

LAFCO

Santa Barbara Local Agency Formation Commission
105 East Anapamu Street ♦ Santa Barbara CA 93101
805/568-3391 ♦ FAX 805/568-2249
www.sblafco.org ♦ lafco@sblafco.org

May 6, 2021 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Authorize Applications to Transfer Benefits Related to Disability and Life Insurance

Dear Members of the Commission:

RECOMMENDATION:

It is recommended that the Commission authorize the Executive Officer to file Applications for and Chair to sign for the following benefit related policies for LAFCO employees:

- a. Disability Insurance transfer the approved allocation from Ameritas for \$365.27 per month to a new 5-year term policy with Lloyds of London in the amount of \$146.14 per month; and
- b. Term Life Insurance transfer the approved allocation from Colonial Penn for \$56.46 per month to a new State Farm policy in the same amount of \$56.46 per month.

DISCUSSION:

Three proposals were gathered for long-term disability and term life that met the Executive Officer service Agreement. Ameritas offered the lowest rate. Colonial Penn offered the lowest rate as well. Both applications were denied. The Insurance Agency of Susan Polk was used to search for replacement policies that met the service agreement. Lloyds of London was identified as an alternative under a five-year term that could be renewed after five years. State Farm provides a current term policy with the executive officer that could be rolled into a whole policy.

Commissioners: Roger Aceves ♦ Cynthia Allen ♦ Jay Freeman ♦ Craig Geyer ♦ Joan Hartmann ♦ Steve Lavagnino
Holly Sierra ♦ Shane Stark ♦ Etta Waterfield, Chair ♦ Roger Welt, Vice-Chair ♦ Das Williams **Executive Officer:** Mike Prater

On January 14, 2021 the Commission authorized the application of both Ameritas in the amount of \$365.27 per month and Colonial Penn in the amount of \$56.46 per month. Lloyds of London equals a Term policy for 5-yrs at \$8,660 with annual premium of \$1,753.65 or (\$146.14 per month). This would lower the monthly cost. The life policy with State Farm would convert an existing policy with minimum coverage required as a whole life insurance policy with premiums payable over 15 years. The quoted rate would exceed the previous authorized rate; however, the Commission's approval would match the same rate approved at \$56.46 per month, and the executive officer would cover the remaining balance.

Attachments

Attachment A – Ameritas Quote

Attachment B – Lloyds of London Quote

Attachment C – Colonial Penn Quote

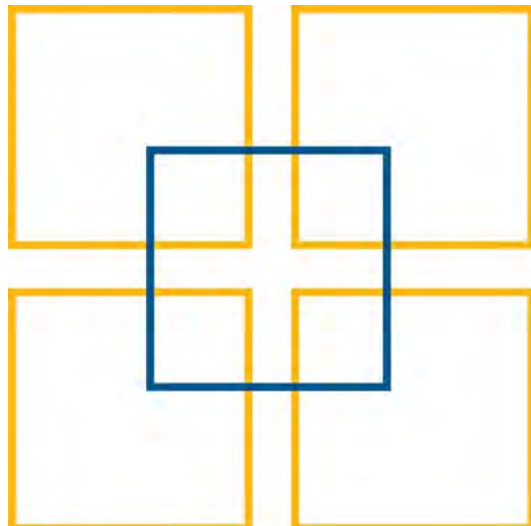
Attachment D – State Farm Quote

Please contact the LAFCO office if you have any questions.

Sincerely,



Mike Prater
Executive Officer



Disability Income insurance provides a solid foundation for your financial future. It can help protect against the unexpected while ensuring your future.

Dnamic Foundation

Noncancelable

Disability Income Insurance

Presented to

Michael Prater

Presented by

Susan Polk CLU, ChFC, RHU
1443 Marsh St.
CA 93401
(805) 544-6454

Prepared on

December 15, 2020

DINAMIC FOUNDATION

Disability Income Insurance Summary Illustration Noncancelable and Guaranteed Renewable

Designed for: Michael Prater
Rates: Male, Non Tobacco
Occupation Class: 6A (Preferred Occ)
Issue Age: 47

Prepared by: Susan Polk CLU, ChFC, RHU
Prepared on: 12-15-2020
Issue State: California
Premium: Level

Policy Information	Amount	Annual Premium
Base Monthly Benefit	\$7,900	\$4,462.02
Elimination Period: 90 Days		
Maximum Benefit Period: To Age 67		
Base includes Enhanced Partial Disability Benefit		
Total Monthly Benefit	\$7,900	\$4,462.02
Potential Annual Base Benefit (\$7,900.00 x 12 months) =	\$94,800	
*Potential Cumulative Base Benefit (\$7,900.00 x 12 months x 20 years) =	\$1,896,000	

Definition of Disability: Own Occupation and Not Working for the length of the benefit period

Base Policy Features

Nondisabling Injury Benefit	\$3,000	No Charge
COBRA Premium Benefit		No Charge
Survivor Benefit		No Charge
Good Health Benefit		No Charge
Presumptive Total Disability		No Charge
Surgical Transplant Benefit		No Charge
Cosmetic Surgery Benefit		No Charge
Rehabilitation		No Charge
Waiver of Premium		No Charge

Optional Riders Selected

Automatic Increase Rider (AIR)		No Charge
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Premium Adjustment

Premium Before Adjustment	\$4,462.02
Preferred Occupational Premium**	\$4,240.91

Total Annual Premium

Semi-Annual	\$2,165.48
Quarterly	\$1,105.24
Monthly	\$365.27

*This assumes a maximum potential payout if you are totally disabled for the entire benefit period. Actual benefits will vary based on certain factors, such as age at disability and riders selected.

