

2. The generic name of the policy being illustrated. The generic name is a short title that is descriptive of the premium and benefit patterns of the policy.

B. Premium Requirements

1. A statement as to the length of time that the contract premium is required under the terms of the contract.
2. If a policy would lapse or the face amount of coverage would decrease before the end of the policy term when only the illustrated premium outlay is paid under a worst-case scenario, i.e., guaranteed interest crediting rate, guaranteed mortality and guaranteed expense charges, a statement must be included as to what additional premium outlay must be paid to guarantee coverage for the entire term of the contract, subject to maximum premiums allowable to qualify as life insurance under current tax laws.

C. Benefits Payable

1. A statement describing when or under what circumstances death benefits are payable.
2. The illustration explanation page(s) shall also include a more specific brief description of policy features or options, either guaranteed or not guaranteed, that have or will have a material impact on the continued values, benefits or costs of the policy and what impact they will have, including the following:
 - a. Scheduled changes in premium outlay levels or benefits.
 - b. Persistency bonuses.
 - c. The details of any modular premium outlay structure, including the significance of the proportion of whole life and term, and a statement that the not guaranteed elements are subject to change.
 - d. Multiple benefit streams arising from policies variously described as two-tier, multiple benefit or the like, including those with life and annuity components. With such policies, the varying availability of benefits must be disclosed.
 - e. Changes in surrender value upon the first death for a second-to-die or multiple-life policy. If values do change, the insurer shall describe when the first death is illustrated to occur and why this assumption was made.
 - f. Where premium outlays are illustrated on an abbreviated payment schedule, a statement must be included that premium outlays will not cease as illustrated if actual results are less favorable than those shown in the illustration. The statement must advise that in such a case, additional premium outlays may need to be paid in order to maintain policy values and to keep the policy in force. Further, it must be disclosed that reaching a point where premium outlays no longer need to be paid under an abbreviated payment schedule does not mean that the policy is paid-up.

D. Potential Variance of Actual Benefits and Values From Illustrated Benefits and Values

1. If not guaranteed benefits are illustrated, a statement to the effect that the illustration is based on assumptions which are not guaranteed and that actual results may be less or more favorable than those illustrated.
2. A statement that the illustration is intended to assist the customer in understanding how the policy works; that illustrations are not to be used by themselves to compare different policies; and that for comparison purposes other factors are important, such as the insurer's services that policyholders expect to receive and the individual policy features themselves.

E. Sensitivity Analysis

If benefits are illustrated in a way that includes not guaranteed values, the illustration explanation page(s) shall include contract premium and values at five, 10 and 20 years on three bases: guaranteed, current scale and 1% below the interest component of the current scale or the current crediting rate, but no lower than the guaranteed interest component of the dividend or the guaranteed crediting rate.

F. Signature Requirements

The illustration explanation page(s) shall include at the end a clause to be signed by the presenting agent and the applicant attesting to the delivery of the illustration and the illustration explanation page(s) and to the guaranteed and not guaranteed nature of the values illustrated. The illustration explanation page(s), with signatures affixed, shall be submitted to the insurance company at the time of the submission of the application. If an illustration is generated by the insurance company and mailed directly to the customer, no signature will be required. However, the insurance company shall be required to keep a copy of the illustration mailed to the insured if the policy is issued.

G. Policies Issued on a Basis Other Than Applied For

If the policy is issued on a basis other than as applied for, or if a rating is imposed that affects values, a revised illustration explanation page(s) will be delivered with the policy. This requirement may be satisfied by incorporating the illustration explanation page(s) into the policy summary delivered with the policy.

Section 7. Policy Updates

A. Policyholders shall be notified on or before the policy anniversary next following the date of any dividend scale decrease or adverse change in credits or charges to the policy since the last policy anniversary. The notice shall inform the policyholder how to obtain more information on the effect of these changes on policy values or premium outlay requirements.

B. Upon request of the policyholder, the insurer shall provide policy updates providing information similar to that provided in the illustration explanation page(s), based on actual policy values and the (then) current scale. Insurers may satisfy this requirement by issuing an updated policy illustration in lieu of the policy update.

Section 8. Actuarial Standards for Current Scale Illustration

A. Each insurer shall appoint a Qualified Actuary to certify the current scales of policy dividends or interest being paid and the mortality and expenses charges being assessed that the insurer can use in its illustrations. Such actuarial certification shall be in conformance with standards to be promulgated by the Actuarial Standards Board for current scale illustrations.

B. No insurer or agent may use an illustration which depicts policy performance more favorable than that produced by application of the current scales of policy dividends or interest or other credits being paid and the mortality and expense charges being assessed for existing policies by the insurer whose policy is being illustrated as determined by its actuary in accordance with standards promulgated by the Actuarial Standards Board.

C. Actuarial certification of current scale shall be effective for a period of one year after the date of certification by the Qualified Actuary.

January 31, 1994

COMPANY NAME

POLICY ILLUSTRATION EXPLANATION

Proposed Insured	John Doe
Age	35-Male
Rating Class	Standard
Plan	Whole Life, Estate 25
Amount of Insurance	\$50,000
Excludes Waiver of Premium	
Dividend Option	Used to purchase additional insurance

The attached illustration is for a life insurance policy. The type of policy is whole life insurance. It guarantees insurance death benefits will remain the same, no matter when you die. Premium must be paid for the entire period of your life. The death benefit will be paid to the person or persons named by you as beneficiary or as otherwise required by law.

This illustration also shows benefits which are not guaranteed by the insurance company. These benefits are based on the company's current dividend scale. Actual benefits are likely to be different from those shown. They may be less or more favorable.

