Published by Mutual Trust Life Insurance Company
A Pan-American Life Insurance Group Stock Company

Vanguard

DECEMBER 2016 FOR PRODUCER USE ONLY

"A RISING TIDE LIFTS ALL BOATS."

— JOHN F. KENNEDY —

Vanguard CONTENTS

DECEMBER 2016 | FALL ISSUE

5| Cover Story

11| 1035 Exchanges

13| New Application

COLUMNS

DEPARTMENTS

FEATURES & ARTICLES

Vanguard

Volume 38 | Number 4
DECEMBER 2016 | FALL ISSUE

Vanguard is published by Mutual Trust Life Insurance Company, a Pan-American Life Insurance Group Stock Company, Oak Brook, Illinois, with information for and about producers. Its purpose is to help inform our partners in the field about events, products of the company and trends in the life insurance and financial services industries.

Luke Cosme
Senior Vice President,
Chief Sales & Marketing Officer

Elizabeth Cicchetti, MBA, ACS, FLMI, CLU
Senior Marketing
Communications Specialist
cicchettie@mutualtrust.com

Yvette Lopez
Senior Graphic Designer
lopezy@mutualtrust.com

Product Portfolio:
Whole Life
Term Insurance – 10, 15, 20 & 30
Fixed Annuities

THE WHOLE LIFE COMPANY™
1-800-323-7320 • *www.mutualtrust.com*

CHICAGO'S 101 BEST AND BRIGHTEST COMPANIES TO WORK FOR WINNER 2016

Follow us on:

MUTUAL TRUST LIFE INSURANCE COMPANY
A Pan-American Life Insurance Group Stock Company

For Producer Use Only • Not for Public Distribution

Sometimes procrastination is a good thing.We recently celebrated the first anniversary of our merger into the Pan-American Life Insurance Group (PALIG), but as I was writing about that milestone, an event with slightly more significance occurred…the presidential election. I'll cover both topics, starting with the progress we've made during our first year in the PALIG organization.

Without a doubt, we accomplished more in the past year than I could have anticipated. Our expectation was that 2016 would be a year of doing the work, and the benefits of the merger would manifest themselves in 2017. Much to our pleasant surprise, these benefits began to emerge immediately, starting with the development of the 2016 policyholder dividend scale. Board approval of the 2016 scale was required at the November 2015 Board meeting, and because of PALIG's combined financial strength, we were able to maintain, and even slightly increase, the 2015 dividend scale. This may not have seemed like a lot, but it was the first time since my tenure began in 2007 that we didn't have some type of decrease in our dividend scale.

We also got an immediate positive reaction from the rating agencies. A.M. Best affirmed our "A-(Excellent)" rating, but enhanced our outlook from "Stable" to "Positive." Fitch gave us an immediate "A" rating, recognizing the value Mutual Trust brought to PALIG. The positive outlook from A.M. Best was encouraging, but we felt it would take 18-24 months before we would get upgraded from "A-" to "A". However, after presenting them with our progress during our June 30th meeting, A.M. Best upgraded Mutual Trust to "A" on September 29th, less than one year after the merger.

Investment benefits were also achieved right after the merger. We moved the management of our $1.4 billion bond portfolio from four outside managers to PALIG's internal investment department. Coincident with this move, there was disruption in the energy markets as a result of low oil prices. Because of their ability to act quickly, PALIG was able to find significant value in highly-rated bonds of large oil companies, giving Mutual Trust an early bump in investment yields. This would not have happened with our prior managers because their internal bureaucracies limit their ability to act on narrow windows of opportunity.

There have been many other gains achieved over the past year, but let's turn our attention to the surprising 2016 elections. It's been two days since the election as I write this, and my inbox is already blowing up with opinions, thoughts and comments about the potential impact on the insurance industry. In general, the consensus view at this point is positive. The 10-year Treasury yield is over 2% for the first time since late January; there is a sense that, with Republicans controlling the White House and Congress, there will be a move toward delaying, modifying or overturning regulations, many of which affect our business (such as the Department of Labor's Fiduciary Rule). Much is still being analyzed, and things may change once the initial reaction to the election settles down, but 2017, like the closing months of 2016, will be full of surprises.

We are on track for a very successful 2016. That doesn't happen without your support, and I sincerely thank you for that. As the year once again draws to a close, I wish you and your loved ones a very happy and safe holiday season.

Stephen M. Batza, FSA, MAAA, CLU, ChFC
President & Chief Executive Officer

By Luke Cosme
Senior Vice President
Chief Sales & Marketing Officer

It All Starts with You

There is a lot of excitement around this product in the field and in the Home Office, certainly because it's new and much more competitive.

This past October marked another significant milestone for Mutual Trust. With the launch of Horizon Value™, we had our first significant product introduction in some time. The early reviews on the product have been overwhelmingly positive–lots of calls, lots of emails, lots of requests for quotes. There is a lot of excitement around this product in the field and in the Home Office, certainly because it's new and much more competitive, but also because this one was a true team effort–one that was years in the making.

As you have no doubt heard many times, we had a moratorium on new product releases until ALIS was launched for new business. However, that didn't mean that we weren't working on product development. Step 1 in that process was to come up with a product design methodology. One thing we knew for sure was that we don't know everything. So, rather than take an "ivory tower" approach and introduce something that might not work, we solicited input from the field. As a matter of fact, some of you reading this probably got a call from your RVP, Roger Barth or me. We received a lot of feedback, most of which centered on a few common points:

1. Do no harm. Don't change the things that have made us competitive.
2. Have a plan. New product is great, but having something new to market on a regular basis is even better.
3. Improve the competitiveness overall. Don't just take a shot in the dark; use our core competitors as a benchmark.
4. Look to new markets with products designed for those markets.

We took the feedback we received to heart as we began the next step in our process–the design of the product from a features-and-benefits perspective. We knew right off the bat that we wanted to maintain our position as the best company in the industry for early, guaranteed cash values, which your feedback validated overwhelmingly. Another area that we wanted to explore was PUA riders. You told us that we were losing business that you would have preferred to send to us because your clients couldn't contribute to the flex PUA beyond age 75. Similarly, we heard that not having a band at $1 million in face amount was hurting us on larger cases. Each of those we have addressed with Horizon Value. The industry-leading, early, guaranteed cash values that you loved with Covenant II we kept for Horizon Value. We strengthened what was already one of the best flex PUA riders in the industry by extending the premium-paying period to age 90. Finally, we added a band at $1 million of face amount to give you a better option for large cases.

The next step in our process and the most impactful change we made was in response to the most passionate feedback that we received. Over and over again we heard how much you enjoy working with Mutual Trust and how much you value the relationships you have built with the company. We heard how you wish you could send us more of your business, if only the product were more competitive. This is an area that, under normal circumstances, would have been difficult to address. Interest rates remain at historic lows, a pressure felt by every company in the industry. But these aren't normal circumstances. The first year of our merger with Pan-American has exceeded even our most optimistic expectations, as Steve Batza describes in his "From the President" column (page 3). What it meant for Horizon Value was a significantly improved dividend scale, on both base policy and PUAs that puts us right back in the game with our competitors. If you haven't yet compared Horizon Value, I encourage you to call Sales Development and let us show you the opportunities for you on the horizon!

On behalf of everyone on the Sales and Marketing team, I would like to extend our sincere gratitude for a fantastic sales year and our warmest wishes to you and your families for a safe and happy holiday season. See you in 2017! V

Part I

Put Your Clients' RMDs to Work

With Horizon Value™ and Our Enhanced Flex-Pay PUA Rider

By Rich Weizeorick, FLMI, PCS, *Senior Sales Support Specialist*

This fall, Mutual Trust introduced Horizon Value™ participating whole life insurance, which has one of the best early cash value guarantees in the industry. It builds cash value early and fast and pays competitive, non-guaranteed dividends that accumulate rapidly and tax deferred, quickly multiplying in the policy. Policyowners have access, liquidity and control of this money throughout their lives through policy loans and by withdrawing values generated by dividends.

In addition to recently launching Horizon Value, we also increased the dividend scale on our single paid-up additional insurance (PUA) rider. And on our Flex Pay PUA rider, we not only increased the dividend scale, but we also extended the time we allow premiums to be paid to age 90, which can benefit your legacy and retirement-planning sales.

(continued on next page)

"A RISING TIDE LIFTS ALL BOATS."

— JOHN F. KENNEDY —

When people in or near retirement begin to assess their financial situation, some may realize that they probably won't need to use all of their retirement savings during their lifetimes.

