

# Product Specifications & Documentation

## Specifications by Product Type

*Document Dated August 10th, 2022*

### 2022 Term Product Specifications Products and Rider Offered

The impacted plans are NLIC Term and LSW Term. This document reflects changes from our current 2018 Term series. The changes described in this document will affect newly issued policies only. There will be no changes to in-force policies.

ART will continue to be offered, with the same rates as it is today. New plan codes will be assigned and the product name on our admin system will show (22) after the product name.

The marketing product names will be the same for each company: ART and Term (10-G, 15-G, 20-G & 30-G). Naming convention may differ slightly in different administration systems.

<b>Term Product</b>	<b>Offered?</b>	<b>Repriced?</b>
<b>ART</b>	Yes	No
<b>10-Year Guaranteed</b>	Yes	Yes
<b>15-Year Guaranteed</b>	Yes	Yes
<b>20-Year Guaranteed</b>	Yes	Yes
<b>30-Year Guaranteed</b>	Yes	Yes
<b>WL Term Riders</b>	Yes	No

The new Term products will not be available for use with Pension Plans.

There will be no changes to rider availability, or the riders themselves.

<b>Rider</b>	<b>2018 Series</b>	<b>2022 Series</b>
<b>ABRs*</b>	Yes	Yes
<b>Accidental Death Benefit</b>	No	No
<b>Children Term Rider</b>	Yes	Yes
<b>Disability Income Rider</b>	No	No
<b>Unemployment Rider</b>	No	No
<b>Waiver of Premium</b>	Yes	Yes

Refer to Appendix A for policies & riders form numbers and state variations.

#### Issue Ages Offered

NLIC and LSW Term products will be offered on an age nearest birthday basis. The issue ages will be the same as currently offered with the 2018 Term series.

<b>Term Product</b>	<b>Issue Ages</b>
<b>ART</b>	18-85
<b>10-Year Term</b>	18-75
<b>15-Year Term</b>	18-75 Nontobacco 18-70 Tobacco
<b>20-Year Term</b>	18-70 Nontobacco, excluding Express Standard NT2 18-65 Tobacco & Express Standard NT2

<b>30-Year Term</b>	18-55 Nontobacco 18-50 Tobacco
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Both NLIC Term and LSW Term will be renewable to attained age 95 in all states.

#### Risk Classes

The same risk classes will be offered for both companies. We will also use the same risk class definitions where nontobacco/tobacco will be used for both companies.

Risk class availability will vary by face amount band.

Complete list of risk classes:

- Elite Nontobacco
- Preferred Nontobacco
- Select Nontobacco
- Standard Nontobacco
- Express Standard Nontobacco 1
- Express Standard Nontobacco 2
- Preferred Tobacco
- Standard Tobacco
- Express Standard Tobacco

#### **Risk Class Availability Overview**

<b>ART 2022</b>		<b>Minimum Issue Age</b>	<b>Maximum Issue Age (all products)</b>	<b>Band1</b>	<b>Band2</b>	<b>Band3</b>
<b>Rate Class by Age</b>		<b>(all products)</b>				
- Elite Non-Tobacco	E	18	85	Yes	Yes	Yes
- Preferred Non-Tobacco	P	18	85	Yes	Yes	Yes
- Select Non-Tobacco	G	18	85	Yes	Yes	Yes
- Standard Non-Tobacco	N	18	85	Yes	Yes	Yes
- Express Standard Non-Tobacco 1	RN	18	85	Yes	Yes	No
- Express Standard Non-Tobacco 2	QN	18	85	Yes	Yes	No
- Preferred Tobacco	R	18	85	Yes	Yes	Yes
- Standard Tobacco	Y	18	85	Yes	Yes	Yes
- Express Standard Tobacco	ST	18	85	Yes	Yes	No
<b>10 Year Guaranteed 2022</b>		<b>Minimum Issue Age</b>	<b>Maximum Issue Age (all products)</b>	<b>Band1</b>	<b>Band2</b>	<b>Band3</b>
<b>Rate Class by Age</b>		<b>(all products)</b>				
- Elite Non-Tobacco	E	18	75	Yes	Yes	Yes
- Preferred Non-Tobacco	P	18	75	Yes	Yes	Yes
- Select Non-Tobacco	G	18	75	Yes	Yes	Yes
- Standard Non-Tobacco	N	18	75	Yes	Yes	Yes
- Express Standard Non-Tobacco 1	RN	18	75	Yes	Yes	No
- Express Standard Non-Tobacco 2	QN	18	75	Yes	Yes	No
- Preferred Tobacco	R	18	75	Yes	Yes	Yes

- Standard Tobacco	Y	18	75	Yes	Yes	Yes
- Express Standard Tobacco	ST	18	75	Yes	Yes	No
<b>15 Year Guaranteed 2022</b>		<b>Minimum Issue Age</b>	<b>Maximum Issue Age (all products)</b>	<b>Band1</b>	<b>Band2</b>	<b>Band3</b>
<b>Rate Class by Age</b>		<b>(all products)</b>				
- Elite Non-Tobacco	E	18	75	Yes	Yes	Yes
- Preferred Non-Tobacco	P	18	75	Yes	Yes	Yes
- Select Non-Tobacco	G	18	75	Yes	Yes	Yes
- Standard Non-Tobacco	N	18	75	Yes	Yes	Yes
- Express Standard Non-Tobacco 1	RN	18	75	Yes	Yes	No
- Express Standard Non-Tobacco 2	QN	18	75	Yes	Yes	No
- Preferred Tobacco	R	18	70	Yes	Yes	Yes
- Standard Tobacco	Y	18	70	Yes	Yes	Yes
- Express Standard Tobacco	ST	18	70	Yes	Yes	No

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<b>20-Year Guaranteed 2022</b>		<b>Minimum Issue Age</b>	<b>Maximum Issue Age (all products)</b>	<b>Band1</b>	<b>Band2</b>	<b>Band3</b>
<b>Rate Class by Age</b>		<b>(all products)</b>				
- Elite Non-Tobacco	E	18	70	Yes	Yes	Yes
- Preferred Non-Tobacco	P	18	70	Yes	Yes	Yes
- Select Non-Tobacco	G	18	70	Yes	Yes	Yes
- Standard Non-Tobacco	N	18	70	Yes	Yes	Yes
- Express Standard Non-Tobacco 1	RN	18	70	Yes	Yes	No

- Express Standard Non-Tobacco 2	QN	18	65	Yes	Yes	No
- Preferred Tobacco	R	18	65	Yes	Yes	Yes
- Standard Tobacco	Y	18	65	Yes	Yes	Yes
- Express Standard Tobacco	ST	18	65	Yes	Yes	No

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<b>30-Year Guaranteed 2022</b>		<b>Minimum Issue Age</b>	<b>Maximum Issue Age (all products)</b>	<b>Band1</b>	<b>Band2</b>	<b>Band3</b>
<b>Rate Class by Age</b>		<b>(all products)</b>				
- Elite Non-Tobacco	E	18	55	Yes	Yes	Yes
- Preferred Non-Tobacco	P	18	55	Yes	Yes	Yes
- Select Non-Tobacco	G	18	55	Yes	Yes	Yes
- Standard Non-Tobacco	N	18	55	Yes	Yes	Yes
- Express Standard Non-Tobacco 1	RN	18	55	Yes	Yes	No
- Express Standard Non-Tobacco 2	QN	18	55	Yes	Yes	No
- Preferred Tobacco	R	18	50	Yes	Yes	Yes
- Standard Tobacco	Y	18	50	Yes	Yes	Yes
- Express Standard Tobacco	ST	18	50	Yes	Yes	No

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Substandard Risk Classes Availability:

**Table of Availability:**

<b>Standard Non-Tobacco - Face Amounts Less than or equal to \$2M</b>			
Rating			
Issue Age	18 - 74	75 - 79	80 - 85
150%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1
175%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1
200%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1
225%	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2
250%	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2
300%	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2
350%	Not Available	Not Available	Not Available
400%	Not Available	Not Available	Not Available
500%	Not Available	Not Available	Not Available

<b>Standard Non-Tobacco - Face Amounts greater than \$2M</b>			
Rating	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M
Issue Age	18 - 74	75 - 79	80 - 85
150%	Available as Table Rating	Available as Table Rating	Available as Table Rating

