

# Life Policy Dynamics, LLC



## Portfolio Management Services

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Client Company: **ABC Company, Inc.**  
Invoice#: **ABC0001A01a**  
Evaluation Date: **April 23, 2008**

Name of Insured: **Jane Doe**  
Social Security #: **555-55-5555**  
Date of Birth: **1/1/1923**  
Insurer: **AAA Life Insurance Company**  
Face Amount: **\$4,000,000**  
AVS **111 months; dated 2/18/2008**  
21st Services **93 months; dated 2/18/2008**

IRR:	Gross Purchase Price	Gross Purchase Price / Face:
12% :	<b>\$1,043,205</b>	<b>26.08%</b>
11% :	<b>\$1,090,116</b>	<b>27.25%</b>
10% :	<b>\$1,140,149</b>	<b>28.50%</b>

Comments: 

- Based on Issue date of 1/1/2008
- Based on Illustration date of 4/23/2008
- Based on Projection date of 4/23/2013
- Based on ANNUAL premium mode

Attachments: 

- Pricing Model Case Summary
- AVS LE report
- 21st Services LE report
- Level Premium Illustration to Maturity

Priced by: **Scott Fletcher**  
Quality Check: **Christina Smiley**

\*Gross Purchase Price is the amount a funder will pay for the policy.  
The amount paid to the policy owner will be reduced by any agent, broker, provider involvement.

The sole purpose of this projection is to assist the contracted recipient in deciding whether the contracted recipient wishes to proceed with a further investigation of a purchase or financing of the policy(ies) reviewed. used for any individual, group, or entity other than the contracted recipient. This projection should not be relied upon as the basis of any investment decision. Some or all of the information upon which the projection is based may have been provided by third parties, and Life Policy Dynamics LLC has not assumed any responsibility for independently verifying any such information.

This projection is based upon certain assumptions using available information and is dependent on future events. It may be significantly affected by changes in the life settlement industry, the medical condition of the insured and other circumstances. No representation or warranty is given as to the achievement or reasonableness of any future projections or estimates of possible returns.

The gross purchase price is the total investment amount at time of purchase and includes all compensation to be paid. This projection does not constitute an offer or invitation for the sale or purchase of the policy(ies) evaluated. There can be no guarantee that the policy(ies) can ever be sold, whether at this or at any other price.

In furnishing this projection, Life Policy Dynamics does not undertake to update or to correct any inaccuracies contained herein.

### Scenario Results

2001 VBT ANB - Improvement Factors: Sample Factors - Specify Life Expectancy

Insured Last Name:	[REDACTED]	Valuation Date:	4/23/2013
Case ID:	[REDACTED]	Valuation ID:	60 month projection

Policy Values on Valuation Date					Cash Transactions on Valuation Date			Assumed Investment on Valuation Date				
Face Amount	\$4,000,000				Premium Payment	(\$4,670)		IRR		12.00%		
Net Death Benefit	\$4,000,000				Loan Repayment	\$0		Assumed Investment		1,043,205		
Seller Death Benefit	\$0				New Loan	\$0		Percent of Face		26.1%		
Investor Death Benefit	\$4,000,000				Net Cash Withdrawal	\$0						
Unloaned Account Value	\$119,235				Net Cash Transaction	(\$4,670)						
Loan Balance	\$0											
Input Life Expectancy Months					Solved Life Expectancy Months			Net Present Value			Solved Mortality Factor	
	Primary	Secondary	Joint		Primary	Secondary	Joint	12.0%	11.0%	10.0%	Primary	Secondary
								\$	\$	\$	%	%
<b>Underwriter</b>												
1 AVS	111.0	n/a	n/a	73.7	n/a	n/a		808,303	849,067	892,671	114	n/a
2 21st Services	93.0	n/a	n/a	58.8	n/a	n/a		1,291,174	1,343,374	1,398,879	156	n/a
3 (none)												
4 (none)												
5 (none)												
<b>Average</b>	102.0	n/a	n/a	66.2	n/a	n/a		1,043,205	1,090,116	1,140,149	133	n/a

#### Notice on Mortality and Volatility

Underwriting firms commonly develop 'life expectancies' for the benefit of life settlement parties. While life expectancies are provided for individuals, they are developed from expected patterns of mortality of large groups of similar individuals. No one knows exactly when any one individual will die, nor is a life expectancy intended to suggest the time until death will be near the life expectancy. For a variety of reasons (such as improvements in medical technology, unanticipated general mortality improvement, or mis-estimation of the life expectancy by underwriting firms), any one individual might live much longer than his or her estimated life expectancy. With small groups of insureds, and particularly with a single insured, the actual time until death may be significantly different from the life expectancy or that predicted by any particular mortality table. Stochastic simulation and sensitivity testing can help to quantify these risks, but such tests should not be interpreted as a guarantee of any particular financial outcome. Investors will earn less than expected on the policy of any individual who lives longer than his life expectancy.