Putting RMDs to Work

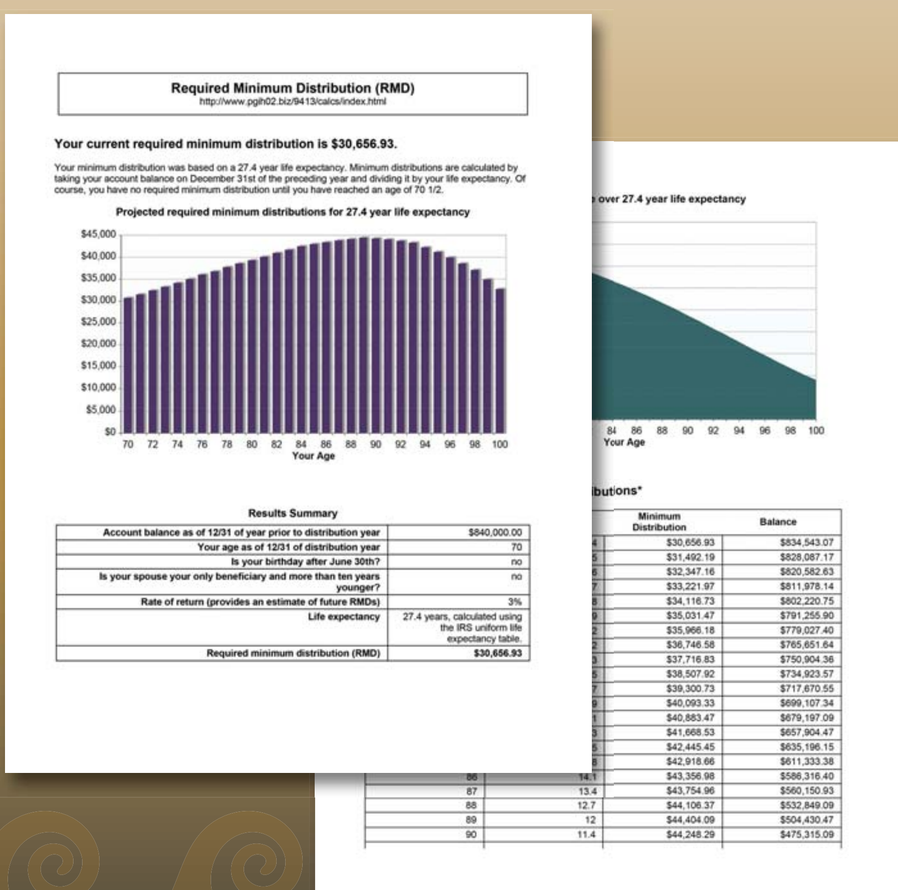
Although there are numerous situations where Horizon Value* and our enhanced Flex Pay PUA can really make a difference to your clients, here's one way that may not be top of mind—to put their required minimum distributions (RMDs) to work. As we all know, the workforce is undergoing a massive change. It's estimated that 10,000 workers retire every day and that this trend will continue for more than a decade as the baby boomers continue to exit the workforce.**

When people in or near retirement begin to assess their financial situation, some may realize that they probably won't need to use all of their retirement savings during their lifetimes. Yet, they will be forced to take RMDs from their qualified plans starting at age 70-1/2, whether they need the money or not.

People who fit into this category may be successful professionals, such as doctors, lawyers, small business owners, or farmers with a high net worth, aged 58 to 65, who are not only looking at their financial needs during retirement, but are also envisioning the future needs and wishes of their loved ones. Often these people want to keep their money growing with low or no-risk products in order to pass it on to the next generation, and they also want access, liquidity and control of it just in case emergencies develop. In addition, they want to keep income taxes as low as possible during their lifetime, and they don't want to pass on a tax burden to their children.

* Not available in all states. See the Agent Web Site for state availability.

** *The Wall Street Journal*, July 22, 2014.



Required Minimum Distribution (RMD)
http://www.pgih02.biz/9413/calcs/index.html

Your current required minimum distribution is $30,656.93.

Your minimum distribution was based on a 27.4 year life expectancy. Minimum distributions are calculated by taking your account balance on December 31st of the preceding year and dividing it by your life expectancy. Of course, you have no required minimum distribution until you have reached an age of 70 1/2.

Results Summary

Account balance as of 12/31 of year prior to distribution year	$840,000.00
Your age as of 12/31 of distribution year	70
Is your birthday after June 30th?	no
Is your spouse your only beneficiary and more than ten years younger?	no
Rate of return (provides an estimate of future RMDs)	3%
Life expectancy	27.4 years, calculated using the IRS uniform life expectancy table.
Required minimum distribution (RMD)	**$30,656.93**

...ibutions*

		Minimum Distribution	Balance
		$30,656.93	$834,543.07
		$31,492.19	$828,087.17
		$32,347.16	$820,582.63
		$33,221.97	$811,978.14
		$34,116.73	$802,220.75
		$35,031.47	$791,255.90
		$35,966.18	$779,027.40
		$36,746.58	$765,651.64
		$37,716.83	$750,904.36
		$38,507.92	$734,923.57
		$39,300.73	$717,670.55
		$40,093.33	$699,107.34
		$40,883.47	$679,197.09
		$41,668.53	$657,904.47
		$42,445.45	$635,196.15
		$42,918.66	$611,333.38
86	14.1	$43,356.98	$586,316.40
87	13.4	$43,754.96	$560,150.93
88	12.7	$44,106.37	$532,849.09
89	12	$44,404.09	$504,430.47
90	11.4	$44,248.29	$475,315.09

Required Minimum Distributions (RMDs)

Advanced Markets Online, available on the Agent Web Site on the BPC Home Page under "Sales Development," offers a variety of useful calculators. The "Required Minimum Distribution" calculator* enables you to project annual pre-tax RMDs for a specified sum of money over a person's expected lifetime.

I generated these reports (left) showing RMDs by year for my hypothetical client, Luke.

* Examples are for illustrative purposes only. Mutual Trust producers are prohibited from giving tax or legal advice and must advise clients to consult with a tax and legal expert of their choice.

The Dynamic Duo: Horizon Value and our Enhanced Flex Pay PUA

Here's an example of how Horizon Value and our Flex Pay PUA rider can help you assist prospects and clients who are nearing retirement and want to leave a legacy. Suppose you have a client named Luke who is a 62-year-old doctor. He has a wife, Laura, who's a 60-year-old accountant. Luke plans to retire at age 65. As he begins thinking about retirement, he realizes that his pension and several of his 401(k) accounts may be enough to cover a comfortable retirement for him and his wife for at least 30 years, barring any major setbacks.

But his plans still leave him with several 401(k) accounts that at age 70 will total approximately $1 million dollars. Luke and his wife don't expect to spend the money in these accounts, and they want to pass it on to their children and grandchildren. Yet Luke will have to start taking RMDs annually from these accounts when he reaches age 70-1/2.

As their Mutual Trust Life Insurance representative, one question you need to ask this couple is what they plan to do with these RMDs when the time comes to start taking them. By understanding how Horizon Value and our enhanced Flex Pay PUA rider work, you'll be better able to help them use their RMDs to leave more tax-free money to their loved ones.

Our Flex Pay PUA rider enables policyowners, at the time of issue, to select a stipulated annual premium for billing and a maximum annual premium. But premium payments are flexible. Policyowners can pay any amount, at any time, as long as the maximum premium ($100,000 per policy year–subject to underwriting) is not exceeded and the minimum premium ($100 per policy year) is met. As of this fall, premiums to our Flex Pay PUA can be made to age 90, which makes it especially useful for legacy planning.

(continued on next page)

HORIZON™ VALUE

One of the best early cash value guarantees in the industry, Horizon Value is an extremely versatile, participating whole life insurance product that provides policyowners access, liquidity and control of their money throughout their lives.

- Guaranteed level premiums, guaranteed cash values (plus non-guaranteed dividends), and guaranteed death benefit
- Issue Ages: 0-75
- Preferred Plus and Preferred rates on all rate bands*
- $1,000,000 rate band for cost-savings on larger face amounts
- No rate banding at $50,000 to better accommodate small face amounts
- Loans available within 10 business days after new premiums are processed (not to exceed the cash surrender value)

* Preferred Plus and Preferred rates are only available if the total amount underwritten, including riders, is $100,000 or greater.

Enhanced Flex Pay PUA

Mutual Trust's Enhanced Flex Pay Paid-Up Additions rider provides policyowners flexibility in the amount and frequency of rider premium payments.

- Policyowners can pay any amount, at any time, as long as they don't exceed the maximum annual premium they selected and are underwritten for, and they meet the minimum annual payment of $100
- Rider premiums can be paid up to age 90 to help with legacy and retirement planning
- Features enhanced dividend scale
- Disability Benefit Rider available

FIG. 1

Male: Age 62 | Non-Tobacco
Initial Face Amount: $403,611.61 | **Initial Annual Premium:** $20,000.00
Premium Mode: Annual | **Dividend Option:** Maximum Accumulation

			Guaranteed		Non-Guaranteed	
End of Year	Age	Annual Payment	Net Cash Value	Death Benefit	Net Cash Value	Death Benefit
1	63	$ 20,000	$ 969	$ 403,612	$ 974	$ 403,622
8	70	$ 20,000	$ 96,194	$ 415,437	$ 111,528	$ 511,045
9	71	$ 23,000	$ 114,292	$ 421,552	$ 131,925	$ 529,821
15	77	$ 26,975	$232,982	$ 474,407	$ 285,868	$ 666,722
25	87	$ 32,517	$ 478,450	$ 610,570	$ 617,600	$ 776,060

This is a hypothetical illustration, not a contract. These values are based on the dividend scale currently illustrated by Mutual Trust Life Insurance Company's Century II illustration software, version 4.83. Guaranteed values are based on 4% interest rate offset by expenses and mortality charges. Dividends are never guaranteed, and therefore, the death benefit may fluctuate. The results are not a guarantee of future performance. The non-guaranteed policy elements are not to be construed as guarantees of amount to be paid in the future.

The first step in helping clients like Luke and Laura is to determine their estimated annual RMDs. You can do this by using the Advanced Markets Online calculator, "Required Minimum Distribution," available on the Agent Web Site on the BPC Home Page under "Sales Development."

In Luke's case, I calculated that his first year RMD for $1 million dollars of account value, growing at 3%, could be $36,496. Over Luke's lifetime, his highest distribution could be $52,862. Using an assumed 25% tax bracket after retirement, I determined that Luke could have a low, after tax RMD of $27,372, and a projected high value of $39,646.50.

If now, at age 62, Luke starts taking annual distributions of $20,000 from his qualified plans to buy and pay premiums on a Horizon Value whole life insurance policy with a Flex Pay PUA rider, keeping the calculations simple and ignoring taxes, Luke would still have approximately $840,000 in his qualified accounts by the time he has to start taking RMDs at age 70-1/2. (By purchasing the policy now when he is younger and healthy rather than waiting, he'll save money on the premiums.)

...you're not just helping your clients plan for their retirement, you are helping them plan for "significance."