The policy illustrated is eligible for the company's Living Needs Benefit rider, at no additional premium. This rider allows you to access certain life insurance benefits from your policy if you are diagnosed as terminally ill or if you become permanently confined to a nursing home. Your agent can provide more details.

The illustration's Abbreviated Payment Ledger shows premiums in later years being paid from not guaranteed dividends, rather than being paid in cash by you. If actual future dividends are less than shown in the not guaranteed current column, you may have to pay premiums in cash for longer than shown or start paying cash premiums once again to maintain policy values. This type of premium payment arrangement does not make the policy paid-up when out-of-pocket premiums cease.

Since the values and benefits that are shown here will change over time, you should check the status of your policy periodically with the company or your insurance agent.

This illustration is designed to help you understand how the policy works. You should not use illustrations by themselves to compare different policies. For comparison purposes, other factors are important, such as how financially stable the company is, how well it has performed in the past, the service you expect to receive and the specific policy features you want.

This illustration shows certain guaranteed and not guaranteed benefits for a number of years. To help show you how the not guaranteed benefits can be affected by future changes, here are results at various years based on the current dividend scale; the current dividend scale assuming a 1% decrease in the interest rate built into that scale; and the policy's guarantees. All results assume full premium payments in cash. Those values at five, 10 and 20 years are as follows:

Policy Year	Guaranteed			Not Guaranteed Current Scale			Not Guaranteed Current Scale (Less 1% in the Interest Component)		
	Annual Premium Outlay	Death Benefit	Surrender Value	Annual Premium Outlay	Death Benefit	Surrender Value	Annual Premium Outlay	Death Benefit	Surrender Value
5 Years	832	50,000	838	832	51,054	1,985	832	50,900	1,924
10 Years	832	50,000	2,085	832	56,368	3,993	832	53,495	3,784
20 Years	832	50,000	9,874	832	69,745	16,152	832	65,697	15,346

I (we) have reviewed the information provided above concerning the policy for which I (we) have applied and the policy illustration that I (we) have received. I (we) understand that neither this illustration explanation page(s) nor the illustration is part of the policy for which I (we) have applied. Any policy issued will set forth the entire contract between me (us) and the insurer.

I (we) understand that some of the values and benefits are not guaranteed and are likely to change.

Date: _____

Signature of Applicant

Signature of Coapplicant

Policy Illustration Explanation and Sales Illustration Presented By:

Signature of Agent (If Any)

The Company Name

Life Insurance Policy Sales Illustration

Prepared for: John Doe
Age 35, Male, Standard
Excludes Waiver of Premium Benefit

On: January 26, 1994

Initial
Annual
Payment
=====
\$832.00

\$50,000 Whole Life (Estate 25)

By: Agent John Doe

Dividend* Usage

=====

Provide Paid-Up Additional Insurance

Annual Payment Schedule

=====

Year 1 to 65 \$832.00

Full Payment Ledger

This illustration is incomplete without the footnote page(s).

The Full Payment Ledger assumes that contractual policy premiums are paid for all years by the insured.

Policy Year	Annual Premium Outlay	GUARANTEED		NOT GUARANTEED (CURRENT)		
		Cash Value	Death Benefit	*Annual Dividend	*Total Cash Value	*Total Death Benefit
1	832	0	50000	0	0	50000
2	832	93	50000	68	160	50000
3	832	582	50000	78	732	50311
4	832	698	50000	89	1340	50661
5	832	838	50000	101	1985	51054
6	832	1006	50000	121	2283	52075
7	832	1207	50000	145	2625	53117
8	832	1448	50000	175	3019	54179
9	832	1738	50000	209	3472	55262
10	832	2085	50000	251	3993	56368
11	832	2502	50000	302	4591	57495
12	832	3003	50000	362	5280	58645
13	832	3604	50000	434	6072	59818
14	832	4324	50000	521	6983	61014
15	832	5189	50000	625	8030	62235
20	832	9874	50000	1556	16152	69745
30	832	11849	50000	1867	21041	75412
40	832	14219	50000	2241	25748	87458
50	832	17062	50000	2689	29610	98745

* Dividends are based on the current scale and are not guarantees or estimates for the future. Amounts indicated as 'GUARANTEED' are based on rates contained in the policy. Amounts designated 'NOT GUARANTEED' include dividends based on the current scale, actual results may be less or more favorable.

Full Payment Ledger

This illustration is incomplete without the footnote page(s).

The Full Payment Ledger assumes that contractual policy premiums are paid for all years by the insured. Results are Not Guaranteed. See the previous attached Full Payment Ledger for Guaranteed values.

Results Based on a
Not Guaranteed
Dividend Interest Rate 1%
Lower than Current Scale

Policy Year	Annual Premium Outlay	*Total Cash Value	*Total Death Benefit
1	832	0	50000
2	832	147	50000
3	832	711	50251
4	832	1303	50568
5	832	1924	50900
6	832	2213	51243
7	832	2578	51648
8	832	2897	52130
9	832	3254	52777
10	832	3784	53495
11	832	4215	54280
12	832	4932	55115
13	832	5793	56038
14	832	6487	57066
15	832	7894	58206
20	832	15346	65697
30	832	20798	70345
40	832	24658	81365
50	832	28934	89356

* Dividends are based on the current scale and are not guarantees or estimates for the future. Amounts indicated as 'GUARANTEED' are based on rates contained in the policy. Amounts designated 'NOT GUARANTEED' include dividends based on the current or indicated scale, actual results may be less or more favorable. See page 2 for guaranteed values.

Abbreviated Payment Ledger

This illustration is incomplete without the footnote page(s).

