

# Gifting Analysis



## Wealth Transfer Planning with Lifetime Gifts

### PRESENTED BY

Sample Agent  
John Hancock Financial Services  
197 Clarendon St.  
Boston, MA 02116  
Tel.: (617) 572-6000  
Fax: (617) 572-5141  
Email: [hansel@jhancock.com](mailto:hansel@jhancock.com)

### PREPARED FOR

John Miller & Sarah Miller

# Wealth Transfer Planning Through Lifetime Giving

## The Concern

Like many successful individuals, you probably have given a lot of thought to the question of how to provide for your loved ones "after I'm gone". You may be concerned that the wealth you have worked so hard to accumulate will be consumed by estate taxes, reducing the amount left for your family. How can you transfer your wealth in an efficient manner?

## The Solution

One of the best ways to provide for loved ones is to start planning now. Lifetime giving to an irrevocable trust can help you reduce estate taxes, avoid probate, and remove the future growth of appreciating assets from your estate. Additionally, your gifts may be leveraged significantly when your trust purchases life insurance.

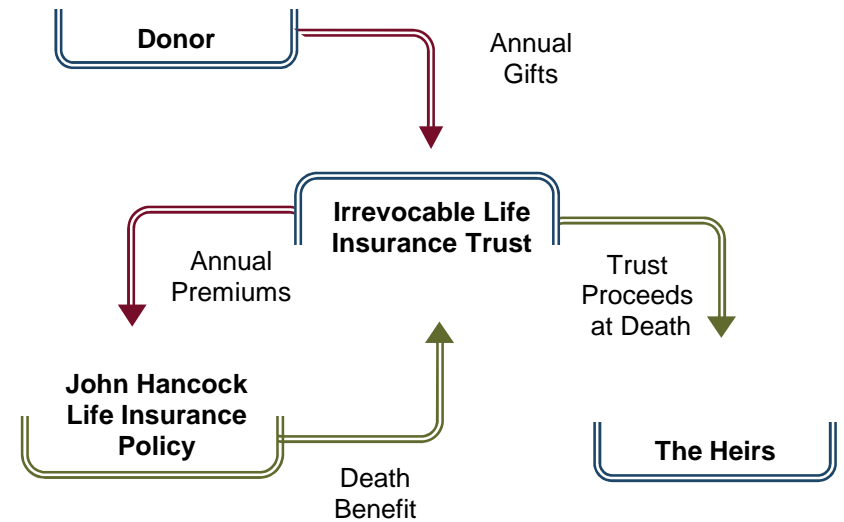
## How Does It Work?

First, you establish an irrevocable life insurance trust (ILIT) during your lifetime. Then, you make annual, scheduled or lump sum gifts of cash to the trust. The ILIT may then use the gifts to purchase a life insurance policy, the death benefit from which can be received by the trust free of estate and income taxes.

In 2018 each individual may give away a cumulative \$11,180,000 (indexed annually for inflation) free of gift taxes over his or her lifetime. This amount is called the "applicable lifetime gift tax exemption" and can be used to cover lump-sum gifts to a trust. Furthermore, you are allowed to make annual gifts of up to \$15,000 per person each year without having to pay gift taxes. This type of gift is called an "annual exclusion gift", and you may make as many annual exclusion gifts to as many people as you like in any given year. You can use your annual exclusions to make tax-free gifts to a trust by including a withdrawal right known as a "Crummey power" that would give beneficiaries the power to demand within a specified period that the trustee transfer their share of assets that have been contributed to the trust.<sup>1</sup>

The trust can then use all or a portion of these gifts to purchase life insurance to gain leverage immediately. Often, the amount of the gift made to the trust coincides with the life insurance premium.

## How It Works:



## Wealth Transfer Planning Through Lifetime Giving

### Benefits

- **Reduced Estate Tax** – The estate will be reduced by the amount of the gifts made as well as the growth on those gifts, thereby subjecting less of your wealth to estate tax.
- **Leveraged Gifts** – Annual exclusion gifts are leveraged when life insurance is used to potentially increase the amount that is ultimately transferred to your heirs.
- **Asset Protection** – Generally, assets in the trust will not be subject to creditor claims, protecting more of your wealth for your heirs
- **Future Inheritances** – If you are expecting a future inheritance that will increase the size of your estate, it may be taken into account during the financial underwriting process and you may financially qualify for additional insurance.



- **Probate Avoidance** – By establishing an ILIT, you can help minimize estate administrative cost, save time and maintain privacy because the trust assets do not need to go through the probate process.
- **Access Provisions** – Spousal access provisions can be added to the trust document, if appropriate, to allow you indirect access to trust principal and income through your spouse.
- **Income Tax Free Death Benefit** – When the trust purchases life insurance, the death proceeds are generally income tax free.

### Considerations

- **Proper Planning** – Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws, including generation-skipping tax applicable to beneficiaries who are more than one generation removed from you. Failure to do so could result in adverse tax treatment of trust proceeds.
- **Irrevocable Gift** – Once you make gifts to the family trust they become irrevocable and they may not be returned to you without adverse tax consequences.
- **Too Few Gift Exclusions** – The desired life insurance policy premium may be higher than your available annual exclusion gifts.
- **Insurance Eligibility** – Life insurance eligibility will be based on financial and medical underwriting. The actual amount of insurance you qualify for may differ from the illustrated values.
- **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.

### Planning Options

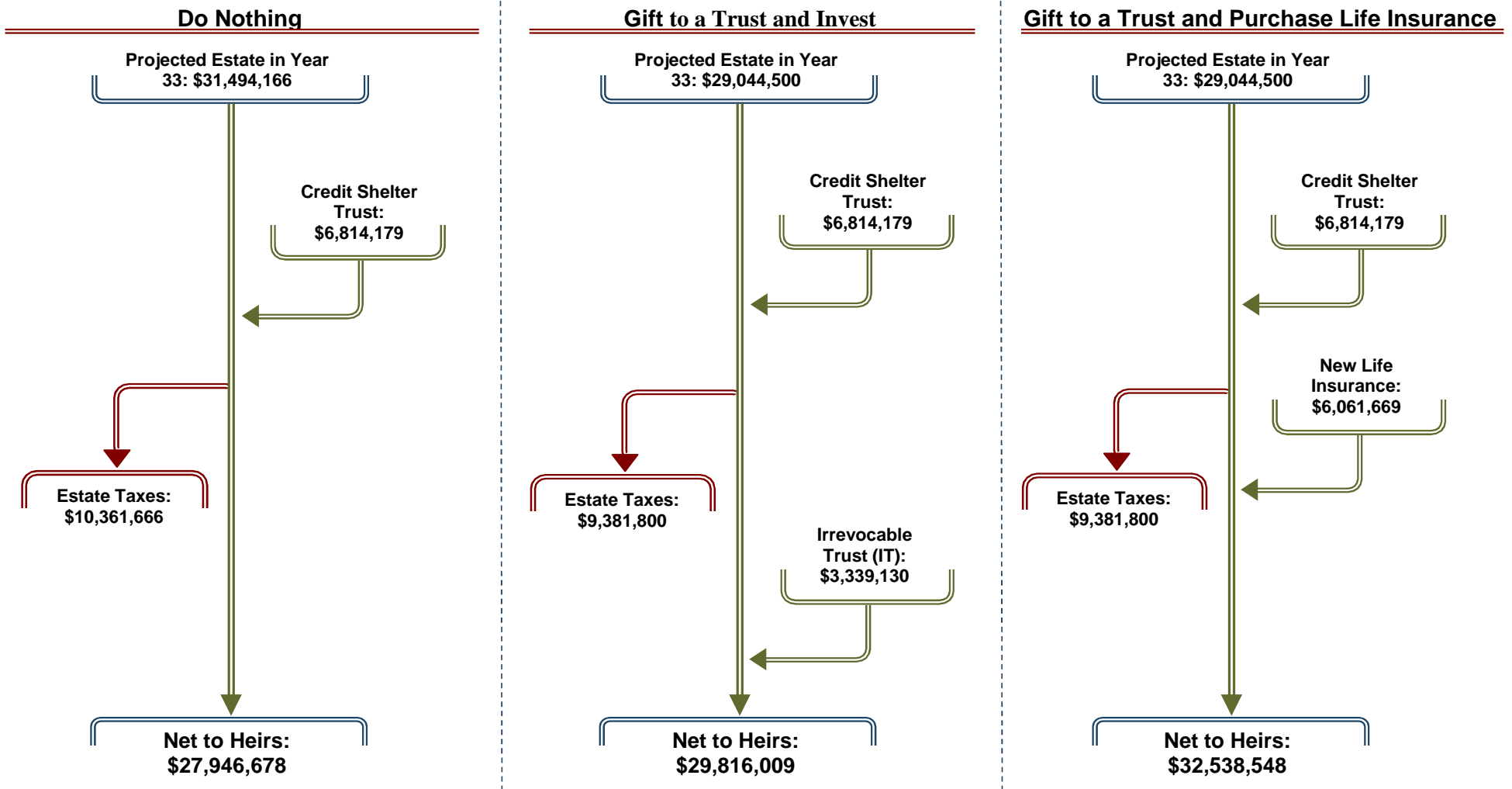
The following pages graphically illustrate a projected net amount transferred to your heirs upon your death based on the following scenarios:

