

FS
FORTUNE STRATEGIES™



Insurance Review Program

We have found that in 85% of existing trusts, we can obtain a 40% reduction in premium cost for the same amount of insurance or, conversely, obtain 40% more death benefit for the same premium cost.

Estate of Mr. Client

(Assuming 4.5% Crediting Rate, Originally Illustrated Premiums and Current Mortality Charges)

What Does It Take to Net Heirs \$1.00 After Estate Taxes?

For Assets in Estate at Death Estate Tax at 40%



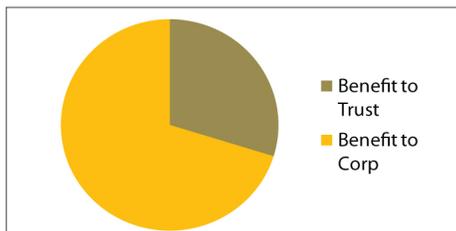
- Cash from the estate \$1.66
- Liquidation of assets in the estate \$1.66+
- Borrowing from third party lenders \$1.66+
- Borrowing from Federal Government (6166) \$1.66+

Life Insurance Outside of Estate

- Life Insurance: Existing Coverage \$.29
- Life Insurance: Proposed New Coverage \$.07

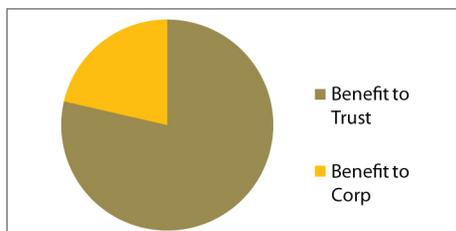
\$1.66 vs. 7 cents for each tax free dollar

Summary of Life Insurance at Life Expectancy: Age 85



Existing Coverage

Gross Death Benefit	\$15,000,000
Reimbursement to Corporation	\$10,534,720
Net Death Benefit to Trust	\$ 4,465,280



Proposed Coverage

Gross Death Benefit	\$15,000,000
Total Premiums Paid	\$ 3,208,887
Net Death Benefit to Trust	\$11,791,113

Analysis of Existing \$15 Million Level Death Benefit Insuring Mr. Client at 4.5%

		ORIGINAL PROJECTIONS	OPTION #1	OPTION #2	OPTION #3
		Projected Premium Outlays for Existing Policies 1 & 2 at inception of policies for initial \$15 million death benefit assuming 10% crediting rate	Existing In-Force Policies based on historical performance with future performance projected at 4.5% for \$15 million Death Benefit*	Premiums Required to Run Existing Policies Past Life Expectancy for \$15 million Death Benefit with future performance projected at 4.5%*	New Insurance \$15 million Death Benefit Guaranteed to Age 100
		Non-Guaranteed	Non-Guaranteed	Non-Guaranteed	Guaranteed
Year	Age (Beginning of Year)	Annual Premium Outlay	Annual Premium Outlay	Annual Premium Outlay	Annual Premium Outlay
Premiums Paid Years 1-10		2,500,000	2,500,000	2,500,000	0
2008	58	250,000	250,000	250,000	1,858,420**
2009	59	250,000	250,000	370,973	250,000
2010	60	250,000	250,000	370,973	250,000
2011	61	250,000	250,000	370,973	250,000
2012	62	250,000	250,000	370,973	250,000
2013	63	250,000	250,000	370,973	250,000
2014	64	250,000	250,000	370,973	100,467
2015	65	0	0	370,973	0
2016	66	0	0	370,973	0
2017	67	0	0	370,973	0
2018	68	0	0	370,973	0
2019	69	0	0	370,973	0
2020	70	0	0	370,973	0
2021	71	0	0	370,973	0
2022	72	0	0	370,973	0
2023	73	0	0	370,973	0
2024	74	0	0	370,973	0
2025	75	0	0	370,973	0
2026	76	0	0	370,973	0
2027	77	0	0	370,973	0
2028	78	0	0	370,973	0
2029	79	0	Policy 1 lapses	182,630	0
2030	80	0	0	182,630	0
2031	81	0	Policy 2 lapses	0	0
2032	82	0	0	0	0
2033	83	0	0	0	0
2034	84	0	0	0	0
2035	85	Life expectancy for a 58 year old male is 27 years based on Sec 1.401(a)(9) (2002) table			
2036	86	0	0	0	0
2037	87	0	0	0	0
2038	88	0	0	0	0
2039	89	0	0	0	0
2040	90	0	0	0	0
2041	91	0	0	0	0
2042	92	0	0	0	0
2043	93	0	0	0	0
2044	94	0	0	0	0
2045	95	0	0	Policy 1 lapses	0
2046	96	0	0	0	0
2047	97	0	0	0	0
2048	98	0	0	0	0
2049	99	0	0	0	0
2050	100	Projected plan illustrated to age 102	0	Policy 2 lapses	Death benefit guaranteed to age 100
Total Premiums		4,250,000	4,250,000	10,534,720	3,208,887

* Values based on inforce illustrations on existing policy 1 (run 11/18/08) and policy 2 (run 11/19/08). S&P 500 closed at 859.12 on 11/18/08 and 806.58 on 11/19/08

** \$1,858,420 initial premium payment consists of \$1,608,421 from current in-force policies' cash surrender values (see above) and a first year premium of \$250,000.

	ORIGINAL PROJECTIONS	OPTION #1	OPTION #2	OPTION #3
Death Benefit Guaranteed?	NO	NO	NO	YES
Premium Guaranteed?	NO	NO	NO	YES
Insurer's Ratings Better Than Insurer 1 & 2?	SAME	SAME	SAME	BETTER
Net Dollars to Trust at Life Expectancy	SAME	\$0	\$4,465,280	\$11,791,113

Reasons for Review

- 1. Optimize cost/benefit ratio**
- 2. Changes in law**
- 3. Changes in clients' circumstances**
- 4. Changes in economic factors**
- 5. Changes in insurance companies' rating status**
- 6. Changes and developments in insurance industry**



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