

How to receive income during your retirement years?

You find yourself advancing in your career, building your family and managing your daily expenses, but you forget the importance of planning for retirement. Perhaps you think your company's retirement plan together with social benefits will provide the necessary income you need to maintain your lifestyle.

Unfortunately this is not the practical way to think. Many company-sponsored retirement plans offer only a small portion of the employee's salary at the time of retirement. Social benefits in the country where you live also offer a minimum income during retirement that is not sufficient. Many people realize too late how difficult it is to save for retirement. This is a result of many things:

- The cost of living has increased; therefore we save less.
- During the past several decades, the costs of education have increased faster than the cost of living and facing these costs many people save less.
- The cost of medical care and education is growing faster than the cost of living.
- Life expectancy rates continue to increase, creating a need for larger retirement savings.
- With all the changes in tax laws, it becomes increasingly difficult to save for retirement.

Every day it becomes more difficult to save for your retirement.

What is the answer?

A personal retirement plan using our NexGen policy

With our NexGen universal life insurance policy, at your retirement age you can have sufficient accumulated values for your personal retirement plan. These funds are available through partial surrenders of the policy or policy loans. These loans or partial surrenders can be made annually when you need funds for your future plans and the death benefit can continue in force.

If you were to pass away before your retirement, your beneficiaries would receive the death benefit that would provide the income your family needs to maintain their standard of living into the future.

A superior way to provide funds for retirement

Our new NexGen universal life policy, with its superior accumulation, is an excellent instrument to provide the necessary funds for your retirement. Life insurance can offer you extraordinary benefits when it is used to save for retirement.

Our universal life insurance is much more than you may imagine. Besides offering death benefit coverage, a universal life insurance policy can supplement the income you will when you retire. Pan-American International's life insurance products offer many benefits that are not available through other traditional investments or life insurance plans.

Such As:

- Access to the cash value of a policy a low cost compared to investment plans -- Policyholders have the option to apply for a policy loan or partial surrender with very low costs.
- Death benefit- Should the policyholder pass away before or during his or her retirement, the death benefit will be honored. And these funds can be used to replace future income lost as a result of your death.
- Recovery of Premiums at Death – Our NexGen universal life plan offers a unique option that will pay the insured amount and the sum of all net premiums paid for the policy.

It is never too early to start saving for your retirement. Let Pan-American International be your guide with our NexGen policy.

CASE STUDY – RETIREMENT PLANNING USING NEXGEN

Jose Martinez, who owns an import-export business, has just celebrated his 40th birthday. He has a son who has just finished college and is working in the business. Jose has several employees who will want to take over his company when he retires and he has begun to think about retirement. He enjoys his work and would like to work for another 20 to 25 years before he retires.

Jose has been taking an income from his business of \$200,000 and has managed to save \$200,000. His desire is to have the same income at retirement so that he and Blanca, his wife, can live comfortably and travel to other countries. He would like some recommendations about how to plan for his retirement.

In addition, he is worried that if he dies before he retires, Blanca, who is 40 and knows nothing about the import-export business, will have to rely on their child to support her after his death.

He feels that his savings will increase at the rate of 6 percent per year and is planning to save an additional \$10,000 each year. He would like to know how he can accomplish his retirement goals and is willing to talk with you about them.

PLANNING FOR RETIREMENT THROUGH OUR NEXGEN PRODUCT

Step one – How much money will he have to use for his retirement and what income will that provide?

Planning for your Retirement using NexGen UL

Jose has \$200,000 and will be saving \$10,000 each year and expects growth of 6 percent per year on his savings.

If we use any financial calculator, we find that his savings will total \$1,437,508.61 at his age 65. (See Chart No.1) Assuming that Jose can continue to get a 6 percent return, his savings will allow him to take an annual retirement income of \$118,234.45 for 20 years. (See Chart No.2)

Step two – How can our NexGen help Jose to meet his goals?

You then show Jose an illustration for a \$1 million NexGen universal life policy into which he would pay a \$25,000 annual premium to his age 65. At that point he will have accumulated nearly \$1.2 million of cash value and can take an annual income from the policy of \$90,000 for 20 years. (See Chart #3)

Therefore, his total retirement income would be \$208,234.45, exceeding his goal of \$200,000.

Step three – Additional benefits of using our NexGen policy

Without a life insurance policy on his life, Jose could leave Blanca in a difficult financial position if he were to die before he retires. For example, if he were to die at age 50, he would have accumulated only \$490,000 in his savings which would not produce a significant income for Blanca.

With the additional \$1 million death benefit, Blanca could have a significantly higher income that would allow her to live independently without having to rely on her child or the kindness of family members.

PAIIC's NexGen universal life policy offers excellent cash value accumulations for the longer durations which makes it an efficient vehicle to use for your retirement planning.

Also, this offers you peace of mind that if you should die prematurely, your loved ones can be protected for life.

The information in this brochure is intended to provide a description of the product. It is not a contract or agreement. July, 2007.

Chart 1

Cash accumulation – Jose and Blanca Martinez

This chart shows an initial balance of \$200,000, a \$10,000 annual deposit and a net investment rate of 6 percent.