1. Your current situation in which you are not making any lifetime gifts;
2. Establishing an Irrevocable Trust today to which you make annual gifts of cash; or
3. Establishing an Irrevocable Life Insurance Trust (ILIT) today in which you make annual gifts of cash or assets and use all or a portion of the gifts to fund a new life insurance policy on your life. Please see attached **Glossary** for a definition of column headings.

Flowchart

**Total Gross Estate Today: \$20,000,000**

**Results in Focus Year 33**



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# Benefit Summary

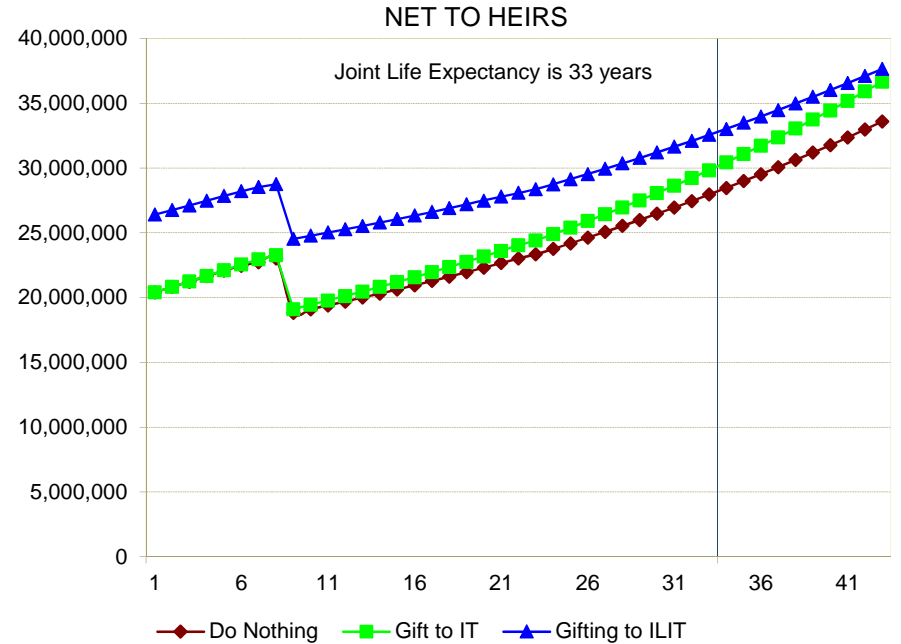
## Policy Details

Product: Protection SUL 13      Initial Premium: \$60,000  
 Insured(s): John Miller & Sarah Miller      Initial Death Benefit: \$6,061,669  
*Male Age 65, Preferred NonSmoker/Female Age 57, Preferred NonSmoker*

### Comparison of Values in Year 33

	Do Nothing	Gift to a Trust and Invest (IT)	Gift to a Trust and Buy Life Insurance (ILIT)
Estate Today	20,000,000	20,000,000	20,000,000
Prior Taxable Gifts Made			
<b>Total Premiums Paid by Year 33</b>			1,650,000
<b>Cumulative New Gifts by Year 33</b>		1,650,000	1,650,000
<b>New Gift Taxes Paid by Yr 33</b>			
<b>Total Estate in Year 33</b>	31,494,166	29,044,500	29,044,500
Estate Taxes	- 10,361,666	9,381,800	9,381,800
Credit Shelter Trust	+ 6,814,179	6,814,179	6,814,179
Other Assets in Trust in Year 33	+ 3,339,130		
Death Benefit in Year 33	+ 6,061,669		
<b>Net to Heirs in Year 33</b>	= <b>27,946,678</b>	<b>29,816,009</b>	<b>32,538,548</b>
<b>Potential Gain Due from Planning</b>		<b>1,869,331</b>	<b>4,591,870</b>

## Summary



### Notes

- All values are shown as of end of year, unless otherwise indicated.
- Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.
- Life expectancy calculation based on the Valuation Basic Table (VBT) 2008
- Estate tax calculations assume the use of the applicable exclusion at the first death.

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# Comparison of Alternatives Based On Current Law