When Luke turns 70-1/2, his first year RMD after taxes on the remaining $840,000 of cash value in his qualified accounts could be approximately $23,000, and his projected maximum RMD during his lifetime could be $33,300. By keeping the Flex Pay PUA rider's maximum annual premium $14,000 higher than Luke's stipulated (billed) annual premium, the policy will be able to accept Luke's full RMD all the way up to age 90 without requiring additional underwriting.

The second step in the process is to put the plan in place. In Luke's case, a Horizon Value policy with a base coverage of $19,000 and a 28-year Flex Pay PUA rider with an initial premium of $1,000, a minimum annual premium of $100 and a maximum annual premium of $15,263 (see Fig 1), will enable him to grow his RMDs tax-deferred.

For his wife, Laura, you can set up a similar policy. These policies will greatly increase the amount of income-tax-free money the couple leave their loved ones while still providing them liquidity, access and control of their money during their lives. The end result? Now you're not just helping your clients plan for their retirement, you are helping them plan for "significance." V

For help in designing cases or for more information on how our products can help you make a difference, contact our **Sales Development Team**:

800-323-7320, ext. 5140 | *SalesDevelopment@mutualtrust.com*

Part II

Mutual Trust Ends 2016 on High Notes!

By Elizabeth Cicchetti, MBA, ACS, FLMI, CLU, *Senior Marketing Communications Specialist*

As Steve Batza, FSA, MAAA, CLU, ChFC, Mutual Trust's President & CEO, reiterates in his "From the President" column, on September 29th, less than one year after our merger with Pan-American, A.M. Best upgraded Mutual Trust to "A" (Excellent) from "A-".

According to A.M. Best, this upgrade reflects the rating agency's view of the successful integration of Mutual Trust Financial Group and the Pan-American Life Mutual Holding Company after the 2015 merger and "the strategic importance of Mutual Trust as the functional focal point of the domestic life business of the consolidated entity."

(continued on next page)

"A RISING TIDE LIFTS ALL BOATS."

— JOHN F. KENNEDY —

For more than a century, through good times and bad, Mutual Trust has consistently paid dividends to owners of its participating products.

On news of the upgrade, Steve Batza noted that the rating action is a strong indication of the significance of being part of a larger organization that has a diversified product portfolio and a commitment to exceptional financial strength. He also added that Mutual Trust is proud to be leading the growth of Pan-American Life Insurance Group's (PALIG) U.S. Life Business.

On the same day, A.M. Best also reaffirmed Pan-American Life Insurance Company's rating of "A" (Excellent). According to A.M. Best, this reaffirmation reflects the benefits derived from the company's long-established presence and name recognition in Latin America and the U.S. Hispanic marketplace, as well as an improved balance sheet and income statement, solid consolidated risk-adjusted capitalization, a well-performing fixed-income investment portfolio, and positive net operating performance.

On hearing the news, José S. Suquet, PALIG's Chairman of the Board, President and CEO, concluded that "these ratings are further confirmation that as one company, we are stronger than ever" and that he was confident that "the road ahead will see us attain even greater heights."

Well, the news continued to get better. At the end of November, Mutual Trust announced that it would maintain its dividend scale and increase its dividend payout in 2017. This announcement by the organization's Board of Directors is based on Mutual Trust's solid financial position, increased capital flexibility following our 2015 merger with Pan-American, and our dedication to our policyholders. The decision comes during a period of extreme economic uncertainty and unprecedented, continuing low interest rates.

In general, dividends are a function of the experience of a company and depend on the company's investment income, mortality experience and expense levels. While Mutual Trust's mortality experience and expense levels have remained consistent, ongoing low interest rates continue to affect investment income throughout the industry.

Mutual Trust takes great pride in delivering outstanding guaranteed values to our policyholders. Although dividends are not required nor guaranteed, we view them as an important added benefit to the exceptionally strong policy guarantees of our participating whole life products, including our newest product, Horizon Value™. For more than a century, through good times and bad, we have consistently paid dividends to owners of our participating products. In fact, we have paid a dividend to policyholders each year since 1908.

To run illustrations which reflect the 2017 dividends for new business on all participating Mutual Trust products, use Century II illustration software, version 4.85. For agents and potential clients in states where Horizon Value is not yet available, version 4.85 of the software also reflects Horizon Value's highly competitive dividend scale on your Covenant II cases. To download version 4.85 of the software, go to the Agent Web Site. For help in plan design and to run illustrations, please contact our Sales Development Team at 800-323-7320, ext. 5140 or *SalesDevelopment@mutualtrust.com*.

A.M. Best's 2016 Rating Report for Mutual Trust will be available on our website, *www.mutualtrust.com*, by the end of December.

By Elizabeth Cicchetti, MBA, ACS, FLMI, CLU
Senior Marketing Communications Specialist

1035 Exchanges
Who, What, Where, When, Why and How?

Although 1035s may sound complicated (the rules governing them are documented in Section 1035 of the Internal Revenue Code), Mutual Trust can help make the process as easy as possible for you and your clients. Here are some tips for submitting incoming 1035s to us.

The IRS allows holders of outdated life insurance policies, endowments and non-qualified annuities to exchange them for new ones that can provide better benefits.

Who, What, Where, When and Why?

Surrendering an existing life insurance, endowment or annuity policy is often a taxable event for policyowners because they must recognize any gain on the old contract as ordinary income (not capital gains). However, the IRS allows holders of outdated life insurance policies, endowments and non-qualified annuities to exchange them for new ones that can provide better benefits, lower fees and different investment options without having to pay taxes on the gains as long as they follow these rules.

- Exchange like-kind contracts. In other words, replace an existing life insurance policy with a new life insurance policy, or replace an existing annuity with a new annuity. The owner and insured, or annuitant on the new contract must be the same as on the old contract. In addition, if the old policy is jointly owned, then the new contract must also be jointly owned by the same owners. If the original contract was a Modified Endowment Contract (MEC), the new contract will also be a MEC.
- The funds must transfer from institution to institution, and the old contract must actually be exchanged (in whole) for the new contract. Policyowners cannot receive a check and apply the proceeds to the purchase of a new contract, nor can any balance of funds received as a 1035 exchange be refunded to the policyowner. Any proceeds taken in cash, transferred into a non-like-kind contract, or used to pay off a loan on the policy will be taxed as ordinary income.

How We Do Them

At Mutual Trust, we strive to make 1035 exchanges simple and quick. Here's a look at our process and the steps you and your clients need to follow.

1. **Complete the top half of Form No. 4154B-5, "Proposed 1035 Exchange to Mutual Trust Life Insurance Company."** This authorizes us to verify with the issuing company that the exchange is valid. Form No. 4154B-5 is available on the Agent Web Site under "Forms & Applications."
Please note, like most insurance companies, Mutual Trust does not accept 1035 exchanges on policies that have a negative cost basis, nor does it allow a loan on an incoming 1035 exchange. If the policy has a loan, the policyowner can pay off the loan prior to the exchange or consider reducing the original contract prior to the exchange. If the exchanged policy has a loss, then the funds from the exchange can only be used to pay premium for the base coverage and paid-up additional insurance riders (PUAs) on the new policy. The funds from the exchange can't be used to pay premiums for term

(continued on next page)

(continued from previous page)

Replace an existing life insurance policy with a new life insurance policy, or replace an existing annuity with a new annuity.

riders or benefit coverages such as a waiver of premium, a child rider, other insureds, or 7- or 15-year term riders. The policyowner will have to pay premiums for these coverages out of pocket.

On the other hand, if the exchanged policy has a gain, the funds from the exchange can be used to not only pay premiums on the base coverage and PUA riders, but also term riders and other benefit coverages. However, if premium for any term riders or coverages exceed the amount of gain transferred to the new contract, then the policyowner will need to pay any premium amounts not covered by the transferred gain amount exchange out of pocket.

2. **Complete, date, and sign Form No. 4154A-5, "Absolute assignment for 1035 Exchange," which is also available on the Agent Web Site under "Forms & Applications."** Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin are community property states, so the spouse also has to sign this form. If there is no spouse, please write "no spouse" on the spouse signature line. More than one policy number may be included on the assignment form provided the policy numbers are from the same company and the Insured and Owner are the same.

3. **When Form No 4154A-5 is filled out completely, dated and signed, submit it to Mutual Trust either by mail or fax (630-684-5445), along with Form No. 4154B-5 and the new application.** These forms and the application must be currently dated and submitted together. As soon as we receive them and the new application is approved as applied for, we will contact the existing company and obtain a cost basis for the exchange so we can determine if the existing contract has a loss or gain to transfer to the new contract. This information will enable us to determine if the funds can be allocated to premium on all coverages or only the base and PUAs.

   We will continue to follow up regularly with the existing company to obtain the information and funds necessary to validate the exchange. However, it's important to advise your clients that these companies may require them to fill out their own 1035 exchange forms before they will release the funds.

4. **Tell your clients to continue to pay premiums, if applicable, on the existing policy until the new Mutual Trust policy is issued and paid.** Continuing to pay premiums is very important to ensure that the client is covered during the exchange process. Depending on the product and the existing company, any unused premium may be refunded.

If you have any questions or need any assistance with 1035s, please call us:

800-323-7320, ext. 5060.

Our Department of Policy Services is committed to receiving 1035 funds as expeditiously as possible and completing exchanges efficiently. V

By Joel Jones, FLMI, AALU
Vice President, Chief Underwriter

Our New Application Can Make it Faster and Easier to Submit New Business

Here are a few tips to make the process even smoother

To help save you and your clients time and effort, we recently introduced a new life application (Form No. ICC16-6500-16), which replaces Form No. ICC12-6300-12. Use it, and state specific versions, when submitting business for all life products, including Horizon Value™, Economax®, Legacy One and SelecTerm in states where the application has been approved.* Copies of the new app (and state specific versions) are available from the Agent Web Site in printable and fillable PDF formats under "Forms & Applications."**

We've already received feedback from people who've used the new application, and they've told us that not only does it look cleaner, but it takes considerably less time to complete.