** Must meet requirements including use of EZ App process to qualify for Preferred Occupational Premium.

This is an illustration and not a contract



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Prepared on: 12-15-2020
Issue State: California
Premium: Level

Automatic Increase Rider

AIR Increased Benefits and Premiums

Age	Base Monthly Benefit	Annual Premium
47	7,900	\$4,240.91
48	8,220	\$4,419.40
49	8,540	\$4,605.48
50	8,860	\$4,798.52
51	9,180	\$4,998.67
52	9,500	\$5,205.12

Automatic Increase Rider: This rider is designed to provide for a 4% simple automatic increase in your Base Monthly Benefit, on each policy anniversary, for up to five years. This increase will be made without evidence of insurability and will also apply to the Residual and Cost of Living Adjustment riders (if part of your policy). Declining an increase forfeits your right to future increases.

This is an illustration and not a contract



Policy Information

Thank you for considering Ameritas Life Insurance Corp. for your disability income insurance needs. We believe there is no better way to protect against the financial devastation a disability could cause you and your family. To help you better understand how your Ameritas Life Disability Income Insurance policy can work for you, we have described below the key features and options of your policy. If you have questions about what these features mean to you, contact your agent or call our home office toll-free at 1-800-319-6901.

Noncancelable/Guaranteed Renewable to Age 65: Until you reach age 65, your policy cannot be canceled, premiums cannot be increased, and restrictions cannot be added, as long as you continue paying premiums as due.

Conditionally Renewable for Life: You may renew this policy on each policy anniversary after age 65 for life if you are actively working at least 30 hours each week, you are not receiving a benefit under this policy or any attached rider, and the policy is in force with no premiums in default. When renewing your policy, you will need to submit documentation of your current income and pay the premium due for your age at that time.

Base Monthly Benefit: We will pay the Base Monthly Benefit for each month you are totally disabled, under the terms of the policy, due to accident or sickness. Benefits begin after you satisfy the elimination period. Benefits continue as long as you remain totally disabled or to the end of the benefit period you select, if sooner.

Own Occupation and Not Working for the Length of the benefit period (NW): Total Disability or Totally Disabled means that as a result of sickness or injury, you are not able to perform with reasonable continuity the substantial and material acts necessary to perform your usual occupation in the usual and customary way, and you choose not to work at any occupation. If you choose to work at any job, you will not be considered totally disabled under this policy, but you may qualify for partial disability benefits.

Usual occupation means the occupation or occupations that you were engaged in, based on the duties you were performing for wage or profit, at the time disability began. If you are not employed at the time of disability, your occupation means any occupation you are able to perform based on your education, training and experience.

If you are a physician or dentist and have limited your duties to the performance of the usual and customary functions of a specific, professionally recognized medical or dental specialty, we will consider that specialty your occupation.

Enhanced Partial Disability Benefit: We will pay you a partial benefit while you are partially disabled if you are not totally disabled and while working in an occupation, as a result of sickness or injury, your loss of monthly earnings is more than 15% of your prior monthly earnings. **Recovery Benefit** - We will still consider you partially disabled if you have recovered from a sickness or injury that caused a partial disability and you continue to have a loss of monthly earnings of at least 15% due to that disability.

Waiving Physician's Care: While you are disabled, you must be under the regular care and treatment of a physician appropriate for the condition causing disability. We will waive this requirement, if, in the opinion of that physician, continued medical treatment will not improve your condition.

This is an illustration and not a contract



Successive Periods of Disability: Successive periods of disability will be considered, as one period if: (a) they are caused by the same or related conditions, (b) they are separated by less than 365 days, and (c) each begins while the policy is in force. The elimination period and benefit period will not restart.

Exceptions and Limitations: Benefits will not be paid: (a) for a disability caused or contributed by war, declared or undeclared, or any act or incident of war, or as a result of military service when scheduled active duty is more than three months, (b) for a disability resulting from an intentionally self-inflicted injury, (c) for sickness; injury or disability resulting from committing or attempting to commit a felony or engaging in an illegal occupation, (d) for normal pregnancy or childbirth until you have been disabled for 90 days, (e) for more than 60 months during the lifetime of the policy for disability caused by a mental/nervous disorder and/or being under the influence of any controlled substance or alcohol; or (f) for more than 12 months during the lifetime of the policy, if you reside outside of the United States.

Pre-Existing Condition Limitation: During the first 24 months following the *issue date* of the policy, we will pay benefits for disabilities resulting from a pre-existing condition, only if that condition is: (a) fully disclosed and not misrepresented in the policy's application; and (b) not specifically excluded by name or specific description.

Base Policy Features

Nondisabling Injury Benefit: If you suffer an injury requiring medical treatment prescribed by a physician or the repair to natural teeth prescribed by a dentist, we will pay the expense of such treatment, not to exceed the lesser of 50% of the base benefit or \$3,000. (Not available for Colorado, Connecticut, Maryland or Massachusetts.)

