

**Prepared for:**

**John J. Smith**

**Illustration Date:**

January 2, 2009

**Prepared by:**

**John J. Agent**

Insurance Professionals, LLC.

1234 E. Main Street

Albuquerque, NM 87112

(505) 555-1212



# THE FLEXIBLE INCOME STREAM

*An illustration to help you securely maximize your income for the rest of your life*

# \$300,000 Principal Income Comparison

Prepared for John J. Smith  
By John J. Agent  
January 2, 2009

## Certificates of Deposit at 4.000%

### Advantages

- Safety of Principal
- Available for Emergencies
- Competitive Interest Rates
- FDIC Insured

### Disadvantages

- Income is Fully Taxable
- Penalty for Early Withdrawal

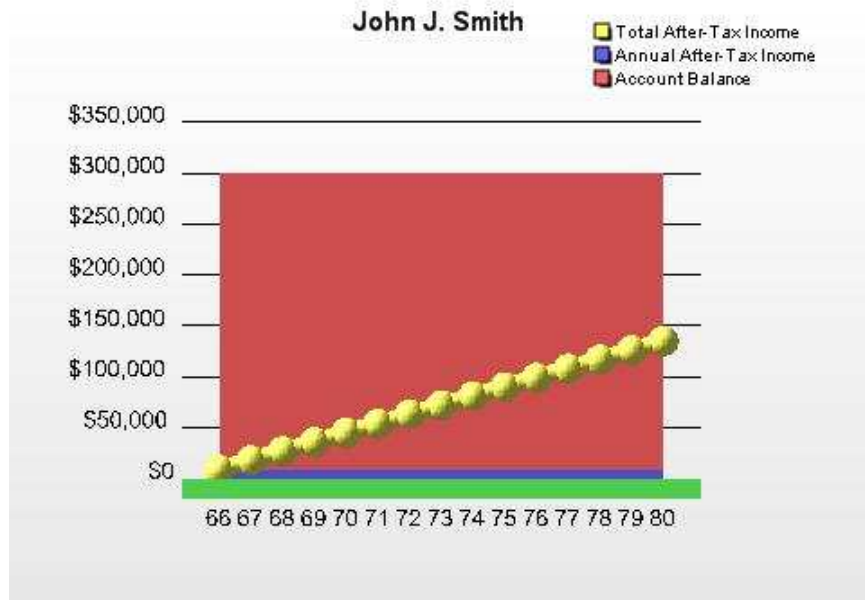
## Recommended Strategy

### Advantages

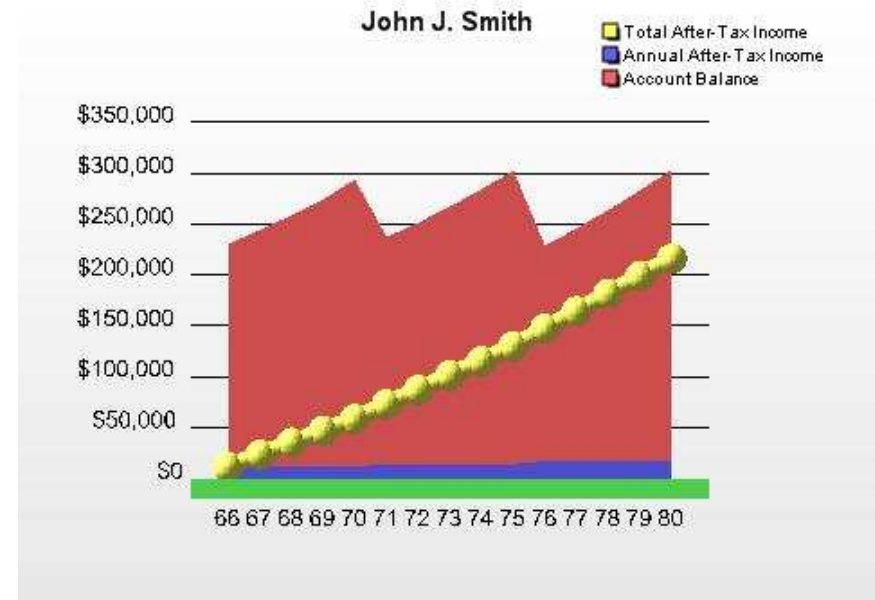
- Safety of Principal
- Available for Emergencies
- Competitive Interest Rates
- Income is Tax Advantaged
- Income May Increase Every 5 Years for 5% Inflation

### Disadvantages

- Penalty for Early Withdrawal
- Not FDIC Insured



**\$135,000 Total After-Tax Income**



**\$216,174 Total After-Tax Income**

This page must be accompanied with company approved illustrations and/or brochures. Values are not guaranteed and are for illustrative purposes only. After-tax income assumes a 25% tax bracket.

