

Learn the Advantages of **Tax-Free Retirement?**

An Educational Workshop

*Presented by: Jim Grazioli - President
Comprehensive Financial Group Inc.
Financial Service Professional - 21 Yrs.*

*A Discussion of A
Retirement vehicle,
Saving taxes and making
the most of your money.*

STILL IN CASH?
WHAT ARE YOU WAITING FOR?

CONVERTS
A BUYERS GUIDE

AMERICA'S
LARGEST
PRIVATE
COMPANIES

NOVEMBER 11, 2008 | WWW.FORBES.COM

Forbes

THE COMING SHAKEDOWN

FORGET THE PROMISES.
THE GOVERNMENT WILL GRAB LOTS MORE
OF YOUR MONEY.





US Debt Clock.org

State Debt Clocks

World Debt Clocks

Debt Clock Time Machine

US PUBLIC DEBT SUBJECT TO LIMIT

\$ 16,176,332,477,048

US NATIONAL DEBT

\$ 16,307,485,269,718

DEBT PER CITIZEN

\$ 51,791

DEBT PER TAXPAYER

\$ 142,035

US FEDERAL TAX REVENUE

\$ 2,438,867,889,707

INCOME TAX

\$ 1,126,122,310,673

PAYROLL TAX

\$ 847,652,412,980

CORPORATE TAX

\$ 237,380,555,241

US FEDERAL SPENDING

\$ 3,544,770,904,012

US FEDERAL BUDGET DEFICIT

\$ 1,105,903,017,985

STATE REVENUE

\$ 1,500,066,559,999

STATE DEBT

\$ 1,093,570,880,204

LOCAL REVENUE

\$ 1,113,809,090,483

LOCAL DEBT

\$ 1,716,239,756,155

Largest Budget Items

MEDICARE/MEDICAID

\$ 744,841,529,715

SOCIAL SECURITY

\$ 784,909,588,457

DEFENSE/WARS

\$ 656,979,368,470

INCOME SECURITY

\$ 360,559,244,773

NET INTEREST ON DEBT

\$ 260,416,930,880

FEDERAL PENSIONS

\$ 212,227,185,854

US GROSS DOMESTIC PRODUCT

\$ 15,493,698,742,317

TOTAL FEDERAL/STATE/LOCAL SPENDING

\$ 6,351,328,572,486

GROSS DEBT TO GDP RATIO

105.2521466%

REVENUE TO GDP RATIO

32.6128870%

SPENDING TO GDP RATIO

40.9932889%

US POPULATION

314,870,806

US INCOME TAXPAYERS

114,812,247

OFFICIAL UNEMPLOYED

12,124,919

ACTUAL UNEMPLOYED

22,552,873

STATE/LOCAL EMPLOYEES

14,997,027

FEDERAL EMPLOYEES

4,363,998

US WORK FORCE

143,657,682

US RETIREES & SSI

68,215,602

US FAMILIES

83,574,458

FOOD STAMP RECIPIENTS

47,731,130

BANKRUPTCIES

1,297,776

FORECLOSURES

777,173

US TOTAL INTEREST • 2012

\$ 3,927,620,456,770

INTEREST PER CITIZEN

\$ 12,475

US TOTAL DEBT

\$ 58,950,023,822,141

TOTAL DEBT PER CITIZEN

\$ 187,213

TOTAL DEBT PER FAMILY

\$ 705,352

SAVINGS PER FAMILY

\$ 4,604

TOTAL PERSONAL DEBT

\$ 15,846,740,814,104

MORTGAGE DEBT

\$ 13,086,221,435,437

STUDENT LOAN DEBT

\$ 930,886,851,787

CREDIT CARD DEBT

\$ 846,076,761,934

PERSONAL DEBT PER CIT.

