



**Accumulator® Life<sup>SM</sup>**  
**Making Life Simple...Again**



XX-XXXXX (02/04)

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# Agenda

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## Accumulator<sup>®</sup> Life<sup>SM</sup>:

### An “All-in-One” Accumulation, Income and Wealth Transfer Tool

- **An Innovative Product**
- **Client Positioning**
  - *Gather, Give and Grant*
  - *Focus on Education & Retirement Funding*
- **Product Positioning**
  - *Target Market*
  - *Reasons to Sell*
  - *Prime Prospects*
- **Processing New Business**
- **Helping You Close the Sale**
  - *Why AXA Equitable*



**Q: Are you having difficulty generating new sales in this overcrowded marketplace?**

**A: Let AXA Equitable open new doors by providing you and your clients with...**

- ✓ **An innovative product design and sales concept**
- ✓ **Additional product diversification for your client's portfolio**
- ✓ **Simplified packaging**
- ✓ **Single application**
- ✓ **Streamlined underwriting process**
- ✓ **Quick issuance**



# An Innovative Product

# Accumulator® Life<sup>SM</sup>

## *Life Insurance Sales Hurdles You May Be Experiencing*

- Highly complex product with too many moving parts
- Complex issuance process
- Medical underwriting including blood and fluids
- Timeframes too long
- Competition for shelf space with “simpler” products

## *Accumulator® Life<sup>SM</sup> Advantages: Getting You Over the Hurdles*

- Single purchase sale similar to VAs
- Asset based charges only
- One combined application  
Designed to mimic VA process
- Simplified underwriting  
No medical questions for broker  
No blood, no fluids
- Quick turnaround time on decision(24-48 hours after tele-interview)
- Distinguished unique and innovative product
- Offers both strong income and death benefit story
- Opportunity to reach a new market and manage more assets



## What is Accumulator® Life<sup>SM</sup>?

- An innovative insurance product that combines a variable universal life (VUL) policy and a single premium immediate annuity (SPIA) contract in a **single** package.
- Designed to help your clients **gather, give** and **grant** their hard-earned assets throughout the various stages of their lives.
- A flexible and adaptable product that can be used to meet your clients' accumulation, income or wealth transfer goals.



## Quick “Snapshot” of How Accumulator® Life<sup>SM</sup> Works...



### Single Premium Immediate Annuity

- Level pay outs in years 1 to 7 to fund a Variable Universal Life Insurance policy
- SPIA will terminate after the 7th pay out

Fund 7 Years  
of Premium

### Variable Universal Life Insurance

- Simple life product design
- Simplified underwriting
- Accumulate cash value by investing in various funds
- Death benefit protection
- Asset based charges

### Accumulator® Life<sup>SM</sup> Benefits At-a-Glance

- Single purchase sale
- Investment focus
- Simplified New Business Process
- Tax deferred growth
- Tax free death benefits
- Tax free distributions
  - Withdrawals and Loans
- Attractive commissions



# Client Positioning



## *Client Positioning: The Value Proposition*

Accumulator® Life<sup>SM</sup> can help clients:

**Gather...**



**Give...**



**Grant...**



**...their assets**







# Gather

The need to fulfill financial goals and achieve a financially secure lifestyle in today's ever-changing world.







# Give

The need to give—be it to help fund a child’s education or to help supplement one’s own retirement income.




# Give: Focus on Education

# Accumulator® Life<sup>SM</sup>

Using a client-approved Accumulator® Life<sup>SM</sup> **Education** Business Profile will enable you to provide an accumulation and protection solution to clients who ask, “How can I save for my child’s college education while providing my family with additional life insurance coverage?”

## ACCUMULATION & PROTECTION...your way

“I want to save for my daughter’s college education while providing my family with additional life insurance coverage.”