The Abbreviated Payment Alternative uses dividend values to limit the number of out-of-pocket payments. Results are not guaranteed. See the attached Full Payment Ledger for guaranteed values.

Policy Year	Results Based on the Not Guaranteed Current Dividend Scale			Results Based on a Not Guaranteed Dividend Interest Rate 1% Lower than Current Scale		
	Annual Premium Outlay	*Total Cash Value	*Total Death Benefit	Annual Premium Outlay	*Total Cash Value	*Total Death Benefit
1	832	0	50000	832	0	50000
2	832	160	50000	832	147	50000
3	832	732	50311	832	711	50251
4	832	1025	50661	832	924	50568
5	832	1435	51054	832	1202	50900
6	832	1835	51488	832	1624	51243
7	832	2569	54114	832	2111	53293
8	832	3597	56874	832	2745	55424
9	832	5035	59774	832	3568	57641
10	832	7049	62823	832	4638	59947
11	832	8274	63985	832	5525	60547
12	&	9101	65247	832	6628	62984
13	&	10012	66578	832	7794	64718
14	&	11013	68123	&	8524	65978
15	&	12114	70125	&	9014	68347
20	&	18745	84125	&	10547	74587
30	&	25481	98712	&	18794	84579
40	&	38745	109465	&	24687	98632
50	&	49154	125789	&	32547	113678

& Based on our current dividend scale which is not guaranteed, no out-of-pocket cash outlay is required, it DOES NOT make the policy paid up or reduce the number of premiums that must be paid. Premiums are assumed to be paid by application of dividend credits. A reduction in the current scale could require you to make additional out-of-pocket cash outlays in one or more of these years.

* Dividends are based on the current scale and are not guarantees or estimates for the future. Amounts indicated as 'GUARANTEED' are based on rates contained in the policy. Amounts designated 'NOT GUARANTEED' include dividends based on the current or indicated scale, actual results may be less or more favorable.

Footnotes

For use in the state of New Jersey.

Interest Adjusted Cost Indexes* per \$1,000 at 5% Interest:

Surrender Index	Guaranteed	10 Years	20 Years
	Current	13.48	10.95
		8.13	4.38

These cost comparison indexes provide two means of comparing the relative costs of two or more similar plans of insurance. A low index number represents a lower cost than a high one.

Cost results (except for interest adjusted cost indexes) do not reflect that, because of interest, a dollar payable in the future has less value than one payable today.

Yearly Life Income - 10 Years Certain (1/12 per month):

Age	Guaranteed	Total
65	\$810.23	\$2,602.03
73	\$1,292.83	\$5,606.92

The Life Income amounts shown reflect the settlement option rates as of 9/29/93. The total Life Income amounts are subject to change.

Premiums are due at the beginning of each policy year.

This illustration assumes that no policy loans or withdrawals are made.

We offer this illustration to help you understand this plan and we do not intend that it change any provision in the contract.

Death benefit amounts shown are as of the beginning of each policy year. Dividends and cash values become available at the end of the policy year.

See Brochure ORD 87906 for details on the Abbreviated Payment Plan.

Refer to brochure ORD 87360 for additional information regarding permanent insurance.

* Based on our current dividend scale which is not guaranteed, no out-of-pocket cash outlay is required. Premiums are assumed to be paid by application of dividend credits. A reduction in the current scale could require you to make additional out-of-pocket cash outlays in one or more of these years.

* Dividends are based on the company's current scale and are not guarantees or estimates for the future. Illustrated dividends reflect current investment earnings on funds attributable to policies issued since January 1, 1993, and are likely to change as current interest rates changes. Amounts indicated as "Guaranteed" or "Total" include dividends based on the current or indicated company scale.

ABC LIFE INSURANCE COMPANY
 ANY TOWN, USA 12345
 JANUARY 28, 1994

Policy Illustration Explanation

The attached illustration is for a life insurance policy. The type of policy is whole life insurance. It guarantees insurance death benefits will remain the same no matter when the insured dies. Premiums must be paid during the insured's lifetime.

This illustration shows benefits which are not guaranteed by ABC Life Insurance Company. These benefits are based on the company's current dividend scale. Actual benefits are likely to be different from those shown. They may be more or less favorable.

To help show you how the non-guaranteed benefits can be affected by future changes, here are results at various years based on the current dividend scale; the current dividend scale assuming a 1% decrease in the interest rate built into that scale; and the policy's guarantees. All results assume full premium payments in cash.

Policy Year	Not Guaranteed Current Dividend Scale			Not Guaranteed Current Dividend Scale less 1%			Guaranteed		
	Premium	Cash Value	Death Benefit	Premium	Cash Value	Death Benefit	Premium	Cash Value	Death Benefit
5	\$1,464	4,554	100,664	\$1,464	4,491	100,435	\$1,464	4,370	100,000
10	\$1,464	14,324	105,576	\$1,464	13,717	103,757	\$1,464	12,465	100,000
20	\$1,464	51,294	143,711	\$1,464	46,321	133,035	\$1,464	29,868	100,000

The illustration shows premiums in later years being paid from non-guaranteed dividends, rather than being paid in cash by you. If actual future dividends are less than shown, you may have to pay premiums in cash for longer than shown or start paying cash premiums again at a later date. The premium payment plan shown in this illustration does not make this a "paid-up" policy.

Since the benefits that are shown in the illustration will change over time, you should check the status of your policy periodically with your insurance company or your insurance agent.

This illustration is designed to help you understand how the policy works. You should not use illustrations by themselves to compare different policies. For comparison purposes, other factors are important, such as how financially stable the company is, how well it has performed in the past, the service you expect to receive and the specific policy features you want.

