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# Comparison to Market Alternatives

## CLEAR

Confidential Life Insurance Evaluation and Recommendation  
*Bringing Transparency to Life*

**A detailed market comparison prepared for:**

Mrs. Client

**Prepared by:**

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**WINDSOR**

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Summary of Alternative Policies

	Current Policy	Alternate Policy 1	Alternative Policy 2	Alternative Policy 3
	Prudential/Hartford Bicentennial UL Freedom 2013	AIG Secure Lifetime GUL 3	Nationwide YourLife No-Lapse Guarantee UL	Penn Mutual Guaranteed Protection UL
<b>Design Goal</b>	\$3M Death Benefit	Comparable Death Benefit	Comparable Death Benefit	Comparable Death Benefit
<b>Type of Insurance</b>	Universal Life	Universal Life	Universal Life	Universal Life
<b>Policy Underwriting</b>	Standard Non-Nicotine	Standard Non-Tobacco	Standard Nontobacco	Standard Non-Tobacco
<b>Important Policy Values</b>				
Guaranteed Crediting Rate	2.00%	2.00%	3.00%	3.00%
Illustrated Crediting Rate	2.00%	2.00%	3.00%	3.00%
Guaranteed to Age	113	100	100	100
Projected to Age	113	100	100	100
Endow / Maturity at Age	121	121	121	121
Initial Premium	\$52,703	\$52,864	\$55,704	\$55,834
Initial Death Benefit	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
<b>Projected Cash Surrender Value</b>				
Age 62	\$4,679	\$0	\$0	\$0
Age 67	\$0	\$48,310	\$0	\$0
Age 77	\$0	\$332,690	\$0	\$0
<b>Projected Death Benefit</b>				
Age 62	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Age 67	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Age 77	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
<b>Carrier Ratings</b>				
Comdex	59	80	89	91
AM Best	A-	A	A+	A+
<b>Additional Riders or Notes</b>	Policy Protection Rider Policy Continuation Rider	Enhanced Surrender Value Rider		



## Evaluating the Alternatives

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### Goals, Risk Tolerance, and Investment Philosophy

- Which design helps best meet your financial goals?
- Which premium or withdrawal / loan schedule makes the most sense financially for you?
- Is the type of insurance and design consistent with your needs, risk tolerance and investment philosophy?
- Does the design have adequate flexibility?

### Guarantees and Projections

- Which policy provides better guaranteed crediting rates?
- Have the policies been illustrated fairly for comparison? Or illustrated uniquely to distinguish the attributes of that design?
- Which design is guaranteed to be in force longer?
- Is it projected to last as long as your needs?
- Which design projects the best upside?

### Value

- Can another carrier offer better underwriting which could lead to cost savings?
- Has there been significant repricing of similar products in recent years which could be capitalized upon?
- Does the policy generate more cash, or generate cash faster or longer, if cash accumulation is desired? Can the policy be distinguished by a larger death benefit per premium dollar spent? Which are the least and most expensive and why?

### Carrier Strength

- How do the rating agencies feel about the financial stability of the carrier?



## Carrier Rating Services

The financial strength of an insurance company is one of the factors that should be considered in selecting an insurance carrier. Purchasing insurance from a financially strong carrier increases the likelihood that the policy's benefits will be paid when due.

Traditional rating agencies have had a strong impact on the insurance industry and its customers. The criteria used by the principal three multi-industry rating services share a large degree of commonality. Each rating service evaluates the strengths and strategies of company management, the operating results of the business units, investment performance, and capitalization. Although each rating agency looks to the same criteria, each has its own unique rating scale.

**A.M. Best:** 15 rating categories ranging from A++ to F.

**Standard & Poor's:** 19 rating categories ranging from AAA to R.

**Moody's:** 21 rating categories ranging from Aaa to C.

**Fitch:** 24 rating categories ranging from AAA to D.

**Comdex:** Based on the ratings issued by A.M. Best, Standard & Poor's, Moody's Investors Services, and Fitch. The Comdex is not a rating itself, but a composite index based on an average of all the ratings received from these rating services. The Comdex gives the company's standing, on a scale of 1 to 100, in relation to other companies that have been rated by the services. It is an objective value based solely on the mathematical distribution of all the companies that have been rated.

