

Life Insurance College Funding Plan for Jake Smith

Sponsored by John Smith

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March 8, 2011



A Synopsis of the Illustrated Situation

The dilemma facing parents and grandparents is saving for their child's college education. To properly fund college education today, most need to rely on several different funding sources to complete the total plan. The following pages provide you with a plan that includes multiple solutions for an additional life insurance need to fund your child's education.

Life Insurance as a Self-Directed College Funding Vehicle

Using life insurance as a self-directed college funding vehicle may help ensure you reach your goal of funding your child's education plan and will provide the following benefits:

- Tax-free withdrawals to pay for college funding.
- If your child does not go to college, or other funds become available to pay for college, this funding vehicle's tax free withdrawals can be used towards anything else.
- The cash value of a life insurance contract is generally exempt from a person's net worth, thus these funds are not counted when applying for financial aid or scholarships.
- If the funder happens to pass away, the death benefit provides a large, tax-free payment that can be used to pay for college or any other expense.



Tuition Rewards*

By using a life insurance contract that provides Tuition Rewards to fund your child's college education, you can earn Tuition Reward points for up to one year's tuition costs divided equally over 4 years of college at any one of our participating colleges and universities:

- With Tuition Rewards, each point you earn is equal to a \$1.00 Tuition Reward point.
- Sponsor receives 5,500 points in year 1, and an additional 2,000 points in years 2+.
- Enroll students in this program all the way up until August 31st of their junior year in high school; once enrolled, colleges will begin contacting your child as early as their freshman year.
- Allocate points to your student's account all the way up until August 31st of their senior year in high school.
- Should your child choose to not attend one of the participating colleges, the rewards can be rolled back into your Tuition Rewards account, or transferred to an eligible student. There is no cash value.
- Access your Tuition Rewards account.
- Calculate how much you may need to fully fund your child's college education.
- Find an up-to-date list of Tuition Rewards participating schools.



COLLEGE FUNDING PLANNER

Congratulations! With an additional \$39,500 points from Tuition Rewards, Jake's college is now 89% funded.



Based on your current funding plan, at the time Jake enters college, you will need an additional \$4,992 per college year.

You can do the following:

- **Increase the amount that you are funding in the Self-Directed College Funding Vehicle**
- **Apply for scholarships and grants**
- **Re-evaluate college preferences**

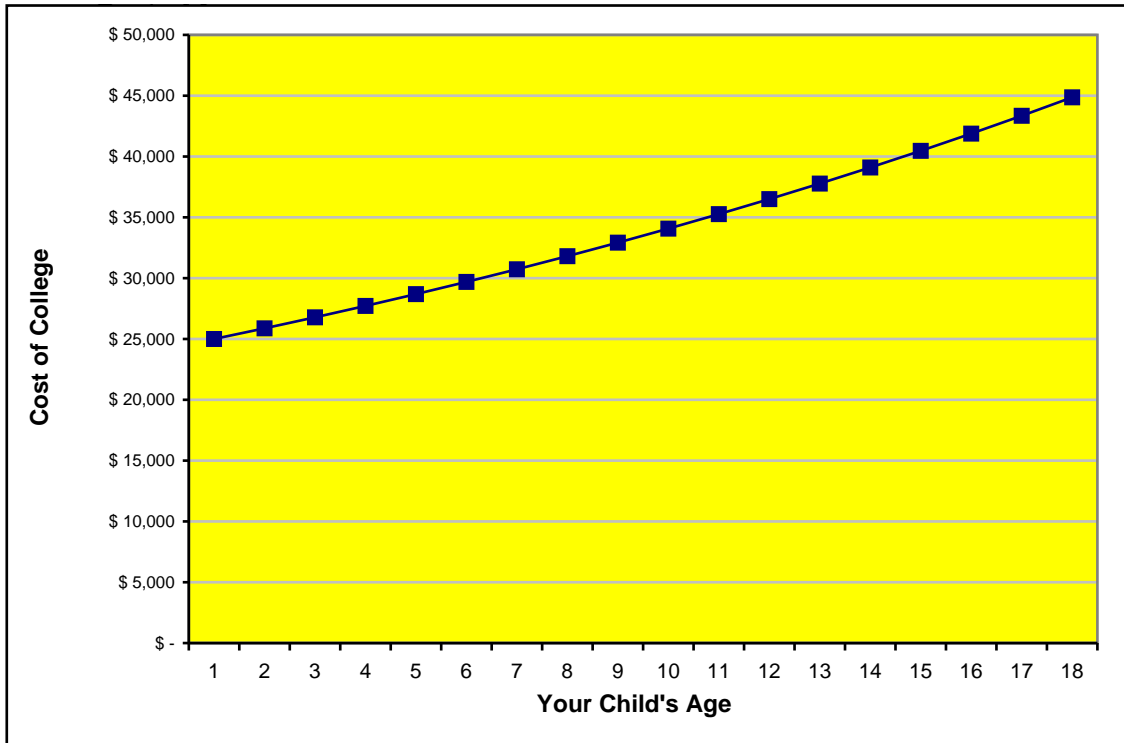
Hypothetical Life Insurance Funding Scenario