175%	Available as Table Rating	Available as Table Rating	Available as Table Rating
200%	Available as Table Rating	Available as Table Rating	Available as Table Rating
225%	Available as Table Rating	Available as Table Rating	Not Available
250%	Available as Table Rating	Available as Table Rating	Not Available
300%	Available as Table Rating	Available as Table Rating	Not Available
350%	Available as Table Rating	Not Available	Not Available
400%	Available as Table Rating	Not Available	Not Available
500%	Available as Table Rating	Not Available	Not Available

<b>Standard Tobacco - Face Amounts Less than or equal to \$2M</b>			
Rating	Face Amount <= \$2M	Face Amount <= \$2M	Face Amount <= \$2M
Issue Age	18 - 74	75 - 79	80 - 85
150%	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco
175%	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco
200%	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco
225%	Not Available	Not Available	Not Available
250%	Not Available	Not Available	Not Available
300%	Not Available	Not Available	Not Available
350%	Not Available	Not Available	Not Available
400%	Not Available	Not Available	Not Available
500%	Not Available	Not Available	Not Available

<b>Standard Tobacco - Face Amounts greater than \$2M</b>			
Rating	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M



Issue Age	18 - 74	75 - 79	80 - 85
150%	Available as Table Rating	Available as Table Rating	Available as Table Rating
175%	Available as Table Rating	Available as Table Rating	Available as Table Rating
200%	Available as Table Rating	Available as Table Rating	Available as Table Rating
225%	Available as Table Rating	Available as Table Rating	Not Available
250%	Available as Table Rating	Available as Table Rating	Not Available
300%	Available as Table Rating	Available as Table Rating	Not Available
350%	Available as Table Rating	Not Available	Not Available
400%	Available as Table Rating	Not Available	Not Available
500%	Available as Table Rating	Not Available	Not Available

### **Description of Availability:**

#### For Face Amount up and including \$2,000,000:

- Permanent flat extras are available with all rate classifications. Temporary flat extras are available with Standard and Express Standard classes. Table ratings are not available.
- A nonsmoking insured with a substandard table rating up to and including 200% will be placed in the Express Standard Non-tobacco 1 rate classification.
- A nonsmoking insured with a substandard table rating between 225% and 300% (inclusive) will be placed in the Express Standard Non-tobacco 2 rate classification.
- A smoking insured with a substandard table rating up to and including 200% will be placed in the Express Standard Tobacco rate classification.
- Insureds with substandard ratings above 300% for nonsmokers and above 200% for smokers are declined and are not offered insurance.
- Ages 75 through 79 - no ratings over 300%
- Ages 80 through 85 - no ratings over 200%

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#### For Face Amount above \$2,000,000:

- Table ratings and temporary flat extras are available with the Standard Non-tobacco and Standard Tobacco rate classes. Permanent flat extras are available with any rate class.
- Ages 75 through 79 - no ratings over 300%
- Ages 80 through 85 - no ratings over 200%
- Substandard table ratings will be applied until the later of age 65 or 20 years. Flat extras apply for the number of years assigned during underwriting.

**Available ratings for face amounts above \$2,000,000 are**

- 150% - Table B
- 175% - Table C
- 200% - Table D
- 225% - Table E
- 250% - Table F
- 300% - Table H
- 350% - Table J
- 400% - Table L
- 500% - Table P

**Underwriting Basis**

- EZ Underwriting
  - Age 18-50: Face amount  $\leq$  \$2,000,000
  - Age 51-60: Face amount  $\leq$  \$1,000,000
  - Age 61-65: Face amount  $\leq$  \$250,000
- Otherwise Fully Underwritten

**Face Amount Limits & Premium Tables**

The minimum face amount for both companies is \$100,000.

<b>Face Amount Band</b>	<b>2022 Term Both</b>
<b>Band 1</b>	Up to \$249,999
<b>Band 2</b>	\$250,000 to \$2,000,000
<b>Band 3</b>	\$2,000,001 +

The new products are fully guaranteed. Therefore, only guaranteed premiums rates are required.

For all products other than ART, only the band 3 rates are actually loaded onto the TRAD system. The system then has a table of multipliers to use for the band 1 and 2 rates that vary by term period, gender, premium class and issue age. The multipliers only apply to the initial guaranteed premium rate for the initial term period. This is the same format as the 2013 Term series current level premium tables.

Ultimate premium rates are the same for all face amount bands. The rates vary by gender, premium class and attained age. These rates are not applicable to ART. This is the same format as the 2013 Term series current ultimate premium tables.

Since ART does not have any face amount banding, only one set of premium rates are loaded into the TRAD system. Ultimate premium rates are different than for all other Term products and vary by issue age.

There is a substandard capping so that the premium rate cannot exceed the death benefit. The premium rate cap will continue be set at \$950 per \$1,000 of death benefit.

The following premium modes will be available where modal factors are applied to calculate the modal premiums:

<b>Premium Mode</b>	<b>Modal Factor</b>
Annual	1.00
Semi-Annual	0.51
Quarterly	0.26
EFT (monthly)	0.088
Billing (monthly)	0.09

Policy Fee

The policy fee is \$75 and is the same for both companies. The policy fee will only be commissionable for LSW Term products and will continue to be non-commissionable for NL Term products.

When issued as a term rider, the policy fee is \$0.

For both companies, we will **no longer** offer the spousal benefit. It will no longer be regular practice to waive the policy fee on the insured spouse.

#### Use of Term Plans as a Term Rider

Systems will continue to support issuing the 2018 Term series as Term Riders for all currently-issued whole life products (such as TotalSecure).

There are no changes being made to the Term Riders with the 2022 launch. The below details are carried over from 2018 Term Specs:

For situations where this rider is used as a term rider, we will continue to use the proper rate band. The band to be used is based upon the face amount of the term rider only, not the face amount of the term rider and the base coverage added together.

For plans that are no longer available for sale but the policy owner has requested a term rider after issue, we should issue a term policy with the policy fee waived.

#### Unisex Rates

Montana will no longer have unisex rates. It will be treated the as the other states and use sex-distinct rates.

Unisex will no longer be available on Level Term products (Term 10, 15, 20 and 30). It will remain available on ART.

#### Conversion Privileges

The calculation rules for the Final Conversion Date will remain the same for NLIC and LSW term products as with the 2018 Term series.

The Final Conversion Date is defined as the lesser of the end of the conversion period and the policy anniversary upon which the insured attains age 70. For issue ages 66 and higher, it is the fifth policy anniversary.

The end of the conversion period is defined as:

- The 10th policy anniversary for ART and 10-year term plans; or
- The 12th policy anniversary for 15-year term plans; or
- The 15th policy anniversary for 20-year term plans; or
- The 20th policy anniversary for 30-year term plans;

Conversion credits will continue to only be offered on the NLIC Term products. The conversion credit continues to be equal to 12% of the first year premium of the permanent product (or 1% per completed term contract month during the first policy year of the Term policy). Policyholders must request their conversion before the end of the conversion credit period in order to be eligible to the conversion credit. No conversion credits will be offered with the LSW Term products.

<b>Term Product</b>	<b>2018 Conversion Credit Period</b>	<b>2022 Conversion Credit Period</b>
<b>NL ART &amp; 10-Year Term</b>	5 <sup>th</sup> policy anniversary	5 <sup>th</sup> policy anniversary
<b>15-Year Term</b>	8 <sup>th</sup> policy anniversary	8 <sup>th</sup> policy anniversary
<b>20-Year Term</b>	10 <sup>th</sup> policy anniversary	10 <sup>th</sup> policy anniversary
<b>30-Year Term</b>	10 <sup>th</sup> policy anniversary	10 <sup>th</sup> policy anniversary

Summary:

Product	Conversion Period Lesser of yrs or age 70	Age 66 and above	Conversion Credits (NL only)	Age 66 and above
ART	10	5 years	5 years	5 years
G10	10 years	5 years	5 years	5 years
G15	12 years	5 years	8 years	5 years
G20	15 years	5 years	10 years	5 years
G30	20 years	5 years	10 years	5 years

#### Reinsurance Agreements

At this time, we are moving forward with a level \$2M retention option.

Reinsurance rates will be loaded into the TAI system. New reinsurance rates will be available upon introduction of the new term products.

#### Commission Rates

There will be no changes at launch to the commission schedules from 2018 Series Term. Any updates resulting from a change in total allowable will go through normal process by the Distribution Finance area – outside of the product project.

#### Accelerated Benefit Riders

There are no changes to the ABR's from 2018 Series Term.

#### *Availability*

Issue Ages: 18-85 (varies by term product)

The following limits apply to both Critical Illness and Chronic Illness:

- Critical and Chronic are available for all preferred classes (including elite, preferred and select), standard classes, Express Standard NT 1 and Express Standard Tobacco. Not available for Express Standard NT 2.