Year	Attained Age	DO NOTHING			GIFT TO A TRUST AND INVEST				GIFT TO A TRUST & PURCHASE LIFE INSURANCE			
		(1) Estate Balance (EOY) @ 2.00%	(2) Estate Taxes	(3) Net to Heirs 1 - 2	(4) Estate Balance (EOY) @ 2.00%	(5) Estate Taxes	(6) Total Trust Assets	(7) Net To Heirs 4 - 5 + 6	(8) Estate Balance (EOY) @ 2.00%	(9) Estate Taxes	(10) Total Trust Assets with Insurance	(11) Net To Heirs 8 - 9 + 10
1	66/58	20,400,000	0	20,400,000	20,338,800	0	62,100	20,400,900	20,338,800	0	6,061,669	26,400,469
2	67/59	20,808,000	0	20,808,000	20,684,376	0	126,374	20,810,750	20,684,376	0	6,061,669	26,746,045
3	68/60	21,224,160	0	21,224,160	21,036,864	0	192,897	21,229,760	21,036,864	0	6,061,669	27,098,533
4	69/61	21,648,643	0	21,648,643	21,396,401	0	261,748	21,658,149	21,396,401	0	6,061,669	27,458,070
5	70/62	22,081,616	0	22,081,616	21,763,129	0	333,009	22,096,138	21,763,129	0	6,061,669	27,824,798
6	71/63	22,523,248	65,299	22,457,949	22,137,191	0	406,764	22,543,956	22,137,191	0	6,061,669	28,198,860
7	72/64	22,973,713	245,485	22,728,228	22,518,735	63,494	483,101	22,938,342	22,518,735	63,494	6,061,669	28,516,910
8	73/65	23,433,188	429,275	23,003,913	22,907,910	219,164	562,110	23,250,856	22,907,910	219,164	6,061,669	28,750,415
9	74/66	23,901,851	5,088,741	18,813,111	23,304,868	4,849,947	643,884	19,098,804	23,304,868	4,849,947	6,061,669	24,516,590
10	75/67	24,379,888	5,279,955	19,099,933	23,709,765	5,011,906	728,520	19,426,379	23,709,765	5,011,906	6,061,669	24,759,528
11	76/68	24,867,486	5,474,994	19,392,492	24,122,761	5,177,104	816,118	19,761,774	24,122,761	5,177,104	6,061,669	25,007,325
12	77/69	25,364,836	5,673,934	19,690,902	24,544,016	5,345,606	906,782	20,105,191	24,544,016	5,345,606	6,061,669	25,260,079
13	78/70	25,872,133	5,876,853	19,995,280	24,973,696	5,517,479	1,000,619	20,456,837	24,973,696	5,517,479	6,061,669	25,517,887
14	79/71	26,389,575	6,083,830	20,305,745	25,411,970	5,692,788	1,097,741	20,816,923	25,411,970	5,692,788	6,061,669	25,780,851
15	80/72	26,917,367	6,294,947	20,622,420	25,859,010	5,871,604	1,198,262	21,185,668	25,859,010	5,871,604	6,061,669	26,049,075
16	81/73	27,455,714	6,510,286	20,945,428	26,314,990	6,053,996	1,302,301	21,563,295	26,314,990	6,053,996	6,061,669	26,322,663
17	82/74	28,004,828	6,729,931	21,274,897	26,780,090	6,240,036	1,409,981	21,950,035	26,780,090	6,240,036	6,061,669	26,601,723
18	83/75	28,564,925	6,953,970	21,610,955	27,254,491	6,429,797	1,521,431	22,346,126	27,254,491	6,429,797	6,061,669	26,886,364
19	84/76	29,136,223	7,182,489	21,953,734	27,738,381	6,623,353	1,636,781	22,751,810	27,738,381	6,623,353	6,061,669	27,176,698
20	85/77	29,718,948	7,415,579	22,303,369	28,231,949	6,820,780	1,756,168	23,167,338	28,231,949	6,820,780	6,061,669	27,472,838
21	86/78	30,313,327	7,653,331	22,659,996	28,735,388	7,022,155	1,879,734	23,592,967	28,735,388	7,022,155	6,061,669	27,774,902
22	87/79	30,919,593	7,895,837	23,023,756	29,248,896	7,227,558	2,007,625	24,028,962	29,248,896	7,227,558	6,061,669	28,083,006
23	80	25,836,185	8,098,474	23,327,711	24,101,474	7,404,589	2,108,942	24,395,826	24,101,474	7,404,589	6,061,669	28,348,553
24	81	26,352,909	8,305,164	23,749,545	24,552,903	7,585,161	2,213,805	24,883,346	24,552,903	7,585,161	6,061,669	28,731,211
25	82	26,879,967	8,515,987	24,179,816	25,013,361	7,769,344	2,322,338	25,382,190	25,013,361	7,769,344	6,061,669	29,121,522
26	83	27,417,567	8,731,027	24,618,693	25,483,028	7,957,211	2,434,670	25,892,639	25,483,028	7,957,211	6,061,669	29,519,639
27	84	27,965,918	8,950,367	25,066,346	25,962,089	8,148,836	2,550,933	26,414,982	25,962,089	8,148,836	6,061,669	29,925,718
28	85	28,525,236	9,174,094	25,522,953	26,450,731	8,344,292	2,671,266	26,949,516	26,450,731	8,344,292	6,061,669	30,339,919
29	86	29,095,741	9,402,296	25,988,692	26,949,145	8,543,658	2,795,810	27,496,545	26,949,145	8,543,658	6,061,669	30,762,404
30	87	29,677,656	9,635,062	26,463,746	27,457,528	8,747,011	2,924,713	28,056,383	27,457,528	8,747,011	6,061,669	31,193,339

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31	88	30,271,209	9,872,484	26,948,301	27,976,079	8,954,431	3,058,128	28,629,352	27,976,079	8,954,431	6,061,669	31,632,892
32	89	30,876,633	10,114,653	27,442,547	28,505,000	9,166,000	3,196,213	29,215,780	28,505,000	9,166,000	6,061,669	32,081,237
<b>33</b>	<b>90</b>	<b>31,494,166</b>	<b>10,361,666</b>	<b>27,946,678</b>	<b>29,044,500</b>	<b>9,381,800</b>	<b>3,339,130</b>	<b>29,816,009</b>	<b>29,044,500</b>	<b>9,381,800</b>	<b>6,061,669</b>	<b>32,538,548</b>
34	91	32,124,049	10,613,620	28,460,892	29,594,790	9,601,916	3,487,050	30,430,386	29,594,790	9,601,916	6,061,669	33,005,006
35	92	32,766,530	10,870,612	28,985,390	30,156,086	9,826,434	3,640,147	31,059,270	30,156,086	9,826,434	6,061,669	33,480,792
36	93	33,421,861	11,132,744	29,520,377	30,728,608	10,055,443	3,798,602	31,703,027	30,728,608	10,055,443	6,061,669	33,966,095
37	94	34,090,298	11,400,119	30,066,065	31,312,580	10,289,032	3,962,603	32,362,037	31,312,580	10,289,032	6,061,669	34,461,103
38	95	34,772,104	11,672,842	30,622,666	31,908,232	10,527,293	4,132,344	33,036,687	31,908,232	10,527,293	6,061,669	34,966,012
39	96	35,467,546	11,951,018	31,190,400	32,515,796	10,770,318	4,308,026	33,727,376	32,515,796	10,770,318	6,061,669	35,481,019
40	97	36,176,897	12,234,759	31,769,488	33,135,512	11,018,205	4,489,857	34,434,514	33,135,512	11,018,205	6,061,669	36,006,326
41	98	36,900,435	12,524,174	32,360,157	33,767,622	11,271,049	4,678,052	35,158,522	33,767,622	11,271,049	6,061,669	36,542,139
42	99	37,638,443	12,819,377	32,962,640	34,412,375	11,528,950	4,872,834	35,899,833	34,412,375	11,528,950	6,061,669	37,088,668
43	100	38,391,212	13,120,485	33,577,173	35,070,022	11,792,009	5,074,433	36,658,892	35,070,022	11,792,009	6,061,669	37,646,128
44	101	39,159,036	13,427,615	34,203,997	35,740,823	12,060,329	5,283,088	37,436,156	35,740,823	12,060,329	6,061,669	38,214,738
45	102	39,942,217	13,740,887	34,843,357	36,425,039	12,334,016	5,499,046	38,232,096	36,425,039	12,334,016	6,061,669	38,794,719
46	103	40,741,062	14,060,425	35,495,504	37,122,940	12,613,176	5,722,563	39,047,194	37,122,940	12,613,176	6,061,669	39,386,300
47	104	41,555,883	14,386,353	36,160,694	37,834,799	12,897,920	5,953,902	39,881,946	37,834,799	12,897,920	6,061,669	39,989,713
48	105	42,387,000	14,718,800	36,839,188	38,560,895	13,188,358	6,193,339	40,736,863	38,560,895	13,188,358	6,061,669	40,605,193
49	106	43,234,740	15,057,896	37,531,252	39,301,513	13,484,605	6,441,156	41,612,471	39,301,513	13,484,605	6,061,669	41,232,984
50	107	44,099,435	15,403,774	38,237,157	40,056,943	13,786,777	6,697,646	42,509,307	40,056,943	13,786,777	6,061,669	41,873,330
51	108	44,981,424	15,756,570	38,957,180	40,827,482	14,094,993	6,963,114	43,427,928	40,827,482	14,094,993	6,061,669	42,526,483
52	109	45,881,052	16,116,421	39,691,603	41,613,431	14,409,373	7,237,873	44,368,904	41,613,431	14,409,373	6,061,669	43,192,700
53	110	46,798,674	16,483,469	40,440,715	42,415,100	14,730,040	7,522,248	45,332,820	42,415,100	14,730,040	6,061,669	43,872,240
54	111	47,734,647	16,857,859	41,204,810	43,232,802	15,057,121	7,816,577	46,320,280	43,232,802	15,057,121	6,061,669	44,565,372
55	112	48,689,340	17,239,736	41,984,186	44,066,858	15,390,743	8,121,207	47,331,904	44,066,858	15,390,743	6,061,669	45,272,366
56	113	49,663,127	17,629,251	42,779,150	44,917,595	15,731,038	8,436,500	48,368,330	44,917,595	15,731,038	6,061,669	45,993,500
57	114	50,656,389	18,026,556	43,590,013	45,785,347	16,078,139	8,762,827	49,430,214	45,785,347	16,078,139	6,061,669	46,729,056
58	115	51,669,517	18,431,807	44,417,093	46,670,454	16,432,182	9,100,576	50,518,231	46,670,454	16,432,182	6,061,669	47,479,324
59	116	52,702,907	18,845,163	45,260,715	47,573,263	16,793,305	9,450,146	51,633,074	47,573,263	16,793,305	6,061,669	48,244,597
60	117	53,756,966	19,266,786	46,121,209	48,494,128	17,161,651	9,811,951	52,775,458	48,494,128	17,161,651	6,061,669	49,025,176

