1,252,800	2,481,616	0.53%	2.93%	4.50%	0.05%

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. This illustration is not intended to be accounting, legal, or tax advice. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations. Insurance policies and/or associated riders and features may not be available in all states.

Life Insurance Values

Policy Information

Product:	Protection SIUL 16	Initial Premium:	\$21,839
Insured(s):	Johnny and Susie Widget	Initial Death Benefit:	\$2,481,616
	<i>Male Age 63, Preferred NonSmoker/Female Age 61, Preferred NonSmoker</i>	Tax Bracket:	35.00%

Survivorship Indexed Life Insurance : See Assumptions Page for Interest Rate Information

Year	EOY Age	Annual Premium Payment	Cash Value	Death Benefit	ROR On Cash Value	ROR on Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving
51	114/112	21839	1,251,131	2,481,616	0.44%	2.81%	4.32%	0.02%
52	115/113	0	1,231,974	2,481,616	0.37%	2.72%	4.18%	0.01%
53	116/114	0	1,208,798	2,481,616	0.29%	2.64%	4.06%	0.01%
54	117/115	0	1,181,804	2,481,616	0.20%	2.56%	3.94%	0.00%
55	118/116	0	1,151,231	2,481,616	0.11%	2.49%	3.82%	0.00%
56	119/117	0	1,101,831	2,481,616	-0.03%	2.42%	3.72%	0.00%
57	120/118	0	1,021,812	2,481,616	-0.27%	2.35%	3.62%	0.00%
58	121/119	0	891,357	2,481,616	-0.69%	2.29%	3.52%	0.00%
59	122/120	0	675,988	2,481,616	-1.53%	2.23%	3.43%	0.00%
60	123/121	0	311,746	2,481,616	-4.07%	2.17%	3.34%	0.00%

Year	EOY Age	Annual Premium Payment	Cash Value	Death Benefit	ROR On Cash Value	ROR on Death Benefit	Pre-Tax Equivalent	Probability of at Least 1 Surviving
------	---------	------------------------	------------	---------------	-------------------	----------------------	--------------------	-------------------------------------

This is a supplemental illustration authorized for distribution only when preceded or accompanied by a basic illustration from the issuer. Benefits and values may not be guaranteed; the assumptions on which they are based are subject to change by the insurer. Actual results may be more or less favorable. Refer to the basic illustration for guaranteed elements and other important information. This illustration is not intended to be accounting, legal, or tax advice. Clients should consult their accounting, legal, and tax advisors about their particular circumstances before implementing any recommendations. Insurance policies and/or associated riders and features may not be available in all states.

Disclosure

Estate Equalization is a planning tool designed to assist you in exploring potential estate planning options through the use of life insurance. However, this presentation is not intended as your estate/gifting plan nor is it a specific recommendation for your estate/gifting plan. This presentation is for demonstrative purposes only. This analysis does not constitute a recommendation of a particular option over any other planning alternative. Other alternatives may be more appropriate or suitable for your particular situation and should be discussed with your legal, tax, and accounting advisors prior to your making any gifting or purchase decisions.

John Hancock does not guarantee the accuracy of the Estate Equalization system or the output. John Hancock will not be liable for any damages arising from the use or misuse of this software or from any errors or omissions in the same. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. John Hancock assumes no duty to update this software or to provide notice of any errors in the software or applicable changes in the law.

Figures used in this program illustrate various benefit/retirement planning concepts, which are based upon both assumptions and data provided by you, the client. Your furnishing of accurate data will help enhance the value of this analysis. However, all assumed growth rates for assets are based upon information provided and assumed by you and are not a guarantee of the future performance of the life insurance policy. Please review the assumptions page for accuracy of information.

This supplemental illustration assumes that the currently illustrated non-guaranteed elements will continue for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown. The actual consequences of a particular planning alternative will depend on many variables, some of which may not be accounted for or fully described in this presentation. Unless otherwise indicated, the income tax, estate tax, and generation-skipping transfer (GST) tax implications of other specific transactions are not reflected in the analysis. Before you make any investment, estate or tax planning decisions (or change title to any assets or change beneficiary designations), your legal and tax advisors should be consulted to determine (1) the suitability of a particular planning alternative for you, and (2) the precise legal, tax, investment, and accounting consequences of that alternative.

This material does not constitute tax, legal or accounting advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purpose of avoiding any IRS penalty. It was written to support the marketing of the transactions or topics it addresses. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent professional advisors.

Footnotes

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. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or representatives. Prospective purchasers should consult their professional tax advisor for details.
2. Loans and withdrawals will reduce the death benefit, cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½. Cash value available for loans and withdrawals may be more or less than premiums paid.
3. Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping transfer tax). Failure to do so could result in adverse tax treatment of trust proceeds.