- Critical and Chronic are not available with substandard ratings > 200%
- ABR Critical and Chronic is available on auto-excess reinsurance. On a facultative basis, ABR Critical is subject to reinsurer approval.
- At the underwriter's discretion, ABR Critical Illness and Critical Injury may be denied if a flat extra rating is applied.

The following limits apply to the 7 states (KS, LA, MD, MN, OR, UT and WA) with the compact version of Terminal/Chronic:

- If the policy is eligible for chronic (i.e. passes underwriting and substandard rules) then the Terminal/Chronic will be added to the policy. We do not have a stand-alone Terminal rider in these states. If the insured is denied Chronic due to underwriting then terminal is also not available. For KS, MD, MN and WA it is possible to get terminal coverage if they are approved for either of the combination riders (Terminal/Critical Illness or Terminal/Critical Injury).
- If the policy is the first policy on the insured, there is no face amount limit. Any policy that passes underwriting can have all ABRs.
- If there is already an NL Group policy on the insured, and the total coverage with existing ABRs of any kind, after taking into account the new policy, is greater than \$1,500,000 then the compact version of Chronic will not be allowed.
- If the compact version Terminal/Chronic is requested after issue it will be subject to the same underwriting and total coverage eligibility as new issues.

The following limits apply to the 9 states (CT, IL, KS, MA, MD, MN, NJ, VA and WA) for the compact versions of Terminal/Critical Illness and Terminal/Critical Injury:

- Underwriting approval is required for Critical Illness in order to have the Terminal/Critical Illness rider.
- Underwriting approval is required for Critical Injury in order to have the Terminal/Critical Injury rider.
- If the policy is the first policy on the insured, there is no face amount limit.
- If there is already an NL Group policy on the insured, and the total coverage with existing ABRs of any kind, after taking into account the new policy, is greater than \$1,000,000 then these compact ABR's will not be allowed.
- If underwriting denies both Critical Illness and Critical Injury coverage, standalone Terminal Illness can be added for the states of CT, IL, MA, NJ and VA. The states of KS, MN and WA do not have a standalone Terminal Illness rider.
- For NJ, Chronic Illness cannot be added unless they have one of the following ABR's: standalone Terminal Illness or Terminal/Critical Illness or Terminal/Critical Injury.

- If these compact ABR's are requested after issue, they will be subject to the same underwriting and total coverage eligibility as new issues.
- If adding Terminal/Critical Illness after issue, any existing Critical Illness coverage will be terminated.
- For the state of CT, when adding after issue, any existing standalone Terminal Illness rider will be terminated if either Terminal/Critical Illness or Terminal/Critical Injury is added.

#### Chronic in NJ:

- NJ requires that if Chronic is added to the policy then Terminal must also be on the policy. The combined Critical Illness/Terminal or Critical Injury/Terminal or a stand-alone Terminal can be used to satisfy the terminal requirement. If one of the combination critical riders is added, then standalone Terminal is not added. This applies for NL and LSW.
- NL paper has the following face amount restriction: If there is already an NL Group policy on the insured, and the total coverage with existing ABRs of any kind, after taking into account the new policy, is greater than \$1,500,000 then Chronic is not allowed. If the policy is the first policy on the insured, there is no face amount limit for Chronic.

#### Other state specific information:

- CA and NY use the original Critical Illness rider (ABR 3)
- NY has its own version of Chronic and is referred to as NY Chronic
- Critical Injury in CA only available for issue ages less than or equal to 64

All ABR's are available at or after issue except currently in NY. Chronic and Critical require underwriting. We cannot add after issue in NY until we do a mailing to inform policyholders.

#### *Rates*

There will be no charge for these riders.

#### *Qualified Additional Benefit*



This rider is not a qualified additional benefit.

#### Children Term Rider

We will be using the same Children's Term Rider as for 2018 Series Term.

The maximum coverage age is 25 and the maximum conversion privilege is 6x CTR Face or \$150,000.

#### *Availability*

Issue Ages: Insured's dependent children 15-days – 16 years

Minimum Face Amount: \$5,000 per child

Maximum Face Amount: \$25,000 per child

Coverage must be purchased in multiples of \$1,000.

Substandard: This rider will not be issued with substandard ratings, but it may be added to a rated policy.

Available After Issue: Yes. If the base policy has waiver, CTR will automatically have waiver. The waiver rate for CTR will be based on the insured's attained age at the time the CTR rider is added.

Coverage End Date: The coverage on any dependent child will end on the first policy anniversary following the child's 25<sup>th</sup> birthday.

### *Rates*

The rider charge per \$1,000 of CTR face amount is \$0.51 per month or \$6.12 on an annual basis for both current and guaranteed basis. This rider charge does not vary by gender, age, risk class or the number of children covered by the rider.

### *Qualified Additional Benefit*

This rider is a qualified additional benefit.

### *Waiver of Premium Rider*

The waiver of premium rider will be the same as it was on 2018 Series Term.

Premium waived is the sum of the base Term policy premium, premium for the Waiver of Premium rider and premium for the Children Term Rider, if applicable.

Rates for this rider will vary by term period, issue age, nontobacco vs. tobacco and policy duration.

### *Availability*

Issue Ages: 18 to 55

Available After Issue: No

Waiver of premiums will start with the first premium due on or after the later of:

1. The date the insured reaches attained age 18; or
2. The 6<sup>th</sup> consecutive month of total disability of the insured

We will waive premiums during the continuance of such disability. However if such disability starts on or after the date the insured reaches attained age 60, premiums shall not be waived beyond the later of:

1. The date the insured reaches attained age 65; or
2. 2 years after the date such disability starts.

If, on the date of conversion, the insured is totally disabled and either has been disabled for at least 2 years or to the date the insured reaches attained age 60, then

1. If a conversion to a whole life policy:
  - A waiver of premium rider will be added to the new policy.
  - Payment of premiums on the new policy shall be waived starting with the first premium due on or after the 121<sup>st</sup> day of consecutive total disability of the insured and continuing during the continuance of the disability.
1. If a conversion to a flexible premium adjusted life policy:
  - A waiver of monthly deductions rider will be added to the new policy.
  - Covered monthly deductions on the new policy shall be waived starting on the monthly policy date following the 121<sup>st</sup> day of consecutive total disability and continuing during the continuance of the disability.

All Waiver of Premium rider conversions are subject to the following terms:

- The term policy contains a waiver of premium rider.
- The exchange must be made prior to the date that the insured reaches attained age 60.
- The waiver rider on the new policy shall be at the premium rate in effect for the insured's attained age at the time of the exchange.
- The rider policy form will be one that is currently available on the exchange date.

- Substandard: If the insured is rated 150% or if the insured is rated with a \$5.00 or less per thousand flat extra for 2 years or less, the waiver of premium rider will be rated 200%.
- If the insured is rated 175% to 200%, the waiver of premium rider will be rated 300%.
- This rider will not be available with Express Standard Non-tobacco 2 policies, policies with a table rating greater than D (200%), or on policies with a flat extra greater than \$5.00 per thousand for two years or more.
- If the insured is classified as Express Standard NT 1 then the underwriter will assign a 200% rating.
- If the insured is classified as Express Tobacco then the underwriter will assign a 300% rating.

### *Rates*

Rates will be the same as 2018 Series Term. Waiver of premium rates will be based on per \$1000 of face amount for both companies.

### *Qualified Additional Benefit Status*

This rider is a qualified additional benefit.