When we redesigned the app, we listened to your suggestions. The end result is a more user-friendly form that provides more space for your and your clients' answers. We've already received feedback from people who've used the new application, and they've told us that not only does it look cleaner, but it takes considerably less time to complete. Other important changes include:

- Detailed instructions to aid in submission,
- A checklist to help you ensure your application package is complete before you submit it (see Fig. 2 on the next page),
- An easy-to-follow layout for quick completion,
- Updated underwriting questions, and
- A simplified Agent's Report.

To help in transitioning to the new app, we'll accept new business written on the old app, in states where the new app has been approved, provided the application is dated on or before December 31, 2016, and received by the Home Office by January 15, 2017. Applications dated after December 31, 2016, must be submitted on the new form.

(continued on next page)

* *As of November 28, 2016, the new application is available in all states except California. Mutual Trust does not do business in New York.*

** *For printed copies of the new application, contact Mutual Trust's Department of Document Imaging & Distribution at 800-323-7320, ext. 5555, or Mailroom@mutualtrust.com.*

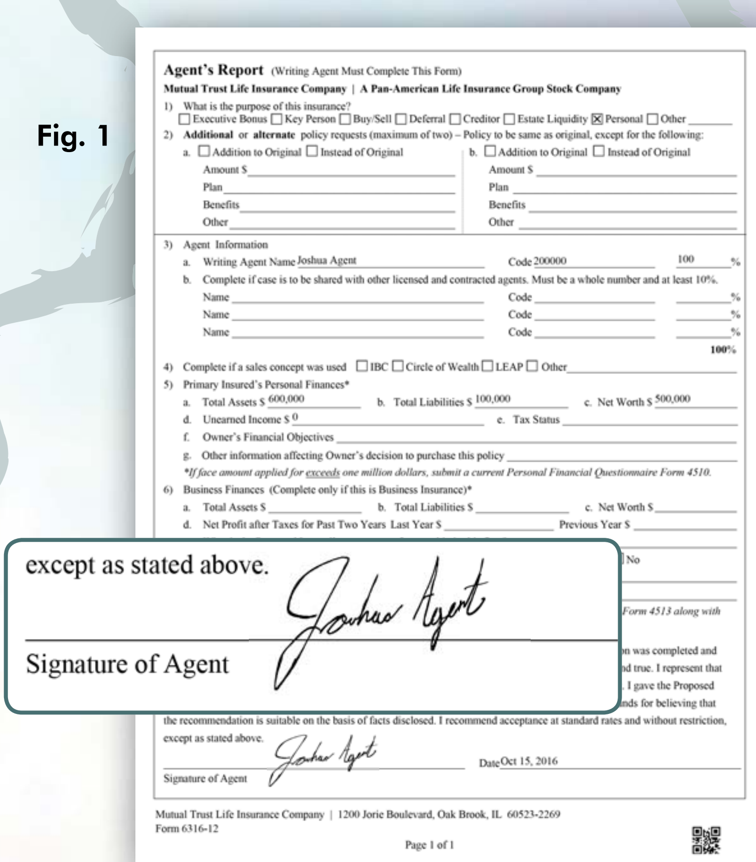
Here are a few tips to make the application process even easier:

1 Remember, application forms are state specific. Please select the correct state of issue for the policy (state in which the application will be signed) from the Agent Web Site. For example, if the application is for Illinois and will be signed in Illinois, all forms used must be for Illinois.

2 Be sure to complete and sign the Agent's Report and include it with the application when you send it to the Home Office (see Fig. 1).

3 Check off items as you complete them on the New Business Application Checklist to ensure your application package is complete before you submit it to the Home Office. Note any special instructions you or your client may have on the checklist, in the space provided. This may include a request for "hold for issue," etc. Include the checklist in your application package when you submit your case to the Home Office (see Fig. 2).

Fig. 1



Agent's Report (Writing Agent Must Complete This Form)

Mutual Trust Life Insurance Company | A Pan-American Life Insurance Group Stock Company

1) What is the purpose of this insurance?
☐ Executive Bonus ☐ Key Person ☐ Buy/Sell ☐ Deferral ☐ Creditor ☐ Estate Liquidity ☒ Personal ☐ Other ______

2) **Additional** or **alternate** policy requests (maximum of two) – Policy to be same as original, except for the following:
a. ☐ Addition to Original ☐ Instead of Original — Amount $ ___ Plan ___ Benefits ___ Other ___
b. ☐ Addition to Original ☐ Instead of Original — Amount $ ___ Plan ___ Benefits ___ Other ___

3) Agent Information
a. Writing Agent Name Joshua Agent Code 200000 100 %
b. Complete if case is to be shared with other licensed and contracted agents. Must be a whole number and at least 10%.
Name ___ Code ___ ___%
Name ___ Code ___ ___%
Name ___ Code ___ ___%
100%

4) Complete if a sales concept was used ☐ IBC ☐ Circle of Wealth ☐ LEAP ☐ Other ______

5) Primary Insured's Personal Finances*
a. Total Assets $ 600,000 b. Total Liabilities $ 100,000 c. Net Worth $ 500,000
d. Unearned Income $ 0 e. Tax Status ___
f. Owner's Financial Objectives ___
g. Other information affecting Owner's decision to purchase this policy ___
**If face amount applied for exceeds one million dollars, submit a current Personal Financial Questionnaire Form 4510.*

6) Business Finances (Complete only if this is Business Insurance)*
a. Total Assets $ ___ b. Total Liabilities $ ___ c. Net Worth $ ___
d. Net Profit after Taxes for Past Two Years Last Year $ ___ Previous Year $ ___

... No

... *Form 4513 along with*

...n was completed and ...nd true. I represent that ... I gave the Proposed ...nds for believing that the recommendation is suitable on the basis of facts disclosed. I recommend acceptance at standard rates and without restriction, except as stated above.

Joshua Agent

Signature of Agent Date Oct 15, 2016

Mutual Trust Life Insurance Company | 1200 Jorie Boulevard, Oak Brook, IL 60523-2269
Form 6316-12

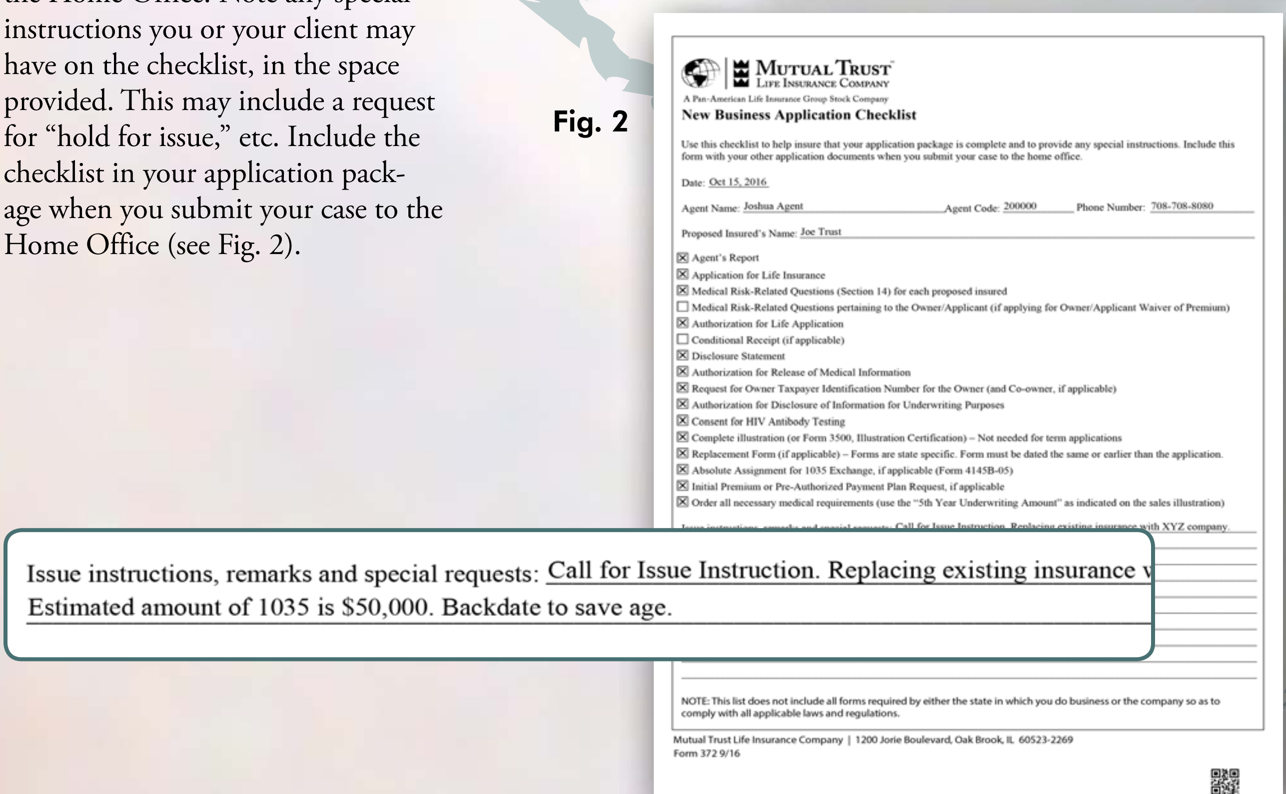
Page 1 of 1

except as stated above.

