The 3C's - New Paradigm of Efficiency Analysis Form

Policies that are available without the traditional commissions and loads are referred to as No-load if they are a Universal Life style, or Low-load if they are a Variable Life style. For continuity of this review, we refer to both styles as fee-based policies. **All premium amounts are 1st-year only.**

Dated: ________________ Advisor: ______________________________

Client: ____

		Commission Policy	Fee-based Policy	Difference
Cost Efficiency				
Minimum Required 1st Year Premium:	**(a)**	$	$	$ 0
1st Year Cash Surrender Value:	**(b)**	$	$	$ 0
Capital Efficiency				
"Like-Kind" Commission Minimum Premium Input:			$ **(a)**	
1st Year Cash Surrender Value:	**(b)**	$	$	$ 0
Target Premium of Commissioned Policy:	**(t/p)**	$		
"Like-Kind" Commission Target Premium Input:			**(t/p)** $	
1st Year Cash Surrender Value:		$	$	$ 0
7-Pay Maximum Premium:	$			
1st Year Cash Surrender Value:		$	$	$ 0

Note:
Target Premiums represent the premium amount that pay the full commission and loads. Premiums in excess of this Target are subject to a reduced commission charge. Hence, premiums from $1 to Target pay the bulk of acquisition costs.

Note:
* The 7-Pay Premium is to be used as a constant figure for both the Commission policy and the Fee-based policy. The range between the Minimum Premium amounts and the 7-Pay Premium amounts gives guidance as to design limits while preserving all Tax advantages of the policy.

Designing Premium Strategy For Policy

*The **"Planned Premium"** is a result of the design and strategy developed by the advisor/planner to maximize the efficiencies of the policy structure so that the needs and objectives of the client can be achieved in the most economically advantaged manner.*

	Commission Policy	Fee-Based Policy	Difference
Planned Premium Design (1st Year):	$	$	
1st Year Cash Surrender Value:	$	$	$ 0

Continuation Efficiency: 1st year Planned Premium Design / policy continuation

Commission Policy Premium:	$		Years
No-Load Policy Premium:	$		Years

Continuation Efficiency (optional)

This exercise is to illustrate how long the policy will continue with 1 premium, providing a "Safety Net" for the client should there be a change of any kind with regard to the clients financial and/or economic circumstances.

	Commission Policy	No-Load Policy	Difference
"Like-Kind" Planned Premium Input:	$	$	
Continuation Years:			0

Continuation of Planned Premium in Commission Policy to Match No-Load Policy Years:

Year 1	$		
Year 2	$		
Year 3	$		
Year 4	$		
Totals:	$ 0	*Minus First Year =*	$ 0