# \$300,000 Principal Income Comparison

Prepared for John J. Smith  
By John J. Agent  
January 2, 2009

		Certificates of Deposit					Recommended Strategy				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
End of Year	Age	Account Balance	Annualized Income	Less Income Taxes	After-Tax Income	Total After-Tax Income to Date	Account Balance	Annualized Annuity Payout	Less Income Taxes	After-Tax Income	Total After-Tax Income to Date
1	66	300,000	12,000	3,000	9,000	9,000	230,489	12,000	252	11,748	11,748
2	67	300,000	12,000	3,000	9,000	18,000	244,233	12,000	252	11,748	23,496
3	68	300,000	12,000	3,000	9,000	27,000	258,781	12,000	252	11,748	35,244
4	69	300,000	12,000	3,000	9,000	36,000	274,181	12,000	252	11,748	46,992
5	70	300,000	12,000	3,000	9,000	45,000	293,987	12,000	252	11,748	58,740
6	71	300,000	12,000	3,000	9,000	54,000	237,195	15,315	1,084	14,232	72,972
7	72	300,000	12,000	3,000	9,000	63,000	251,299	15,315	1,084	14,232	87,204
8	73	300,000	12,000	3,000	9,000	72,000	267,356	15,315	1,084	14,232	101,435
9	74	300,000	12,000	3,000	9,000	81,000	284,402	15,315	1,084	14,232	115,667
10	75	300,000	12,000	3,000	9,000	90,000	302,497	15,315	1,084	14,232	129,899
11	76	300,000	12,000	3,000	9,000	99,000	228,866	19,547	2,292	17,255	147,154
12	77	300,000	12,000	3,000	9,000	108,000	245,771	19,547	2,292	17,255	164,409
13	78	300,000	12,000	3,000	9,000	117,000	263,794	19,547	2,292	17,255	181,664
14	79	300,000	12,000	3,000	9,000	126,000	283,005	19,547	2,292	17,255	198,919
15	80	300,000	12,000	3,000	9,000	135,000	303,478	19,547	2,292	17,255	216,174

## Notes to the Ledger Page

- 1) Combined balance of Certificates of Deposit, comprised of assets earning an assumed rate of 4.000% for all years.
- 2) Annualized Income withdrawn from the Account Balance in column 1.
- 3) Assumes a taxable rate of 25% tax rate. This rate could be higher or lower in the future.
- 4) After-tax Income is the Annualized Income from column 2 less the Income Taxes in column 3.
- 5) Total After-tax Income to Date is the yearly totals from column 4.
- 6) Annuity Portfolio Account Balance is the approximate cash surrender value of all interest earning annuity accounts. Interest earned is deemed to be tax-deferred until withdrawn as income. Most of the large drop at the beginning of each period is due to purchasing an Immediate Annuity in the first year that is guaranteed to pay \$12,000.00\* Annual Income for 5 years.
- 7) Annualized Annuity Payout consists of three separate accounts: one that starts in year 1 and ends in year 5, another that starts in year 6 and ends in year 10, and another that starts in year 11 and ends in year 15. If death occurs during the 5 year payout period, the payout will continue until the end of the 5 year period represented. See company-approved illustrations and brochures for assumptions, limitations, guaranteed values, and guaranteed payouts.
- 8) Income taxes illustrated are based on the taxable portion of the Annuity Payout. In the early years most of the income received is a tax-free return of principal. This illustration assumes a 25% tax rate which could be higher or lower in the future. These calculations are provided for illustration purposes only. John J. Agent does not provide tax, legal, or accounting advice. You should consult with your attorney or qualified tax advisor about how these products may affect your specific situation.
- 9) After-tax Income is the Annualized Payout from column 7 less the Income Taxes in column 8.
- 10) Total After-tax Income to Date is the yearly totals from column 9.