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61	118	54,832,105	19,696,842	46,998,913	49,433,411	17,537,364	10,186,420	53,946,116	49,433,411	17,537,364	6,061,669	49,821,366
62	119	55,928,747	20,135,499	47,894,171	50,391,479	17,920,592	10,573,994	55,145,805	50,391,479	17,920,592	6,061,669	50,633,480
63	120	57,047,322	20,582,929	48,807,335	51,368,709	18,311,484	10,975,134	56,375,301	51,368,709	18,311,484	6,061,669	51,461,836
64	121	58,188,268	21,039,307	49,738,762	52,365,483	18,710,193	11,390,314	57,635,404	52,365,483	18,710,193	6,069,661	52,314,751

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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.



Do Nothing Detail Analysis

	(1)	(2)	(3)	(4)	(5)	(6)	
Year	Attained Age	Estate Balance (BOY)	Estate Growth @ 2.00% [1]x 2.0%	EOY Estate Balance 1+2	Estate Taxes*	Credit Shelter Trust	Net To Heirs 3-4+5
1	66/58	20,000,000	400,000	20,400,000	0	0	20,400,000
2	67/59	20,400,000	408,000	20,808,000	0	0	20,808,000
3	68/60	20,808,000	416,160	21,224,160	0	0	21,224,160
4	69/61	21,224,160	424,483	21,648,643	0	0	21,648,643
5	70/62	21,648,643	432,973	22,081,616	0	0	22,081,616
6	71/63	22,081,616	441,632	22,523,248	65,299	0	22,457,949
7	72/64	22,523,248	450,465	22,973,713	245,485	0	22,728,228
8	73/65	22,973,713	459,474	23,433,188	429,275	0	23,003,913
9	74/66	23,433,188	468,664	23,901,851	5,088,741	0	18,813,111
10	75/67	23,901,851	478,037	24,379,888	5,279,955	0	19,099,933
11	76/68	24,379,888	487,598	24,867,486	5,474,994	0	19,392,492
12	77/69	24,867,486	497,350	25,364,836	5,673,934	0	19,690,902
13	78/70	25,364,836	507,297	25,872,133	5,876,853	0	19,995,280
14	79/71	25,872,133	517,443	26,389,575	6,083,830	0	20,305,745
15	80/72	26,389,575	527,792	26,917,367	6,294,947	0	20,622,420
16	81/73	26,917,367	538,347	27,455,714	6,510,286	0	20,945,428
17	82/74	27,455,714	549,114	28,004,828	6,729,931	0	21,274,897
18	83/75	28,004,828	560,097	28,564,925	6,953,970	0	21,610,955
19	84/76	28,564,925	571,298	29,136,223	7,182,489	0	21,953,734
20	85/77	29,136,223	582,724	29,718,948	7,415,579	0	22,303,369
21	86/78	29,718,948	594,379	30,313,327	7,653,331	0	22,659,996
22	87/79	30,313,327	606,267	30,919,593	7,895,837	0	23,023,756
23	80	25,329,593	506,592	25,836,185	8,098,474	5,590,000	23,327,711
24	81	25,836,185	516,724	26,352,909	8,305,164	5,701,800	23,749,545
25	82	26,352,909	527,058	26,879,967	8,515,987	5,815,836	24,179,816
26	83	26,879,967	537,599	27,417,567	8,731,027	5,932,153	24,618,693
27	84	27,417,567	548,351	27,965,918	8,950,367	6,050,796	25,066,346
28	85	27,965,918	559,318	28,525,236	9,174,094	6,171,812	25,522,953
29	86	28,525,236	570,505	29,095,741	9,402,296	6,295,248	25,988,692
30	87	29,095,741	581,915	29,677,656	9,635,062	6,421,153	26,463,746

\*Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.

See attached Glossary. 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.

# Do Nothing Detail Analysis

	(1)	(2)	(3)	(4)	(5)	(6)	
Year	Attained Age	Estate Balance (BOY)	Estate Growth @ 2.00% [1]x 2.0%	EOY Estate Balance 1+2	Estate Taxes*	Credit Shelter Trust	Net To Heirs 3-4+5
31	88	29,677,656	593,553	30,271,209	9,872,484	6,549,576	26,948,301
32	89	30,271,209	605,424	30,876,633	10,114,653	6,680,567	27,442,547
<b>33</b>	<b>90</b>	<b>30,876,633</b>	<b>617,533</b>	<b>31,494,166</b>	<b>10,361,666</b>	<b>6,814,179</b>	<b>27,946,678</b>
34	91	31,494,166	629,883	32,124,049	10,613,620	6,950,462	28,460,892
35	92	32,124,049	642,481	32,766,530	10,870,612	7,089,472	28,985,390
36	93	32,766,530	655,331	33,421,861	11,132,744	7,231,261	29,520,377
37	94	33,421,861	668,437	34,090,298	11,400,119	7,375,886	30,066,065
38	95	34,090,298	681,806	34,772,104	11,672,842	7,523,404	30,622,666
39	96	34,772,104	695,442	35,467,546	11,951,018	7,673,872	31,190,400
40	97	35,467,546	709,351	36,176,897	12,234,759	7,827,350	31,769,488
41	98	36,176,897	723,538	36,900,435	12,524,174	7,983,897	32,360,157
42	99	36,900,435	738,009	37,638,443	12,819,377	8,143,574	32,962,640
43	100	37,638,443	752,769	38,391,212	13,120,485	8,306,446	33,577,173
44	101	38,391,212	767,824	39,159,036	13,427,615	8,472,575	34,203,997
45	102	39,159,036	783,181	39,942,217	13,740,887	8,642,026	34,843,357
46	103	39,942,217	798,844	40,741,062	14,060,425	8,814,867	35,495,504
47	104	40,741,062	814,821	41,555,883	14,386,353	8,991,164	36,160,694
48	105	41,555,883	831,118	42,387,000	14,718,800	9,170,988	36,839,188
49	106	42,387,000	847,740	43,234,740	15,057,896	9,354,407	37,531,252
50	107	43,234,740	864,695	44,099,435	15,403,774	9,541,495	38,237,157
51	108	44,099,435	881,989	44,981,424	15,756,570	9,732,325	38,957,180
52	109	44,981,424	899,628	45,881,052	16,116,421	9,926,972	39,691,603
53	110	45,881,052	917,621	46,798,674	16,483,469	10,125,511	40,440,715
54	111	46,798,674	935,973	47,734,647	16,857,859	10,328,021	41,204,810
55	112	47,734,647	954,693	48,689,340	17,239,736	10,534,582	41,984,186
56	113	48,689,340	973,787	49,663,127	17,629,251	10,745,274	42,779,150
57	114	49,663,127	993,263	50,656,389	18,026,556	10,960,179	43,590,013
58	115	50,656,389	1,013,128	51,669,517	18,431,807	11,179,383	44,417,093
59	116	51,669,517	1,033,390	52,702,907	18,845,163	11,402,970	45,260,715
60	117	52,702,907	1,054,058	53,756,966	19,266,786	11,631,030	46,121,209

\*Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.