I (we) have reviewed this Policy Illustration Explanation and the accompanying Life Insurance Policy Sales Illustration, which I (we) understand are not part of the policy contract. I (we) also understand that some of the values and benefits are not guaranteed and are likely to change in the future.

Date _____

Applicant Signature

Policy Illustration Explanation and Sales Illustration presented by:

Signature of Agent (if any)

Proposed Insured: Greg Smith
Age: 40 Male
Rating Class: Standard Nonsmoker
Plan: Whole Life Policy
Amount of Insurance: \$100,000
Dividend Option: Dividends used to purchase Paid-Up Additions.

ABC LIFE INSURANCE COMPANY
ANY TOWN, USA 12345
JANUARY 28, 1994

Life Insurance Policy Sales Illustration

Whole Life Policy

Proposed Insured: Greg Smith

Guaranteed Amount of Insurance: \$100,000 for life

Dividend Option: Dividends used to Purchase Paid-Up Additions.

See Explanatory Notes.

Age: 40 Male

Rating Class: Standard Nonsmoker

Annual Premium: \$1,464

Year	Age End of YR	GUARANTEED					NOT GUARANTEED					
		Contract Premium Beg of Yr	Cash Value End of YR	Death Benefit End of YR	Annual Surrender Beg of YR	Premium Outlay Beg of YR	Annual Dividend End of YR	Cash Value of Additions End of YR	Total Cash Value End of YR	Paid-Up Additions End of YR	Total Death Benefit End of YR	
1	41	1,464	0	100,000	0	1,464	0	0	0	0	100,000	
2	42	1,464	77	100,000	0	1,464	33	33	110	133	100,133	
3	43	1,464	1,465	100,000	0	1,464	35	70	1,535	271	100,271	
4	44	1,464	2,895	100,000	0	1,464	44	117	3,012	436	100,436	
5	45	1,464	4,370	100,000	0	1,464	63	184	4,554	664	100,664	
6	46	1,464	5,891	100,000	0	1,464	87	279	6,170	967	100,967	
7	47	1,464	7,461	100,000	0	1,464	193	482	7,943	1,611	101,611	
8	48	1,464	9,078	100,000	0	1,464	306	805	9,883	2,597	102,597	
9	49	1,464	10,746	100,000	0	1,464	424	1,259	12,005	3,917	103,917	
10	50	1,464	12,465	100,000	0	1,464	553	1,859	14,324	5,576	105,576	
11	51	1,464	14,055	100,000	0	1,464	688	2,614	16,669	7,569	107,569	
12	52	1,464	15,683	100,000	0	1,464	837	3,545	19,228	9,908	109,908	
13	53	1,464	17,348	100,000	1,464	+	930	3,084	20,432	8,325	108,325	
14	54	1,464	19,047	100,000	1,464	+	1,030	2,707	21,754	7,060	107,060	
15	55	1,464	20,776	100,000	1,464	+	1,113	2,399	23,452	6,048	106,325	
16	56	1,464	22,534	100,000	1,464	+	1,232	2,198	25,333	5,362	105,963	
17	57	1,464	24,321	100,000	1,464	+	1,354	2,113	27,407	4,988	105,961	
18	58	1,464	26,139	100,000	1,464	+	1,486	2,157	29,690	4,930	106,324	
19	59	1,464	27,988	100,000	1,464	+	1,622	2,337	32,191	5,176	107,042	
20	60	1,464	29,868	100,000	1,464	+	1,760	2,661	34,520	5,712	107,703	

+ Dividends are used to buy paid-up additions for 12 years. Then, premiums are paid from dividends and paid-up additions, as needed. A dividend change may increase or decrease the number of cash premium payments.

We strongly recommend you look at a lower scale illustration. The non-guaranteed values are based on dividends which may be lower or higher in the long term. See explanatory notes for assumptions and explanations.

Explanatory Notes

Premium Payment Plan

This illustration assumes that only the first 12 years of premiums are paid in cash. It is assumed that subsequent premiums will be paid by the application of current dividends, or the surrender of paid-up additions, or both. If actual dividends are lower than assumed in the illustration, cash payments may be required for more than 12 years, or, if cash premiums are stopped after 12 years, payments may have to be resumed at a later date.

Dividends

Based on the 1994 dividend schedule. Dividends are not guaranteed and can fluctuate significantly. We strongly recommend you look at an illustration showing a lower dividend scale. This illustration is neither a projection nor an estimate of future results. Transfer of policy ownership to a qualified pension or profit sharing plan could result in a different dividend schedule. The first year dividend, although included in this illustration, is contingent on payment of the entire second year premium. The first year dividend is not used in the calculation of first year paid-up insurance. This policy is available at issue with a policy loan rate of either 8% or an annually adjustable rate. This illustration assumes no policy loans. For the 8% policy, loans will affect dividends.

Important Tax Information

As illustrated, this policy would not become a Modified Endowment Contract (MEC) under the Internal Revenue Code. Loans and distributions from a MEC are subject to income tax and may also trigger a penalty tax. Changes made to the policy may cause the policy to become a MEC.

Additional Information

Values shown for Net/Total Cash Value, Total/Net Total Death Benefit, and Increase in CSV columns include any applicable settlement dividend which is not guaranteed and is payable on surrender, maturity or death.

This illustration was produced using state-dependent rate information valid through the end of March 1994.

This illustration does not recognize the time value of money and should not be used to compare policy costs. See attached page for policy cost information.