### Appendix A – Policy & Riders Forms

<b>NLIC FORMS - BASE POLICY / RIDERS</b>	<b>FORM NUMBER</b>
Term Policy (Sex Distinct & Unisex) – Compact States	ICC18-20521(0518)
Term Policy (Sex Distinct & Unisex) – CA, DC, DE, FL, NY, ND, SD*	20521(0518)
ABR – Terminal Illness	7490(0200)
ABR – Chronic Illness	7493(0200)
ABR – Chronic Illness (New York)	20006NY(0511)
ABR – Terminal/Chronic (KS, LA, MD, MN, OR, UT, WA)	ICC10-8843(0310)
ABR – Critical Illness (for CA and NY)	9744(0204)
ABR – Critical Illness	20285(1014)

ABR – Critical Injury	20286(1014)
ABR Critical Illness / Terminal Illness (CT IL KS MA MN NJ VA WA)	ICC15-20285(0115)
ABR Critical Injury / Terminal Illness (CT IL KS MA MN NJ VA WA)	ICC15-20286(0115)
Children’s Term Rider (Not available in NY)	ICC16 / 20404(0616)
Suicide and Incontestability Provision Endorsement	ICC18 / 20529(0518)
Waiver of Premium Rider	ICC18 / 20526(0518)
Aircraft Limitation Rider	0140(0199)
Aircraft Limitation Rider – Military	0141(0199)
Children Term Rider Exclusion Endorsement	8525(0707)
Foreign Travel Exclusion Endorsement	9496(0204)

<b>LSW FORMS - BASE POLICY / RIDERS</b>	<b>FORM NUMBER</b>
Term Policy (Sex Distinct & Unisex)	ICC18-20522(0518)
Term Policy (Sex Distinct & Unisex) – CA, DC, DE, FL, NY, ND, SD*	20522(0518)
ABR – Terminal Illness	8052(0798)
ABR – Chronic Illness	8095(0399)
ABR – Terminal/Chronic (KS, LA, MD, MN, OR, UT, WA)	ICC10-8844(0310)
ABR – Critical Illness (for CA)	8165(0703)
ABR – Critical Illness	20287(1014)
ABR – Critical Injury	20288(1014)
ABR Critical Illness / Terminal Illness (CT IL KS MA MN NJ VA WA)	ICC15-20287(0115)
ABR Critical Injury / Terminal Illness (CT IL KS MA MN NJ VA WA)	ICC15-20288(0115)
Children’s Term Rider (Not available in NY)	ICC16 / 20324(0616)

Suicide and Incontestability Provision Endorsement	ICC18 / 20530(0518)
Waiver of Premium Rider	ICC18 / 20527(0518)
Aircraft Limitation Rider	8516(0707)
Aircraft Limitation Rider – Military	8517(0707)
Children Term Rider Exclusion Endorsement	8071(0616)
Foreign Travel Exclusion Endorsement	9935(0305)

\*State specials will be listed as needed

Other Notes:

- Company Structure Change Endorsement (form #7715(1098)) and Endorsement to Payment Options (forms #9631(0803) and #9632(0803)) will no longer be needed.
- Exclusions Endorsements Notes:

<b>Exclusion</b>	<b>Company</b>	<b>Form #</b>	<b>Signature Required</b>	<b>Policy Pages needed (if exclusion selected)</b>	<b>States Exclusions NOT available in</b>
Aircraft Limitation Rider	NL	0140	In MN & NE only	Yes	None
	LS	8516	In MN & NE only	Yes	NY
Aircraft Military Limitation Rider	NL	0141	In MN & NE only	Yes	ND
	LS	8517	In MN & NE only	Yes	NC, ND, NY

Foreign Travel	NL	9496	Yes	Yes	AL, AK, FL, HI, IL, IN, LA, MD, MA, MN, NE, NJ, NY, NC, ND, OH, OK, OR, TX
	LS	9935	Yes	Yes	AL, AK, CO, CT, FL, HI, IL, IN, KY, LA, MD, MA, MI, MN, MO, MT, NE, NJ, NY, NC, ND, OH, OK, OR, TX, WA

## Product Overview

FlexLife is a new single life Indexed Universal Life Product that is filed on both LSW and NL paper. It is intended to replace the NL & LSW FlexLife II product. FlexLife will be available to all distribution outlets. Submitting for FlexLife will be available as of October 28, 2019.

### **Overview:**

- Product Names:

*NL:* FlexLife NL

*LSW:* FlexLife

- Display Names in NB/NBA:

*NL:* FlexLife NL (19)

*LSW:* FlexLife (19)

- FlexLife product is available on a sex distinct and unisex basis.

- It is available in all jurisdictions, except the following:
  - New York for LSW only

- FlexLife product is available in qualified pension plans.

- Issue Ages: 0 to 85 (age nearest birthday)

- Effective Dates: Policies may not be issued with an effective date of the 14<sup>th</sup> day of any given calendar month. We will not allow effective dates of the 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup>.

*Note*: This product **can** be issued with an effective date of the 21<sup>st</sup>.

- Minimum Face Amount for Non-Pension:

Amount: Initial Face  
\$50,000

Amount: Minimum Increase in Face  
\$25,000

- APB has a minimum face amount of \$25,000. The maximum APB base blend is 3 to 1.
- Life Insurance Test: Guideline Premium Test (GPT) and Cash Value Accumulation Test (CVAT) are available.
- Policy Fee: There is an option to waive the policy fee for special cases.

### **Premiums:**

- The minimum premium amount is \$10.00.
- Group billing is available with this product.

### Rate Classifications & Banding

#### Rate Classifications:

Rate Class	Age Range	Face Amount Range
Elite NT	18-75	All



Preferred NT	18-85	All
Select NT	18-85	All
Standard NT	0-85	All
Express Standard NT 1	0-85	Up to and including \$2,000,000
Express Standard NT 2	18-85	Up to and including \$2,000,000
Preferred Tobacco	18-85	All
Standard Tobacco	18-85	All
Express Standard Tobacco	18-85	Up to and including \$2,000,000

#### Juveniles:

Juveniles (issue ages **0 - 17**) will be issued in the Standard Non-tobacco rate class. For Band 1, known smokers will be issued in the Express Standard Non-tobacco 1 rate class. For Bands 2 and above, known smokers will get a 200% rating.

#### Banding:

This product will be banded. Banding will be determined at issue based on the total coverage amount including APB coverage. Unit loads, Cost of Insurance rate, Monthly Minimum Premium rates, and Monthly Guaranteed Premium rates may vary by face amount band.

Band 1: Minimum Face Amount to \$250,000.00

Band 2: \$250,00.01 to \$999,999.99

Band 3: \$1,000,000.00 to \$1,999,999.99

Band 4: \$2,000,000.00 and above

#### Rider Information

***Detailed rider information can be found in 'Rider Documentation for 2019 IULs'***

**List of Riders Available:**

- Accelerated Benefit Riders (ABR)
  - Terminal Illness
  - Chronic Illness
  - Critical Illness
  - Critical Injury
- Accumulated Value Enhancement Rider (AVER)
- Additional Protection Benefit Rider (APB)
- Balance Sheet Benefit Rider (BSB)
- Benefit Distribution Option Rider (BDO)
- Charitable Matching Gift Death Benefit Rider (CMG)
- Children's Term Rider (CTR)
- Death Benefit Protection Rider (DBPR)
- Guaranteed Insurability Option Rider (GIO/GIR)
- Interest Crediting Strategies Riders
- Lifetime Income Benefit Rider 5 (LIBR)
- Other Insured Rider (OIR)
- Overloan Protection Rider (OPR)
- Participating Fixed Loan Rider (PFLR)
- Participating Variable Loan Rider (PVLR)
- Premium Deposit Account (PDA)
- Qualified Plan Exchange Rider (QPEP)
- Standard Loan Rider (SLR)
- Systematic Allocation Rider (SAR)
- Waiver of Monthly Deductions Rider (WMD)

Waiver of Specified Premium Rider (WSP)

**Interest Crediting Strategies**

<b>Co.</b>	<b>Indexed Strategy Name</b>	<b>Fund #</b>
LSW	Fixed Term Strategy	105
LSW	S&P Point-to-Point Cap Focus	301
LSW	S&P Point-to-Point Participation Focus	302
LSW	S&P Point-to-Point 1% Floor	306
LSW	Credit Suisse Balanced Trends Index Point-to-Point No Cap	307
LSW	Hang Seng Point-to-Point Cap Focus	305
NL	Fixed Term Strategy	102
NL	Indexed Strategy 1: S&P 500, Point to Point, Cap Focus	351
NL	Indexed Strategy 2: S&P 500, Point to Point, Participation Focus	352

NL	S&P Point-to-Point 1% Floor	355
NL	Credit Suisse Balanced Trends Index Point-to-Point No Cap (*)	356
NL	Hang Seng Point-to-Point Cap Focus	354

Note: The Indexed Loan Account is only used for Participating Fixed Loans and cannot be chosen as an allocation by the customer nor will it be displayed on the Interest Crediting Strategies Form.