COBRA Premium Benefit: If, you become unemployed due to a disability and, as a result, you are paying COBRA medical coverage premiums, we will reimburse you for those premiums up to \$1,000 a month, beginning with the first premium due after you satisfy the elimination period of this policy but not to exceed 18 months. Reimbursement is also available if continuing your employer-group medical plan under the provisions of a state continuation plan. We will not pay more than 100% of the COBRA premium expense incurred monthly, under all policies.

Survivor Benefit: Should you die after satisfying the elimination period and while monthly disability benefits are being paid under the policy, we will pay an additional three months of Base Monthly Benefit to your designated beneficiary, if any, otherwise to your estate.

Good Health Benefit: For every consecutive policy year you complete without receiving any benefits under the policy, we will reduce the elimination period by two days. In no case will the elimination period be reduced to less than 30 days.

Presumptive Total Disability: You will be considered totally disabled if you sustain the complete loss of hearing in both ears, sight in both eyes, speech, or the use of any two limbs. The elimination (waiting) period will be waived, and benefits will be payable for as long as the presumptive disability continues, even if you are working in an occupation. The loss does not need to be permanent or irrecoverable.

Surgical Transplant Benefit: After your policy has been in force for 6 months, if a part of your body is transplanted into another person's body and as a result you become totally disabled, we will pay benefits as if the disability was due to a sickness, except that we will waive the elimination period.

This is an illustration and not a contract



Cosmetic Surgery Benefit: If a total disability results from cosmetic surgery to correct a disfigurement or to improve your appearance, we will consider you Totally Disabled due to sickness, provided the cosmetic surgery occurs more than six months after the issue date of the policy.

Rehabilitation: You can participate in an occupational rehabilitation program without being considered "recovered" from your disability. Moreover, if we approve the program, we will pay for the reasonable expense of the program, subject to our mutual agreement in writing.

Waiver of Premium: After 90 days and once a claim is approved, we will begin waiving premiums for as long as you are disabled - even beyond the benefit period. We will refund the premiums paid during the elimination period.

Riders

Automatic Increase Rider: This rider is designed to provide for a 4% simple automatic increase in your Base Monthly Benefit, on each policy anniversary, for up to five years. This increase will be made without evidence of insurability and will also apply to the Residual and Cost of Living Adjustment riders (if part of your policy). Declining an increase forfeits your right to future increases.

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DINAMIC FOUNDATION

Disability Income Insurance Summary Illustration Noncancelable and Guaranteed Renewable

Designed for: Michael Prater
Rates: Male, Non Tobacco
Occupation Class: 6A (Preferred Occ)
Issue Age: 47

Prepared by: Susan Polk CLU, ChFC, RHU
Prepared on: 12-15-2020
Issue State: California
Premium: Level

Premium Alternatives

Definition of Disability: Own Occupation and Not Working for the length of the benefit period

	5 Yr Benefit	10 Yr Benefit	To Age 65	To Age 67	To Age 70
30 Days	\$4,966.09				
Base Policy*	\$4,966.09	N/A	N/A	N/A	N/A
Automatic Increase	N/A	N/A	N/A	N/A	N/A
60 Days	\$4,053.30				
Base Policy*	\$4,053.30	N/A	N/A	N/A	N/A
Automatic Increase	N/A	N/A	N/A	N/A	N/A
90 Days	\$2,807.47	\$3,552.34	\$3,934.17	\$4,240.91	\$5,489.58
Base Policy*	\$2,807.47	\$3,552.34	\$3,934.17	\$4,240.91	\$5,489.58
Automatic Increase	N/A	N/A	N/A	N/A	N/A
180 Days	\$2,337.47	\$2,955.69	\$3,271.84	\$3,527.01	\$4,561.76
Base Policy*	\$2,337.47	\$2,955.69	\$3,271.84	\$3,527.01	\$4,561.76
Automatic Increase	N/A	N/A	N/A	N/A	N/A
365 Days	\$1,992.25	\$2,518.53	\$2,786.83	\$3,003.55	\$3,884.43
Base Policy*	\$1,992.25	\$2,518.53	\$2,786.83	\$3,003.55	\$3,884.43
Automatic Increase	N/A	N/A	N/A	N/A	N/A
730 Days		\$2,246.48	\$2,485.70	\$2,678.95	\$3,462.29
Base Policy*	N/A	\$2,246.48	\$2,485.70	\$2,678.95	\$3,462.29
Automatic Increase	N/A	N/A	N/A	N/A	N/A

The options shown above reflect changes in the base benefit and elimination period only. However, the SIS elimination period will never be less than the base elimination period and reflects the elimination period shown on the Summary Page.

* Partial is built-in to the Base policy.

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Requirements for Preferred Occupational Premium

6A, 5A, 4A Occupations

- Must use EZ App process
- Ages 60 and under

EZ App Teleunderwriting with Simplified Requirements

EZ App is an effective alternative to the traditional application process. The EZ App process reduces underwriting time, eliminates redundant medical history and lifestyle questions, and can simplify or eliminate the financial and medical requirements that are part of the traditional application process. All of the lifestyle and medical history questions are asked by a skilled professional interviewer over the phone.