\$ 50,330

Money Creation

FEDERAL RESERVE MONETARY BASE

\$ 2,673,917,447,633

M2 MONEY SUPPLY

\$ 10,290,901,668,951

TREASURY SECURITIES

\$ 1,177,310,133,480

CURRENCY AND CREDIT DERIVATIVES

\$ 631,376,331,608,968

Trade Numbers

US DEBT HELD BY FOREIGN COUNTRIES

\$ 5,468,085,593,008

US TRADE DEFICIT

\$ 741,331,137,315

US TRADE DEFICIT • CHINA

\$ 323,661,099,122

US IMPORTED OIL

\$ 441,388,910,343

IMPORTED OIL • OPEC

\$ 173,705,158,463

SMALL BUSINESS ASSETS

\$ 7,825,434,012,388

CORPORATION ASSETS

\$ 17,498,513,223,448

HOUSEHOLD ASSETS

\$ 62,112,732,489,534

TOTAL NATIONAL ASSETS

\$ 87,436,679,694,138

ASSETS PER CITIZEN

\$ 277,682

SOCIAL SECURITY LIABILITY

\$ 10,043,591,000,084

PRESCRIPTION DRUG LIABILITY

\$ 21,220,905,010,053

MEDICARE LIABILITY

\$

US UNFUNDED LIABILITIES

\$ 121,098,514,135,800

LIABILITY PER TAXPAYER

\$ 1,059,980

**There are only two ways to
combat the growing debt...**

- 1. Spend Less**
- 2. Tax More**

Are we spending less as a government?

NO

We are spending more than we ever have in the history of our country.

So the only solution seems
to be...

Higher TAXES



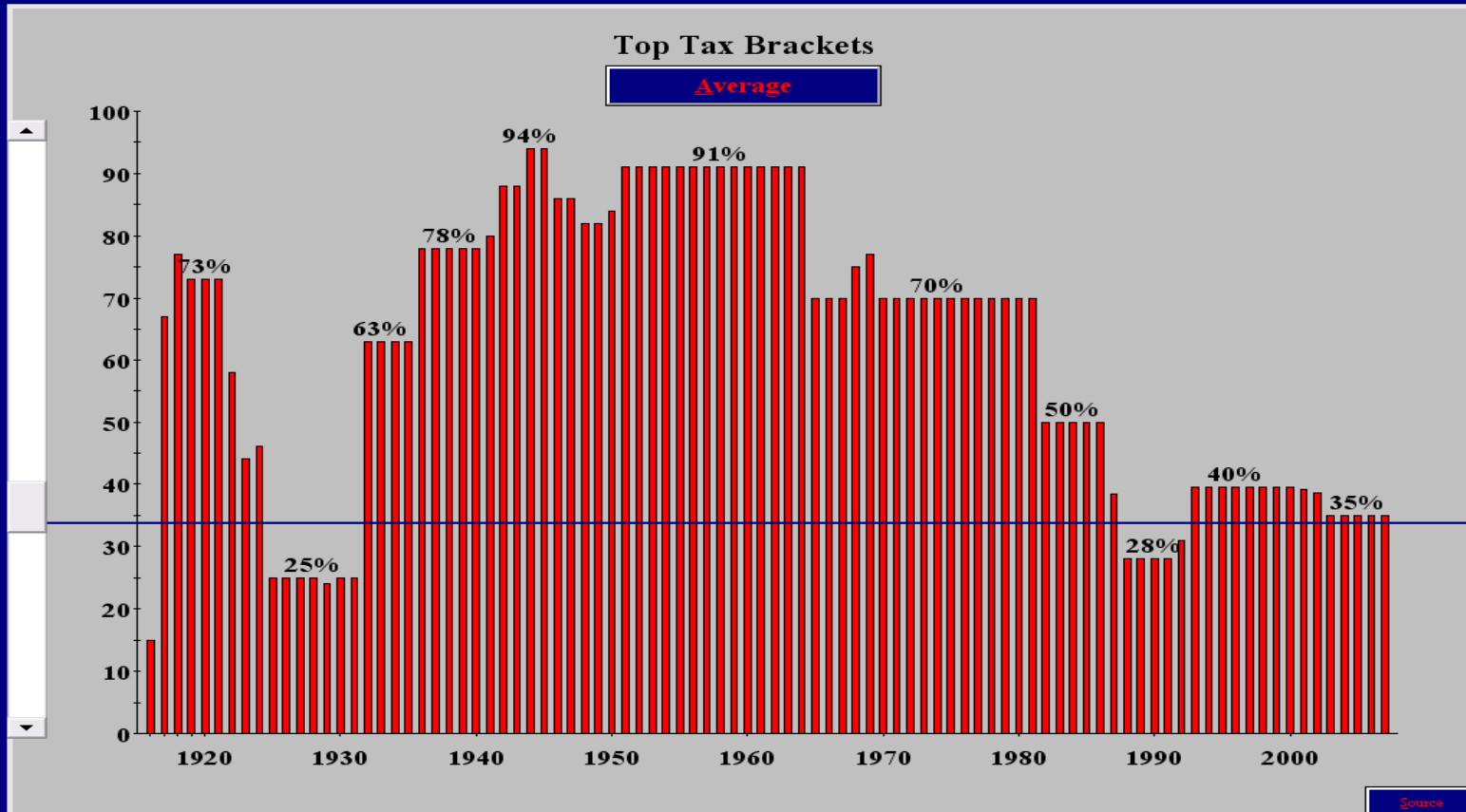
1. ARE FEDERAL INCOME TAX RATES CURRENTLY HIGH OR LOW?