Bob, 36  
Gail, 30 Sara, 3

CURRENT SITUATION	
\$100,000 Mutual Funds	\$1,000,000 Current Life Insurance Policy
\$100,000 CD	\$25,000 Gail’s 529 Plan for Sara
\$75,000 MUNIs	\$59,000 Gail’s Current Income
\$160,000 Bob’s 401(k) Plan	\$90,000 Bob’s Current Income
\$147,000 Gail’s 401(k) Plan	

**OBJECTIVES:**

- Increase Bob’s life insurance coverage to provide for family in the event of his death
- Bob and Gail would like to provide additional funding for Sara’s college education
- Take advantage of 15-year time horizon by increasing asset allocation in growth-oriented investments

**STRATEGY:**

- Invest in an Accumulator® Life<sup>SM</sup> policy to provide immediate life insurance protection on Bob’s life and to accumulate assets for Sara’s higher education
- Accumulate funds for 15 years then take four annual distributions through withdrawals to basis, then loans
- Leave sufficient money in the policy after the distributions to continue Life Insurance protection to provide additional funds for the family

**BENEFITS:**

- If Bob dies, his family will have additional funds to assist with living expenses.
- If Bob and Gail decide they do not need the money to pay for Sara’s education, they can simply leave the Accumulator® Life<sup>SM</sup> policy alone and let the account value and death benefit continue to grow.
- By not committing all education funding assets to a 529 Plan, Bob and Gail have significantly more flexibility.
- The Guaranteed Minimum Death Benefit (GMDB) provision\* — Provides Bob’s family with a minimum death benefit even during prolonged poor market performance, as long as no withdrawals are made.
- The Loan Extension provision — Provides Bob and his family protection from policy lapse, after age 85, if there is a loan outstanding and poor market performance would otherwise cause the policy to lapse. This provision will guarantee the policy will stay in force.

**Life Insurance:**

- Is Not a Deposit of Any Bank
- Is Not FDIC Insured
- Is Not Insured by Any Federal Government Agency
- Is Not Guaranteed by Any Bank or Savings Association

**AXA EQUITABLE**

*The Life Consultant*

- Invest in an Accumulator® Life<sup>SM</sup> policy to provide immediate life insurance **protection** on Bob’s life and to accumulate assets for Sara’s higher education
- **Accumulate** funds for 15 years then take four annual distributions through withdrawals to basis, then loans
- Leave sufficient money in the policy after the distributions to continue Life Insurance protection to **provide** additional funds for the family



With college costs rising every year, having doubled over the last 10 years, a strong product that can help your clients cover educational expenses is more important than ever.

Let's take a look at average increases in tuition and room and board recently released by *The College Board's 2002-2003 Report*:

**Increases in Educational Costs from 2002 to 2003 (4-Year Public and Private College)**

Tuition 9.6% from 5.8%

Room and Board 6.0% from 4.6%

**Annual College Costs in Today's Dollars:**

4-year private: **\$26,677**

4-year public (in-state): **\$12,841**

4-year public (out-of-state): **\$19,188**

2-year public: **\$10,458**

**Consider how much college might cost for a 2018 graduate:**

Child's Age: 4

Years before child attends college: 14

Current annual cost of desired college: \$12,841 (current estimated tuition costs for a 4-year public [in-state] college)

Inflation factor that incorporates the number of years until college:  $\$12,841 \times 2.26^*$

Projected annual cost of education: \$29,020

Years of college:  $\$29,020 \times 4$  (4-year college)

**Total estimated cost: \$116,080**

\* Inflation factor calculated by taking an average college cost inflation rate of 6%, compounded annually, for a specified number of years. This example is compounded 6% annually for 14 years


THIS SLIDE  
WILL BE  
DESIGNED AS  
A CHART



Using a client-approved Accumulator® Life<sup>SM</sup> **Retirement** Business Profile will enable you to provide an accumulation and protection solution to clients who ask, “Is there a flexible product that can accommodate my changing retirement and death benefit needs?”

## ACCUMULATION & PROTECTION...*your way*

"I need a flexible product to accommodate my changing retirement and death benefit needs."