Medical Requirements

Ages	Benefit*	Requirement**
18 - 45	Up to \$6,000	TUI
	\$6,001+	TUI, Mini-Exam
46 - 64	Up to \$2,500	TUI
	\$2,501+	TUI, Mini-Exam

* To determine medical requirements, add any of the following as applicable (applied for and in force with Ameritas including GSI):

- Base DI monthly benefit
- Base BOE monthly benefit
- Social Insurance Substitute (SIS) benefit
- Business Loan Repayment Rider monthly benefit

** TUI - Teleunderwriting interview. Mini-Exam includes blood, urine, height, weight, blood pressure and pulse readings. Medical questions are not included in the mini-exam since they are asked during the teleunderwriting phone interview.

Financial Requirements

Financial Documentation Summary – Individual DI					
		Ownership			
Amount*	Employee	Sole Proprietor	Partnership	S-Corp	C-Corp**
\$5,000 or less	Not Required	Schedule C	W-2 and Schedule E or K-1	W-2 and Schedule E or K-1	W-2 and 1120
\$5,001 - \$7,500	Paystub or W-2	Schedule C	W-2 and Schedule E or K-1	W-2 and Schedule E or K-1	W-2 and 1120
\$7,501 - \$14,999	Complete 1040 (All Schedules)	Complete 1040 (All Schedules)	Complete 1040 (All Schedules)	Complete 1040 (All Schedules)	Complete 1040 (All Schedules) and 1120
\$15,000 and up	2 yrs. complete 1040 (All Schedules)	2 yrs. complete 1040 (All Schedules)	2 yrs. complete 1040 (All Schedules)	2 yrs. complete 1040 (All Schedules)	2 yrs. complete 1040 (All Schedules) and 1120
* Applied for and in force with all companies. All joint returns require a copy of the applicant's W2(s).					
** Form 1120 is not required if applicant owns 20% or less of the C-Corp.					

Reminder, the financial information section of the application must always be completed.

To expedite the underwriting process, please submit an illustration of the desired plan design with the application.

In approved states, Dlnamic Foundation (forms 4501NC, 4502GR and 4503NCBOE) is issued by Ameritas Life Insurance Corp. In New York, Dlnamic Foundation (forms 5501-NC, 5502-GR and 5503NCBOE) is issued by Ameritas Life Insurance Corp. of New York. Policy and riders may vary and may not be available in all states.

This information is provided by Ameritas®, which is a marketing name for subsidiaries of Ameritas Mutual Holding Company, including, but not limited to: Ameritas Life Insurance Corp., 5900 O Street, Lincoln, Nebraska 68510 and Ameritas Life Insurance Corp. of New York, (licensed in New York) 1350 Broadway, Suite 2201, New York, New York 10018. Each company is solely responsible for its own financial condition and contractual obligations. For more information about Ameritas®, visit ameritas.com.

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DINAMIC FOUNDATION

Disability Income Insurance Summary Illustration Noncancelable and Guaranteed Renewable

Designed for: Michael Prater

Rates: Male, Non Tobacco

Occupation Class: 6A

Issue Age: 47

Prepared by: Susan Polk CLU, ChFC, RHU

Prepared on: 12-15-2020

Issue State: California

Premium: Level

Agent License Notice

California requires all illustrations to include the license number of the representative providing this illustration to you. This proposal is presented by:

Representative: Susan Polk CLU, ChFC, RHU

License number: .

Disability Loss Ratio Notice

As required by the state of California, we are providing you with our loss ratio for our disability insurance products. Our loss ratio for 2019 was 56%. A loss ratio is defined as the ratio of incurred claims to earned premiums.

If you have any questions or concerns regarding this notice or any of our disability insurance products please contact your Ameritas sales development team at 1-800-319-6903.

Liability Release

I, _____, (the client), acknowledge that _____ (the agent) has advised me of the potential loss of income I would suffer in the event of a physical or mental disability. The agent has recommended that I purchase a disability income insurance policy in order to protect myself from this potential loss.

I have elected not to purchase a disability income policy at this time and will self-insure this exposure. I do not expect the agent to contact me in the future regarding the purchase of a disability income policy. I agree to contact the agent and/or another insurance professional if I decide to consider the purchase of disability income coverage in the future.

I understand all the consequences associated with not purchasing a policy at this time. These include but are not limited to, the loss of disability benefits that may have been paid (tax free) by the insurance company, as well as the future underwriting requirements that must be satisfied at such time an application is submitted.

Date

X _____
(Client)

Date

X _____
(Agent)

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IDU, INC.

T. 800 954 6182
info@iduinc.com
www.iduinc.com

International Disability UNDERWRITERS

PROTECTOR PRO SERIES

Personal Income Protection

PREPARED FOR

MICHAEL PRATER

PROPOSED BY

SUSAN POLK

DISTRIBUTED BY

DISABILITY INSURANCE SERVICES, INC.