Life Insurance Adjusted Cost Comparison Index

	Current Assumptions Not Guaranteed		Guaranteed	
	Policy Year		Policy Year	
	10	20	10	20
Life Insurance Surrender Cost Index	\$3.88	\$0.68	\$6.50	\$3.30
Life Insurance Net Payment Cost Index	\$13.32	\$9.86	\$15.00	\$12.50

The Interest Adjusted Cost Comparison Indexes provide two means of comparing the relative cost of similar plans of insurance issued by the same company or by different companies. A low index number represents a lower cost than a higher one. These indexes reflect the time value of money by applying a 5% interest factor to policy premiums, dividends, and for the surrender cost index, the 10 and 20 year cash values. The dividends used in calculating these indexes are based on current year's scale and are not guarantees nor estimates of future dividends.

The indexes do not consider: (1) the value of the services of an agent or company; (2) the relative strength and reputation of the company and its actual dividend performance; or (3) differences in the policy provisions.

The 20 Year Life Insurance Surrender Cost Index includes the settlement dividend which is not guaranteed and is payable on surrender, maturity or death.

Presented by: Sally Q. Agent

ABC LIFE INSURANCE COMPANY
 ANY TOWN, USA 12345
 JANUARY 28, 1994

Policy Illustration Explanation

The attached illustration is for a life insurance policy. The type of policy is whole life insurance which guarantees a death benefit for the insured's entire life. The guaranteed amount of death benefit will reduce one time and will then remain at that lower level. Premiums must be paid during the insured's lifetime.

This illustration shows benefits that are not guaranteed by ABC Life Insurance Company. These benefits are based on the company's current dividend scale and current term insurance rates. Actual benefits are likely to be different from those shown. They may be more or less favorable.

To help show you how the non-guaranteed benefits can be affected by future changes, here are results at various years based on the current dividend scale; the current dividend scale assuming a 1% decrease in the interest rate built into that scale; and the policy's guarantees.

Policy Year	Not Guaranteed Current Dividend Scale			Not Guaranteed Current Dividend Scale less 1%			Guaranteed		
	Premium	Cash Value	Death Benefit	Premium	Cash Value	Death Benefit	Premium	Cash Value	Death Benefit
5	\$720	1,928	100,063	\$720	1,901	100,050	\$720	1,835	100,000
10	\$720	6,492	100,107	\$720	6,339	100,084	\$720	6,102	100,000
20	\$720	21,245	101,186	\$720	19,379	100,934	\$720	19,379	100,000

The illustrated total death benefit contains both guaranteed and not guaranteed portions. The not guaranteed portion is a major part of the total death benefit. It is a combination of one-year term insurance and paid-up additional insurance, both of which are bought with dividends. Actual future dividends may be less than shown and actual future term insurance costs may be higher than those used in the illustration. In either case, the not guaranteed death benefits may be less than shown, and you may have to pay more premiums to keep the death benefit at its original level.

Since the benefits that are shown in the illustration will change over time, you should check the status of your policy periodically with your insurance company or your insurance agent.

This illustration is designed to help you understand how the policy works. You should not use illustrations by themselves to compare different policies. For comparison purposes, other factors are important, such as how financially stable the company is, how well it has performed in the past, the service you expect to receive and the specific policy features you want.

I (we) have reviewed this Policy Illustration Explanation and the accompanying Life Insurance Policy Sales Illustration, which I (we) understand are not part of the policy contract. I (we) also understand that some of the values and benefits are not guaranteed and are likely to change in the future.

Date _____

 Applicant Signature

Policy Illustration Explanation and Sales Illustration presented by:

 Signature of Agent (if any)

Proposed Insured: John Jones
 Age: 35 Male
 Rating Class: Standard Nonsmoker
 Plan: Whole Life Policy with Supplemental Insurance Option
 Amount of Insurance: \$100,000
 Dividend Option: Supplemental Insurance Dividend option with Paid-Up Additions after crossover age.

ABC LIFE INSURANCE COMPANY
ANY TOWN, USA 12345
JANUARY 28, 1994

Life Insurance Policy Sales Illustration

Whole Life Policy with Supplemental Insurance Option
"Enhanced Whole Life"

Proposed Insured: John Jones

Age: 34 Male

Guaranteed Amount of Insurance: \$100,000 for 22 years
\$60,000 thereafterRating Class: Standard Nonsmoker
Annual Premium: \$720Dividend Option: Supplemental Insurance Dividend Option with Paid-Up Additions after crossover age.
See Explanatory Notes.

Year	Age End of YR	GUARANTEED				NOT GUARANTEED					
		Contract Premium Beg of Yr	Cash Value End of YR	Death Benefit End of YR	Annual Dividend Beg of YR	Cash Value of Additions End of YR	Total Cash Value End of YR	Paid-Up Additions End of YR	Amount of One Year Term Beg of YR	Total Death Benefit End of Yr	
1	41	720	0	100,000	18	18	18	2	0	100,018	
2	42	720	0	100,000	26	26	26	17	39,998	100,026	
3	43	720	319	100,000	33	37	356	48	39,983	100,033	
4	44	720	1,064	100,000	47	58	1,122	128	39,952	100,047	
5	45	720	1,835	100,000	63	93	1,928	263	39,872	100,063	
6	46	720	2,632	100,000	84	146	2,778	462	39,737	100,084	
7	47	720	3,457	100,000	89	203	3,660	655	39,538	100,089	
8	48	720	4,310	100,000	93	262	4,572	838	39,345	100,093	
9	49	720	5,191	100,000	100	324	5,515	1,020	39,162	100,100	
10	50	720	6,102	100,000	107	390	6,492	1,200	38,980	100,107	
11	51	720	6,887	100,000	117	463	7,350	1,387	38,800	100,117	
12	52	720	7,695	100,000	209	623	8,318	1,852	38,613	100,209	
13	53	720	8,527	100,000	308	882	9,409	2,597	38,148	100,308	
14	54	720	9,382	100,000	407	1,242	10,624	3,604	37,403	100,407	
15	55	720	10,261	100,000	516	1,717	11,978	4,883	36396	100,516	
16	56	720	11,164	100,000	631	2,317	13,481	6,434	35,117	100,631	
17	57	720	12,090	100,000	755	3,057	15,147	8,266	33,566	100,755	
18	58	720	13,036	100,000	888	3,950	16,986	10,384	31,734	100,888	
19	59	720	14,001	100,000	1,031	5,012	19,013	12,799	29,616	101,031	
20	60	720	14,983	100,000	1,186	6,262	21,245	15,529	27,201	101,186	
25	65	720	20,150	60,000	1,703	14,704	34,854	31,437	12,021	101,703	
30	70	720	25,682	60,000	2,506	28,289	53,971	52,387	0	112,387	
40	80	720	36,872	60,000	5,839	81,212	118,084	117,699	0	177,699	