(\*) Not Available in New York

#### Internal Transition Rules

Refer to the document: *Internal Transition Rules – 2019 IUL Product Launch 2001 CSO Product Transition*

#### Updated Forms

- Interest Crediting Strategies Form
  - LSW: 8613(0319)
  - NL: 8411(0319) all states except NY

8411(0819) for NY only

- Individual Life Insurance Application
  - 9212NY(0819) for NY only

#### State Approvals

Availability as of 10/28/2019 Product Introduction:

<b>FlexLife (LSW)</b>	<b>FlexLife NL</b>
<b>Product:</b> All states except NY	<b>Product:</b> All states

#### Underwriting

EZ Underwriting Availability:

<b>Age Range</b>	<b>Face Amounts</b>
18-50	Up to and including \$2,000,000
51-60	Up to and including \$1,000,000
61-65	Up to and including \$250,000

Underwriting:

<b>Face Amounts: Minimum to \$250,000</b>		
<b>Rate Classes</b>	<b>Issue Ages</b>	<b>Underwriting</b>
Elite Non-tobacco	18-75	Fluids
Preferred Non-tobacco	18-85	Fluids
Select Non-tobacco	18-85	Fluids
Standard Non-tobacco	0-65	No Fluids
Standard Non-tobacco	66-85	Fluids
Express Standard Non-tobacco 1	0-65	No Fluids
Express Standard Non-tobacco 1	66-85	Fluids
Express Standard Non-tobacco 2	0-65	No Fluids
Express Standard Non-tobacco 2	66-85	Fluids
Preferred Tobacco	18-85	Fluids
Standard Tobacco	18-65	No Fluids
Standard Tobacco	66-85	Fluids
Express Standard Tobacco	18-65	No Fluids
Express Standard Tobacco	66-85	Fluids

Underwriting, continued

<b>Face Amounts: \$250,001 - \$1,000,000</b>			
<b>Rate Classes</b>	<b>Issue Ages</b>	<b>Underwriting</b>	
Elite Non-tobacco	18-85	Fluids	
Preferred Non-tobacco	18-85	Fluids	
Select Non-tobacco	18-85	Fluids	
Standard Non-tobacco	18-60	No Fluids	
Standard Non-tobacco	61-85	Fluids	
Express Standard Non-tobacco 1	0-60	No Fluids	
Express Standard Non-tobacco 1	61-85	Fluids	
Express Standard Non-tobacco 2	0-60	No Fluids	
Express Standard Non-tobacco 2	61-85	Fluids	
Preferred Tobacco	18-60	No Fluids	
Preferred Tobacco	61-85	Fluids	
Standard Tobacco	18-60	No Fluids	
Standard Tobacco	61-85	Fluids	
Express Standard Tobacco	18-60	No Fluids	
Express Standard Tobacco	61-85	Fluids	

<b>Face Amounts: \$1,000,001 - \$2,000,000</b>		
<b>Rate Classes</b>	<b>Issue Ages</b>	<b>Underwriting</b>
Elite Non-tobacco	18-85	Fluids
Preferred Non-tobacco	18-85	Fluids
Select Non-tobacco	18-85	Fluids
Standard Non-tobacco	18-50	No Fluids
Standard Non-tobacco	51-85	Fluids
Express Standard Non-tobacco 1	0-50	No Fluids
Express Standard Non-tobacco 1	51-85	Fluids

Express Standard Non-tobacco 2	0-50	No Fluids
Express Standard Non-tobacco 2	51-85	Fluids
Preferred Tobacco	18-50	No Fluids
Preferred Tobacco	51-85	Fluids
Standard Tobacco	18-50	No Fluids
Standard Tobacco	51-85	Fluids
Express Standard Tobacco	18-50	No Fluids
Express Standard Tobacco	51-85	Fluids

#### Underwriting Limitations & Exclusions Information

FlexLife product will include the typical limitations/exclusions that may be added to the policy at the discretion of the underwriter when the policy is initially issued:

#### FlexLife:

- 8516(0707) LSW Aircraft Limitation Rider
- 8517(0707) LSW Aircraft Limitation Rider-Military
- 9935(0305) LSW Foreign Travel Exclusion Endorsement

#### FlexLife NL:

- 0140(0199) NL Aircraft Limitation Rider
- 0141(0199) NL Aircraft Limitation Rider-Military
- 9496(0204) NL Foreign Travel Exclusion Endorsement
- 195-86 NL WP/WMD Exclusion Endorsement

System support has been included with FlexLife:

- NBA System-Policy Instructions Facility-Exclusions Tab-all applicable checkboxes are available for selection when product is FlexLife.
- New Business System:

- NOTN/NOCN/NOQN-Notify Data Screen – all exclusion fields are available for selection when product is FlexLife.

#### Substandard

<b>Standard Non-Tobacco - Face Amounts Less than or equal to \$2M</b>					
Rating					
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	
175%	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	
200%	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	
225%	Not Available	Update to Express NT 2	Update to Express NT 2	Update to Express NT 2	
250%	Not Available	Update to Express NT 2	Update to Express NT 2	Update to Express NT 2	
300%	Not Available	Update to Express NT 2	Update to Express NT 2	Update to Express NT 2	
350%	Not Available	Available as Table Rating	Not Available	Not Available	
400%	Not Available	Available as Table Rating	Not Available	Not Available	
500%	Not Available	Available as Table Rating	Not Available	Not Available	
<b>Standard Non-Tobacco - Face Amounts greater than \$2M</b>					
Rating					
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	

175%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	
200%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	
225%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
250%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
300%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
350%	Not Available	Available as Table Rating	Not Available	Not Available	
400%	Not Available	Available as Table Rating	Not Available	Not Available	
500%	Not Available	Available as Table Rating	Not Available	Not Available	
<b>Standard Tobacco - Face Amounts Less than or equal to \$2M</b>					
Rating					
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	N/A	Update to Express Tobacco	Update to Express Tobacco	Update to Express Tobacco	
175%	N/A	Update to Express Tobacco	Update to Express Tobacco	Update to Express Tobacco	
200%	N/A	Update to Express Tobacco	Update to Express Tobacco	Update to Express Tobacco	
225%	N/A	Not Available	Not Available	Not Available	
250%	N/A	Not Available	Not Available	Not Available	
300%	N/A	Available as Table Rating	Available as Table Rating	Not Available	
350%	N/A	Available as Table Rating	Not Available	Not Available	
400%	N/A	Available as Table Rating	Not Available	Not Available	



500%	N/A	Not Available	Not Available	Not Available	
<b>Standard Tobacco - Face Amounts greater than \$2M</b>					
Rating					
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	N/A	Available as Table Rating	Available as Table Rating	Available as Table Rating	
175%	N/A	Available as Table Rating	Available as Table Rating	Available as Table Rating	
200%	N/A	Available as Table Rating	Available as Table Rating	Available as Table Rating	
225%	N/A	Available as Table Rating	Available as Table Rating	Not Available	
250%	N/A	Available as Table Rating	Available as Table Rating	Not Available	
300%	N/A	Available as Table Rating	Available as Table Rating	Not Available	
350%	N/A	Available as Table Rating	Not Available	Not Available	
400%	N/A	Available as Table Rating	Not Available	Not Available	
500%	N/A	Available as Table Rating	Not Available	Not Available	

Note: Refer to separate document for more information: *Substandard Edits for 2019 IULs*

New Business System

**LINN/LICN Screen:**

- Build with Line Code M for FlexLife (19) – LINN M
- Build with Line Code U for FlexLife NL (19) – LINN U

**LOWN/LOCN Screen:**

- PREM MODE field, available modes:
  - A = Annual
  - S = Semi-Annual

- Q = Quarterly
- 6 = EFT
- X = Single Premium

**LPRN/LPCN Screen:**

- DATE OF ISSUE field:
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product can have an issue date of the 21<sup>st</sup>
  - FlexLife cannot be backdated prior to 05/01/2019. Online edit will occur: +INV  
DATE OF ISSUE

**NB38/NB32 Screen:**

- TOBACCO USER fields, see chart below.

<b>FlexLife Rate Class</b>	<b>Tob Field</b>	<b>Tob User Field</b>	<b>Availability</b>
Elite NT	E	-	18-75
Preferred NT	P	-	18-85
Select NT	G	-	18-85
Standard NT	N	-	0-85
Express Standard NT 1	R	N	0-85
Express Standard NT 2	Q	N	18-85
Preferred Tobacco	R	-	18-85
Standard Tobacco	Y	-	18-85
Express Standard Tobacco	S	T	18-85

**Note:** ‘J’ will no longer be used for Juveniles.

**NB38/NB32 Screen, continued:**

- PLAN field:
  - New FLEXLIFE (19) & FLEXLIFE NL (19) have been added to the NB38/NB32 screens for selection.

```

PLAN
. ASSUREPLUS PROTECTOR UL
. LIFECYCLE SOLUTION
. NL ESTATE PROVIDER
. NL FLEXLIFE
. NL FLEXLIFE II
Y FLEXLIFE NL (19)
. ULTRA SELECT
. PEAKLIFE NL
. PEAKLIFE NL (19)

```

PLAN

- . LIFECYCLE SOLUTION
- Y FLEXLIFE (19)
- . LSW FLEXLIFE II
- . LSW FOUNDATION
- . LSW INCOME BUILDER

- . LSW SECUREPLUS ADVANTAGE 79
- . LSW SECUREPLUS PROVIDER\* (2012)
- . PEAKLIFE
- . PEAKLIFE (19)

### MGUL/MGCL Screen:

### UCVG/UCCG Screen:

AVER Field (Accumulated Value Enhancement Rider) – two alpha character field

- Valid Options are: NM, MP

NM = No Multiplier - The prior version of AVER for states that did not approve the new version.

