



marriage<sup>sm</sup>  
assurance  
insuring your happily ever after

## Investment Summary

- ❖ **SafeGuard Guaranty Corporation (SGC)** will form its own Life Insurance company and transform the way Americans think about retirement savings. We will write a new digital playbook to move beyond the traditional role of the insurer, becoming trusted risk managers and advisors to our customers. Rather than just selling policies, we will help our customers to reduce risk and optimize outcomes by creating a portfolio of innovative “new to the world” insurance based wealth creation/retirement savings products.
- ❖ SGC will be the first company in the world to offer a Marriage Assurance<sup>sm</sup> policy. This innovative product offers a combination of a unique wealth creation vehicle, monetary rewards for individuals who have a successful marriage and insurance protection against the potential of financial devastation as a result of divorce.
  - **Rationale for MA:** What does Marriage Assurance<sup>sm</sup> solve and why does it make sense?
    - **Almost half of the weddings which take place in the United States each year will fail** (US Census historical data indicates that 49% of the 2.4 million weddings which take place in the U.S. each year will ultimately be dissolved via divorce within approximately 15 years).
    - **When both spouses experienced parental divorce, the odds of [their] divorce nearly tripled.** (Paul R. Amato, “Explaining the Intergenerational Transmission of Divorce”, Journal of Marriage and the Family. Today we have the largest population in history of adults whose parents divorced during their childhood).
    - **Divorce reduces the average person's wealth by 77%.** (Jay Zagorsky, National Longitudinal Survey of Youth study findings, Journal of Sociology, Ohio State’s Center for Human Resource Research).
    - **Forty-four percent of women experience poverty following divorce.** (Julia A. Heath and B. F. Kiker, “Determinants of Spells of Poverty Following Divorce” Review of Social Economy, 50).
    - **The percentage of married persons who will reach their 25th anniversary is 33%.** (U.S. Census 2004 SIPP Report). Moreover, second and third marriages have a fewer than 1 out of 3 success rate.
    - **US Taxpayers foot an annual bill of over \$112 BILLION Dollars in Federal, State and Local taxes to support fragmented families every year.** (Scafidi, Benjamin, Principal Investigator. “The Taxpayer Costs of Divorce and Unwed Childbearing: First-ever Estimates for the Nation and All Fifty States,” Institute for American Values, Center for Marriage and Families).
- ❖ **Market:** Presently, among working-age households, 45.3% do not have any form of retirement accounts nor access to a 401(k), according to a March 2015 report from the [National Institute on Retirement Security](#). That equals 39.6 million households across the nation. And there are no living benefit/retirement products on the market today that are specifically aimed at the 25-55 audience (who are just beginning to formulate their future plans for financial security) that do not require substantial upfront funding. Additionally, 2.2 million people were married in 2015, however, 2.4 million were divorced. And aside from an annuity sold only in China, there is no other insurance product available anywhere in the world that is even remotely similar to Marriage Assurance<sup>sm</sup>, which will provide a safe, transparent method for individuals to save, create and preserve wealth for later in life.

**A well-known international, independent actuarial and consulting firm<sup>1</sup> estimates a mature world market for a marriage insurance product to be over \$160 billion annually.**

Currently, the company is in active negotiation to offer Marriage Assurance<sup>sm</sup> policies in US via multiple A rated insurance companies and in Australia via [ANZ](#). In addition, we have a sister organization based in Zurich, Switzerland that is actively seeking an insurance underwriting partner in the EU. We currently have licensed affiliates in Australia, Italy, Bermuda and the UK. We also have documented interest in 7 other countries.

## ❖ **Target Market Demographics:**

- **Marriage Assurance<sup>sm</sup>** - 25 to 55, employed, married or considering marriage, especially without a prenuptial agreement. Subscribers to websites like [TheNest](#) and [TheKnot](#), [Talkspace](#), [MarriageMax](#), [OurRelationship](#) and subscribers to websites and apps like [Digit](#), [Mint](#), [Level](#), [Simple](#), [SavedPlus](#), [WealthFront](#), [LikeFolio](#), and [Future Advisor](#).