I hereby acknowledge receipt of a copy of this illustration, and confirm that the guarantees, benefits and the relation between deposits and premiums to the account values, costs and benefits under the policy have been explained to me, have been fully disclosed to my satisfaction, are acceptable and that I have been given an opportunity to ask any questions about it. I acknowledge that I have been advised to consult with independent tax counsel regarding the tax treatment of the benefits provided under this contract.

---

Applicant's Signature

---

Date

---

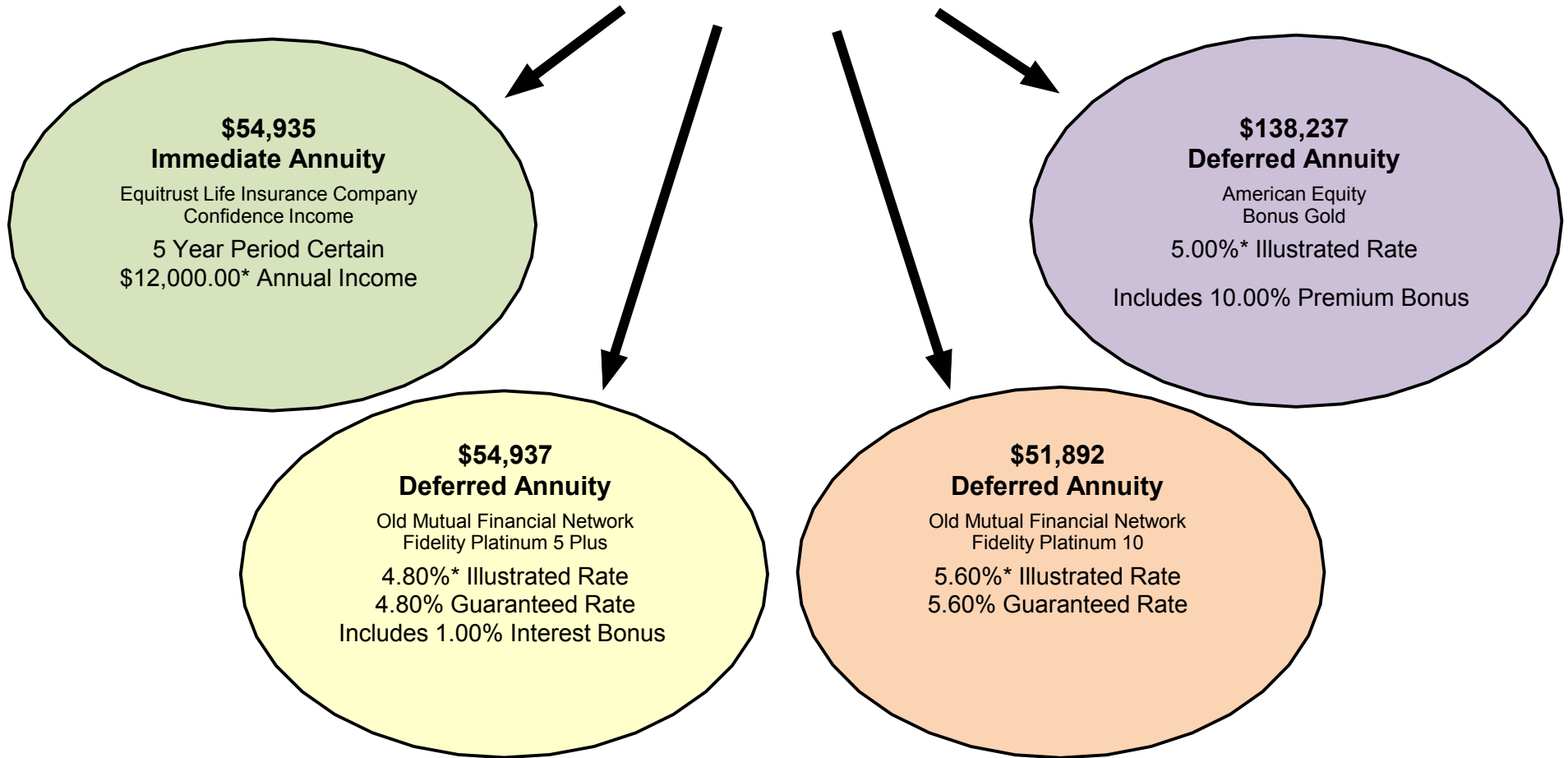
Agent

This page must be accompanied with company approved illustrations and/or brochures. Annuities are products of the insurance industry and are not guaranteed by any bank, or insured by the FDIC. Values are not guaranteed and are for illustrative purposes only. After-tax income assumes a 25% tax bracket.