## Input Parameters

<b>Insured Last Name:</b> [REDACTED]	<b>Valuation Date:</b> 4/23/2013	
<b>Case ID:</b> [REDACTED]	<b>Valuation ID:</b>	60 month projection

### Base Case Parameters

<u>Contract</u>	<u>UL Policy Illustration</u>	<u>Primary Insured Mortality</u>
Product Type: Universal Life	Illustration Date: 4/23/2008	Underwriter: AVS
Number of Lives: 1	Death Benefit Option: A - Level	Life Expectancy: 111
Issue Age Basis: ANB	Option C Max Age: 0	Date: 2/18/2008
	Option C Max Benefit: 0	21st Services: (none)
	Premium Mode: Annual	(none)
<u>Primary Insured</u>	Current Crediting Rate: 4.80	(none)
First Name: [REDACTED]	Guaranteed Crediting Rate: 3.00	
Date of Birth: [REDACTED]/1923	Policy Loan Credited Rate: 0.00	Average: 102
Gender: Female	Policy Loan Charged Rate: 0.00	Date: 2/18/2008
Smoking Class: Non-Smoker		Mortality Factor: n/a
		Flat Extra: 0
		Flat Extra Period: 0
<u>Secondary Insured</u>	<u>UL Minimum Premium</u>	<u>Secondary Insured Mortality</u>
Last Name: n/a	Premium Amount: 0	Underwriter: AVS
First Name: n/a	Premium Years: 0	Life Expectancy: n/a
Date of Birth: n/a		Date: n/a
Gender: n/a	<u>Fixed Product Specific</u>	21st Services: n/a
Smoking Class: n/a	Fixed Product Type: n/a	(none): n/a
	Fixed Premium Mode: n/a	(none): n/a
<u>Policy Information</u>	Fixed Premium Collection Fee: n/a	(none): n/a
Policy Issue Date: [REDACTED]/2008		(none): n/a
Face Amount: 4,000,000	<u>Other</u>	(none): n/a
Maturity Age: 100	Case Status: <none>	Average: n/a
Extended Death Benefit Rider: No	Issue State: [REDACTED]	Mortality Factor: n/a
Extended Death Benefit Age: n/a	Carrier Name: <none>	Flat Extra: n/a
	Policy Number: <none>	Flat Extra Period: n/a
	Policy Form: <none>	

### Valuation Assumptions

<u>Premium Projection</u>	<u>Cash Transaction Options</u>	<u>Account Value Threshold</u>
Death Benefit Option: A - Level	New Loan Amount: 0	Contract lapse based on: Cash Surrender Value
Crediting Rate: 4.80	Cash Withdrawal Amount: 0	Fixed Dollar Threshold: 1,000
Projection Option: Minimum Monthly	Imputed Surrender Charge: 0	Months of COI Threshold: 1
Premium Mode: Monthly	Net Cash Withdrawal: 0	
Level Solve Months: n/a	Repay Existing Loan Amount: 0	<u>Valuation Parameters</u>
Years to Pay Illustrated: 0		Collection Delay (months): 2
Seller Death Benefit Percent: 0.0%	<u>Starting Value Development</u>	Projection Horizon (years): 40
	Starting Value Basis: Policy Illustration	Contract Purchase Date: 4/23/2013
<u>Verification of Contract</u>	Interim Premium Type: Illustrated Premium	Target IRR A: 12.0%
Effective Date: 4/23/2008	Interim Premium Paid: 1,393,343	Target IRR A1: 11.0%
Are VOC values net of loan: FALSE		Target IRR A2: 10.0%
Account Value: 0	<u>Starting Values</u>	
Cash Surrender Value: 0	Account Value: 119,235	<u>Mortality Assumptions</u>
Policy Loan Value: 0	Cash Value: 43,389	Table Name: 2001 VBT ANB
Death Benefit: 4,000,000	Loan Balance: 0	Improvement Factors: Sample Factors
	Net Death Benefit: 4,000,000	Mortality Development: Specify Life Expectancy
<u>Expenses</u>		
Zero Expenses		
	<b>Annual</b>	<b>Quarterly</b>
<u>Percent of Face</u>		<b>Monthly</b>
Purchase: 0.0000%	0.0000%	<b>Total</b>
Maintenance: 0.0000%	0.0000%	0.0000%
		0.0000%
<u>Flat Amount</u>		
Purchase: 0.00	0.00	0.00
Maintenance: 0.00	0.00	0.00
Inflation: 0.00%		

### Projection Notes

Please check premium loads AVS LE = 2/18/2008 & 21st LE = 2/18/2008