LLOYD'S

ATTACHMENT P



DATE: 2/5/2021
PROPOSED INSURED: MICHAEL PRATER
DATE OF BIRTH: 01/17/1973
AGE AT EFFECTIVE DATE: 48
STATE: CA
OCCUPATION: EXECUTIVE
QUOTE NUMBER: 212054844

COVERAGE TYPE: PERSONAL INCOME PROTECTION
POLICY TERM: 5 YEARS LESS 1 DAY

TTD MONTHLY BENEFIT AMOUNT:
 \$8,660.00

TTD ELIMINATION PERIOD:
 180 DAYS

TTD BENEFIT PERIOD:
 60 MONTHS

TOTAL AGGREGATE BENEFIT: \$519,600.00

	Premium Summary
TTD Base Premium:	\$1,753.65
COLA:	\$175.36
Policy Fee:	\$100.00
Surplus Line Tax:	\$65.94
Annual Premium:	\$2,094.95
Monthly Premium:	\$190.64
	Alternative Premium Modes
Quarterly Premium:	\$555.16
Semi-Annual Premium:	\$1,089.37
Full Pay Discount Premium:	\$8,379.80
Provides a 20% discount for a total savings of \$2,094.95	

Applicable Surplus Lines Taxes and Fees subject to state regulations at time of issue.

CONDITIONS:

- Subject to an acceptable, medical underwriting and financial justification.
- We reserve the right to rate, rider, or add exclusions to the policy.
- First installment is deemed fully earned at inception.
- QUOTATION ONLY - This is not an offer for insurance, and no risk shall be bound until Lloyd's of London issues a certificate, policy, or binder evidencing insurance.
- Quotation valid for 30 days.

ATTACHMENT B

LLOYD'S

A+
STANDARD & POOR'S

AA-
FITCH RATINGS

A
A.M. BEST



COVERAGE FEATURES

Temporary Total Disability (TTD)

As a result of a covered injury or sickness, the insured is totally unable to perform the substantial and material duties of his or her regular occupation for the entire elimination period.

Regular Occupation

Is your own occupation at the time of your application and will be listed on the schedule page of your policy.

Waiver of Premium

Upon collection of disability benefits under this coverage, any premium payments due will be waived and installments paid during satisfaction of the elimination period returned. Should the insured recover during the policy term, premium payments will resume.

Unemployment Coverage

Available should the Insured leave their employment and not be immediately actively employed, they have the ability to continue coverage for a maximum of 90 days.

Passive War and Terrorism

Covered unless specifically excluded, or the act includes use of nuclear, chemical, or biological warfare.

OPTIONAL RIDERS

Cost of Living Adjustment Rider (COLA)

After twelve months of continuous monthly disability benefit payments, we will increase the monthly benefit amount by 3% beginning with the thirteenth months payment and do so annually thereafter, until such time as you are no longer disabled or the maximum benefit period has been reached, whichever occurs first. If the offer of coverage includes a Lump Sum Benefit, we provide the alternative option to forego the entire upcoming year's increase of 3% and instead, increase the Lump Sum amount by 5% of the monthly benefit paid over the next 12 months. This option can be selected each year but must be elected prior to receipt of the benefit increase and once payments are made, no further changes can be enacted for that year.

REQUIREMENTS & EXCLUSIONS

Application, income verification, attending physician statement from a primary care physician and/ or the treating specialist, and name and address of all physicians consulted in the last 3 years, to include the dates and reasons for consultations.

Standard Policy Exclusions include:

- Use/abuse of Narcotics and Alcohol
- Suicide, attempted suicide
- Felonies
- Conditions not disclosed to underwriters
- Normal Pregnancy
- Mental or neuropsychiatric illnesses
- War/Terrorism
- Insureds piloting of or traveling in any stunt, military, or experimental aircraft

ADDITIONAL EXCLUSION(S):

Systemic Lupus Erythematosus, or conditions arising therefrom, complications therefrom, treatment or surgery therefor.



International Disability
UNDERWRITERS

PROTECTOR PRO SERIES

Personal Income Protection

MIAMI OFFICE

1111 BRICKELL AVE
SUITE 2600
MIAMI, FL 33131

SPRINGFIELD OFFICE

1 MONARCH PLACE
SUITE 2020
SPRINGFIELD, MA 01144

IDU, INC.

T. 800 954 6182
info@iduin.com
www.iduin.com



LLOYD'S

ATTACHMENT B

NY Residents



Home Insurance The Right Choice

Renewable Term Life Insurance

Learn About The Plan

1-877-887-0490 | LOGIN

Start New Quote

mike, this life insurance quote is for you.

Male, 47 years old, California

What you told us about yourself helped us generate this quote.

Review Your Basic Details

Customize Your Requested Policy Coverage

Renewable Term Life Insurance

Select Your Coverage Amount

\$50,000 (+\$56.46)

Coverage for the years you think you'll need it most. It's renewable up to age 90.

[Pricing and Terms](#)

Learn More

Apply Today

Update My Quote

BACK TO TOP

Your Policy Quote

Renewable Term Life Insurance

Base Plan Coverage for Total Monthly Premium
\$50,000 for **\$56.46**

Apply Today

View Full Quote

Did you know this plan comes with a **30 day try-it-on period?**

This trial period lets you try a plan and cancel for a full refund if it doesn't meet your needs.

NY Residents

Administrative Office

Colonial Penn Life Insurance Co.
399 Market Street
Philadelphia, PA 19106

Contact Information

Sales: 877-877-8052
Service: 800-523-9100
Mon - Fri: 8:30 a.m. - 10 p.m. ET
Sat: 9 a.m. - 5 p.m. ET

Engage With Us



State Farm Life Insurance Company

DISCLOSURE

THIS IS AN ILLUSTRATION ONLY. AN ILLUSTRATION IS NOT INTENDED TO PREDICT ACTUAL PERFORMANCE. INTEREST RATES, DIVIDENDS, AND VALUES SET FORTH IN THE ILLUSTRATION ARE NOT GUARANTEED, EXCEPT FOR THOSE ITEMS CLEARLY LABELED AS GUARANTEED.