# Annuity Product Income Strategy

Prepared for John J. Smith  
By John J. Agent  
January 2, 2009

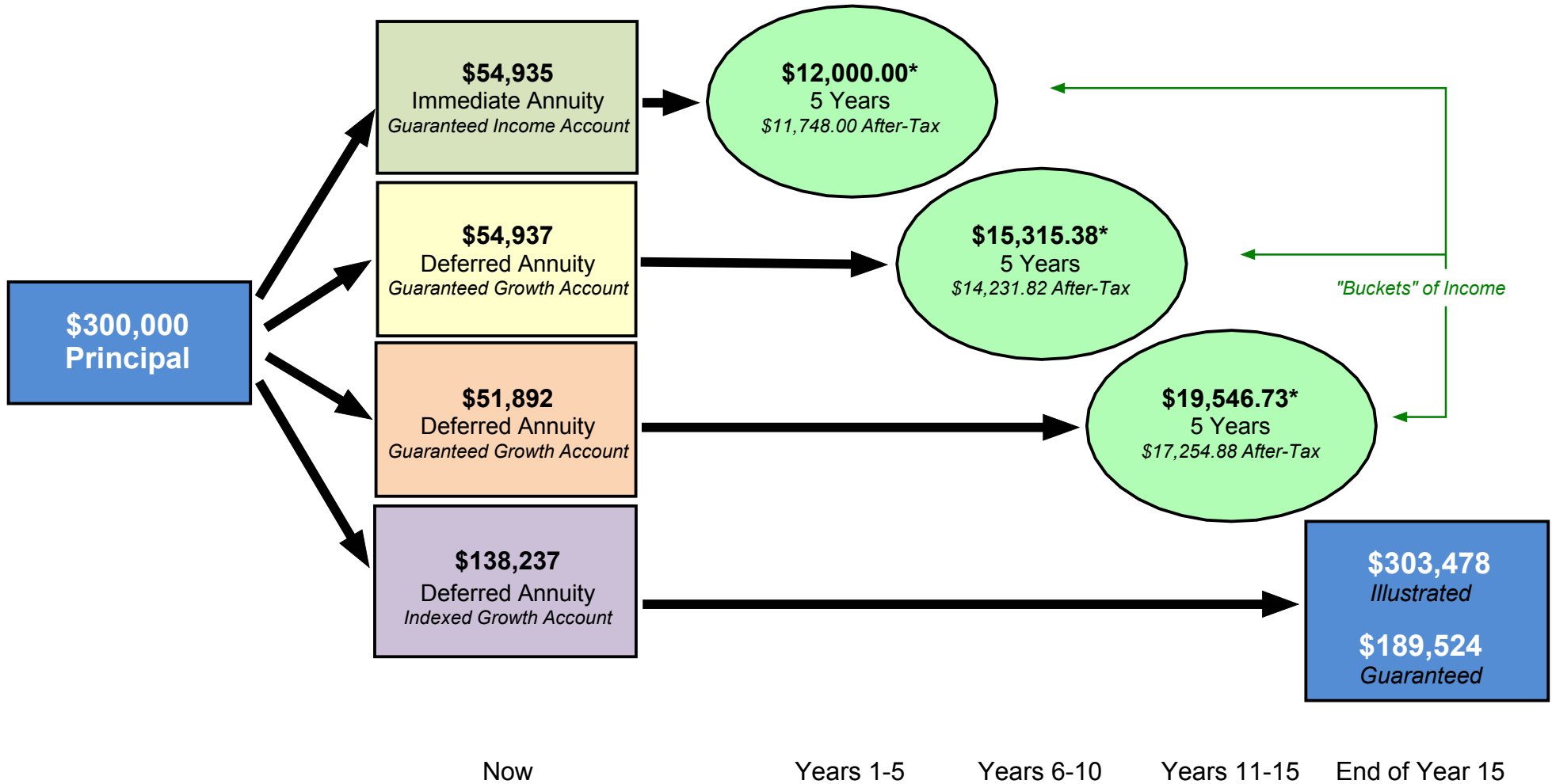
**\$300,000 Principal**  
*Split Into 4 Separate Annuity Accounts*



\* Value(s) entered by John J. Agent based on his / her knowledge of this product. This page must be accompanied with company approved illustrations and/or brochures. Annuities are products of the insurance industry and are not guaranteed by any bank, or insured by the FDIC. Values are not guaranteed and are for illustrative purposes only. After-tax income assumes a 25% tax bracket.