**JoAnn, 50 Bill, 50**

CURRENT SITUATION

\$500,000 Bond Mutual Fund	\$450,000 401(k) Plan
\$200,000 Stock Mutual Fund	\$900,000 Life Insurance Coverage on Bill
\$225,000 CD	\$15,800 JoAnn's Current Income
\$400,000 JoAnn's 401(k) Plan	\$125,000 Bill's Current Income

**OBJECTIVES:**

- Increase JoAnn's life insurance coverage to provide for family in the event of her death
- Reinvest \$200,000 stock fund assets to supplement retirement income during "active" retirement years, but want a product that is flexible to meet their changing needs
- Wealth transfer — leave a legacy for their children

**STRATEGY:**


- Reposition \$200,000 of assets and buy Accumulator® Life<sup>SM</sup>
- Accumulate funds for 15 years then take annual distributions, through loans only, to supplement retirement from age 66–80
- Leave sufficient money in the policy after the distributions to continue life insurance protection to provide additional funds for their children

**BENEFITS:**

- **Immediate life insurance death benefit** — Starting on day one of the contract, JoAnn will have a minimum of \$500,000 of life insurance protection on her life. And depending on the performance of the underlying investment choices, the death benefit protection could be higher, **but will never drop below \$500,000.**
- **Retirement income** — Accumulator® Life<sup>SM</sup> can be used to provide a stream of income. The amount of income depends on a number of factors, including the retirement returns and the length of time the money accumulates.
- **Leaving a legacy for their children** — Based on the above assumptions, the death benefit on JoAnn will be \$450,000 after she takes 15 years of income and will gradually decrease to \$250,000 by JoAnn's 95th birthday (again, assuming an 8% annual hypothetical gross investment return and current charges).
- **The Guaranteed Minimum Death Benefit (GMDB) provision** — Provides JoAnn's family with a minimum death benefit even during prolonged poor market performance, as long as no withdrawals are made.
- **The Loan Extension provision** — Provides JoAnn's family with additional protection from policy lapse, after age 65, if there is a loan outstanding in addition to poor market performance. This provision will guarantee the policy will stay in force.

**Life Insurance:**

- is not a contract of a life insurance
- is not a life insurance contract
- is not issued by any insurance company or agency
- is not guaranteed by any state or foreign government



- Reposition \$200,000 of assets and buy Accumulator® Life<sup>SM</sup>
- **Accumulate** funds for 15 years then take annual distributions, through loans only, to supplement retirement from age 66–80
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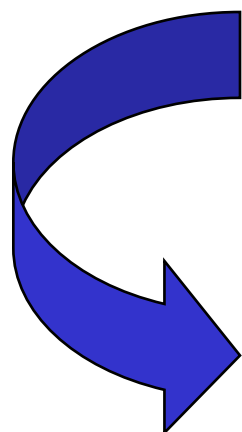
**CONDITIONAL PROBABILITY OF SURVIVAL AT AGE 65**

To Age	Single Female	Single Male	At Least One Member of Couple
70	93.8%	92.0%	99.5%
75	84.4%	79.9%	96.9%
80	70.9%	62.7%	89.1%
85	52.8%	41.0%	72.2%
90	31.6%	19.6%	45.0%
95	13.4%	5.8%	18.4%

Source: Society of Actuaries RP-2000 Table

People today are living longer. →

Are your clients concerned about outliving assets?



**Can your clients...**

- Afford a comfortable lifestyle at retirement?
- Cover the erosion of the dollar's buying power due to inflation?
- Provide financial protection for a spouse?
- Handle health care costs?





# Grant

The need to leave a legacy and pass along values to others so they can carry on and fulfill their life dreams.







