



The STAR Plan[®] Introduction

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Strategic Talent Appreciation and
Recognition

Valley View Consultants, Inc. (VVC)

April 12, 2010

Higher Taxes and Lower ILI Risk Charges ... Both are Inevitable

Leonard E. Burman's March 23, 2010 "Taxes and Budget" report to the House Ways and Means Committee's Subcommittee on Select Revenue Measures reported:

- "Tax increases are inevitable." – "... there is no practical way to tame the debt without higher taxes unless you are willing to renege on promises made to seniors."
- "Stable tax rates impose less economic cost than volatile ones." "The longer we wait, the higher tax rates would have to be to restore balance."
- "Taxing the rich won't be enough." To attain a 2% of GDP deficit by 2015-2019, tax rates would need to be:

Current Tax Rates	Raise All Taxes	Raise Top Three Rates	Raise Top Two Rates
10.0%	14.9%	10.0%	10.0%
15.0%	22.3%	15.0%	15.0%
25.0%	37.2%	25.0%	25.0%
28.0%	41.7%	60.8%	28.0%
33.0%	49.1%	71.7%	85.7%
35.0%	52.1%	76.1%	90.9%

Additionally, scheduled capital gains rates are 15% to 23.8%. State tax rates need to be added to all figures.

Conversely, life insurance risk rates are longevity driven ... the longer we live, the lower the risk rates.

Medical advances are extending life expectancy an average of 4 months annually (CDC 2009). Following are current life expectancies and projected life expectancies assuming only 2 months annual improvement due to medical advances.

Male Non-smoker			Current ILI Cost Impact on a 9% Rate of Return*	
Age	Current Life Expectancy	Projected Life Expectancy	Cash Values	Death Benefits
35	79	87	7.4%	6.0%
50	81	87	10.5%	8.5%

* Cost Impact does not reflect the lower average costs of separate accounts which would further reduce the effective cost of investing.

Today, the cost of ILI has less impact on reasonable investment gains than the cost of taxes.

The Inevitable

Increasing tax costs will further diminish the value of taxable and tax-deferred alternatives.

Decreasing ILI costs will further enhance the ILI advantage.

The STAR Plan offers more cash for you *and* additional financial protection for your family.

We look forward to visiting with you so you can ascertain if The STAR Plan[®] is a practical fit for you and your family.

This overview is for educational purposes only. Please contact Mark@ValleyViewConsultants.com for your personal STAR Life Events Analysis.

Valley View Consultants, Inc. is an ILI third party administrator (TPA) and the developer and administrator of The STAR Plan[®].

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