

What is a Modified Endowment Contract

- Tax-Deferred Accumulation & Life Insurance
- Taxed like an Annuity*
- Income Tax-Free Life Insurance Death Benefit

A modified endowment contract adds permanent life insurance protection to traditional annuity tax-deferred accumulation.

** 10% federal tax penalty for loans or withdrawal of cash prior to age 59½*

For agent/broker use only

Advantages

- Cash value accumulates at competitive interest rate*
- Crediting rate guaranteed annually and adjusted annually
- Immediate Death Benefit in excess of initial deposit
- Guaranteed interest rate

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The Marketplace

- Annuity & CD buyers
- Senior and retired savers
- Tax-sensitive individuals
- Interested in tax-free transfer of savings to beneficiaries

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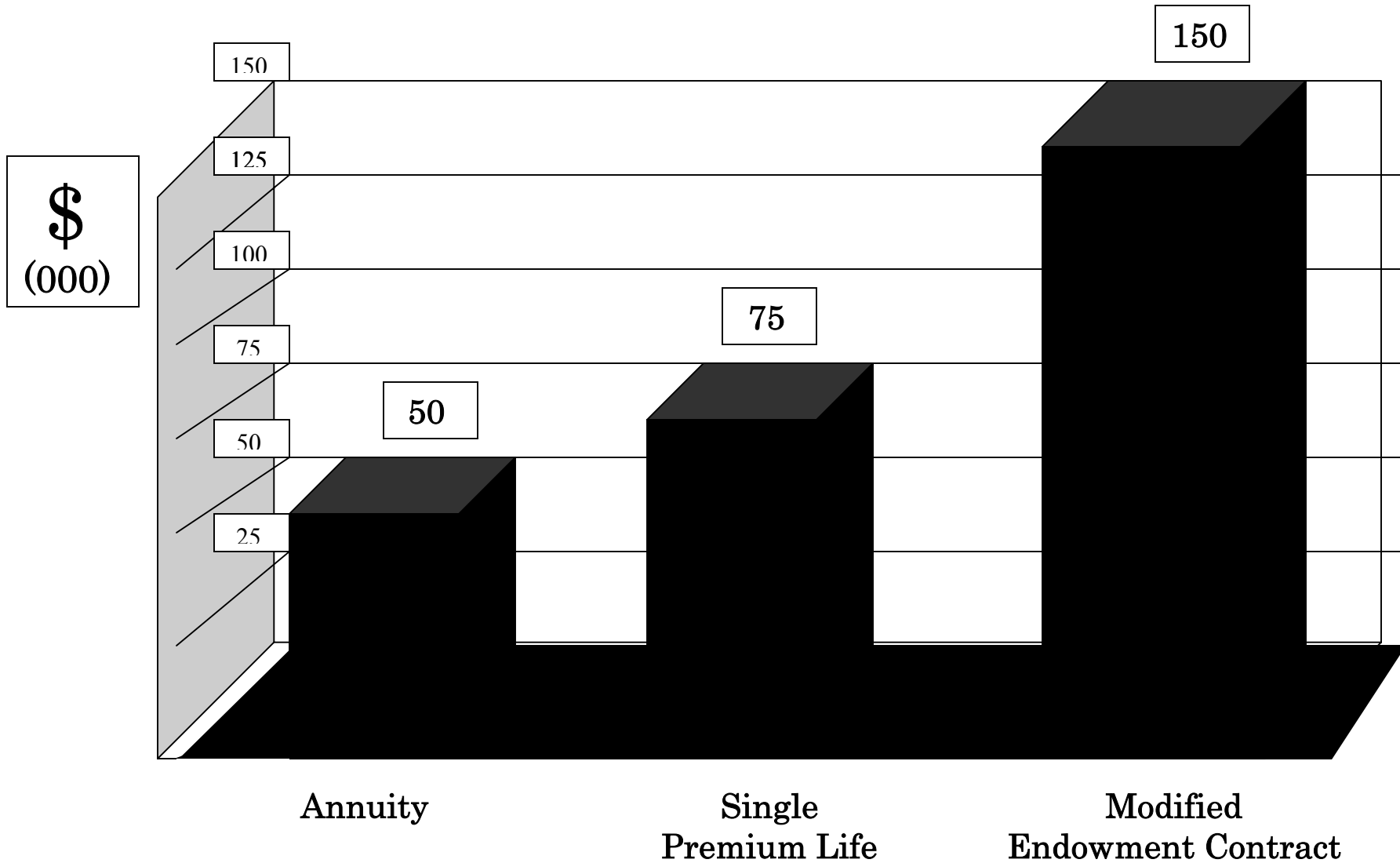
Investment Options

	CD's	Money Market	Annuity	Real Estate	Stocks & Bonds	Modified Endowment Contract
SECURE	YES	YES	YES	?	YES	YES
LIQUIDITY	High	High	Medium	?	Medium	Medium
COMPETITIVE Rate of Return	YES	YES	YES	?	YES	YES
TAX-SHELTERED	NO	NO	YES	NO	NO	YES
AVOID PROBATE	NO	NO	YES	NO	NO	YES
SELF COMPLETING	NO	NO	NO	NO	NO	YES
INCOME TAX-FREE PROCEEDS	NO	NO	NO	NO	NO	YES (upon death)

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Comparison of Initial Death Benefit

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Examples

A 50-year old couple has \$100,000 in assets set aside for their grandchildren's education. They have enough for day-to-day expenses from the combined benefits of their Social Security and Pension Plan. They would like to provide more for their children and free up additional assets to take advantage of other investments.

Current Portfolio

CD's	\$50,000
Treasuries	\$20,000
Savings & Checking	\$10,000
Money Market	\$20,000
<u>Total</u>	<u>\$100,000</u>

Re-allocated Portfolio

CD's	\$30,000
Treasuries	\$20,000
Savings & Checking	\$10,000
Money Market	\$20,000
<u>F&T Flagship Voyager</u>	<u>\$75,000</u>
<u>Total</u>	<u>\$155,000</u>

They have increased their estate upon death by 55% by simply reallocating their assets.

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F&T VOYAGER

\$100,000. Deposit
Age 65 Female

Years	Death Benefit	Cash Value	Annuity 3% Guarantee	*Annuity Value At Death
1	317,506.	89,764.	100,000.	100,000
5	289,698.	97,557.	115,805.	107,900.
10	262,115.	119,057.	139,263.	119,650.
15	246,888.	139,292.	161,444.	130,722.
20	240,436.	162,911.	187,157.	143,600.

*** Assumes 50% Tax Rate at Death (State and Federal)**

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CALL
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