# Product Positioning



## Expand Your Target Markets

Accumulator® Life<sup>SM</sup> and Accumulator'04  
Can Compete for Different Target Markets

Accumulator '04

Accumulator Life

Target ages 60+  
"Income now",  
Guarantees - worried about market  
downside  
Risk averse

Target ages 35-65  
"Income later"  
Interested in potential for higher  
returns  
Can take longer term risk

Establish market floor  
Greater access to income now

Flexibility - "Total Control"  
in later years  
Higher after-tax income and/or  
Wealth transfer



## 7 Reasons to Sell Accumulator® Life<sup>SM</sup>:

- Competitive Accumulation and Protection benefits
- Packaged Convenience - “Life Insurance Made Easy”
- Innovative product
- Simple, easy to do business
- Opportunity to reach a new market and manage more assets
- Understandable fee structure for buyer and seller
- Competitive compensation



## A “Prime” Accumulator® Life<sup>SM</sup> Prospect is one who:

- Is in a high tax bracket and likely to remain so later in life
- Makes maximum contributions to 401(k) or other tax qualified retirement plans
- Is affluent and relatively healthy with target ages 35-65
- Has an established portfolio which may include municipal bonds and other securities
- Has a time horizon of at least 10-15 years before needs distributions
- Wants immediate death benefit protection
- Is interested in flexibility and greater control of assets
- Wants to supplement savings for children’s education or retirement