Life Insurance Illustration

Plan:	15 Pay Life	Date:	February 11, 2021
Insured:	Michael Prater Male, Age 47	Prepared by:	Todd Thomas
Initial Death Benefit:	\$100,000	Agency:	State Farm Insurance 1238 Marsh St San Luis Obispo, CA 93401
Premium Mode:	Special Monthly	License No:	0C61440
Dividend Option:	Paid-Up Additions	Phone No:	(805)543-0650

This illustration was produced to be used in California.

Summary of Illustrated Coverages and Premium

		Special Monthly Initial Premium:
Benefits and Riders:	\$100,000 15 Pay Life Premium Class: Elite Preferred Non-Tobacco	\$300.85
Total Initial Premium:		\$300.85

Description of Coverage

Plan	15 Pay Life (Form Number 11002) is a whole life insurance policy with premiums payable for 15 years. This policy is participating and is eligible to receive dividends.
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Definitions

Non-Tobacco	Available for those who do not currently use tobacco or other nicotine products and have not used tobacco or other nicotine products within the 12-month period prior to application.
Preferred Non-Tobacco	Available for those who can meet underwriting requirements more stringent than the standard Non-Tobacco risk category.
Super Preferred Non-Tobacco	Available for those who currently do not use tobacco or other nicotine products and have not used tobacco or other nicotine products within the 36-month period prior to application and can meet underwriting requirements more stringent than the Preferred risk category.
Elite Preferred Non-Tobacco	Available for those who currently do not use tobacco or other nicotine products and have not used tobacco or other nicotine products within the 36-month period prior to application and can meet underwriting requirements more stringent than the Super Preferred risk category.
Annualized Contract Premium	The premium that is due each policy year, given the premium mode selected. This amount must be paid to keep the policy in force based on policy guarantees.
Guaranteed Cash Value	The amount of cash value guaranteed in the policy.



Life Insurance Illustration

Plan:	15 Pay Life	Initial Death Benefit:	\$100,000
Insured:	Michael Prater	Premium Mode:	Special Monthly
	Male, Age 47	Dividend Option:	Paid-Up Additions

Definitions

Guaranteed Death Benefit	The guaranteed death benefit payable upon the Insured's death.
Non-Guaranteed Intermediate Values	Figures include dividends which are illustrated according to one half the current scale and are not guaranteed. Dividends are based upon the mortality, expense, and investment experience of the Company. Actual dividends may be more or less than those illustrated. Beginning at the end of year 10 the CASH SURRENDER VALUE and TOTAL DEATH BENEFIT columns include a DMS dividend. This dividend is available at death, maturity, or surrender of the policy. The intermediate values are not guaranteed. They demonstrate the impact of changes in Company experience.
Non-Guaranteed Illustrated Values	Figures include dividends which are illustrated according to the current scale and are not guaranteed. Dividends are based upon the mortality, expense, and investment experience of the Company. Actual dividends may be more or less than those illustrated. Beginning at the end of year 10 the CASH SURRENDER VALUE and TOTAL DEATH BENEFIT columns include a DMS dividend. This dividend is available at death, maturity, or surrender of the policy. The illustrated values are not guaranteed.
Annualized Premium Outlay	The actual cash outlay each year.
Total Annualized Premium Outlay	The sum of each year's Annualized Premium Outlay.
Annual Dividend	A dividend is a return of premium and is based on the actual mortality, expense, and investment experience of the Company. Actual dividends may be more or less than those illustrated. Dividends are not guaranteed.
Cash Surrender Value	The sum of the guaranteed cash value, the cash value of paid-up additions purchased with dividends earned on the policy and DMS that is payable if the policy is surrendered. This amount is not guaranteed.
Paid-up Additions	Additional paid-up insurance purchased with dividends earned on the policy. This increases the total death benefit payable upon the Insured's death. Paid-up additions are eligible to receive dividends. This amount is not guaranteed.
Total Paid-up Additions	The total paid-up insurance purchased with dividends earned on the policy. This amount is not guaranteed.
DMS	Beginning at the end of the 10th policy year, DMS is a dividend payable upon death, maturity, or surrender of the policy. This amount is not guaranteed.
Total Death Benefit	The sum of the guaranteed death benefit, the death benefit of paid-up additions and DMS that is payable upon the Insured's death. This amount is not guaranteed.

This illustration assumes that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur, and actual results may be more or less favorable than those shown. The assumptions on which they are based are subject to change by the Company. Cash values and death benefits shown are end of year values. Premiums are assumed to be paid when due. This illustration contains a general description of coverage. A complete statement of coverage is found in the policy.



Life Insurance Illustration

Plan:	15 Pay Life	Initial Death Benefit:	\$100,000
Insured:	Michael Prater	Premium Mode:	Special Monthly
	Male, Age 47	Dividend Option:	Paid-Up Additions

Interest Adjusted Cost Indices at 5.00%

	Guaranteed		Illustrated	
	10 Year	20 Year	10 Year	20 Year
Surrender Cost Index	14.60	13.38	10.83	8.60
Net Payment Index	34.58	28.80	31.80	24.79
Equivalent Level Annual Dividend	0.00	0.00	2.78	4.01

These indices are computed by the formulas prescribed by the National Association of Insurance Commissioners and reflect the time value of money at 5%. These indices do not include the cost of additional benefits.