Joshua Agent

Signature of Agent

Fig. 2



MUTUAL TRUST LIFE INSURANCE COMPANY
A Pan-American Life Insurance Group Stock Company

New Business Application Checklist

Use this checklist to help insure that your application package is complete and to provide any special instructions. Include this form with your other application documents when you submit your case to the home office.

Date: Oct 15, 2016

Agent Name: Joshua Agent Agent Code: 200000 Phone Number: 708-708-8080

Proposed Insured's Name: Joe Trust

- ☒ Agent's Report
- ☒ Application for Life Insurance
- ☒ Medical Risk-Related Questions (Section 14) for each proposed insured
- ☐ Medical Risk-Related Questions pertaining to the Owner/Applicant (if applying for Owner/Applicant Waiver of Premium)
- ☒ Authorization for Life Application
- ☐ Conditional Receipt (if applicable)
- ☒ Disclosure Statement
- ☒ Authorization for Release of Medical Information
- ☒ Request for Owner Taxpayer Identification Number for the Owner (and Co-owner, if applicable)
- ☒ Authorization for Disclosure of Information for Underwriting Purposes
- ☒ Consent for HIV Antibody Testing
- ☒ Complete illustration (or Form 3500, Illustration Certification) – Not needed for term applications
- ☒ Replacement Form (if applicable) – Forms are state specific. Form must be dated the same or earlier than the application.
- ☒ Absolute Assignment for 1035 Exchange, if applicable (Form 4145B-05)
- ☒ Initial Premium or Pre-Authorized Payment Plan Request, if applicable
- ☒ Order all necessary medical requirements (use the "5th Year Underwriting Amount" as indicated on the sales illustration)

Issue instructions, remarks and special requests: Call for Issue Instruction. Replacing existing insurance with XYZ company.

NOTE: This list does not include all forms required by either the state in which you do business or the company so as to comply with all applicable laws and regulations.

Mutual Trust Life Insurance Company | 1200 Jorie Boulevard, Oak Brook, IL 60523-2269
Form 372 9/16

Issue instructions, remarks and special requests: Call for Issue Instruction. Replacing existing insurance v
Estimated amount of 1035 is $50,000. Backdate to save age.

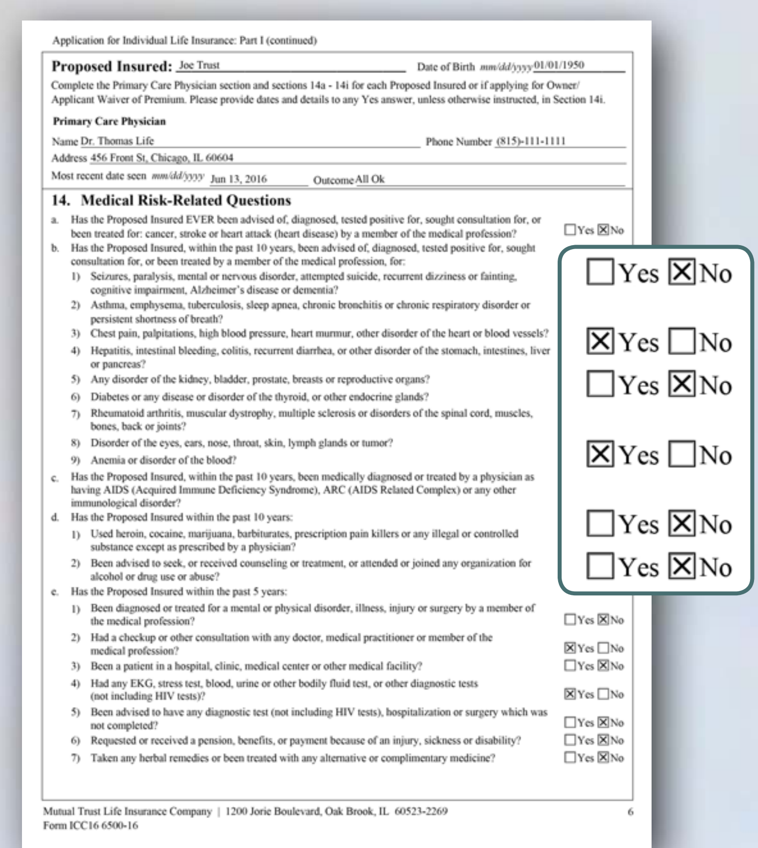
4 When answering Medical Risk-Related Questions on page 6 (see Fig. 3), be sure to give details for all "Yes" answers in the space provided in 14i on page 7 (see Fig. 4).

5 Each owner of the policy must sign page 9. In addition, you must include a copy of each owner's driver's license or state ID and a Form W-9.

6 We encourage you to include a cover letter for any unique financial or medical situation, or anytime you feel that additional, up front, information will help answer any questions that might arise during underwriting. This information may help reduce the amount of time it takes to process the application.

While we've streamlined the new application to make it easier for you and your client, we've also retained much of the original format, which should help in the transition process. As you continue to use the new form, please feel free to share your thoughts about it with us. V

Fig. 3



Application for Individual Life Insurance: Part I (continued)

Proposed Insured: Joe Trust Date of Birth mm/dd/yyyy 01/01/1950

Complete the Primary Care Physician section and sections 14a - 14i for each Proposed Insured or if applying for Owner/Applicant Waiver of Premium. Please provide dates and details to any Yes answer, unless otherwise instructed, in Section 14i.

Primary Care Physician

Name Dr. Thomas Life Phone Number (815)-111-1111

Address 456 Front St, Chicago, IL 60604

Most recent date seen mm/dd/yyyy Jun 13, 2016 Outcome All Ok

14. Medical Risk-Related Questions

a. Has the Proposed Insured EVER been advised of, diagnosed, tested positive for, sought consultation for, or been treated for: cancer, stroke or heart attack (heart disease) by a member of the medical profession? ☐Yes ☒No

b. Has the Proposed Insured, within the past 10 years, been advised of, diagnosed, tested positive for, sought consultation for, or been treated by a member of the medical profession, for:
1) Seizures, paralysis, mental or nervous disorder, attempted suicide, recurrent dizziness or fainting, cognitive impairment, Alzheimer's disease or dementia?
2) Asthma, emphysema, tuberculosis, sleep apnea, chronic bronchitis or chronic respiratory disorder or persistent shortness of breath?
3) Chest pain, palpitations, high blood pressure, heart murmur, other disorder of the heart or blood vessels?
4) Hepatitis, intestinal bleeding, colitis, recurrent diarrhea, or other disorder of the stomach, intestines, liver or pancreas?
5) Any disorder of the kidney, bladder, prostate, breasts or reproductive organs?
6) Diabetes or any disease or disorder of the thyroid, or other endocrine glands?
7) Rheumatoid arthritis, muscular dystrophy, multiple sclerosis or disorders of the spinal cord, muscles, bones, back or joints?
8) Disorder of the eyes, ears, nose, throat, skin, lymph glands or tumor?
9) Anemia or disorder of the blood?

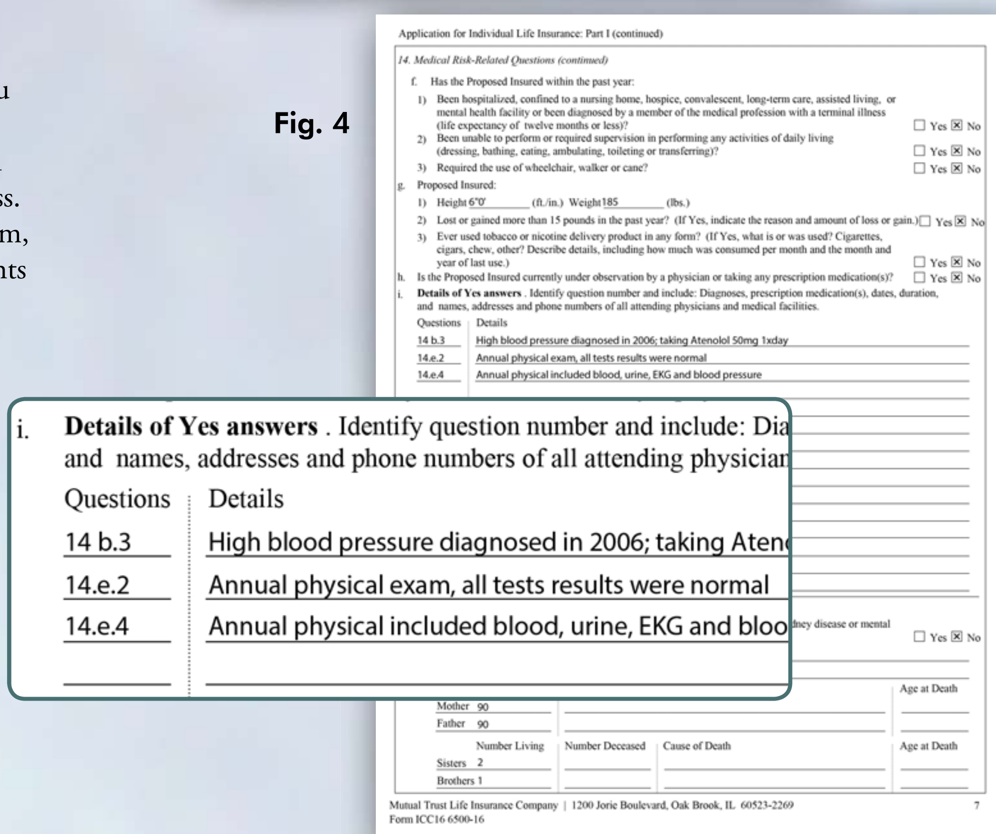
c. Has the Proposed Insured, within the past 10 years, been medically diagnosed or treated by a physician as having AIDS (Acquired Immune Deficiency Syndrome), ARC (AIDS Related Complex) or any other immunological disorder?