See attached Glossary. 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.

Do Nothing Detail Analysis

		(1)	(2)	(3)	(4)	(5)	(6)
Year	Attained Age	Estate Balance (BOY)	Estate Growth @ 2.00% [1]x 2.0%	EOY Estate Balance 1+2	Estate Taxes	Credit Shelter Trust	Net To Heirs 3-4+5
61	118	53,756,966	1,075,139	54,832,105	19,696,842	11,863,650	46,998,913
62	119	54,832,105	1,096,642	55,928,747	20,135,499	12,100,923	47,894,171
63	120	55,928,747	1,118,575	57,047,322	20,582,929	12,342,942	48,807,335
64	121	57,047,322	1,140,946	58,188,268	21,039,307	12,589,801	49,738,762

\*Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.

See attached Glossary. 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.

# Gift to a Trust and Invest Detail Analysis

Year	Attained Age	ESTATE					TRUST			NET TO HEIRS		
		(1) Total Estate (BOY)	(2) Annual Gift to Trust (BOY)	(3) Gift Taxes Paid	(4) Estate Growth [1-2-3]x 2.0%	(5) Total Estate EOY 1-2-3+4	(6) Annual Gift to Trust (BOY)	(7) Other Trust Assets* [PY7+6] x [1+3.50%]	(8) Total Trust Assets 7	(9) Estate Taxes	(10) Credit Shelter Trust	(11) Net To Heirs 5+8-9+10
1	66/58	20,000,000	60,000	0	398,800	20,338,800	60,000	62,100	62,100	0	0	20,400,900
2	67/59	20,338,800	60,000	0	405,576	20,684,376	60,000	126,374	126,374	0	0	20,810,750
3	68/60	20,684,376	60,000	0	412,488	21,036,864	60,000	192,897	192,897	0	0	21,229,760
4	69/61	21,036,864	60,000	0	419,537	21,396,401	60,000	261,748	261,748	0	0	21,658,149
5	70/62	21,396,401	60,000	0	426,728	21,763,129	60,000	333,009	333,009	0	0	22,096,138
6	71/63	21,763,129	60,000	0	434,063	22,137,191	60,000	406,764	406,764	0	0	22,543,956
7	72/64	22,137,191	60,000	0	441,544	22,518,735	60,000	483,101	483,101	63,494	0	22,938,342
8	73/65	22,518,735	60,000	0	449,175	22,907,910	60,000	562,110	562,110	219,164	0	23,250,856
9	74/66	22,907,910	60,000	0	456,958	23,304,868	60,000	643,884	643,884	4,849,947	0	19,098,804
10	75/67	23,304,868	60,000	0	464,897	23,709,765	60,000	728,520	728,520	5,011,906	0	19,426,379
11	76/68	23,709,765	60,000	0	472,995	24,122,761	60,000	816,118	816,118	5,177,104	0	19,761,774
12	77/69	24,122,761	60,000	0	481,255	24,544,016	60,000	906,782	906,782	5,345,606	0	20,105,191
13	78/70	24,544,016	60,000	0	489,680	24,973,696	60,000	1,000,619	1,000,619	5,517,479	0	20,456,837
14	79/71	24,973,696	60,000	0	498,274	25,411,970	60,000	1,097,741	1,097,741	5,692,788	0	20,816,923
15	80/72	25,411,970	60,000	0	507,039	25,859,010	60,000	1,198,262	1,198,262	5,871,604	0	21,185,668
16	81/73	25,859,010	60,000	0	515,980	26,314,990	60,000	1,302,301	1,302,301	6,053,996	0	21,563,295
17	82/74	26,314,990	60,000	0	525,100	26,780,090	60,000	1,409,981	1,409,981	6,240,036	0	21,950,035
18	83/75	26,780,090	60,000	0	534,402	27,254,491	60,000	1,521,431	1,521,431	6,429,797	0	22,346,126
19	84/76	27,254,491	60,000	0	543,890	27,738,381	60,000	1,636,781	1,636,781	6,623,353	0	22,751,810
20	85/77	27,738,381	60,000	0	553,568	28,231,949	60,000	1,756,168	1,756,168	6,820,780	0	23,167,338
21	86/78	28,231,949	60,000	0	563,439	28,735,388	60,000	1,879,734	1,879,734	7,022,155	0	23,592,967
22	87/79	28,735,388	60,000	0	573,508	29,248,896	60,000	2,007,625	2,007,625	7,227,558	0	24,028,962
23	80	23,658,896	30,000	0	472,578	24,101,474	30,000	2,108,942	2,108,942	7,404,589	5,590,000	24,395,826
24	81	24,101,474	30,000	0	481,429	24,552,903	30,000	2,213,805	2,213,805	7,585,161	5,701,800	24,883,346
25	82	24,552,903	30,000	0	490,458	25,013,361	30,000	2,322,338	2,322,338	7,769,344	5,815,836	25,382,190
26	83	25,013,361	30,000	0	499,667	25,483,028	30,000	2,434,670	2,434,670	7,957,211	5,932,153	25,892,639
27	84	25,483,028	30,000	0	509,061	25,962,089	30,000	2,550,933	2,550,933	8,148,836	6,050,796	26,414,982
28	85	25,962,089	30,000	0	518,642	26,450,731	30,000	2,671,266	2,671,266	8,344,292	6,171,812	26,949,516
29	86	26,450,731	30,000	0	528,415	26,949,145	30,000	2,795,810	2,795,810	8,543,658	6,295,248	27,496,545
30	87	26,949,145	30,000	0	538,383	27,457,528	30,000	2,924,713	2,924,713	8,747,011	6,421,153	28,056,383

\* PY = Prior Year

\*Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.

See attached Glossary. 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.