Not FDIC Insured	- No Bank Guarantee - May Lose Value
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Life Insurance Illustration

Plan:	15 Pay Life	Initial Death Benefit:	\$100,000
Insured:	Michael Prater	Premium Mode:	Special Monthly
	Male, Age 47	Dividend Option:	Paid-Up Additions

Guaranteed and Non-Guaranteed Values

End of Year	Age	Guaranteed Values			Intermediate Values		Non-Guaranteed			
		Annualized Contract Premium	Guaranteed Cash Value	Guaranteed Death Benefit	Annualized Premium Outlay	Cash Surrender Value	Total Death Benefit	Annualized Premium Outlay	Cash Surrender Value	Total Death Benefit
5	52	3,611	9,716	100,000	3,611	10,155	101,304	3,611	10,595	102,609
10	57	3,611	26,383	100,000	3,611	28,783	105,052	3,611	31,184	110,104
18	65	0	50,579	100,000	0	56,994	111,449	0	63,411	122,900
20	67	0	53,529	100,000	0	60,807	112,435	0	68,085	124,871
23	70	0	58,110	100,000	0	66,753	113,826	0	75,396	127,652
38	85	0	80,638	100,000	0	97,598	120,548	0	114,582	141,126
43	90	0	86,173	100,000	0	105,945	122,599	0	126,150	145,700

I have received a copy of this illustration and understand that any non-guaranteed elements illustrated are subject to change and could be either higher or lower. The agent has told me they are not guaranteed.

Applicant

Date

I certify that this illustration has been presented to the applicant and that I have explained that any non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

Agent

Date



Life Insurance Illustration

Plan:	15 Pay Life	Initial Death Benefit:	\$100,000
Insured:	Michael Prater	Premium Mode:	Special Monthly
	Male, Age 47	Dividend Option:	Paid-Up Additions

Guaranteed and Non-Guaranteed Values

End of Year	Age	Guaranteed Values			Non-Guaranteed Illustrated Values					
		Annualized Contract Premium	Guaranteed Cash Value	Guaranteed Death Benefit	Annualized Premium Outlay	Total Annualized Premium Outlay	Annual Dividend	Cash Surrender Value	Total Paid-up Additions	Total Death Benefit
1	48	3,611	0	100,000	3,611	3,611	0	0	0	100,000
2	49	3,611	1,076	100,000	3,611	7,222	137	1,213	448	100,448
3	50	3,611	3,850	100,000	3,611	10,833	184	4,175	1,031	101,031
4	51	3,611	6,729	100,000	3,611	14,444	235	7,300	1,751	101,751
5	52	3,611	9,716	100,000	3,611	18,055	289	10,595	2,609	102,609
6	53	3,611	12,814	100,000	3,611	21,666	344	14,066	3,597	103,597
7	54	3,611	16,026	100,000	3,611	25,277	401	17,721	4,711	104,711
8	55	3,611	19,356	100,000	3,611	28,888	460	21,567	5,949	105,949
9	56	3,611	22,807	100,000	3,611	32,499	524	25,614	7,314	107,314
10	57	3,611	26,383	100,000	3,611	36,110	583	31,184	8,785	110,104
11	58	3,611	30,088	100,000	3,611	39,721	642	35,828	10,354	111,859
12	59	3,611	33,927	100,000	3,611	43,332	703	40,697	12,019	113,716
13	60	3,611	37,905	100,000	3,611	46,943	766	45,801	13,778	115,673
14	61	3,611	42,029	100,000	3,611	50,554	830	51,149	15,626	117,727
15	62	3,611	46,303	100,000	3,611	54,165	898	56,751	17,565	119,880
16	63	0	47,709	100,000	0	54,165	445	58,919	18,498	120,883
17	64	0	49,135	100,000	0	54,165	461	61,142	19,436	121,893
18	65	0	50,579	100,000	0	54,165	473	63,411	20,371	122,900
19	66	0	52,044	100,000	0	54,165	481	65,729	21,295	123,898
20	67	0	53,529	100,000	0	54,165	481	68,085	22,194	124,871
21	68	0	55,036	100,000	0	54,165	481	70,484	23,068	125,820
22	69	0	56,564	100,000	0	54,165	481	72,921	23,918	126,747
23	70	0	58,110	100,000	0	54,165	481	75,396	24,746	127,652
24	71	0	59,668	100,000	0	54,165	482	77,898	25,554	128,537
25	72	0	61,231	100,000	0	54,165	489	80,429	26,353	129,414
26	73	0	62,793	100,000	0	54,165	505	82,985	27,157	130,296
27	74	0	64,349	100,000	0	54,165	528	85,569	27,977	131,195
28	75	0	65,896	100,000	0	54,165	553	88,180	28,817	132,112
29	76	0	67,434	100,000	0	54,165	580	90,819	29,679	133,050
30	77	0	68,964	100,000	0	54,165	598	93,478	30,546	133,995

These figures do not recognize that, because of interest, a dollar in the future has less value than a dollar today.