MP = Multiplier - is the new version of AVER

```
UCDG NL604224800,I  UNIVERSAL LIFE COVERAGE SCREEN

INSURED: STEVE MOREIE
PROD IND
PLAN FLEXLIFE (19)      SMOKER E      VLR Y
AMOUNT OF INSURANCE ■ 1200000  BNFT-OPTION A  DIV OPT 1  INCOME      OCC
                           LIFE INS TEST G
INITIAL PREM            PP-PYMT    6983.44      TOTAL CTP      10801.44

MIN MO PREM      469.01  CT PREM    10728.00      BAND 03  FEE Y
DBP 2            PREMIUM: A      5504.21                      LIBR 5
WP I Y          GIO Y  GIO AMOUNT 000025000
OPR Y    WSP WAIVED      WSP MIN      WSP MAX      BSB
BDO 075 %      BDO YR 10  CMG N    LOAN S V F
                           SAR Y      ICSR Y      PDAR Y
ABRS: TERMINAL Y  CHRONIC Y  CRITICAL ILLNESS Y ( 3 )  CRITICAL INJURY N
EXERCISE GIO      GIO AMOUNT      TERM CONV      RECORD TYPE
CTR UNITS 12.00 CTR DOB 20141209 CTR EXCLUSION IND N      AVER NM
AIR % COL UNITS      APB AMOUNT 000025000
GI/AI TRAILER INFO    OIR

                           NXT      CO      POL
                           C118HU5021  UJI09131909355100
```

### OIRS/OICS Screen:

- SMOKER field: see chart below for available rate classes.
- Note:** These are different than the Base rate classes. OIR's will remain at the existing rate class that were available with FlexLife II.

LSW OIR Rate Class	NL OIR Rate Class	Smoker Field	Availability
E = Elite Non-tobacco	E = Elite Non-smoker	E	20-75

<b>P</b> = Preferred Non-tobacco	<b>P</b> = Preferred Non-smoker	P	20-85
<b>G</b> = Select Non-tobacco	<b>G</b> = Select Non-smoker	G	20-85
<b>N</b> = Verified Standard Non-tobacco	<b>N</b> = Verified Standard Non-smoker	N	0-85
	<b>J</b> = Juvenile	J	0-19
<b>R</b> = Preferred Tobacco	<b>R</b> = Preferred Tobacco	R	20-85
<b>Y</b> = Verified Standard Tobacco	<b>Y</b> = Verified Standard Tobacco	Y	20-85

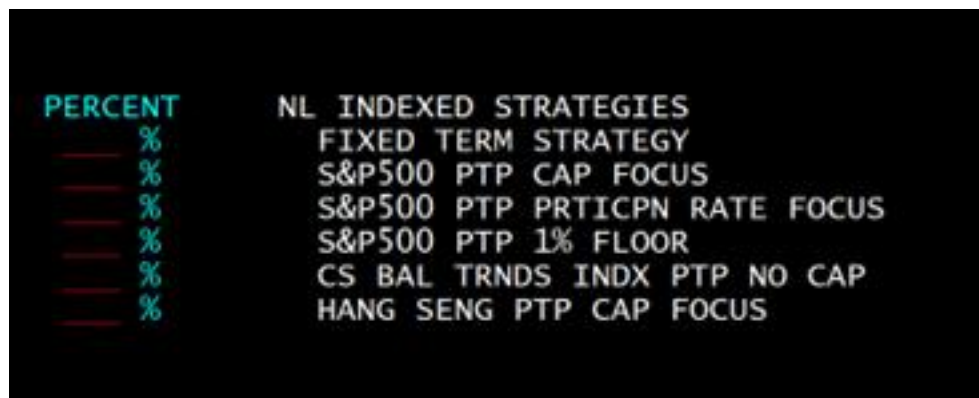
- **SMOKER field:** Must be entered with codes as above, otherwise edits will occur:
  - If Smoker code is input as 'S' or 'Q', online edit will occur: +INVALID SMOKER CODE FOR OIR FOR THIS PRODUCT
  - FlexLife NL: If Smoker code is input as 'E', 'P', 'G', 'N', or 'Y' with an issue age of 0-19, online edit will occur: +SMOKER CODE MUST BE J
- If base insured is an Express rate class and an OIR on self is desired, the following business rules will apply to the self OIR:
  - If the base insured is an Express Non-tobacco 1, then an OIR on self will be a Verified Standard Non-tobacco with a 175% rating.
  - If the base insured is an Express Non-tobacco 2, then an OIR on self will be a Verified Standard Non-tobacco with a 250% rating.
  - If the base insured is an Express Tobacco, then an OIR on self will be a Verified Standard Tobacco with a 175% rating.

**VFND Screen:** Indexed Fund Selection screen

<b>Co.</b>	<b>Indexed Strategy Name</b>
LSW	Fixed Term Strategy
LSW	S&P Point-to-Point Cap Focus
LSW	S&P Point-to-Point Participation Focus
LSW	S&P Point-to-Point 1% Floor
LSW	Credit Suisse Balanced Trends Index Point-to-Point No Cap
LSW	Hang Seng Point-to-Point Cap Focus
NL	Fixed Term Strategy
NL	Indexed Strategy 1: S&P 500, Point to Point, Cap Focus
NL	Indexed Strategy 2: S&P 500, Point to Point, Participation Focus

NL	S&P Point-to-Point 1% Floor
NL	Credit Suisse Balanced Trends Index Point-to-Point No Cap (*)
NL	Hang Seng Point-to-Point Cap Focus

(\*) Not Available in New York



#### **MONN/MOCN Screen:**

- ISSUE DATE field:
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product **can** have an issue date of the 21<sup>st</sup>
  - FlexLife cannot be backdated prior to 05/01/2019. Online edit will occur: +INV  
DATE OF ISSUE

**ADTN/ADCN Screen:** Agent Data screen has not changed.

**NOTN/NOCN Screen:** Notify Data screen has not changed.

**SUBI/SUCI Screen:** Online edits were updated to support rating availability for base. No changes were made to OIR. Refer to separate document for details: *Substandard Edits for 2019 IULs*

**STRN Screen:** Supports displays of product, tobacco classes and riders.

STRN LS603998000

INS'D: WILLIAN HANSE

DATES ARE MM-DD-YY & MM-DD  
 ACTION: APPROVED  
 STATUS: ISSUED  
 OPENED: 02-19-19 WL CLS: 05-19-19

BENEFITS	AMOUNT
FLX(19) (A) NS	400000
ABR TERMINAL	
ABR CHRONIC	
ABR CRITICAL ILLNESS	
ABR CRITICAL INJURY	
ADDL PROT BEN	35003
SEE SCREEN 2 FOR FUNDS	
7PPL:	14,975.00 MORE
PREM - PP:	217.19
MMP PREM:	216.72 CT: 4438.02
SORS\$: 0.00	SUSP\$: 0.00
PREMIUM: COM	216.72 LPOA:
COMP OPTION: R	
AGTS: MCNEAL, ERIKA L	
AGY: 6AC UND:	

STRN NL603886000

INS'D: STEVE MOREIE

DATES ARE MM-DD-YY & MM-DD  
 ACTION: APPROVED  
 STATUS: ISSUED  
 OPENED: 02-28-19 WL CLS: 05-27-19

BENEFITS	AMOUNT
FLX(19) (A) NS	300005
ABR TERMINAL	
ABR CHRONIC	
ABR CRITICAL ILLNESS	
ABR CRITICAL INJURY	
DBP 2	
SEE SCREEN 2 FOR FUNDS	
7PPL:	10,365.00 MORE
PREM - PP:	899.98 INIT: 0.00
MIN:	148.33 CT: 3295.37
SORS\$: 899.98	SUSP\$: 0.00 CRC
PREMIUM: SA	881.01 LPOA:
COMP OPTION: R	
AGTS: MC, PAUL	
AGY: 078 UND:	

STRN Screen page 2: Supports display of additional riders and funds.