## ❖ **Executive Team:**

- John Logan | Chairman & CEO - 33 years of C Level experience primarily in New Product/New Business Development, 16 in the insurance industry. 5 successful startups in 4 distinctly different industries.
- Kenneth Fries | EVP Distribution & Strategic Alliances - 30+ years of C level experience in insurance. Former VP, MassMutual, Annuities Division; Former VP, The Hartford, Agency Strategy, eBusiness & Technology.
- Thomas Mayo | Chief Financial Officer - 30+ years of C level experience in banking and insurance. Former VP, The First Bank of Chicago; Former CEO/CFO, CMA Insurance Holdings; Co-founder, Swift Insurance Brokers.
- Sebastian Pistrutto | VP of Marketing - 18 years of C level multi-channel marketing experience in both digital & non-digital environments. Former VP of Digital Marketing Strategy for Harte Hanks; Former life insurance agent.
- Matthew Sutton | Chief Technology Officer – 16 years of Systems/Operations Engineer and Administration experience. Multiple startup history. Former CTO, Macedoin Consulting Group, IT Officer at Fast Lane, Operations Engineer at PeopleClick (now PeopleFluent).
- Nicole Barrett-Vespone | Chief Compliance Officer – 20 years working in highly regulated industries. A licensed Life insurance broker, certified ISO Lead Auditor and a key leader in navigating the regulatory landscape in multiple industries.

- ❖ **Go to Market Strategy:** SGC will use raised capital to execute Phase 1 of a two phase rollout: Phase 1 will be a single State initial (pilot) sales market potentially expanding to as many as 14 States by the end of year one. Dependent on the results of Phase 1, Phase 2 may or may not encompass an ancillary outside funding round to enable a national rollout either on a State by State. SGC will offer our innovative policies to individuals in a controlled expansion of authorized markets in the U.S. (and potentially in the UK via treaty assignment), primarily directly to consumers via online and mobile apps and through many strategic partnerships, thus creating both insurance and non-insurance points of sale. The company intends to market its product aggressively through six major channels:

- An existing, proprietary direct-to-consumer internet marketing and sales system
- Existing insurance brokerages and MGAs (LOIs on file totaling more than 50,000 producers nationwide)
- Large scale employee benefits providers
- Financial planners and wealth management consultants
- Joint marketing agreements with non-insurance market leaders in specific segments
- A best-of-breed aggregating content website encompassing a library of content on retirement savings

The existence of a vast market for well accepted, wealth creation based insurance/annuity policies is one of the principal reasons that Marriage Assurance<sup>sm</sup> policies will catch on fast. Being first to market, SGC is positioned to capture and defend a major share of this untapped market and create exceptional value for our investors in the process.

- ❖ **MA Policy Description:** Marriage Assurance<sup>sm</sup> policies will be closest in similarity to an endowment contract.

An endowment policy is typically defined as a life insurance contract designed to pay a lump sum after a specific term (on its 'maturity') or on death of the policyholder. Typical maturities are ten, fifteen or twenty years up to a certain age limit. Some policies also pay out in the case of critical illness.

Like an endowment, a Marriage Assurance<sup>sm</sup> policy will also be a contract designed to pay a lump sum after a specific term - on its 'maturity' of 25 years, or on death. The main differences being that our policy will pay out a death benefit if either the insured **or** their spouse dies, and instead of the alternately triggered benefit being a payout for critical illness, a Marriage Assurance<sup>sm</sup> policy will pay out a "hardship benefit" if the insured contracts a terminal illness, in which their life expectancy is 36 months or less, or in the event of divorce. The defined risk of the latter being the risk of significant financial loss as a result of divorce litigation – an amount that no one can accurately quantify.

Sold in "units" of insurance coverage, each unit will equal \$10,000 of marriage benefit or \$1,000 of initial divorce benefit (divorce benefits grow over time) at a cost of \$15.00 (monthly premium) per unit and will be available with face values up to \$2,000,000 (200 units) per policy. Each policy will consist of two mutually exclusive components: policyholders will receive either a "Divorce Insurance Benefit" or a "Successful Marriage Benefit". Each form of benefit will be paid in a single lump sum disbursement.

With a standard policy, the divorce insurance coverage will begin on the first day of the 49<sup>th</sup> month after the effective date (i.e. a 48-month exclusionary waiting period). The elimination period can be reduced by 12 months (i.e. a 36-month exclusionary waiting period) with the purchase of a Rider called the "Accelerated Maturity Rider".

Divorce coverage begins at \$1,000 per unit (1/10<sup>th</sup> of the face value of the policy) and increases by \$250 per year (per unit sold) beginning 12 months after the end of the elimination period (year 6 for the standard plan) to a maximum of \$6,000 per unit of divorce coverage in year 24. Claims for divorce protection will be paid ONLY if the divorce is finalized after the policy's initial elimination period (also known as the maturity period) and only upon submission of a court mandated divorce decree.