We strongly recommend you look at a lower scale illustration. The non-guaranteed values are based on dividends which may be lower or higher in the long term. A dividend reduction may result in a later crossover age, an additional out-of-pocket cost or a decrease in death benefit, according to the terms of the policy. See explanatory notes for assumptions and explanations.

Explanatory Notes

Supplemental Insurance Dividend (SID) Option and Crossover Age

Under the SID option, dividends are used to purchase a combination of one-year term insurance and paid-up insurance such that the total death benefit equals the guaranteed amount of insurance. The crossover age is the point in time when there is sufficient paid-up additional insurance purchased by dividends so that one-year term insurance is no longer required to maintain the guaranteed amount of insurance. Based on the illustrated dividend scale, the crossover age for this policy is attained age 63. Beyond the crossover age, the dividends will automatically be used to purchase paid-up additions, unless another dividend option is elected. The death benefits illustrated would be significantly affected by a change in the dividend option prior to the crossover age. A dividend reduction may result in a later crossover age, an additional out-of-pocket cost or a decrease in death benefit, according to the terms of the policy.

This policy has a guarantee period of 22 years. During the guarantee period the total death benefit will not be less than the initial guaranteed amount of insurance even if the dividend scale is reduced.

Dividends

Based on the 1994 dividend schedule for policies with adjustable loan interest rate provision. Dividends are not guaranteed and can fluctuate significantly. This illustration is neither a projection nor an estimate of future results. Transfer of policy ownership to a qualified pension or profit sharing plan could result in a different dividend schedule. The first year dividend, although included in this illustration, is contingent on payment of the entire second year premium. The first year dividend is not used in the calculation of first year paid-up insurance.

Important Tax Information

As illustrated, this policy would not become a Modified Endowment Contract (MEC) under the Internal Revenue Code. Loans and distributions from a MEC are subject to income tax and may also trigger a penalty tax. Changes made to the policy may cause the policy to become a MEC.

Additional Information

This illustration was produced using state-dependent rate information valid through the end of March 1994. This illustration does not recognize the time value of money and should not be used to compare policy costs. See attached page for policy cost information.

Life Insurance Adjusted Cost Comparison Index

	Current Assumptions Not Guaranteed		Guaranteed	
	Policy Year		Policy Year	
	10	20	10	20
Life Insurance Surrender Cost Index	\$2.29	\$1.08	\$6.50	\$3.30
Life Insurance Net Payment Cost Index	\$7.20	\$7.20	\$9.00	\$9.00

The Interest Adjusted Cost Comparison Indexes provide two means of comparing the relative cost of similar plans of insurance issued by the same company or by different companies. A low index number represents a lower cost than a higher one. These indexes reflect the time value of money by applying a 5% interest factor to policy premiums, cash dividends, and for the surrender cost index, the 10 and 20 year cash values. The dividends used in calculating these indexes are based on our current year's scale and are not guarantees nor estimates of future dividends. In computing the indexes for this policy, it is assumed that dividends payable on or before the crossover age are used to purchase a combination of one year term insurance and paid-up insurance as provided by the supplemental insurance dividend option. After the crossover age, dividends are assumed to be paid in cash.

The indexes do not consider: (1) the value of the services of an agent or company; (2) the relative strength and reputation of the company and its actual dividend performance; or (3) differences in the policy provisions.

January 31, 1994

COMPANY NAME

POLICY ILLUSTRATION EXPLANATION

Proposed Insured	John Doe
Age	35-Male
Rating Class	Standard
Plan	Whole Life, Modified Premium With Variable Insurance Amount
Amount of Insurance	\$60,000

The attached illustration is for a life insurance policy. The type of policy is modified premium whole life insurance. It guarantees certain insurance death benefits and surrender values for life as long as the annual premium outlay is paid. The annual premium outlay increases once during your life and then stays the same. Additional premiums may be paid on this policy at any time subject to certain limits. If premium amounts less than the annual premium outlay are paid, the policy cash values may become less than the guaranteed cash values and the policy may lapse. The death benefit will be paid to the person or persons named by you as beneficiary or as otherwise required by law.

This illustration also shows benefits which are not guaranteed by the company. These benefits are based on the company's current scale of interest, mortality and expense. Actual benefits are likely to be different from those shown. They may be less or more favorable.

The policy illustrated is eligible for the company's Living Needs Benefit rider, at no additional premium. This rider allows you to access certain life insurance benefits from your policy if you are diagnosed as terminally ill or if you become permanently confined to a nursing home. Your agent can provide more details.

Since the values and benefits that are shown here will change over time, you should check the status of your policy periodically with the (insurance company) or your insurance agent.