d. Has the Proposed Insured within the past 10 years:
1) Used heroin, cocaine, marijuana, barbiturates, prescription pain killers or any illegal or controlled substance except as prescribed by a physician?
2) Been advised to seek, or received counseling or treatment, or attended or joined any organization for alcohol or drug use or abuse?

e. Has the Proposed Insured within the past 5 years:
1) Been diagnosed or treated for a mental or physical disorder, illness, injury or surgery by a member of the medical profession? ☐Yes ☒No
2) Had a checkup or other consultation with any doctor, medical practitioner or member of the medical profession? ☒Yes ☐No
3) Been a patient in a hospital, clinic, medical center or other medical facility? ☐Yes ☒No
4) Had any EKG, stress test, blood, urine or other bodily fluid test, or other diagnostic tests (not including HIV tests)? ☒Yes ☐No
5) Been advised to have any diagnostic test (not including HIV tests), hospitalization or surgery which was not completed? ☐Yes ☒No
6) Requested or received a pension, benefits, or payment because of an injury, sickness or disability? ☐Yes ☒No
7) Taken any herbal remedies or been treated with any alternative or complimentary medicine? ☐Yes ☒No

Mutual Trust Life Insurance Company | 1200 Jorie Boulevard, Oak Brook, IL 60523-2269 6
Form ICC16 6500-16

Fig. 4



Application for Individual Life Insurance: Part I (continued)

14. Medical Risk-Related Questions (continued)

f. Has the Proposed Insured within the past year:
1) Been hospitalized, confined to a nursing home, hospice, convalescent, long-term care, assisted living, or mental health facility or been diagnosed by a member of the medical profession with a terminal illness (life expectancy of twelve months or less)? ☐ Yes ☒ No
2) Been unable to perform or required supervision in performing any activities of daily living (dressing, bathing, eating, ambulating, toileting or transferring)? ☐ Yes ☒ No
3) Required the use of wheelchair, walker or cane? ☐ Yes ☒ No

g. Proposed Insured:
1) Height 6'0" (ft./in.) Weight 185 (lbs.)
2) Lost or gained more than 15 pounds in the past year? (If Yes, indicate the reason and amount of loss or gain.) ☐ Yes ☒ No
3) Ever used tobacco or nicotine delivery product in any form? (If Yes, what is or was used? Cigarettes, cigars, chew, other? Describe details, including how much was consumed per month and the month and year of last use.) ☐ Yes ☒ No

h. Is the Proposed Insured currently under observation by a physician or taking any prescription medication(s)? ☐ Yes ☒ No

i. **Details of Yes answers** . Identify question number and include: Diagnoses, prescription medication(s), dates, duration, and names, addresses and phone numbers of all attending physicians and medical facilities.

Questions	Details
14 b.3	High blood pressure diagnosed in 2006; taking Atenolol 50mg 1xday
14.e.2	Annual physical exam, all tests results were normal
14.e.4	Annual physical included blood, urine, EKG and blood pressure

...ney disease or mental ☐ Yes ☒ No

	Number Living	Number Deceased	Cause of Death	Age at Death
Mother	90			
Father	90			
Sisters	2			
Brothers	1			

Mutual Trust Life Insurance Company | 1200 Jorie Boulevard, Oak Brook, IL 60523-2269 7
Form ICC16 6500-16

By Douglas I. Friedman, JD, CLU
Friedman Law Firm

Carnac the Magnificent and Advanced Sales

Mutual Trust Life Insurance Company has retained the services of **Friedman Law Firm** to provide advanced sales support. **Doug Friedman** is a practicing attorney with an estate and business planning practice. You can reach him, Jessica Friedman, JD, or Cheryl Cobb at 205-879-3033, or by email at *douglas@fdlawfirm.com*. Be sure to mention your affiliation with Mutual Trust.

I remember Carnac the Magnificient, Johnny Carson's make-believe fortune teller. Ed McMahon, Johnny's sidekick, would hand Johnny a sealed envelope with a question in it. Carnac (played by Carson) would take the envelope and hold it up to his forehead. Then Carnac would state what the answer to the question was, without seeing the question. Next, Carnac would open the envelope and read the question—which, of course, when combined with the answer, was supposed to be funny.

So, let's pretend that you, the reader, are Carnac. (Please note, this exercise is a professional one, not a joke.) The answer to the question in the envelope is: "Flexible, Simple and Explainable." What would you say the question is? Here's a hint: Keep in mind the subject matter of this column. If you said the question is "What should an advanced sale be?" you are correct. Why is that the question? Let's look at each of these ideas.

Flexible

It seems that every new Congress proposes changes to the tax laws. The federal estate and gift tax exemption per person is currently $5 million, indexed for cost of living increases ($5.45 million in 2016). But, an often heard proposal is to lower it to $3.5 million per person. If you are designing a policy for an estate plan, you should consider how the plan will be affected by a lower estate and gift tax exclusion.

Clients nowadays are often more concerned with income taxes, which have risen substantially and can be expected to continue to rise. But which income taxes will rise and by how much? Will it be the FICA tax? The capital gains tax? Other income taxes? No one knows. An advanced sale should consider possible changes in income taxes, too.

Another consideration is life expectancy. How long does the advanced sale have to last? Sometimes we know how long it has to last, such as to retirement. But often, we don't know how long. If the insured is 50 and in good health, the insured is likely to live another thirty years. So, longevity may also be a consideration.

All of these considerations raise the value of flexibility in the design of the life insurance policy. Utilizing paid-up additional insurance riders is an excellent way to achieve flexibility. Another way is to fund a policy with more than a minimum premium, if that's possible. The more money that is in the policy, the more flexible it usually will be. Otherwise, even a policy loan can derail your planning.

Simple

An agent recently called me about a case and launched into a long and detailed explanation of what the customer was telling him needed to be done. After hearing the whole story, I pointed out that the customer's rendition of the solution would require a lawyer to draft a document and the CPA to run some numbers—both of which would involve time and expense and probably delay the sale. So I suggested an alternative that accomplished most of the same goals as the customer's idea, but did not involve a lawyer or CPA. The agent proposed the alternative, and, as a result, he sold the case immediately, with substantial whole life premium for a buy-sell. So, if your customer suggests a solution that your intuition tells you is too complicated, call Rich Weizeorick or me to find out whether there is a simpler solution that will facilitate a smoother sales process. It's what we do.

Explainable

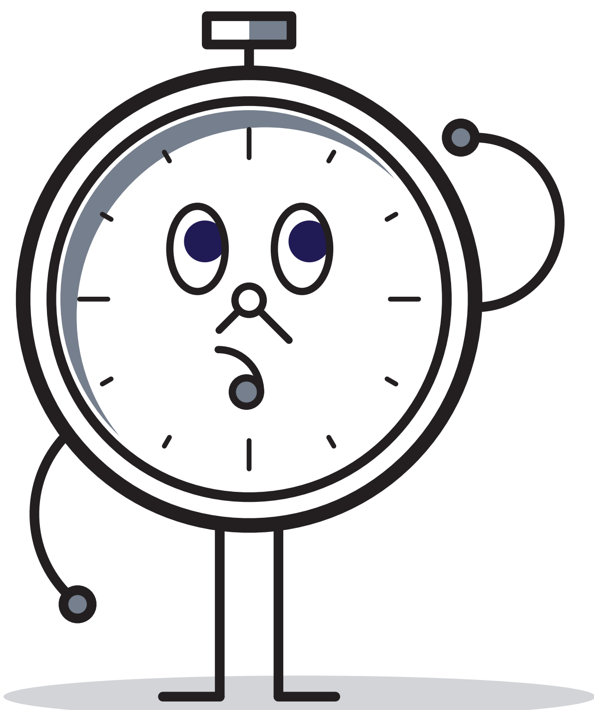
I tell my clients that if they don't understand the plan we are proposing, then that's my fault because my job is to explain things to them. In my opinion, if you propose a plan that the customer cannot understand, in spite of how well you explain it, then maybe you should come up with another plan. What may actually be the best plan in the world is not really the best plan if the customer does not understand it. If you need evidence of this, think about the times that a client has done something with a policy that is contrary to the plan that you designed to solve the client's needs. It has happened to all of us.

Your clients have long-term needs and they need your expertise in designing a solution that will solve those needs.

So when you propose a plan to a customer, try to make it flexible, simple and explainable. That way your client should be pleased with the results over the years. In addition, I have found that since the financial crisis, it's just harder to plan very far ahead. Our clients used to do five year plans. Now they often say that if they can figure out where things will be in six months they will be doing well. Things change much more quickly now and often for reasons that we may not even understand.

Yet, an advanced sale by its nature needs to last for a longer time than six months. Your customers have long-term needs and they need your expertise in designing a solution that will solve those needs. So, the plan has to be flexible. V

By MGA Jonathan Lee
Rockville, Maryland



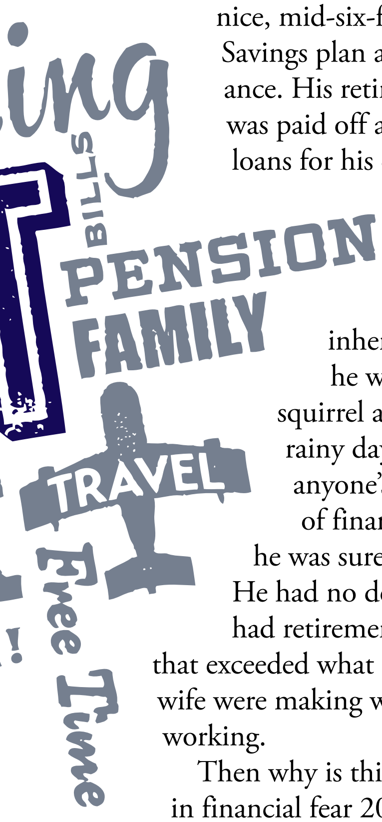
A Comprehensive Model is Vital for Financial Success

How complete is **YOUR** model?