Answer: Low (The 4th Lowest in U.S.
History) See next slide.



Tax History

Taxes Were Once Higher!



Account Balance

Tax Bracket is: 35%

Your Share

IRS Share

TB: Default Case: 1/1

Exit F1 F2 F3 F4

**WHAT TAX RATE WILL
YOU PAY WHEN YOU
RETIRE?**

**Are you Creating
Retirement Tax Free
Income?**

How important is Tax-Free?

- The following example will illustrate the beauty and magic of tax-free growth
- Which would you choose to pay taxes on?
- The seed or the full grown tree?



Whose Retirement are we *really* planning?



*Ours or
Uncle Sam's?*

Have you prepared any kind of an exit strategy?

- ❖ **YOU HAVE QUALIFIED PLANS:**
- ❖ **Traditional IRA- No Tax Control**
- ❖ **401K – No Tax Control**
- ❖ **SEP – No Tax Control**
- ❖ **SIMPLE IRA – No Tax Control**
- ❖ **403B – No Tax Control**
- ❖ **Go to the next slide for the Tax Free Retirement Answer!**

The Solution:

A Properly Structured Cash Value Indexed Universal Life Insurance Policy

MAXIMUM *Cash Value*

Earn Competitive Interest
(14.5% Annual Cap - 0%
Minimum)

Tax Deferred Growth

Tax-Free Withdrawals

Liquidity, Use & Control

Creditor Proof

Minimum Guarantees

Disability Waiver

Estate Tax Advantages

MINIMUM

Term Insurance

(No Cash Value)

Why is this Product Tax Favored?

Section 72(e) and 7702

- The most unique feature of permanent life insurance is that under Section 72(e) and 7702 of the Internal Revenue Code the accumulation of cash inside the insurance contract is tax advantaged. Not only can the cash value accumulate tax free, but the cash can also be **ACCESSED TAX FREE VIA POLICY LOANS**, and is **NOT CONSIDERED A DISTRIBUTION OF INCOME!**
- Hence, the beauty and magic of life insurance: It is a unique vehicle that allows **TAX FREE ACCOUNT VALUE ACCUMULATION**, **ALLOWS YOU TO ACCESS YOUR MONEY TAX FREE**, and, **WHEN YOU DIE, The Death Benefit is Paid INCOME TAX FREE to your Beneficiary!**

Indexed Universal Life Policy

- **GOALS:**

- Have a potential for Annual Index Interest up to The Ceiling 14.5% without risk of principal
- Create Your Own Bank with the Use of Cash Value
- \$\$\$ Tax Free Retirement Income
- Income Tax Free Death Benefit