STRN LS603998000,2

INS'D: WILLIAN HANSE

REQUIREMENTS

REQ

RECVD

SAT'D

BENEFITS CONT'D	AMOUNT
WMD	400000
DBP 2	
BDO (75%)	
GIR	27000
GIR-WP	27000
ICSR	
PDAR	
CMG	

25% FXD TRM STRGY  
10% S&P PTP CP FC  
10% S&P PTP RT FC  
20% HSI PTP CP FC  
30% S&P PTP 1% FL  
5% BLT PTP NO CP

DATES ARE MM-DD

C144HU5021 UJI05131915202900

STRN NL603886000,2

INS'D: STEVE MOREIE

REQUIREMENTS

REQ

RECVD

SAT'D

BENEFITS CONT'D	AMOUNT
BDO (99%)	
BSB (65%)	
OPR	
LIBR 5	
ICSR	
PDAR	
CMG	
SLR	

25% FXD TRM STRGY  
10% S&P PTP CP FC  
10% S&P PTP RT FC  
20% HSI PTP CP FC  
30% S&P PTP 1% FL  
5% BLT PTP NO CP

DATES ARE MM-DD

C144HU5021 UJI05131915194600

NBA System

General:

- Product/Plan name fields: FlexLife is supported throughout NBA Lists & Tabs



**Approval Tab:**

- Rating Type field: Dropdown list and Case Validation edits were updated to support rating availability. Refer to separate document for details: *Substandard Edits for 2019 IULs*

**Contract Tab:**

- Smoker Code field: Dropdown list has been modified to support FlexLife

<b>Rate Class</b>	<b>Maps to New Business</b>
ELITE NT	NL maps to: NB32 Screen Smoker code E LSW maps to: NB38 Screen Smoker code E
PREFERRED NT	NL maps to: NB32 Screen Smoker code P LSW maps to: NB38 Screen Smoker code P
SELECT NT	NL maps to: NB32 Screen Smoker code G LSW maps to: NB38 Screen Smoker code G
STANDARD NT	NL maps to: NB32 Screen Smoker Code N LSW maps to: NB38 Screen Smoker code N
EXPRESS STANDARD NT1	NL maps to: NB32 Screen Smoker code R, Tobacco User code N LSW maps to: NB38 Screen Smoker code R, Tobacco User code N
EXPRESS STANDARD NT2	NL maps to: NB32 Screen Smoker code Q, Tobacco User code N LSW maps to: NB38 Screen Smoker code Q, Tobacco User code N
PREFERRED TOBACCO	NL maps to: NB32 Screen Smoker code R LSW maps to: NB38 Screen Smoker Code R
EXPRESS STANDARD TOBACCO	NL maps to: NB32 Smoker code S, Tobacco User code T LSW maps to: NB38 Smoker code S, Tobacco User code T

STANDARD TOBACCO	SMOKER (Maps to: NB32 Screen Smoker code Y)
------------------	---

### **Money Tab:**

- Issue Date field:
  - FlexLife cannot be backdated prior to 05/01/2019. Case Validation edit will occur: INVALID DATE OF ISSUE – MUST BE=OR>THAN 05/01/2019, THE EFFECTIVE DATE OF THE PRODUCT
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product **can** have an issue date of the 21<sup>st</sup>

### **IUL Funds Tab:**

- Fund Name field:

Fixed Term Strategy
S&P Point-to-Point Cap Focus
S&P Point-to-Point Participation Focus
S&P Point-to-Point 1% Floor
Credit Suisse Balanced Trends Index Point-to-Point No Cap (*)
Hang Seng Point-to-Point Cap Focus

(\*) Not Available in New York

### **Status Tab:**

- Issue Date field:
  - FlexLife cannot be backdated prior to 05/01/2019. Case Validation edit will occur: INVALID DATE OF ISSUE – MUST BE=OR>THAN 05/01/2019, THE EFFECTIVE DATE OF THE PRODUCT
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product **can** have an issue date of the 21<sup>st</sup>

### **Policy Instructions Facility:**

- Exclusions Tab: Has been updated to support the Exclusions available FlexLife.

### **Case Admin Facility:**

- UW Info & Msgs Tab – Basic Info: Has been updated to support display of FlexLife Product and applicable riders.

#### New/Updated Cautions

<b>Caution</b>	<b>Message (20 char)</b>	<b>Agency Suppress Flag</b>	<b>Fatal Flag</b>	<b>Exception Who Code only</b>	<b>Description</b>	<b>Fatal Fatal?</b>
DATE14	ISSUE DATE CANNOT BE 14TH	N	Y	Y	ISSUE DATE CANNOT BE THE 14 <sup>TH</sup> OF THE MONTH, PLEASE SELECT ANOTHER ISSUE DATE.	Yes
E<18	ELITE N/A AT AGE	N	Y	N	ELITE IS SELECTED, AND ISSUE AGE IS < 18. NEED TO SELECT A RATE CLASS OTHER THAN ELITE.	Yes
E>75	ELITE N/A AT AGE	N	Y	N	ELITE IS SELECTED, AND ISSUE AGE IS GREATER THAN 75. NEED TO SELECT SOMETHING OTHER THAN ELITE RISK	Yes
G<18	SELECT NT N/A AT AGE	N	Y	N	SELECT NON-TOBACCO IS SELECTED AND ISSUE AGE IS < 18. NEED TO SELECT A RATE CLASS OTHER THAN SELECT NON- TOBACCO.	Yes
P<18	PREF NT N/A AT AGE	N	Y	N	PREFERRED NON- TOBACCO IS SELECTED, AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN PREFERRED NT.	Yes

R<18	PREF TOB N/A AT AGE	N	Y	N	PREFERRED TOBACCO IS SELECTED, AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN PREFERRED TOBACCO.	Yes
S<18	STD TOB N/A AT AGE	N	Y	N	STANDARD TOBACCO IS SELECTED, AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN STANDARD TOBACCO.	Yes
EST<18	EXP TOB N/A AT AGE	N	Y	N	EXPRESS STANDARD TOBACCO IS SELECTED, AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN STANDARD TOBACCO.	Yes
SMKRN	CHECK JUV SMK CLASS	Y	Y	Y	ISSUE AGE IS 17 OR LESS AND THE SMOKER CODE IS NOT EQUAL TO N, RN OR QN.	Yes
XPRSNA	EXPRESS CLASS N/A	Y	N	N	EXPRESS STANDARD NON-TOBACCO 1, EXPRESS STANDARD NON-TOBACCO 2 AND EXPRESS STANDARD TOBACCO ARE NOT AVAILABLE IF FACE AMOUNT IS GREATER THAN \$2,000,000	No
EZ-UW	EZ-UW ELIGIBLE	Y	N	N	EZ-UW ELIGIBLE DUE TO AGE/AMOUNT CRITERIA.  - issue age is between 18-50 with total underwriting amount up to \$2,000,000 - issue age between 51-60 with total underwriting amount up to \$1,000,000 - issue age between 61-65 with total underwriting amount up to \$250,000	No

FA&APB	FACE<\$25,000 & APB>0	Y	N	N	Base Face Amount and APB Amount in combination must = the minimum of \$50,000. (Base & APB each have a minimum face amount of \$25,000 rule.)	No
APBMAX	APB AMT > MAX AVAIL	N	N	Y	The maximum APB is 3 times the base face amount	Yes
CPBDOB	CPB-NEED- DOB-CHILD	N	Y	N	CTR – need DOB of child	Yes
SMKOIR	CHECK OIR RISK CLASS	N	Y	N	Base smoker class and OIR don't align as follows with the OIR being a Juvenile (J) •If base record is Express standard NT1 then self OIR should be J with 200% rating (Age 18 and 19) •If base record is Express Standard NT1 then Self OIR should be J with 175% rating •If base record is Express standard NT2 then self OIR should be J with 250% rating	Yes

#### Policy Package

Generation of Policy Packages will continue to transition to new software (xPression) to produce the documents necessary to create the Policy. The output material produced contains a more modern look and feel. Documents needed to assemble the policy are printed in a specified order.