Rating	A.M. Best	Standard & Poor's	Moody's	Fitch
Excellent	A++	AAA	Aaa	AAA
	A+	AA+	Aa1	AA+
		AA+	Aa2	AA+
		AA-	Aa3	AA-
Good	A	A+	A1	A+
	A-	A+	A2	A+
		A-	A3	A-
				BBB+
				BBB+
		BBB-		
Fair	B++	BBB+	Baa1	BB+
	B+	BBB+	Baa2	BB
	B	BBB-	Baa3	BB-
	B-			
Poor	C++	BB+	Ba1	B+
	C+	BB	Ba2	B
	C	BB-	Ba3	B-
	C-	B+	B1	
		B	B2	
		B-	B3	
Troubled	D	CCC	Caa1	CCC+
	E	CC	Caa2	CCC
	F	R	Caa3	CCC-
			Ca	CC
			C	C
				DDD
		DD		
		D		



## Life Insurance Policy Types

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### Term Life

Term life insurance is the most basic life insurance option. For a specified premium, the policy owner receives a contract to pay a death benefit to the beneficiary in the event of the insured's death during a specified period, or term. Most term insurance has a convertibility option, allowing the policy owner to convert a term contract to permanent insurance during the specified premium payment period.

### Whole Life

Whole life insurance is the original form of permanent life insurance, providing a death benefit for the insured's whole life based on a specified premium obligation. Whole life provides for contract guarantees in premiums, cash value accumulation and death benefit, with limited flexibility. Whole life contracts may or may not include dividend payments.

### Universal Life

Universal life insurance is a permanent product that provides flexibility for a client's ever-changing circumstances and the potential for cash value accumulation on a tax-deferred basis. The policy holder has the ability to customize death benefit, length of coverage and premium obligation.

### Indexed Universal Life

Indexed universal life insurance is a permanent product that provides flexibility for a client's ever-changing circumstances and the potential for cash value accumulation on a tax-deferred basis. The policy owner has the ability to customize death benefit, length of coverage and premium obligation. The cash accumulation within the contract is based upon the performance of a stock index, such as the S&P 500, or multiple indices.

### Variable Universal Life

Variable universal life insurance is a cash-value-focused permanent product that provides flexibility for a client's ever-changing circumstances and the potential for cash value accumulation on a tax-deferred basis. The policy holder has the ability to customize death benefit, length of coverage and premium obligation. The cash value accumulation in the contract is based upon the investment options the policy holder chooses. The investment prospectus should be consulted for more information on the investment options and risks associated with purchasing this kind of life insurance.



## General Life Insurance Policy Definitions

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### 1035 Exchange

A tax-free exchange of an existing policy for a new one as allowed by §1035 of the Internal Revenue Code.

### Beneficiary

Person or entity identified by the policy owner to receive the death benefit.

### Cash Value

Cash accumulated with the life insurance contract.

### Death Benefit

Amount of money to be paid to the beneficiary at the death of the insured.

### Dividend

A distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders.

### Endow / Maturity at Age

The age at which the contract is complete. No more premiums are paid by the insured and the carrier pays the illustrated benefit regardless of mortality.

### Extended Maturity Riders

These riders address the increasing life expectancy of aging America by preventing the life insurance policies from ending during an insured's lifetime. If a policy were to endow due to the insured living to the policy endowment age (e.g., age 95 or 100), the policy cash value would be payable and taxable as ordinary income to the extent it exceeded the tax basis of the policy.

### Guaranteed Crediting Rate

The minimum amount of interest that will be credited to a policy in a given period.

### Guaranteed to Age

The age to which the contract is guaranteed to pay the specified benefit if all scheduled premiums are paid.

### Illustrated Crediting Rate

An assumed, hypothetical interest crediting rate to project policy values.