There's a looming crisis heading toward retirees that's becoming the source of more anxiety, frustration and fear than almost any other single crisis we have seen over the past several decades. In our industry, we have the power and the tools to help our clients avert it, but it takes comprehensive planning. Are you providing it?

History Can't Predict the Future

One of my first clients retired over 20 years ago as a civil service government employee. His pension was 80% of his working salary, plus he had amassed a nice, mid-six-figure Thrift Savings plan account balance. His retirement home was paid off and the college loans for his children were finally finished. He even had a small inheritance that he was able to squirrel away for a rainy day. By almost anyone's definition of financial success, he was surely a winner. He had no debt, and he had retirement income that exceeded what he and his wife were making while they were working.



Then why is this client living in financial fear 20 years later? What could possibly derail the plan he had implemented so well for years? After all, most people who label themselves financial gurus on radio, TV and in print media are what led this family's finances into this seemingly perfect plan. Maxing out the 401(k)/IRA retirement accounts they had, even doing "catch up," and making extra payments toward their mortgage seemed like the popular advice they always heard. Unfortunately, no one took the opportunity during any of the planning phases during this person's life to build a comprehensive financial model for his family's retirement and make sure the protection elements of his plan were sound.

In my experience, almost all financial professionals spend the bulk of their time analyzing and recommending investment accounts and products that they and their clients have literally no control over. You hear terms like asset allocation and Monte Carlo simulation, and even efficient frontier. These are all fancy descriptions of how you look back historically to make decisions about your future. Intuitively, as intelligent people, we know that history rarely repeats itself with any degree of predictability, yet Wall Street has us believing that we can use predictive modeling and have some control over the future. This is all an illusion that the American public has been sold for decades.

Here's the catch. As you may have guessed, my client had some health issues which forced him into early

To avoid financial pitfalls, people need to have an economic model to verify scenarios, projections and *what ifs*.

retirement. A recent diagnosis of dementia, coupled with the lasting effects of a stroke he had over 20 years ago, leave him and his wife in constant financial fear of the future. All of the seemingly genius planning he has done up to this point is essentially obsolete. Soon he will begin to need part- or full-time care to help him with his activities of daily living, and he could very possibly live 15 more years needing care. Everything in his retirement accounts are fully taxable, and they will get decimated by taxes in the next few years as he withdraws money for his care. Even worse, his wife is as healthy as can be and is very likely to live into her 90s. Their most valuable asset, the family home, is worth $800,000, but it will be of only marginal use to them in dealing with this crisis. In fact, much to the disappointment of their children and grandchildren, the home they have loved for 40 years will likely be sold in order to pay for the couple's long-term care needs. This could all have been avoided.

Planning for the "What Ifs"

Proper planning has little to do with investments and products, the stock market or asset allocations. To avoid financial pitfalls, people need to have an economic model to verify scenarios, projections and what ifs. What if we live too long or die too early? What if we get sick or disabled? What if inflation and taxes go through the roof? How will our plan stand up and how do we know that for sure? Once we've constructed a financial model for our clients, these questions can be easily answered in a matter of seconds. We can prepare for the "what ifs" and adjust our plans accordingly without having to start from scratch every time something happens that we didn't anticipate. We can illustrate how the velocity of money works and how the power of the dollar can be leveraged to accomplish multiple objectives. One dollar can act as a tax-free accumulation account. That same dollar can add disability and long-term care protection. And if nothing goes wrong, we can pass that dollar tax-free to our heirs. That's like killing four birds with one stone. What does your financial model look like? V

For more information about how LEAP® software can help you create financial models for your clients, contact:

Kathy Johnson
Mutual Trust's LEAP coordinator
800-323-7320, ext. 5353
@ *JohnsonK@mutualtrust.com*

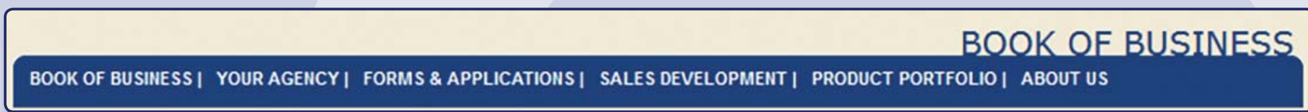
By Rich Harper
Marketing and Communications Specialist

Changes to the Agent Web Site

Now Leaner, Cleaner and Easier to Use!

If you have not been to the Agent Web Site recently, then you are in for a surprise. It has undergone some big changes. In an effort to make the site more useful for agents like you, we decided to take inventory of everything that was on it. During that process we determined some of the information was redundant, while some was no longer relevant to how our business is growing. So we cleaned it up. We got rid of what is no longer useful and reorganized everything else. The result is an Agent Web Site that is now leaner, cleaner and easier to use.

1



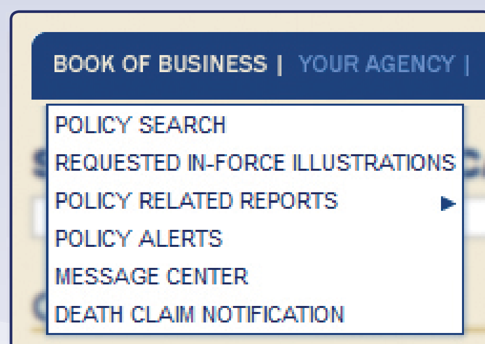
New Navigation Scheme

The first thing you will notice is that the primary navigation bar at the top of every page has changed. The reason is the sections themselves have changed. We eliminated "Sales Support" and "Marketing Support," as well as "Events & Training." We also created two new sections: "Your Agency" and "Sales Development." Now the website has only six main sections instead of seven.

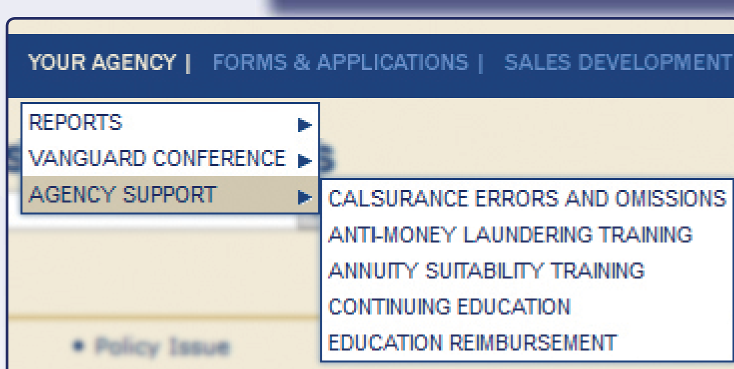
2

Book of Business vs. Your Agency

In addition to the primary navigation bar, the other major change you will notice is that some things have been moved from "Book of Business" to the new "Your Agency" section. By separating this information into two areas, both are now arranged more logically and are easier to navigate. For example, the "Book of Business" section now contains only those things that pertain to your clients, such as pending and in-force policy information, policy related reports, policy alerts, and requested in-force illustrations—just to name a few.



The new "Your Agency" section by contrast contains only information that pertains to your agency, such as agency reports. It also includes some things that were previously in the "Events & Training" section, such as compliance training, continuing education opportunities, details on Vanguard Conference, and more. If while searching the Agent Web Site you cannot find something that was previously in the "Book of Business" or "Events & Training" sections, take a look in "Your Agency." Chances are the information is in there.



3

Sales Development

For the most part, the "Sales Development" section was created by combining the old "Marketing Support" and "Sales Support" sections into one. We found that in some cases the information in those areas overlapped, so we eliminated what was redundant and combined what was still important. Like the others, this new section is also now more condensed and easier to navigate. The "Sales Development" section is where you will likely find whatever was previously in "Marketing Support" or "Sales Support."

!

Not Everything has Changed!

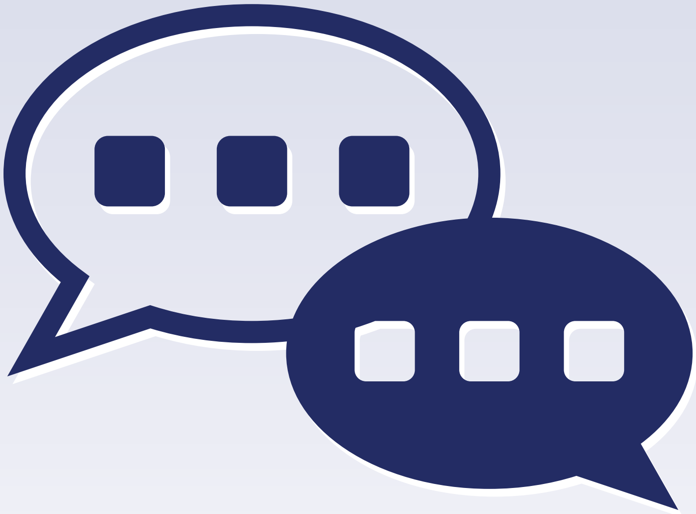
Not everything on the Agent Web Site has changed. For example, the "Forms & Applications" and "Product Portfolio" sections contain the same information as before, and so does the "About Us" section. The information on your "Book of Business" dashboard is the same as well. Nothing was removed from any of these areas, and nothing new was added. You should still be able to locate whatever you need in these sections, just as before.

As always, we hope these changes help you get the most out of the Agent Web Site!