	Yearly	4 Year Total
Points from Tuition Rewards:	\$9,875	\$39,500
College Funding Withdrawals:	\$30,000	\$120,000
College Funding Plan:	\$39,875	\$159,500
Cost of College at Age 18:	\$44,867	\$179,468

Annual Life Insurance Premium:	\$6,000
Annual College Funding Withdrawals:	\$30,000
Cost of College Today:	\$25,000
Death Benefit:	\$628,197

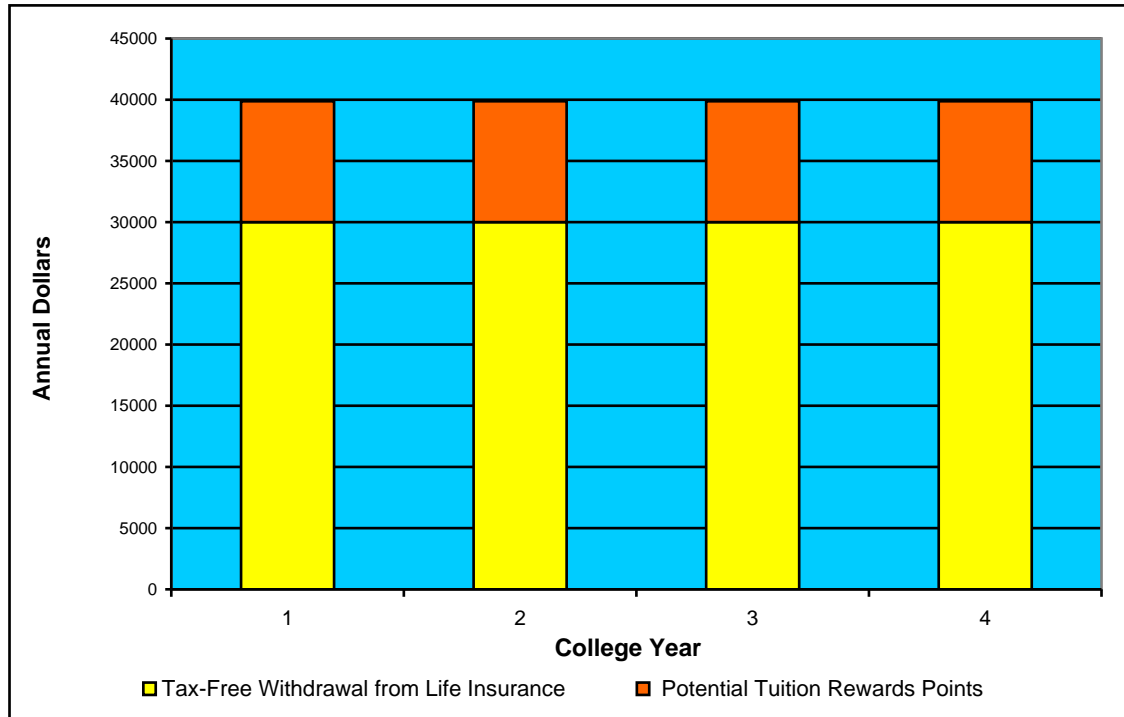


Potential Annual Cost Increase of College Over the Years Until Your Child Reaches Age 18



Cost estimates are hypothetical and may vary significantly by institution

Potential Annual College Funding Dollars



This analysis is based solely on information provided by you. All examples, if any, are hypothetical and for illustrative purposes only and do not represent current or future performance of any insurance product, interest crediting, nor do they reflect sales charges or other expenses that may be required for some products or investments.

Please obtain the advice of a financial professional to help assess your need for life insurance. *SAGE Scholars Tuition Rewards™ Points awarded in conjunction with the purchase of select insurance products. Certain conditions and restrictions apply to the credit and use of rewards points.