This illustration is designed to help you understand how the policy works. You should not use illustrations by themselves to compare different policies. For comparison purposes, other factors are important, such as how financially stable the company is, how well it has performed in the past, the service you expect to receive and the specific policy features you want.

This illustration shows certain guaranteed and not guaranteed benefits for a number of years. To help show you how the not guaranteed benefits can be affected by future changes, here are results at various years based on the current scale; the current scale minus 1% in the interest rate portion of that scale unless that would be below the policy guarantee, in which case a lesser reduction is shown; and the policy's guarantees. All results assume full premium payments in cash. Those values at five, 10 and 20 years are as follows:

Policy Year	Guaranteed			Not Guaranteed Current Scale			Not Guaranteed Current Scale (Less 1% in the Interest Component)		
	Annual Premium Outlay	Death Benefit	Surrender Value	Annual Premium Outlay	Death Benefit	Surrender Value	Annual Premium Outlay	Death Benefit	Surrender Value
5 Years	809	60,011	1,652	809	60,043	1,684	809	60,011	1,652
10 Years	809	60,028	4,531	809	60,400	4,902	809	60,278	4,780
20 Years	809	60,090	7,697	809	62,602	10,210	809	62,065	9,673

I (we) have reviewed the information provided above concerning the policy for which I (we) have applied and the policy illustration that I (we) have received. I (we) understand that neither this illustration explanation page(s) nor the illustration is part of the policy for which I (we) have applied. Any policy issued will set forth the entire contract between me (us) and the insurer.

I (we) understand that some of the values and benefits are not guaranteed and are likely to change.

Date: _____

Signature of Applicant

Signature of Coapplicant

Policy Illustration Explanation and Sales Illustration Presented by:

Signature of Agent (If Any)

The Company Name

Life Insurance Policy Sales Illustration

Prepared for: John Doe
Age 35, Male, Standard
Excludes Waiver of Premium Benefit

On: January 26, 1994

Initial Annual
Payment
=====
\$890.11

\$60,000 Modified Premium Whole Life Insurance
Variable Insurance Amount (Appreciable Life)

By: Agent John Doe

Annual Payment Schedule
=====

Years 1 to 30 \$809.11
Years 31 to 65 \$4,431.74

Full Payment Ledger

This illustration is incomplete without the footnote page(s).

Policy Year	Annual Premium Outlay	Guaranteed Basis* Interest Rate 4.00%			Not Guaranteed Basis* Assumed Interest Rate 4.40%		
		Contract Fund	Cash Value	Death Benefit	Contract Fund	Cash Value	Death Benefit
1	809	446	0	60002	448	0	60004
2	809	889	272	60004	906	279	60010
3	809	1357	730	60006	1369	742	60019
4	809	1817	1190	60008	1838	1211	60029
5	809	2279	1652	60011	2311	1684	60043
6	809	2740	2238	60014	2824	2322	60098
7	809	3197	2821	60017	3341	2965	60161
8	809	3650	3399	60020	3861	3610	60232
9	809	4095	3970	60024	4382	4256	60311
10	809	4531	4531	60028	4902	4902	60400
11	809	4955	4955	60032	5421	5421	60499
12	809	5366	5366	60037	5937	5937	60607
13	809	5761	5761	60041	6447	6447	60727
14	809	6138	6138	60047	6949	6949	60858
15	809	6492	6492	60053	7440	7440	61001
20	809	7697	7697	60090	9557	10210	62602
30	809	8245	8245	60231	12349	13594	70594
40	4482	8678	8678	61720	56524	58063	95494
50	4482	9245	9245	65478	104512	114241	143254

* Any amounts indicated as "Guaranteed" are based on rates contained in the policy. Those amounts designated as "Not Guaranteed" are based on the assumption that an illustrative not guaranteed rate of interest will be credited to the contract fund and our current mortality rates and other charges will apply, actual results may be less or more favorable.

Full Payment Ledger

This illustration is incomplete without the footnote page(s).

The Full Payment Ledger assumes that contractual policy premiums are paid for all years by the insured. Results are Not Guaranteed. See the previous attached Full Payment Ledger for Guaranteed values.

Results Based on a
Not Guaranteed
Interest Crediting Rate of 4%
(Lower than Current Scale)

Policy Year	Annual Premium Outlay	*Total Cash Value	*Total Death Benefit
1	809	0	60002
2	809	272	60004
3	809	730	60006
4	809	1190	60008
5	809	1652	60011
6	809	2278	60054
7	809	2906	60102
8	809	3533	60154
9	809	4158	60213
10	809	4780	60278
11	809	5273	60350
12	809	5759	60429
13	809	6236	60516
14	809	6702	60611
15	809	7154	60715
20	809	9673	62065
30	809	12164	69164
40	4482	54137	91568
50	4482	115336	138417

Any amounts indicated as "Guaranteed" are based on rates contained in the policy. Those amounts designated as "Not Guaranteed" are based on the assumption that an illustrative not guaranteed rate of interest will be credited to the contract fund and our current mortality rates and other charges will apply. See page 2 for guaranteed values.

Footnotes

LIVING NEEDS BENEFITS+

Age	ILLUSTRATIVE BASIS 4.00%			GUARANTEED BASIS 4.00%		
	Nursing Home	Terminal Illness #	Total Death Ben	Nursing Home	Terminal Illness #	Guaranteed Death Ben
55	43,446	55,859	62,065	42,063	54,081	60,090
65	48,415	62,248	69,164	42,162	54,208	60,231
73	59,845	76,943	85,493	42,902	55,159	61,288

#Certain organ transplants are eligible for payment under this option.