## Gift to a Trust and Invest Detail Analysis

Year	Attained Age	ESTATE					TRUST			NET TO HEIRS		
		(1) Total Estate (BOY)	(2) Annual Gift to Trust (BOY)	(3) Gift Taxes Paid	(4) Estate Growth [1-2-3]x 2.0%	(5) Total Estate EOY 1-2-3+4	(6) Annual Gift to Trust (BOY)	(7) Other Trust Assets* [PY7+6] x [1+3.50%]	(8) Total Trust Assets 7	(9) Estate Taxes	(10) Credit Shelter Trust	(11) Net To Heirs 5+8-9+10
31	88	27,457,528	30,000	0	548,551	27,976,079	30,000	3,058,128	3,058,128	8,954,431	6,549,576	28,629,352
32	89	27,976,079	30,000	0	558,922	28,505,000	30,000	3,196,213	3,196,213	9,166,000	6,680,567	29,215,780
33	90	28,505,000	30,000	0	569,500	29,044,500	30,000	3,339,130	3,339,130	9,381,800	6,814,179	29,816,009
34	91	29,044,500	30,000	0	580,290	29,594,790	30,000	3,487,050	3,487,050	9,601,916	6,950,462	30,430,386
35	92	29,594,790	30,000	0	591,296	30,156,086	30,000	3,640,147	3,640,147	9,826,434	7,089,472	31,059,270
36	93	30,156,086	30,000	0	602,522	30,728,608	30,000	3,798,602	3,798,602	10,055,443	7,231,261	31,703,027
37	94	30,728,608	30,000	0	613,972	31,312,580	30,000	3,962,603	3,962,603	10,289,032	7,375,886	32,362,037
38	95	31,312,580	30,000	0	625,652	31,908,232	30,000	4,132,344	4,132,344	10,527,293	7,523,404	33,036,687
39	96	31,908,232	30,000	0	637,565	32,515,796	30,000	4,308,026	4,308,026	10,770,318	7,673,872	33,727,376
40	97	32,515,796	30,000	0	649,716	33,135,512	30,000	4,489,857	4,489,857	11,018,205	7,827,350	34,434,514
41	98	33,135,512	30,000	0	662,110	33,767,622	30,000	4,678,052	4,678,052	11,271,049	7,983,897	35,158,522
42	99	33,767,622	30,000	0	674,752	34,412,375	30,000	4,872,834	4,872,834	11,528,950	8,143,574	35,899,833
43	100	34,412,375	30,000	0	687,647	35,070,022	30,000	5,074,433	5,074,433	11,792,009	8,306,446	36,658,892
44	101	35,070,022	30,000	0	700,800	35,740,823	30,000	5,283,088	5,283,088	12,060,329	8,472,575	37,436,156
45	102	35,740,823	30,000	0	714,216	36,425,039	30,000	5,499,046	5,499,046	12,334,016	8,642,026	38,232,096
46	103	36,425,039	30,000	0	727,901	37,122,940	30,000	5,722,563	5,722,563	12,613,176	8,814,867	39,047,194
47	104	37,122,940	30,000	0	741,859	37,834,799	30,000	5,953,902	5,953,902	12,897,920	8,991,164	39,881,946
48	105	37,834,799	30,000	0	756,096	38,560,895	30,000	6,193,339	6,193,339	13,188,358	9,170,988	40,736,863
49	106	38,560,895	30,000	0	770,618	39,301,513	30,000	6,441,156	6,441,156	13,484,605	9,354,407	41,612,471
50	107	39,301,513	30,000	0	785,430	40,056,943	30,000	6,697,646	6,697,646	13,786,777	9,541,495	42,509,307
51	108	40,056,943	30,000	0	800,539	40,827,482	30,000	6,963,114	6,963,114	14,094,993	9,732,325	43,427,928
52	109	40,827,482	30,000	0	815,950	41,613,431	30,000	7,237,873	7,237,873	14,409,373	9,926,972	44,368,904
53	110	41,613,431	30,000	0	831,669	42,415,100	30,000	7,522,248	7,522,248	14,730,040	10,125,511	45,332,820
54	111	42,415,100	30,000	0	847,702	43,232,802	30,000	7,816,577	7,816,577	15,057,121	10,328,021	46,320,280
55	112	43,232,802	30,000	0	864,056	44,066,858	30,000	8,121,207	8,121,207	15,390,743	10,534,582	47,331,904
56	113	44,066,858	30,000	0	880,737	44,917,595	30,000	8,436,500	8,436,500	15,731,038	10,745,274	48,368,330
57	114	44,917,595	30,000	0	897,752	45,785,347	30,000	8,762,827	8,762,827	16,078,139	10,960,179	49,430,214
58	115	45,785,347	30,000	0	915,107	46,670,454	30,000	9,100,576	9,100,576	16,432,182	11,179,383	50,518,231
59	116	46,670,454	30,000	0	932,809	47,573,263	30,000	9,450,146	9,450,146	16,793,305	11,402,970	51,633,074
60	117	47,573,263	30,000	0	950,865	48,494,128	30,000	9,811,951	9,811,951	17,161,651	11,631,030	52,775,458

\* PY = Prior Year

\*Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.

See attached Glossary. 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.

Gift to a Trust and Invest Detail Analysis

Year	Attained Age	ESTATE					TRUST			NET TO HEIRS		
		(1) Total Estate (BOY)	(2) Annual Gift to Trust (BOY)	(3) Gift Taxes Paid	(4) Estate Growth [1-2-3]x 2.0%	(5) Total Estate EOY 1-2-3+4	(6) Annual Gift to Trust (BOY)	(7) Other Trust Assets* [PY7+6] x [1+3.50%]	(8) Total Trust Assets 7	(9) Estate Taxes	(10) Credit Shelter Trust	(11) Net To Heirs 5+8-9+10
61	118	48,494,128	30,000	0	969,283	49,433,411	30,000	10,186,420	10,186,420	17,537,364	11,863,650	53,946,116
62	119	49,433,411	30,000	0	988,068	50,391,479	30,000	10,573,994	10,573,994	17,920,592	12,100,923	55,145,805
63	120	50,391,479	30,000	0	1,007,230	51,368,709	30,000	10,975,134	10,975,134	18,311,484	12,342,942	56,375,301
64	121	51,368,709	30,000	0	1,026,774	52,365,483	30,000	11,390,314	11,390,314	18,710,193	12,589,801	57,635,404

\* PY = Prior Year

\*Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.

See attached Glossary. 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.