If you have suggestions on how we can improve the site further, please let us know by using the **Feedback link** located in the lower right corner of every page. You can also contact our **Sales Development Team**:

800-323-7320, ext. 5140

We take all suggestions we receive seriously, and greatly appreciate your comments. V



NEW YEAR/NEW ROLES FOR MARK CREIGHTON & KIP WALKER

At the end of December, Ed Hughes, CLU, LLIF, Regional Vice President (RVP), South Region, and Larry Quinn, CLU, ChFC, RVP, Midwest Region, will retire from Mutual Trust. National Accounts Manager Mark Creighton, FLMI, ACS, AIAA, will succeed Ed as the RVP for the South Region, and National Accounts Manager Kip Walker, JD, CLU, will succeed Larry as the Midwest RVP. Throughout 2016, Mark and Kip have been working closely with Ed and Larry to ensure a smooth transition.

While we certainly wish Mark and Kip great success in their new roles, we will miss Ed and Larry. Ed Hughes (left) joined Mutual Trust in April 2009 as Senior Vice President, Sales & Marketing. An accomplished professional with over 44 years of experience and a track record of success in distribution management, Ed was honored by LIMRA in 2015 for his significant contributions to the insurance and financial services industry. Ed planned to retire at the end of 2015, but when an opening developed as RVP of the South Region, he accepted the position, delaying his retirement until the end of 2016.

Larry Quinn joined Mutual Trust in 1993. An industry professional with over 40 years of experience in life insurance sales, Larry won Mutual Trust's Regional Vice President of the Year Award in 2009. The award is presented to the Regional Vice President with the highest sales percentage over goal.

Mark Creighton, who becomes RVP of the South Region beginning January 2, 2017, joined Mutual Trust in 2004. Prior to joining the company, he was employed for 10 years at First Penn Pacific (a Lincoln National Life company). Mark can be reached at *creightonm@mutualtrust.com* or at 800-323-7320, ext. 5306.

Kip Walker, who becomes RVP of the Midwest Region starting January 2, 2017, joined Mutual Trust as a sales support specialist in 2010. He has a B.S. in Finance from Northern Illinois University and a law degree from John Marshall Law School. Prior to joining Mutual Trust, he worked at Allstate Financial and also held positions at Harris Trust and Savings Bank and SunGard Investment Systems. Kip can be reached at *walkerk@mutualtrust.com* or at 800-373-7320, ext. 5594.

MUTUAL TRUST HONORS JIM POHL FOR 50 YEARS OF SERVICE

Mutual Trust recently honored Jim Pohl, CLU, ChFC, Pohl & Associates, Lansing, Michigan, for his 50 years of service as an agent at a celebration at the Home Office. Jim contracted with Mutual Trust in 1966 and established Pohl & Associates 16 years later. Today the agency does business in 11 states, including California and Florida. While the agency's day-to-day operations are now handled by Jim's sons, General Agent Gary Pohl, Agent Patrick Pohl, and son-in-law, General Agent Frank Cherniawski, Jim is still very involved in the business.

Jim's words of wisdom to fellow producers after a long career in the industry? "You're not making a sale; you're providing security for individuals and families. When you hear a 'No' while prospecting, don't take it to heart. Think of it as being that much closer to a 'Yes'".

Enjoying his 50-year celebration at Mutual Trust, Jim Pohl (second from left) is joined by his wife, Donna; Larry Quinn, CLU, ChFC, Regional Vice President, Midwest Region (left); and Luke Cosme, Senior Vice President, Sales & Marketing.

HAVE YOU SEEN THESE *BROKER WORLD* ARTICLES?

If not, contact the Home Office for a PDF

At Mutual Trust, we take great pride in being a trusted name in the life insurance industry for more than a century. This year, *Broker World* magazine asked us to share some of our insights, on a variety of topics, with their readers. We were honored to have seven articles published in *Broker World* in 2016.

Here's a list of the pieces we contributed and a quotation from each to give you a glimpse of their content.

January: "Mutual Trust Life Insurance Company, A Pan-American Life Insurance Group Stock Company" by Luke Cosme, Senior Vice President, Sales & Marketing

"When two companies merge, the ultimate goal is to create a combined organization that offers more advantages than either company could provide alone. That is certainly the case here. Today, our combined organization is financially stronger and better able to offer more products to a wider range of people, as well as provide its policyowners, partners in the field and employees with more opportunities for growth than either company could do alone."

February: "Accumulation without Apologies" by Luke Cosme, Senior Vice President, Sales & Marketing

"We have the ability to do so much good with the products that we offer. We can help a family send their children to college and plan for retirement...help a small business owner protect what he has spent a lifetime building and reward those who have helped build it. We can help create a safety net for unexpected expenses after retirement and a path toward creating a legacy that outlasts our lifetimes. With so much potential good to be done, how do we help those clients who have become disillusioned with our industry because of past experiences?"

March: "Living Benefits for Your Whole Life" by Lew Merrow, MBA, CLU, ChFC, Regional Vice President, Northeast Region

"Your clients face a daily barrage of financial misinformation, including the advice of self-recognized 'experts,' and they often have to deal with financial minefields throughout their lives. Therefore, they truly need your guidance. When you couple the array of living benefits with the core characteristics of a permanent policy, you can put your clients in the driver's seat to design a customized solution for their lifelong financial needs."

May: "Evaluating an Accelerated Benefit Chronic Illness Rider as an Alternative to Traditional LTCI" by Kip Walker, JD, CLU, National Accounts Manager

"Long-term care expense could pose a serious threat to your client's retirement plans. Whether or when to purchase LTCI requires a comprehensive review of a client's situation. In cases where LTCI isn't the right fit, a life insurance chronic illness rider could be an option for those clients who don't fall within the suggested age, financial means, or health guidelines for traditional LTCI."

July: "What Life Insurance Product Can Satisfy Most Client Needs?" by Mark Creighton, FLMI, ACS, AIAA, National Accounts Manager

"What product can provide your clients: Financial flexibility; guaranteed, tax deferred growth of their money; quick and easy access to this money throughout their lives; and an income-tax-free death benefit to their loved ones? The answer is whole life insurance. Today, more than ever, people purchase whole life products for their ability to provide both living and death benefits."

November: "Financial Underwriting–Is it Really Life or Death?" by Joel Jones, FLMI, AALU, Vice President, Chief Underwriting

"There is more to financial underwriting than trying to make sure that the amount of coverage approved makes sense and will stay on the books. There are mortality issues that are connected to a proposed insured's financial situation…While there may be disagreement in whether mortality is better or worse in an economic downturn, what isn't in disagreement is that a person's finances do have an impact on their mortality."

December: "Whole Life for Living and Legacy" by Kip Walker, JD, CLU, National Accounts Manager

"The primary purpose of whole life insurance is to provide a guaranteed death benefit to the insured's chosen heirs. However, the power of whole life has the potential to enhance the size of the insured's estate by providing efficient access to capital when opportunities arise…protect the insured from the financial impact of the need for nursing care with healthcare related riders... and when used as an asset class, could improve the retirement income and legacy of the insured over the use of an investments-only retirement strategy."

2017: As he has done for the last two years, Luke Cosme, Senior Vice President, Chief Sales & Marketing Officer, will author an article for *Broker World's* upcoming January Carrier Forecast. Be sure to look for Luke's article in the new year.

For a PDF of a specific article, contact **Elizabeth Cicchetti**, MBA, ACS, FLMI, CLU, Senior Marketing Communications Specialist, at ***cicchettie@mutualtrust.com***, or **800-323-7320, ext. 5321**.

2016 YEAR-END PROCESSING DATES

Monday, December 5, 2016
Recommended deadline for new applications that are NOT expected to require medical records or APS
Friday, December 9, 2016
Office closing at 11:00 a.m. CST due to Mutual Trust Holiday Event
Monday, December 19, 2016
Recommended deadline for checks for initial premium and PAC forms and requirements
Monday, December 26, 2016
Office closed due to Christmas holiday
Friday, December 30, 2016
Year-end commission and 2017 Vanguard Conference qualification closing for paid cases at **12 noon CST sharp**
Monday, January 2, 2017
Office closed due to New Year's holiday
Tuesday, January 31, 2017
Final date for mailing 1099-MISC for 2016 commission earnings

MUTUAL TRUST℠
LIFE INSURANCE COMPANY
A Pan-American Life Insurance Group Stock Company
1200 Jorie Boulevard • Oak Brook, Illinois 60523-2269

Follow us on:

Find Your Paradise...

The Grand Hyatt Kauai Resort & Spa in Kauai, Hawaii

Experience Paradise at Mutual Trust Life Insurance Company's 2017 Vanguard Conference, *Paradise, Hawaiian Style*, at the Grand Hyatt Kauai Resort & Spa, April 19 – 23, 2017 (Triple Crown Level, April 19 – 25).

The Grand Hyatt Kauai Resort & Spa stretches for 50 oceanfront acres along the unspoiled white sands of Poipu Beach, on Kauai's sunny south shore. If relaxing and reconnecting with nature mean Paradise to you, then you'll find it at the resort's saltwater swimming lagoon, freshwater outdoor pools, lazy river with 150-foot waterslide, state-of-the-art spa, and 18-hole award winning golf course designed by Robert Trent Jones, Jr.

If adventure is how you picture Paradise, then *Paradise, Hawaiian Style* has that, too. Imagine viewing the island's magnificent terrain from a zipline, or kayaking along the coastline, or navigating aboard an all-terrain vehicle through areas of the island few people have an opportunity to see.

The *aloha* spirit means "joyfully sharing life." At Mutual Trust, we want to celebrate your 2016 sales success where this spirit abounds, at *Paradise, Hawaiian Style*, on beautiful Kauai, where the past and the present meet to create Eden.

Paradise HAWAIIAN STYLE

2017 Vanguard Conference
Mutual Trust Life Insurance Company
A Pan-American Life Insurance Group Stock Company

Qualification Period:
January 1 – December 30, 2016, by 12:00 noon (CST)

Vanguard Conference:
April 19 – 23, 2017
(4 nights; overnight in flight April 23)

Triple Crown Level:
April 19 – 25, 2017
(6 nights; overnight in flight April 25)