Ceiling 14.50%

From Annual Index Returns

“CAP”

Floor 0.00%

Never a Market Loss

Case Study:

- 45 Year Old Male
- \$20,000 Contribution Per Year for 20 Years
- ***\$694,762 Cash Value at Age 65****
- ***\$67,299 Income Tax Free Income Age 65 to 100***
- ****Assuming an Annual average Index Rate of Return of 7.00% With a Cap of 14.5% Per Year (Actual 30 Year Average Rate = 8.50%)***



Important Notes

This supplemental illustration is not a policy contract and must be accompanied by the basic illustration that includes guaranteed values and other important information. The illustrated values are not guaranteed. This illustration assumes that the currently illustrated, non-guaranteed elements used will not change for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown. This supplemental illustration includes the same premium outlay and non-guaranteed elements used in the basic illustration.

Life Plan

XL-CV4

Summary of Values

Summary Page: 1
Date: 12/23/2012

Presented By: Jim Grazioli

Insured: Mr. Client Male 45 20K

Male Age 45	Illustrated Retirement Age 65	XL-CV4 Interest Rate 7.00%	Initial Premium 20,000	Initial Death Benefit 1,044,705
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Tax Deferred Accumulation

Year	Age	(1) Annual Premium*	(2) Year End Accum Value**	(3) Year End Surrender Value**	(4) Year End Death Benefit
1	45	20,000	16,142	0	1,044,705
2	46	20,000	33,097	4,942	1,044,705
3	47	20,000	50,925	23,345	1,044,705
4	48	20,000	69,693	43,261	1,044,705
5	49	20,000	89,470	64,188	1,044,705
6	50	20,000	110,333	86,200	1,044,705
7	51	20,000	132,474	109,491	1,044,705
10	54	20,000	207,816	190,004	1,044,705
15	59	20,000	407,779	404,906	1,044,705
20	64	20,000	694,762	694,762	1,044,705
		400,000			

*Premiums are level in all pre-retirement years.

Summary of Pre-Retirement Years (Based on Current Assumptions)



Pay \$400,000 in premiums in pre-retirement years, and, by age 65, accumulate \$694,762 of surrender value** with \$1,044,705 of death benefit protection.

Summary of Retirement Years (Based on Current Assumptions)



Pay no more premiums, take cash distributions starting at age 65 of \$67,299 a year for 35 years, and maintain death benefit protection which, by age 100, is illustrated to be \$895,390 with \$895,389 of surrender value.**

**This illustration is not valid unless accompanied by a proposal from Midland National Life. Please see Important Notes.

Introduction to Life Plan

As the years pass and retirement edges closer, planning for desired levels of income may seem like an imposing task. But every day you wait only amplifies the problem.

One important way to plan effectively is to take full advantage of an employer-sponsored 401(k) plan or a personal IRA. However, these devices have government restricted contribution limits so relying on them solely may cause you to fall short of your retirement goals. Consequently, a large portion of your retirement income must come from personal savings.

Private savings can include stocks, bonds, mutual funds, annuities, and life insurance. And life insurance can be particularly valuable since it does the double duty of protecting your family while you are building your long-term savings.

Life Plan is a life insurance strategy that emphasizes death benefit and pre-retirement cash accumulation while also providing a source of retirement income. Following is a summary of the accompanying life insurance illustration prepared for Mr. Client Male 45 20K, age 45.