This policy is eligible for company's new Living Needs Benefit rider, at no additional premium. This rider allows you to access benefits from your life insurance policy should you be diagnosed as terminally ill or become permanently confined to a nursing home. Please ask your company representative for a generic illustration and a description of the requirements and conditions.

+ Amounts shown are estimates based on the death benefit and current Living Needs mortality and interest rate assumptions. At the time of claim, amounts will be recalculated based on the then current death benefit and assumptions and a \$150 processing fee will be deducted. If a Living Needs Benefit claim is made for the full amount, the death benefit will be reduced to zero. Partial claims may be available.

Interest Adjusted Cost Indexes* per \$1,000 at 5% Interest:

Surrender Index	GUARANTEED BASIS		ILLUSTRATIVE BASIS*	
	10 YEARS	20 YEARS	10 YEARS	20 YEARS
	7.80	9.83	7.35	8.68

These cost comparison indexes provide two means of comparing the relative costs of two or more similar plans of insurance. A low index number represents a lower cost than a high one.

Premiums are assumed to be paid at the beginning of each policy year. Contract funds, cash values and death benefits have been calculated on the basis of the premium mode selected and are shown as of the end of each policy year.

Cost results (except for interest adjusted cost indexes) do not reflect that, because of interest, a dollar payable in the future has less value than one payable today.

Surrender Information

Age	ILLUSTRATIVE BASIS Assumed Interest Rate 4.00%			GUARANTEED BASIS Interest Rate 4.00%		
	Cash Value	Premiums Paid	Net Result	Cash Value	Premiums Paid	Net Result
65	12,164	24,273	-12,109	3,231	24,273	-21,042
73	44,495	60,127	-15,633	20,290	60,127	-39,837

Yearly Life Income - 10 Years Certain (1/12 per month):

Age	ILLUSTRATIVE BASIS Assumed Interest Rate 4.00%			GUARANTEED BASIS Interest Rate 4.00%		
	Cash Value	Guaranteed Annuity	Total Annuity&&	Cash Value	Guaranteed Annuity	Total Annuity&&
65	12,164	836	993	3,231	222	264
73	44,495	3,716	4,223	20,290	1,695	1,926

&& The Life Income amounts shown above reflect the settlement option rates as of 12/10/93. The total Life Income amounts are subject to change.

Each premium is added to the contract fund after a 3.35% deduction to cover taxes attributable to premiums (2.10% for state taxes and 1.25% for federal taxes) and a \$2.00 deduction for the premium payment fee.

Interest rates illustrated for the contract fund:

Guaranteed Basis -	4.00%
Illustrative Basis -	4.00%

*The 4.40% is less than our current interest rate of 4.40%.

*Any amounts indicated as "Guaranteed" are based on rates contained in the policy. Those amounts designated as "Illustrative" are based on the assumption that an illustrative non-guaranteed rate of interest will be credited to the contract fund and our current mortality rates and other charges will apply. A detailed illustration based on our current rate for this policy is available upon request.

Using illustrated premiums, the 4.00% interest rate assumption, and the current charges, the company will increase your death benefit starting in policy year 54. We reserve the right to limit premium payments after this point.

If premium payments are made as shown in this illustration, this contract will become a "Modified Endowment" in policy year 55. According to federal tax law, loans or withdrawals on the policy may be subject to income tax and a 10% penalty tax. (You may be able to avoid this tax treatment by making lower premium payments. For example, level annual premium payments of up to \$2,953.00 for seven years would be allowable.) Please consult your company representative for premium schedules extending beyond seven years that would also be allowable.

Footnotes

This illustration assumes that no policy loans or withdrawals are made.

We offer this illustration to help you understand this plan and we do not intend that it change any provision in the contract.

ATTACHMENT FOUR-B

FIPSCO
Insurance Marketing Specialists
1090 Executive Way
Des Plaines, IL 60018
(708)803-4700
Fax (708)803-4735

January 27, 1994

RE: Life Insurance Illustrations Model Act

Dear Ms. Johnson:

Enclosed please find my recommendations for the NAIC Life Insurance Illustrations Model Act. I hope to offer a unique perspective in this regard.

I came to the life insurance industry in 1982 when dramatic changes in products and computer support began. My perspective is both as a consumer and a financial analyst. My training is in math and economics. I taught finance at Brigham Young University and provided consulting to the banking industry prior to joining FIPSCO in 1982. While at FIPSCO, I have worked with a wide range of companies to illustrate hundreds of different life insurance products. I am keenly aware of the need for good consumer information and continue to work on practical ways to address problems that exist.

Attached is a bibliography of pertinent articles and correspondences that I have written on the subject of life insurance illustrations. Please let me know if you would like copies of any of this material.

Since FIPSCO does not sell life insurance, I am not disposed to favor one type of company or product over another. My goal is to bring together many viewpoints. Our current user group comprises more than 50 life insurance companies. These companies illustrate virtually every product combination available in the marketplace. As part of our user group I have promoted a dialogue with Richard Weber in regard to Due Care, and Judy Faucett in regard to the Society of Actuaries studies. I have also maintained dialogue with Jane Bryant Quinn and others on how life insurance is presented.

Attached you will see examples of a two-page standard format that can be used with virtually any life insurance product. I have attempted to address issues raised by the NAIC. My goal has been to make the format clear to consumers while also being sufficiently comprehensive.

Also attached are comments which explain the reasoning behind these formats. I have included items which respond to the outline in the NAIC's 12/7/93 draft.

Please feel free to call me if I can be of assistance. I would be glad to meet with the committee to discuss these ideas.

Yours truly,
Chris W. Kite