The Company will reward individuals who stay married for at least 25 years by providing them with a Marriage Assurance<sup>sm</sup> "successful marriage" living benefit. On the 25th anniversary of their policy purchase date, they will be entitled to a lump sum payment equal to the amount they chose as the 'face value' of the policy (number of units purchased x \$10,000).

The amount of divorce protection is calculated based on timeframe and the number of units purchased with maximum coverage up to \$1,200,000 per policy.

The amount of death or terminal illness benefit is calculated based on a maximum of 125% of the contracted successful marriage benefit multiplied by the percentage of premium paid compared against the total payable at full term.

In addition, Riders may be purchased for Return of Premium, Accelerated Maturity and Legal Separation. These voluntary riders will cost a small multiple of the original premium. Investment value to policyholders is superior to the compounded interest (of lump sum amounts equal to paid-in premium after 1 year over the same time period) of CDs or Treasury based securities, depending on riders purchased, for a similar time period.

- ❖ **General Research:** Extensive consumer-facing research regarding Marriage Assurance<sup>sm</sup> has been compiled beginning in 2005, with multiple independent studies. The most recent polls conducted by external venues show compelling consumer interest with upwards of 40+% of consumers saying they would buy a Marriage Assurance<sup>sm</sup> policy if it were available today and 20+% saying they might buy one if they knew more about it. Discussions with DOI representatives in more than 35 States say they would allow it as currently written. A huge, very well documented, international market exists as well.
- ❖ **Capital Requirements and Financial Projections:** The Company is raising \$1,000,000 in both Common and Preferred Shares, via a Regulation CF (crowdfunding) raise as seed funding for a VC backed acquisition of an existing insurance company or establishment of a new insurance entity.
  - \$1,000,000 in initial operating capital via WeFunder
  - \$2,500,000 in additional financing to secure the insurance company licenses and reserve/surplus holdings (including statutory deposits) through VC and/or Private Equity investment
  - \$1,500,000 in additional operational capital via accredited investors

Expected premium within the first 3 years is over \$32 million and total reserves would grow to over \$32 million (Assumes widely licensed expansion – approximately 35 States - by EOY 3)

The following table shows expected financial projections for the first seven years. Note: The Company does not anticipate any significant financial exposure for 48 months, as the majority of the Marriage Assurance<sup>sm</sup> policies with any claim eligibility will not mature for four years.

(\$000,000) <sup>2</sup>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenue	\$2.79	\$11.35	\$32.08	\$68.67	\$125.00	\$206.52	\$317.08
Reserves	\$4.68	\$11.17	\$34.27	\$87.50	\$187.92	\$352.43	\$603.85
Expenses	\$0.61	\$4.86	\$9.00	\$15.44	\$25.09	\$42.00	\$65.66
Net Income	\$0.91	\$2.04	\$6.07	\$15.24	\$32.07	\$59.10	\$100.02
Estimated EOY Valuation <sup>3</sup>	\$8.02	\$18.16	\$53.42	\$124.36	\$246.97	\$438.54	\$718.74

These financial projections are "forward-looking projections" and are not guarantees of future performance. Actual outcomes and results may differ materially from what is forecast due to numerous factors.

Prior significant investment of over \$1.3 million including legal and regulatory research, professional marketing and proprietary systems development, along with noteworthy protection against any loss of a significant portion of invested funds have positioned this to be an impressive opportunity. The company is based in Durham, NC.

- ❖ **Investment Options:** Minimum investment in Preferred Shares is \$25,000. Minimum investment in Common Stock is \$2,500. Full detail is available on request.
  
- ❖ **Exit Strategy:** The Company expects a buy-out by a larger financial services organization within 6-8 years.

<sup>1</sup> The company referenced asked us to refrain from using their name in public documents because we did formerly engage them with a consulting work project, however, we'll be more than happy to disclose the company name, who we worked with and how they arrived at that figure in private discussions.

<sup>2</sup> The viability of the business model and financial projections have been attested to by multiple accredited actuaries.

<sup>3</sup> Valuation based on 93.7% of revenue plus standing reserves. Source: Center for Excellence in Accounting and Security Analysis, Columbia Business School - Analysis and Valuation of Insurance Companies, Table 2.0.1 Sample Statistics (aggregate and average values of revenue, net income, total assets, book value and market capitalization of 23 L&H insurers between 1999-2009).