Pre-Retirement Accumulation (Based on Current Assumptions)

Initial Life Insurance Death Benefit	\$1,044,705
Annual Premium Illustrated	\$20,000
Number of Premium Payments Illustrated	20
Total Premiums Illustrated	\$400,000
Surrender Value* at Retirement	\$694,762
Life Insurance Death Benefit at Retirement	\$1,044,705

Retirement Distributions (Based on Current Assumptions)

Illustrated Retirement Age	65
Annual Policy Distribution	\$67,299
Number of Annual Policy Distributions	35
Total Policy Distributions	\$2,355,457
Surrender Value* at Age 100	\$895,389
Death Benefit at Age 100	\$895,390

Premium payments are subject to certain policy and IRS limitations and must be sufficient to keep your policy in force. Under current tax laws, policy values accumulate on a tax deferred basis. Policy loans and withdrawals decrease the death benefit and affect policy value accumulation. Withdrawals in excess of total premiums paid are taxable.

*This illustration is not valid unless accompanied by a proposal from Midland National Life. Please see Important Notes.

To Summarize: The Benefits

1. Cash value at age 65 - \$694,762*
2. Ability To Use Your Cash Value During Accumulation for:
Large Item Purchases, Education, Business Expansions
3. Income Tax Free Death Benefit - \$1,044,705** From Day 1
4. Income Tax Free Retirement Starting at Age 65 to Age 100:
\$67,298.77*

* Assuming 7% Annual Average Return (Actual Annual Return – 8.50%) with a 14.5% Annual Cap

** Assuming a 45 Year Old Male Preferred Plus and Subject to Underwriting

What to look for when selecting an *Insurance Company*

- ***Solvency*** (*Assets over Liabilities to meet all obligations*)
- ***Liquid Assets*** (*To meet unforeseen emergency cash requirements that may arise*)
- ***Capital & Surplus to Assets*** (*Capital & surplus divided by total assets*)
- ***AM Best Rating*** (*Performance in Investment Quality, Policy Reserves, Cost Control, Management Experience*)

Strength and Stability

Since 1906



Midland National's continued financial strength is a result of our conservative and disciplined investment strategy, our private ownership structure and doing what's right for our policyowners and distribution partners.

Ownership

We are part of Sammons Financial Group Inc.¹ (SFG), whose member companies offer a diverse portfolio of investment services, including life insurance, annuities, securities and retirement solutions. SFG's parent company, Sammons Enterprises Inc.² is a multi-faceted, global holding corporation that ranks as one of the largest privately held companies in the United States.

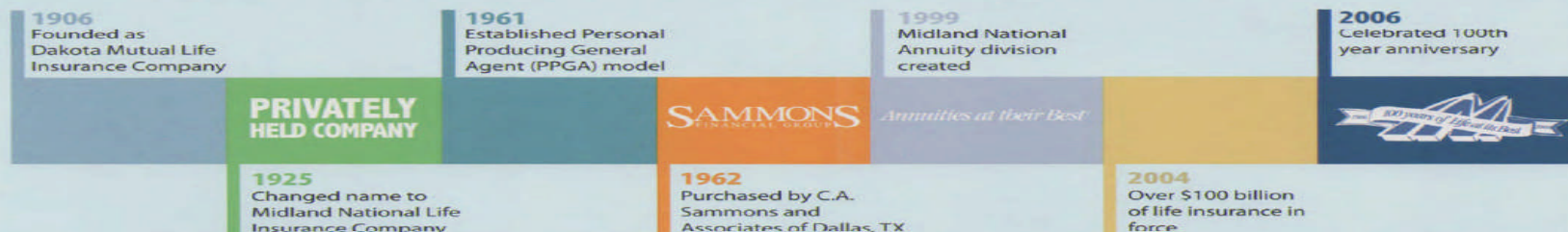
As a privately held company, Midland National is not subject to the short-term earning pressures that publicly held companies often face. We make decisions for the long term, and stay focused on what matters most – protecting our policyowners and supporting our distribution partners.

Financial Strength Ratings

Midland National consistently receives strong ratings from third-party reporting and rating companies.

- **A+ (Superior) A.M. Best**
- **A+ (Strong) Standard & Poor's**
- **B+ (Good) Weiss Ratings – Included on Weiss' List of Strongest Life and Annuity Insurers**

Midland National holds over one million life insurance and annuity policies with assets of over \$30 billion.