## Gift to a Trust and Purchase Life Insurance Detail Analysis

Year	Attained Age	ESTATE					TRUST					NET TO HEIRS		
		(1) Total Estate (BOY)	(2) Annual Gift to Trust (BOY)	(3) Gift Taxes Paid	(4) Estate Growth [1-2-3]x 2.0%	(5) Total Estate EOY 1-2-3+4	(6) Annual Gift to Trust (BOY)	(7) New Life Insurance Premium	(8) New Life Insurance Death Benefit	(9) Other Trust Assets [PY9+6-7] x [1+3.50%]	(10) Total Trust Assets at Death 8+9	(11) Estate Taxes	(12) Credit Shelter Trust	(13) Net To Heirs 5+10-11+12
1	66/58	20,000,000	60,000	0	398,800	20,338,800	60,000	60,000	6,061,669	0	6,061,669	0	0	26,400,469
2	67/59	20,338,800	60,000	0	405,576	20,684,376	60,000	60,000	6,061,669	0	6,061,669	0	0	26,746,045
3	68/60	20,684,376	60,000	0	412,488	21,036,864	60,000	60,000	6,061,669	0	6,061,669	0	0	27,098,533
4	69/61	21,036,864	60,000	0	419,537	21,396,401	60,000	60,000	6,061,669	0	6,061,669	0	0	27,458,070
5	70/62	21,396,401	60,000	0	426,728	21,763,129	60,000	60,000	6,061,669	0	6,061,669	0	0	27,824,798
6	71/63	21,763,129	60,000	0	434,063	22,137,191	60,000	60,000	6,061,669	0	6,061,669	0	0	28,198,860
7	72/64	22,137,191	60,000	0	441,544	22,518,735	60,000	60,000	6,061,669	0	6,061,669	63,494	0	28,516,910
8	73/65	22,518,735	60,000	0	449,175	22,907,910	60,000	60,000	6,061,669	0	6,061,669	219,164	0	28,750,415
9	74/66	22,907,910	60,000	0	456,958	23,304,868	60,000	60,000	6,061,669	0	6,061,669	4,849,947	0	24,516,590
10	75/67	23,304,868	60,000	0	464,897	23,709,765	60,000	60,000	6,061,669	0	6,061,669	5,011,906	0	24,759,528
11	76/68	23,709,765	60,000	0	472,995	24,122,761	60,000	60,000	6,061,669	0	6,061,669	5,177,104	0	25,007,325
12	77/69	24,122,761	60,000	0	481,255	24,544,016	60,000	60,000	6,061,669	0	6,061,669	5,345,606	0	25,260,079
13	78/70	24,544,016	60,000	0	489,680	24,973,696	60,000	60,000	6,061,669	0	6,061,669	5,517,479	0	25,517,887
14	79/71	24,973,696	60,000	0	498,274	25,411,970	60,000	60,000	6,061,669	0	6,061,669	5,692,788	0	25,780,851
15	80/72	25,411,970	60,000	0	507,039	25,859,010	60,000	60,000	6,061,669	0	6,061,669	5,871,604	0	26,049,075
16	81/73	25,859,010	60,000	0	515,980	26,314,990	60,000	60,000	6,061,669	0	6,061,669	6,053,996	0	26,322,663
17	82/74	26,314,990	60,000	0	525,100	26,780,090	60,000	60,000	6,061,669	0	6,061,669	6,240,036	0	26,601,723
18	83/75	26,780,090	60,000	0	534,402	27,254,491	60,000	60,000	6,061,669	0	6,061,669	6,429,797	0	26,886,364
19	84/76	27,254,491	60,000	0	543,890	27,738,381	60,000	60,000	6,061,669	0	6,061,669	6,623,353	0	27,176,698
20	85/77	27,738,381	60,000	0	553,568	28,231,949	60,000	60,000	6,061,669	0	6,061,669	6,820,780	0	27,472,838
21	86/78	28,231,949	60,000	0	563,439	28,735,388	60,000	60,000	6,061,669	0	6,061,669	7,022,155	0	27,774,902
22	87/79	28,735,388	60,000	0	573,508	29,248,896	60,000	60,000	6,061,669	0	6,061,669	7,227,558	0	28,083,006
23	80	23,658,896	30,000	0	472,578	24,101,474	30,000	30,000	6,061,669	0	6,061,669	7,404,589	5,590,000	28,348,553
24	81	24,101,474	30,000	0	481,429	24,552,903	30,000	30,000	6,061,669	0	6,061,669	7,585,161	5,701,800	28,731,211
25	82	24,552,903	30,000	0	490,458	25,013,361	30,000	30,000	6,061,669	0	6,061,669	7,769,344	5,815,836	29,121,522
26	83	25,013,361	30,000	0	499,667	25,483,028	30,000	30,000	6,061,669	0	6,061,669	7,957,211	5,932,153	29,519,639
27	84	25,483,028	30,000	0	509,061	25,962,089	30,000	30,000	6,061,669	0	6,061,669	8,148,836	6,050,796	29,925,718
28	85	25,962,089	30,000	0	518,642	26,450,731	30,000	30,000	6,061,669	0	6,061,669	8,344,292	6,171,812	30,339,919
29	86	26,450,731	30,000	0	528,415	26,949,145	30,000	30,000	6,061,669	0	6,061,669	8,543,658	6,295,248	30,762,404
30	87	26,949,145	30,000	0	538,383	27,457,528	30,000	30,000	6,061,669	0	6,061,669	8,747,011	6,421,153	31,193,339

\* PY = Prior Year

\*Estate Taxes are calculated assuming a 40% tax rate and the applicable exemption (indexed for inflation). See Glossary for important information regarding the exemption.

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# Gift to a Trust and Purchase Life Insurance Detail Analysis

Year	Attained Age	ESTATE					TRUST					NET TO HEIRS		
		(1) Total Estate (BOY)	(2) Annual Gift to Trust (BOY)	(3) Gift Taxes Paid	(4) Estate Growth [1-2-3]x 2.0%	(5) Total Estate EOY 1-2-3+4	(6) Annual Gift to Trust (BOY)	(7) New Life Insurance Premium	(8) New Life Insurance Death Benefit	(9) Other Trust Assets [PY9+6-7] x [1+3.50%]	(10) Total Trust Assets at Death 8+9	(11) Estate Taxes	(12) Credit Shelter Trust	(13) Net To Heirs 5+10-11+12
31	88	27,457,528	30,000	0	548,551	27,976,079	30,000	30,000	6,061,669	0	6,061,669	8,954,431	6,549,576	31,632,892
32	89	27,976,079	30,000	0	558,922	28,505,000	30,000	30,000	6,061,669	0	6,061,669	9,166,000	6,680,567	32,081,237
33	90	28,505,000	30,000	0	569,500	29,044,500	30,000	30,000	6,061,669	0	6,061,669	9,381,800	6,814,179	32,538,548
34	91	29,044,500	30,000	0	580,290	29,594,790	30,000	30,000	6,061,669	0	6,061,669	9,601,916	6,950,462	33,005,006
35	92	29,594,790	30,000	0	591,296	30,156,086	30,000	30,000	6,061,669	0	6,061,669	9,826,434	7,089,472	33,480,792
36	93	30,156,086	30,000	0	602,522	30,728,608	30,000	30,000	6,061,669	0	6,061,669	10,055,443	7,231,261	33,966,095
37	94	30,728,608	30,000	0	613,972	31,312,580	30,000	30,000	6,061,669	0	6,061,669	10,289,032	7,375,886	34,461,103
38	95	31,312,580	30,000	0	625,652	31,908,232	30,000	30,000	6,061,669	0	6,061,669	10,527,293	7,523,404	34,966,012
39	96	31,908,232	30,000	0	637,565	32,515,796	30,000	30,000	6,061,669	0	6,061,669	10,770,318	7,673,872	35,481,019
40	97	32,515,796	30,000	0	649,716	33,135,512	30,000	30,000	6,061,669	0	6,061,669	11,018,205	7,827,350	36,006,326
41	98	33,135,512	30,000	0	662,110	33,767,622	30,000	30,000	6,061,669	0	6,061,669	11,271,049	7,983,897	36,542,139
42	99	33,767,622	30,000	0	674,752	34,412,375	30,000	30,000	6,061,669	0	6,061,669	11,528,950	8,143,574	37,088,668
43	100	34,412,375	30,000	0	687,647	35,070,022	30,000	30,000	6,061,669	0	6,061,669	11,792,009	8,306,446	37,646,128
44	101	35,070,022	30,000	0	700,800	35,740,823	30,000	30,000	6,061,669	0	6,061,669	12,060,329	8,472,575	38,214,738
45	102	35,740,823	30,000	0	714,216	36,425,039	30,000	30,000	6,061,669	0	6,061,669	12,334,016	8,642,026	38,794,719
46	103	36,425,039	30,000	0	727,901	37,122,940	30,000	30,000	6,061,669	0	6,061,669	12,613,176	8,814,867	39,386,300
47	104	37,122,940	30,000	0	741,859	37,834,799	30,000	30,000	6,061,669	0	6,061,669	12,897,920	8,991,164	39,989,713
48	105	37,834,799	30,000	0	756,096	38,560,895	30,000	30,000	6,061,669	0	6,061,669	13,188,358	9,170,988	40,605,193
49	106	38,560,895	30,000	0	770,618	39,301,513	30,000	30,000	6,061,669	0	6,061,669	13,484,605	9,354,407	41,232,984
50	107	39,301,513	30,000	0	785,430	40,056,943	30,000	30,000	6,061,669	0	6,061,669	13,786,777	9,541,495	41,873,330
51	108	40,056,943	30,000	0	800,539	40,827,482	30,000	30,000	6,061,669	0	6,061,669	14,094,993	9,732,325	42,526,483
52	109	40,827,482	30,000	0	815,950	41,613,431	30,000	30,000	6,061,669	0	6,061,669	14,409,373	9,926,972	43,192,700
53	110	41,613,431	30,000	0	831,669	42,415,100	30,000	30,000	6,061,669	0	6,061,669	14,730,040	10,125,511	43,872,240
54	111	42,415,100	30,000	0	847,702	43,232,802	30,000	30,000	6,061,669	0	6,061,669	15,057,121	10,328,021	44,565,372
55	112	43,232,802	30,000	0	864,056	44,066,858	30,000	30,000	6,061,669	0	6,061,669	15,390,743	10,534,582	45,272,366
56	113	44,066,858	30,000	0	880,737	44,917,595	30,000	30,000	6,061,669	0	6,061,669	15,731,038	10,745,274	45,993,500
57	114	44,917,595	30,000	0	897,752	45,785,347	30,000	30,000	6,061,669	0	6,061,669	16,078,139	10,960,179	46,729,056
58	115	45,785,347	30,000	0	915,107	46,670,454	30,000	30,000	6,061,669	0	6,061,669	16,432,182	11,179,383	47,479,324
59	116	46,670,454	30,000	0	932,809	47,573,263	30,000	30,000	6,061,669	0	6,061,669	16,793,305	11,402,970	48,244,597
60	117	47,573,263	30,000	0	950,865	48,494,128	30,000	30,000	6,061,669	0	6,061,669	17,161,651	11,631,030	49,025,176