# Annuity Product Income Strategy

Prepared for John J. Smith  
 By John J. Agent  
 January 2, 2009

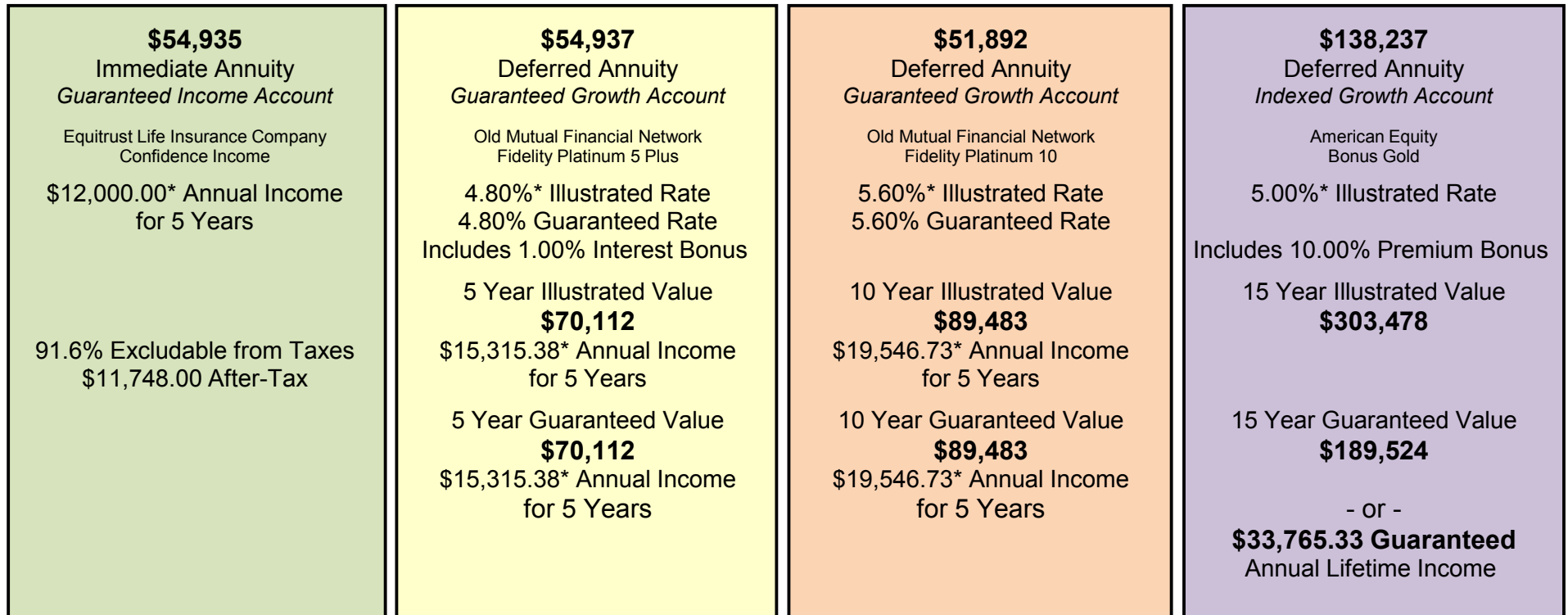


\* Value(s) entered by John J. Agent based on his / her knowledge of this product. This page must be accompanied with company approved illustrations and/or brochures. Annuities are products of the insurance industry and are not guaranteed by any bank, or insured by the FDIC. Values are not guaranteed and are for illustrative purposes only. After-tax income assumes a 25% tax bracket.

# Annuity Product Income Strategy

Prepared for John J. Smith  
 By John J. Agent  
 January 2, 2009

**\$300,000  
Principal**



\* Value(s) entered by John J. Agent based on his / her knowledge of this product. This page must be accompanied with company approved illustrations and/or brochures. Annuities are products of the insurance industry and are not guaranteed by any bank, or insured by the FDIC. Values are not guaranteed and are for illustrative purposes only. After-tax income assumes a 25% tax bracket.