Total premiums through year 10 would be \$36,110 or, \$31,684 if paid in advance. The state of California will only allow a maximum of 10 premiums paid in advance at any one time.



Life Insurance Illustration

Plan:	15 Pay Life	Initial Death Benefit:	\$100,000
Insured:	Michael Prater	Premium Mode:	Special Monthly
	Male, Age 47	Dividend Option:	Paid-Up Additions

Guaranteed and Non-Guaranteed Values

End of Year	Age	Guaranteed Values			Non-Guaranteed Illustrated Values					
		Annualized Contract Premium	Guaranteed Cash Value	Guaranteed Death Benefit	Annualized Premium Outlay	Total Annualized Premium Outlay	Annual Dividend	Cash Surrender Value	Total Paid-up Additions	Total Death Benefit
31	78	0	70,488	100,000	0	54,165	605	96,149	31,406	134,930
32	79	0	72,004	100,000	0	54,165	604	98,822	32,246	135,846
33	80	0	73,508	100,000	0	54,165	606	101,492	33,070	136,746
34	81	0	74,996	100,000	0	54,165	609	104,156	33,882	137,632
35	82	0	76,464	100,000	0	54,165	612	106,807	34,683	138,506
36	83	0	77,903	100,000	0	54,165	619	109,436	35,477	139,372
37	84	0	79,297	100,000	0	54,165	632	112,026	36,274	140,239
38	85	0	80,638	100,000	0	54,165	661	114,582	37,094	141,126
39	86	0	81,913	100,000	0	54,165	582	116,977	37,805	141,901
40	87	0	83,112	100,000	0	54,165	648	119,337	38,586	142,741
41	88	0	84,225	100,000	0	54,165	725	121,660	39,447	143,658
42	89	0	85,245	100,000	0	54,165	801	123,935	40,387	144,649
43	90	0	86,173	100,000	0	54,165	865	126,150	41,392	145,700
44	91	0	87,011	100,000	0	54,165	907	128,284	42,434	146,785
45	92	0	87,769	100,000	0	54,165	916	130,318	43,479	147,867
46	93	0	88,461	100,000	0	54,165	888	132,234	44,483	148,907
47	94	0	89,104	100,000	0	54,165	826	134,022	45,412	149,867
48	95	0	89,732	100,000	0	54,165	731	135,700	46,227	150,714
49	96	0	90,352	100,000	0	54,165	649	137,287	46,946	151,464
50	97	0	90,945	100,000	0	54,165	617	138,805	47,625	152,173
51	98	0	91,506	100,000	0	54,165	620	140,282	48,304	152,879
52	99	0	92,024	100,000	0	54,165	758	141,834	49,128	153,729
53	100	0	92,493	100,000	0	54,165	895	143,453	50,096	154,721
54	101	0	92,913	100,000	0	54,165	1,007	145,113	51,181	155,826
55	102	0	93,295	100,000	0	54,165	1,001	146,711	52,254	156,919
56	103	0	93,641	100,000	0	54,165	990	148,245	53,312	157,995
57	104	0	93,958	100,000	0	54,165	975	149,722	54,350	159,048
58	105	0	94,257	100,000	0	54,165	951	151,150	55,360	160,073
59	106	0	94,565	100,000	0	54,165	917	152,562	56,330	161,058
60	107	0	94,889	100,000	0	54,165	899	153,984	57,279	162,023

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Life Insurance Illustration

Plan:	15 Pay Life	Initial Death Benefit:	\$100,000
Insured:	Michael Prater	Premium Mode:	Special Monthly
	Male, Age 47	Dividend Option:	Paid-Up Additions

Guaranteed and Non-Guaranteed Values

End of Year	Age	Guaranteed Values			Non-Guaranteed Illustrated Values					
		Annualized Contract Premium	Guaranteed Cash Value	Guaranteed Death Benefit	Annualized Premium Outlay	Total Annualized Premium Outlay	Annual Dividend	Cash Surrender Value	Total Paid-up Additions	Total Death Benefit
61	108	0	95,201	100,000	0	54,165	924	155,415	58,249	163,009
62	109	0	95,501	100,000	0	54,165	957	156,862	59,252	164,027
63	110	0	95,789	100,000	0	54,165	999	158,334	60,295	165,085
64	111	0	96,065	100,000	0	54,165	1,043	159,835	61,382	166,185
65	112	0	96,330	100,000	0	54,165	1,090	161,367	62,514	167,331
66	113	0	96,584	100,000	0	54,165	1,138	162,930	63,693	168,522
67	114	0	96,827	100,000	0	54,165	1,200	164,540	64,932	169,774
68	115	0	97,060	100,000	0	54,165	1,256	166,192	66,226	171,079
69	116	0	97,283	100,000	0	54,165	1,304	167,878	67,567	172,431
70	117	0	97,495	100,000	0	54,165	1,344	169,588	68,945	173,820
71	118	0	97,699	100,000	0	54,165	1,375	171,318	70,353	175,238
72	119	0	97,892	100,000	0	54,165	1,398	173,055	71,781	176,675
73	120	0	98,113	100,000	0	54,165	1,413	174,858	73,221	178,127
74	121	0	100,000	100,000	0	54,165	647	178,868	73,868	178,868

These figures do not recognize that, because of interest, a dollar in the future has less value than a dollar today.

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