\* PY = Prior Year

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## Gift to a Trust and Purchase Life Insurance Detail Analysis

Year	Attained Age	ESTATE					TRUST					NET TO HEIRS		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Total Estate (BOY)	Annual Gift to Trust	Gift Taxes Paid	Estate Growth [1-2-3]x 2.0%	Total Estate EOY 1-2-3+4	Annual Gift to Trust	New Life Insurance Premium	New Life Insurance Death Benefit	Other Trust Assets [PY9+6-7] x [1+3.50%]	Total Trust Assets at Death 8+9	Estate Taxes	Credit Shelter Trust	Net To Heirs 5+10-11+12
61	118	48,494,128	30,000	0	969,283	49,433,411	30,000	30,000	6,061,669	0	6,061,669	17,537,364	11,863,650	49,821,366
62	119	49,433,411	30,000	0	988,068	50,391,479	30,000	30,000	6,061,669	0	6,061,669	17,920,592	12,100,923	50,633,480
63	120	50,391,479	30,000	0	1,007,230	51,368,709	30,000	30,000	6,061,669	0	6,061,669	18,311,484	12,342,942	51,461,836
64	121	51,368,709	30,000	0	1,026,774	52,365,483	30,000	30,000	6,069,661	0	6,069,661	18,710,193	12,589,801	52,314,751

\* PY = Prior Year

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# Assumptions

CLIENT INFORMATION	Value	Explanation
Family Name	Miller	Name of family
Client Name	John	Given name of the first client
Age	65	Age of the first client
Sex	Male	Sex of the first client
Smoking Status	Preferred NonSmoker	Underwriting class of the first client (required)
Spouse's Name	Sarah	Given name of the second client
Age	57	Age of the second client
Sex	Female	Sex of the second client
Smoking Status	Preferred NonSmoker	Underwriting class of the second client
PLAN INFORMATION		
Heirs' Names	The Heirs	Names of the heirs
Total Estate Value	\$20,000,000	Total estate value
After Tax Growth Rate of Estate Assets	2.00%	After tax (income) growth rate for estate transferred to the ILIT
Potential Future Inheritance	\$0	An inheritance that may increase the estate
CPI Rate	0.00%	Consumer Price Index Rate
Number of Annual Exclusions Gifts	2	Number of annual exclusions per client
Post-76 Taxable Gifts	\$0	Amount of taxable gifts made after 1976. Gifts are assumed to be split equally between spouses.
Gift Taxes Paid in Past Three Years		
Gift Taxes Paid in 2018	\$0	Gift Taxes Paid in 2018
Gift Taxes Paid in 2017	\$0	Gift Taxes Paid in 2017
Gift Taxes Paid in 2016	\$0	Gift Taxes Paid in 2016
Use Unified Credit at First Death?	Yes	Use Unified Credit at first death?
INITIAL GIFT ASSUMPTIONS		
Initial Gift Amount	\$0	Initial Gift Amount
ANNUAL GIFT ASSUMPTIONS		
Gifting Option	Gift Exactly Annual Exclusion	Gifting option chosen
TRUST OPTIONS		
Existing Trust Assets	\$0	
Trust Growth Rate	3.50%	
ESTATE TAX OPTION		
Estate Tax Option	Current Law	Estate tax rates based on the selected option

LIFE INSURANCE	Value	Explanation
Type of Policy	Survivorship	Survivorship or Single Life
Policy Name	Protection SUL 13	
State	Michigan	
Initial Policy Death Benefit	\$6,061,669	Total death benefit
Policy Premium	\$60,000.00	Annual Premium
Years for Premiums	64	Number of years to pay premiums
Current Crediting Rate	4.95%	Policy's crediting rate
EXISTING INSURANCE		
Existing Life Ins. Death Benefit	\$0	
Annual Premium	\$0	
Premium Years	0	
Current Cash Value	\$0	
1035 Existing Policy?	No	Will you 1035 Exchange Existing Policy for a new one?
PRESENTER INFORMATION		
Presenter's Name	Sample Agent	Name of presenter
Agency Name	John Hancock Financial Services	
Address	197 Clarendon St.	
City, State ZIP	Boston, MA 02116	
Telephone	(617) 572-6000	
Fax	(617) 572-5141	
E-Mail Address	hansel@jhancock.com	
RESULTS		
Focus Year <sup>1</sup>	33	Focus year
Print Years	64	

1. The focus year refers to the year that has been chosen by you. The values in the focus year are highlighted, can be changed and are for your convenience only. The year may be life expectancy, a random year, or a year that coincides with your personal planning goals.

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## Glossary

**Annual Gift to Trust** – This column illustrates the total after-tax gifts made by you to the trust, including those made to cover the annual insurance premiums, as well as those that are deposited into the trust's side fund to be invested separately from the insurance.

**Applicable Exclusion Amount** – The full amount of assets that at death can pass to heirs free of estate taxes.

**BOY** – Values at the beginning of the year.

**Credit Shelter Trust** – If you are married, at the death of the first spouse, a credit shelter trust can be funded with the applicable estate tax exemption that you may have available. This column illustrates the use of a Credit Shelter Trust to calculate estate taxes in an assumed year of the first death.

**EOY** – Values at the end of the year.

**Gift Taxes Paid** – If the annual gifts you make to the trust result in gift taxes due, this column reflects the gift taxes and pays them from the estate assets. If the annual gifts you make to a life insurance trust are less than the life insurance premium, this column also reflects the difference coming from estate assets.

**Other Trust Assets** – This column illustrates the current value of assets, in any given year, in an irrevocable trust or irrevocable life insurance trust, separate from any existing or new life insurance proceeds. These assets grow at an assumed growth rate and include all gifts, net of any premiums due, made in prior years.

**The Tax Cuts and Jobs Act of 2017** - This new legislation has increased the estate, gift, and generation skipping transfer tax exemption from \$5M indexed for inflation to \$10M indexed for inflation. Starting in 2018 this exemption is \$11,180,000. In 2026, this exemption is set to expire and revert to \$5M indexed for inflation.

**Total Trust with Life Insurance** – This column illustrates the value of the total trust assets at the end of the year and includes any existing life insurance proceeds, when gifts are made to an irrevocable trust without any new life insurance.

## Disclosure

Giftng Analysis 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 Gifting Analysis 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 is authorized for distribution only when accompanied by the basic illustration and the client guide for the relevant product.

This material does not constitute tax, legal, investment or accounting advice and is not intended for use by a taxpayer for the purposes of avoiding any IRS penalty. Comments on taxation are based on tax law current as of the time we produced the material.

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### Footnotes

1. See IRC §2503(b)