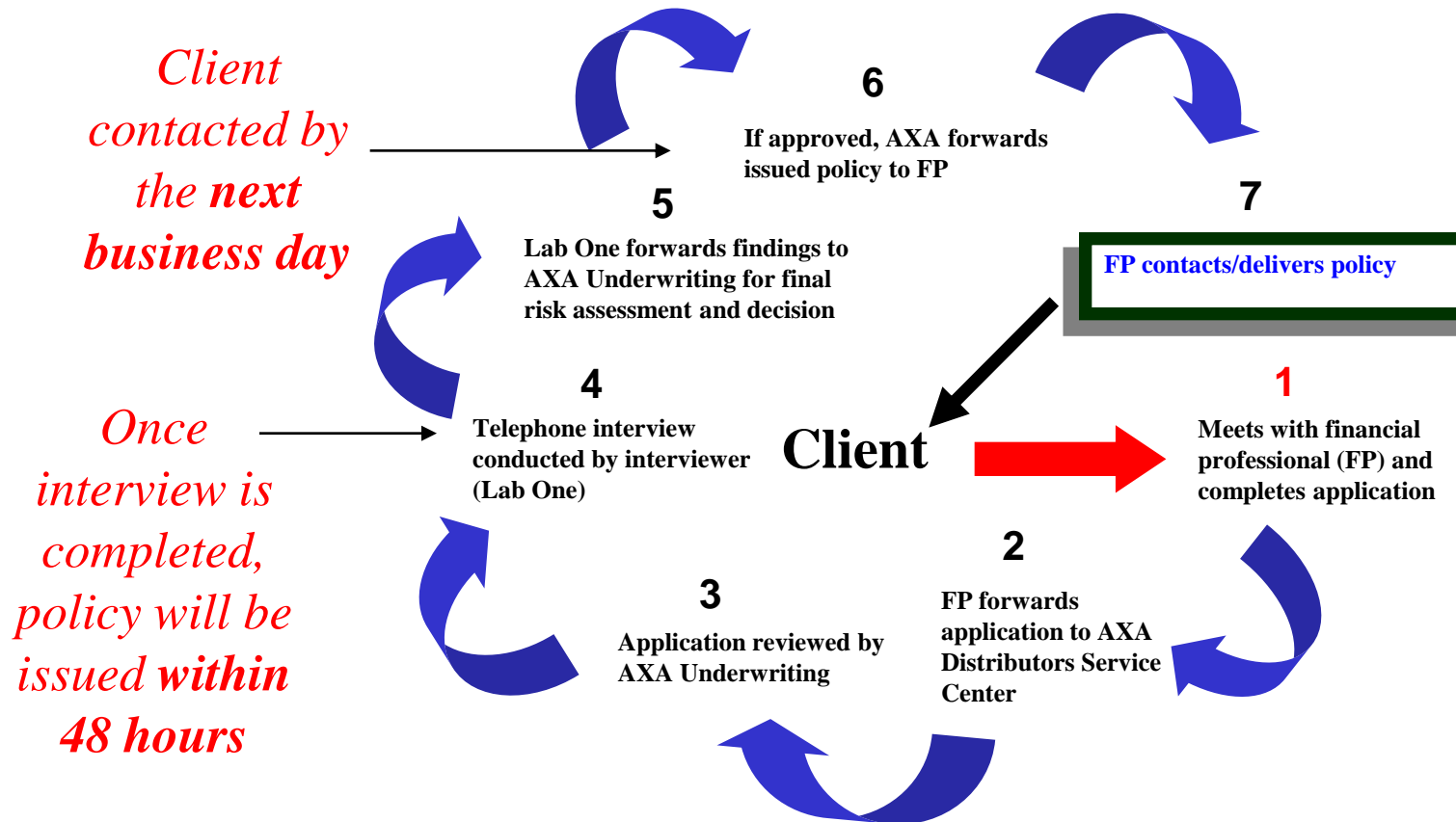




# Processing New Business



## Simplified Underwriting: Moving the Process in the Right Direction



## Sales Materials

To help you become familiar with Accumulator® Life<sup>SM</sup> and to assist you in your sales efforts, a variety of marketing materials have been developed.

### **Accumulator® Life<sup>SM</sup> client approved materials:**

- Accumulator® Life<sup>SM</sup> Brochure – [Add jpeg]
- Accumulator® Life<sup>SM</sup> Fact Card – [Add jpeg]
- Education Funding Client Profile – [Add jpeg]
- Retirement Income Client Profile– [Add jpeg]

Materials are available through AXA Distributors' Sales Desk at (888) 517-9900 or by visiting [www.axadistributors.com](http://www.axadistributors.com).



## Suitability: What's Right for Your Client...and You

AXA Equitable wants to help you provide your clients with the right products. Here are a few things to keep in mind as you prepare to meet with your client:

- Does my client have at least a 10-year time horizon to allow for possible growth in the VUL?
- Is my client in a high tax bracket and likely to remain so later in life?
- Is my client well diversified with his/her investments?
- Does my client's investment objective include asset accumulation?
- Does my client make maximum contributions to 401(k) or other tax qualified retirement plans?







# Closing the Sale



You don't always have to hit it out of the park to hit a home run. With Accumulator<sup>®</sup> Life<sup>SM</sup> and a well-delivered "pitch," a few singles will help bring home the sales.

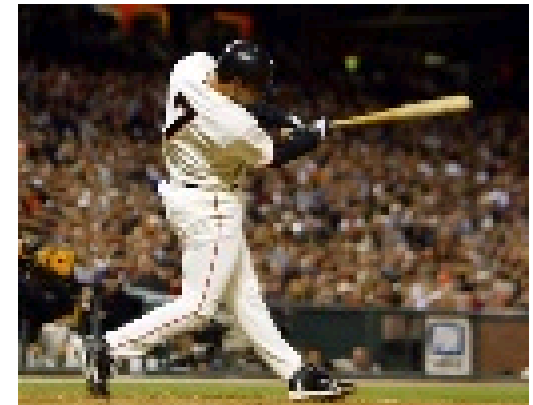
- **Single Application**

+

- **Single Premium Annuity Product**

+

- **Single Package = Multiple Sales\_\_\_\_\_**



### Why AXA Equitable...

- AXA Equitable is a subsidiary of AXA Financial, which is a member of the global AXA Group.
- The AXA Group has over one trillion in assets under management (as of 6/04)
- Ranked #19 in the Forbes International 500 in 2003
- Over 50 million clients worldwide
- AXA Equitable is among the nation's leading providers of life and annuity products.

**AXA Equitable is firmly committed to making life simple and less complicated.**