### Index / Indices

Tracks the performance of a specific "basket" of stocks considered to represent a particular market or sector of the stock market or the economy; each index has its own calculation method.

### Interest Rate Cap

The maximum amount of interest that can be credited to an indexed universal life policy in a given period.

### Insured

The person (or persons) whose life is (or are) insured.

### Life Expectancy

A calculation based upon a mortality table and a large population of individuals which estimates the average age when an insured has more than a 50% chance of reaching mortality.



## General Life Insurance Policy Definitions

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### Modified Endowment Contract (MEC)

A tax qualification of an insurance policy where the policy has been funded with more money than the IRS allows. MEC's may require special care to avoid adverse tax consequences.

### Long-Term Care (LTC) / Chronic Illness Riders

Allows the insured to accelerate the policy's death benefit on an income tax-free basis to pay for qualifying expenses as defined in the policy. Any amount paid out reduces the policy's death benefit. Once acceleration begins, the death benefit is generally reduced "dollar for dollar" and the cash value is reduced proportionately.

### No-Lapse Guarantee (NLG) Product / Rider

Products that maintain the death benefit in force, regardless of the cash value performance, as long as the required NLG premium is paid.

### Paid-Up Additions (PUA's)

Additional amounts of paid-up insurance purchased with the dividends of a whole life policy.

### Participation Rate

A multiple of how much of the increase in a tracked value or index that applies to your policy.

### Policy Owner

Person or entity who owns the life insurance contract.

### Premium

Amount paid for the contract.

### Projected to Age

The age to which the contract is projected to pay the specified benefit based upon the illustrated crediting rate.

### Survivorship

A type of policy that pays upon the second death of two insureds.

## Disclosures

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Many considerations are involved when discussing ownership and beneficiary language for life insurance. You and your tax and legal advisors should consider whether your current ownership and beneficiary designation are appropriate for your objectives and financial goals

All guarantees are subject to the claims-paying ability of the issuing insurance company. Guarantees do not apply to the investment performance of any variable accounts, which are subject to market risk.

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Must be accompanied by the complete carrier illustrations.

## About Windsor

### RELATIONSHIP

Value thrives in long-term relationships

For over 40 years, our enduring relationships with our advisor and carrier partners as well as our staff have been the most important factor in our growth. The Windsor culture is high-energy and responsive. You'll find our commitment to your success provides great value, both personally and financially. In fact, the comprehensive nature of our commitment to each of our partners frames and permeates every aspect of our business. When you enter into a relationship with Windsor, you can trust you'll receive the support, insights and strategic advantages you need to achieve your goals.

### SERVICE

Providing unique expertise and insights

Our staff see themselves as true business partners who collaborate with you to better understand, anticipate and respond to what you need. As a multi-carrier Brokerage General Agency, Windsor provides a comprehensive life insurance consultancy to you and your practice. With a team of over 30 life insurance professionals, you can access support in all aspects of your life insurance business.

### CONTINUITY

Strong commitment between professional partners

For over four decades Windsor has been renowned for our strong relationships with our advisor and carrier partners. Today, our leadership in the life insurance industry continues as the premier brokerage arm of NFP Corp (NFP). Our solid reputation and long-standing financial stability provide great peace of mind. In addition to our industry longevity, our knowledgeable staff has an average of over 14 years of service. We continue to work with advisors (and 2nd generation advisors) that began with us in 1977!

"THE FINAL INGREDIENT IS INTEGRITY"

Windsor has stood for over 40 years as an established, prosperous partnership built on the highest professional standards with strong, lasting relationships. It is this integrity that has been the hallmark of Windsor and our staff from the very beginning.

## About NFP and Windsor

NFP is one of the nation's largest independent distributors of protection products in the industry. As a leader in the life insurance industry Windsor was one of the founding member firms of NFP in 1999, and has established itself as the premier Brokerage General Agency (BGA) under the NFP umbrella. As part of NFP, Windsor is able to provide advisors with significant resources, influence and leverage. Since 2013, Windsor has been the partner of choice for life brokerage for Partners Financial firms, providing an integrated solution to their portfolio of life insurance carriers.