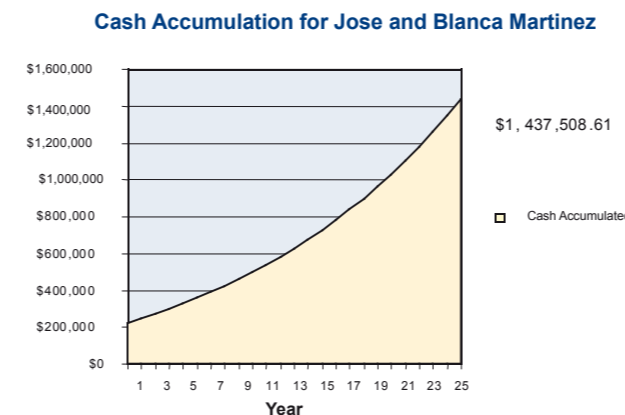
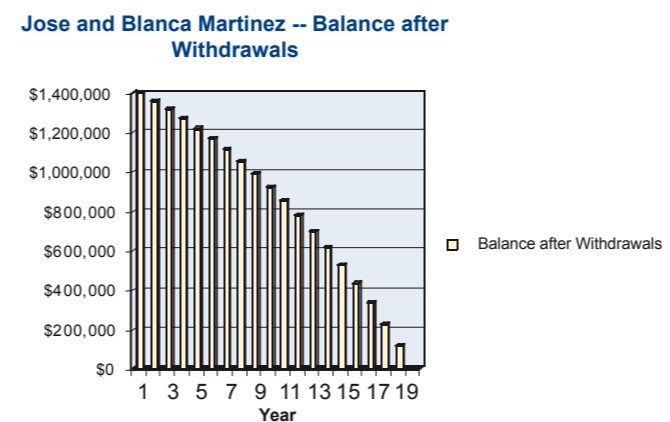


Chart 2

Distribution – Jose and Blanca Martinez

This chart shows the annual income of \$118,234.45 that can be taken from a fund balance

of \$1,437,508.61, assuming a net investment rate of 6 percent.



Planning for your Retirement using NexGen UL

Chart 3

POTENTIAL DISTRIBUTIONS FROM A NEXGEN UNIVERSAL LIFE POLICY FOR JOSE MARTINEZ

This chart shows the possible distributions that can be taken from a NexGen universal life policy to supplement retirement income, assuming a current interest rate of 5% and current costs of insurance.

Año	Edad al fin del año	Prima Anual	Ingreso de la Póliza	Valor de Rescate Neto	Beneficio por Muerte Neto
1	41	\$25.000		\$0	\$1,000.000
2	42	\$25.000		\$22.730	\$1,000.000
3	43	\$25.000		\$47.622	\$1,000.000
4	44	\$25.000		\$74.072	\$1,000.000
5	45	\$25.000		\$103.033	\$1,000.000
6	46	\$25.000		\$133.440	\$1,000.000
7	47	\$25.000		\$165.276	\$1,000.000
8	48	\$25.000		\$198.581	\$1,000.000
9	49	\$25.000		\$233.425	\$1,000.000
10	50	\$25.000		\$269.877	\$1,000.000
11	51	\$25.000		\$308.795	\$1,000.000
12	52	\$25.000		\$349.555	\$1,000.000
13	53	\$25.000		\$392.241	\$1,000.000
14	54	\$25.000		\$436.920	\$1,000.000
15	55	\$25.000		\$483.880	\$1,000.000
16	56	\$25.000		\$536.496	\$1,000.000
17	57	\$25.000		\$592.357	\$1,000.000
18	58	\$25.000		\$651.685	\$1,000.000
19	59	\$25.000		\$714.735	\$1,000.000
20	60	\$25.000		\$781.699	\$1,047.477
21	61	\$25.000		\$852.609	\$1,108.392
22	62	\$25.000		\$927.571	\$1,187.291
23	63	\$25.000		\$1,006.822	\$1,268.596
24	64	\$25.000		\$1,090.691	\$1,352.368
25	65	\$25.000		\$1,179.236	\$1,438.668
26	66		\$90.000	\$1,152.093	\$1,382.512
27	67		\$90.000	\$1,123.250	\$1,336.668
28	68		\$90.000	\$1,092.615	\$1,289.286
29	69		\$90.000	\$1,060.094	\$1,240.310
30	70		\$90.000	\$1,025.591	\$1,189.685
31	71		\$90.000	\$989.009	\$1,137.360
32	72		\$90.000	\$950.424	\$1,074.667
33	73		\$90.000	\$909.584	\$1,020.724
34	74		\$90.000	\$866.407	\$962.542
35	75		\$90.000	\$820.855	\$899.915
36	76		\$90.000	\$772.921	\$832.644
37	77		\$90.000	\$721.804	\$784.944
38	78		\$90.000	\$667.256	\$733.986
39	79		\$90.000	\$609.009	\$679.507
40	80		\$90.000	\$546.770	\$621.222
41	81		\$90.000	\$480.219	\$558.817
42	82		\$90.000	\$409.010	\$491.950
43	83		\$90.000	\$332.764	\$420.252
44	84		\$90.000	\$251.061	\$343.303
45	85		\$90.000	\$163.246	\$260.632
50	90			\$155.440	\$281.023
55	65			\$139.103	\$171.670
60	100			\$186.987	\$186.987
80	120			\$612.194	\$612.194

These values are taken from a NexGen universal life proposal for illustrative purposes only and do not constitute a contract.

Tax questions should be referred to qualified tax counsel.