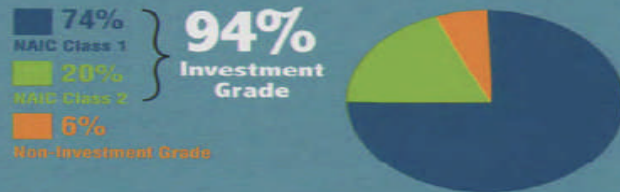


STRENGTH:

Midland National's asset quality is excellent. Overall net investment income provides ample margins to cover contractual obligations to all policyowners.

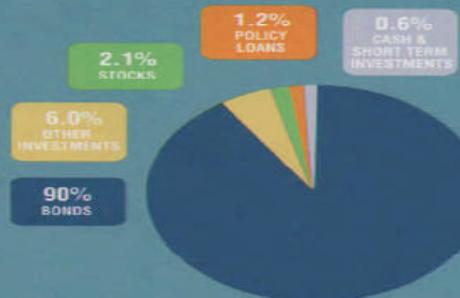
BONDS BY NAIC QUALITY RATING

Bonds consist of US Government, government agency and corporate securities.



INVESTMENTS BY TYPE³

Stocks consist primarily of public utilities, adjustable rate preferred and other publicly related securities.



Short-term investments consist of commercial paper, money market funds and other high-quality, short-maturity investments.

³Stated as a percent of total invested assets.

BALANCE SHEET:

Midland National Life & Annuity Business

As of December 31, 2011 (in thousands).

ASSETS⁴

Bonds	\$24,608,523
Stocks	578,296
Cash and Short-term Investments.....	168,765
Mortgage Loans and Real Estate.....	490,262
Loans to Policy owners.....	339,348
Other Invested Assets	1,143,459
Accrued Investment Income.....	248,451
Separate Account Assets	2,154,298
All Other Assets	401,456
TOTAL ASSETS	\$30,132,858

As of December 31, 2011 (in thousands).

LIABILITIES & CAPITAL⁴

Life & Annuity Reserves.....	\$18,879,343
Interest Maintenance Reserve (IMR).....	169,709
Asset Valuation Reserve (AVR).....	221,068
Funds Held Under Coinsurance	4,113,910
Accounts Payable and Other Liabilities.....	2,769,748
Separate Account Liabilities	2,124,839
TOTAL LIABILITIES	28,278,617
CAPITAL AND SURPLUS	1,854,241
TOTAL LIABILITIES, CAPITAL AND SURPLUS	\$30,132,858

⁴Information presented is on a Statutory Accounting basis.

Sammons Financial Group is comprised of Midland National Life Insurance Company, Sammons Annuity Group (a division of Midland National), Sammons Corporate Market Group (a division of Midland National), North American Company for Life and Health Insurance, Sammons Securities Company®, LLC., Sammons Retirement Solutions, Inc.SM and Sammons Financial Network, LLCSM.

ranked No. 121 on Forbes' 2011 List of America's Largest Private Companies. The list includes 212 closely held corporations that had sales of more than \$2 billion.


A.M.B.E.S.T. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance and ability to meet its obligations to policyholders. A+ is the second highest rating out of 15 categories and was affirmed for Midland National as part of Sammons Financial Group on May 26, 2011. For the latest rating, access www.ambest.com.

A.M.B.E.S.T. Standard and Poor's awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on April 6, 2011 to Midland National Life Insurance Company as part of Sammons Financial Group.



Remember the Nature of **Procrastination**

People Don't Plan to Fail
They Fail to Plan

A circular inset image shows a man in a black wetsuit sitting on a sandy beach at sunset. He is looking out at the ocean where waves are breaking. A white surfboard is lying on the sand in front of him. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the water and sand.

**Thank you for
attending this
Presentation!**

***Where do you go from
here?***

***Call Jim Grazioli at 772-286-4324
or 1-800-839-7526 (PLAN)***

***Receive a no cost customized
illustration of the Tax Free
Retirement Concept!***