#### **Policy Package material/order:**

- Policy Review Checklist – Form 7994
- Request to Ship – Form 5422
- New Business Policy Transmittal Letter
- (FOD) Policy Receipt – Form 8084/1420 – 1<sup>st</sup> Copy
- (FOD) New Issue Amendment (if required) – Form 8018/1465 – 1<sup>st</sup> Copy
- (FOD) Policy Change Amendment (if required) – Form 1421
- (FOD) Statement of Health (if required) – Form 5230
- (FOD) W-9 (if required)
- (FOD) Life Insurance Application (if required) – Form 8121/9212
- (FOD) Supplemental Information to the Application (if required) – Form 8123/20242
- (FOD) HIPAA Form (if required) – Form 8164
- (FOD) ABR Disclosure(s) (if required) – Forms 8083/9747, 20230/20229, 20294/20295, 20299/20298, 20302/20300, 20303/20301, 20314/20313, 20335/20333, 8208/20312, 8626, 8848, and/or 8849
- (FOD) ABR Supplemental Application (if required) – Form 20401CA/20352CA
- (FOD) Medical Questionnaire (if required) – Form 1443
- (FOD) Equity Indexed Life Insurance Product Disclosure (if required) – Form 8469MA

- Illustration (if required) – Continue to print 2<sup>nd</sup> copy of signature page
- Welcome letter
- NAIC Buyer's Guide or state specific Life Insurance Buyer's Guide
- FlexLife Buyer's Guide
  - LSW: Cat No. 104729(1019)
  - NL: Cat No. 104728(1019)
  - NL NY: Cat No. 104730(1019)
- Privacy Notice – Form 9314
- Guaranty Association Notices (if required 35 states) – Form 6272
- Civil Union (if required)
  - LSW: Forms 20217 if CO, 20095 if DE, 20093 if IL, 9235 if VT
  - NL: Forms 20216 if CO, 20094 if DE, 20092 if IL, 9235 if VT
- Maine Ins Rule Chapter 585 (if ME) – Form 8698/8697
- Beneficiary Designation may not apply in Event of Annulment Divorce (if VA) – Form 8156/9433
- Policy Receipt – Form 8084/1420 – 2<sup>nd</sup> Copy
- Policy Cover – Form 20417/20413
- LSW/NL Face Sheet (if required 14 states) – Form 8016/0130
- Life Insurance Disclosure (if required CA, KY, ME, NH, OR, WA, WI) – Form 8884
- Data Pages
- Policy Pages/Rider Pages
- (OnBase doc) New Issue Amendment (if required) – Form 8018/1465
- (OnBase doc) Policy Change Amendment (if required) – Form 1421
- (OnBase doc) Application (Part A) – Form 8121/9212
- (OnBase doc) Term Conversion Application – Form 20007
- (OnBase doc) Policy Change/Term Conversion Supplemental – Form 20114
- (OnBase doc) Supplemental Information Form – Form 8123/20242
- (OnBase doc) Supplemental Other Insured Rider Application – Form 8122/8531
- (OnBase doc) Supplemental Pension Application – Form 8533/20240/7478NY
- (OnBase doc) Chronic Illness Rider Supplement – Form 20274CA/20275CA
- (OnBase doc) Critical Injury Rider Supplement – Form 20401CA/20352CA
- (OnBase doc) Equity Indexed Life Insurance Product Disclosure – Form 8469MA
- (OnBase doc) Medical Questionnaire (Part B ) – Form 1443
- (OnBase doc) Aviation Form – Form 1480
- (OnBase doc) Statement of Health – Form 5230
- Policy Backing – Form 20417/20413

## Pension

### **Overview:**

- Plan Availability: All plans except 412(e)(3)
- Issue Ages: 18 to 85 (age nearest birthday)

- Underwriting Classes:
  - Automatic Issue – AI
  - Guaranteed Issue – GI
  - Simplified Underwriting – SU
  - Full Underwriting

Minimum Face Amount for Pension:

<b>Risk Class</b>	<b>Initial Face Amount</b>	<b>Subsequent Increase</b>
Elite, Preferred, Select Non-tobacco & Preferred tobacco	\$25,000	\$2,000
Standard Non-tobacco, Standard Tobacco & Express Standard	\$5,000 (\$25,000 in WA)	\$2,000

- ABP has a minimum face amount of \$2,000. The maximum APB to base blend is 3 to 1.
- Rider Availability: Refer to chart below

Trust File System:

- Trust Screen 1: Contract Type Code field
  - 129 was made valid for the FlexLife product
  - 130 was made valid for the FlexLife NL product
- Trust Screen 4: Insurance Plan field
  - The valid Insurance Plan Name to be used for FlexLife is: FL(19)
- HTRN:
  - Contract Type field: Trust Screen 1 section will show the new Contract Type Codes of 129 or 130.
  - Insurance Plan field: Trust Screen 4 section will show the new Insurance Plan Name of FL(19).

- User Screens:
  - Contract Type field: Contract Types 129 or 130 will be converted to the “English” version of FlexLife (19) and FlexLife NL (19) on the following user screens:

o	TSQN	o	SCHA
o	TPAC	o	BILL
o	TBQN	o	IPQS

### User Screens continued:

- Insurance Plan field: Insurance plan name of FL(19) will overlay to the following user screens:
  - TRQN
  - NBAP

T3IN - Trust Data Screen 3:

- New strategies will be identified by the strategy name
  - The percentage prior to the name will be used for the allocation.

TRUST DATA SCREEN 3			
GROUP NAME		AGENCY	
BILLING METHOD	BILLING FLAG	ASI BILLING	SPECIAL BILLING CODE
BILLING FREQUENCY	BILLING INDICATOR	STATUS DESTINATION	
BENEFICIARY	< SPENDTHRIFT	TRANSFERABILITY	COM DRAFT
SORT BILL INDICATOR		AGENT REPORT INDICATOR	
PARTICIPANT DIRECTED			
EIUL	NL STRATEGIES		IUL
PERCENT		PERCENT	IUL 2019 NL STRATEGIES
---	FIXED TERM STRATEGY	---	FIXED TERM STRATEGY
---	INDEXED STRATEGY 1	---	S&P500 PTP CAP FOCUS
---	INDEXED STRATEGY 2	---	S&P500 PTP PRICPN RATE FOCUS
---	INDEXED STRATEGY 3	---	S&P500 PTP 1% FLOOR
---	INDEXED STRATEGY 4	---	CS BAL TRNDS INDX PTP NO CAP
---	INDEXED STRATEGY 5	---	HANG SENG PTP CAP FOCUS

Qualified Plan Availability:



<b>Rider</b>	<b>Qualified Plan Availability</b>
Accelerated Benefit Rider – Terminal	Pension & Profit Sharing Plans
Accelerated Benefit Rider – Chronic	Pension & Profit Sharing Plans
Accelerated Benefit Rider – Chronic in NY (ABR7)	Pension & Profit Sharing Plans
Accelerated Benefit Rider in 8 states - CT, IL, KS, MA, MN, NJ, VA, WA	Pension & Profit Sharing Plans
Accelerated Benefit Rider – Critical	New Issue Policies within a Profit Sharing Plan only
Accumulated Value Enhancement Rider	Pension & Profit Sharing Plans
Additional Protection Benefit Rider	Pension & Profit Sharing Plans
Balance Sheet Benefit Rider	Profit Sharing Plans
Benefit Distribution Option	Not Available-Exception Only
Charitable Matching Gift DB Rider	Pension & Profit Sharing Plans
Children’s Term Rider	Not Available-Exception Only
Death Benefit Protection Rider	Pension & Profit Sharing Plans
Guaranteed Insurability Rider	Not Available-Exception Only
Flexible Accumulated Value Enhancement Rider	Profit Sharing Plans
Indexed Crediting Strategies Riders	Pension & Profit Sharing Plans
Lifetime Income Benefit Rider	Pension & Profit Sharing Plans
Other Insured Rider	Profit Sharing Plans only
Overloan Protection Rider	Not Available-Exception Only
Participating Fixed Loan Rider	Pension & Profit Sharing Plans
Participating Variable Loan Rider	Pension & Profit Sharing Plans
Qualified Plan Exchange	Pension & Profit Sharing Plans
Standard Loan Rider	Pension & Profit Sharing Plans
Systematic Allocation Averaging Rider	Pension & Profit Sharing Plans

<b>Rider</b>	<b>Qualified Plan Availability</b>
Waiver of Monthly Deductions Rider	Existing Plans with WP in Plan New Profit Sharing Plans only
Waiver of Specified Premium Rider	Existing Plans with WP in Plan New Profit Sharing Plans only

#### Product Overview

Living Life By Design is a new single life Indexed Universal Life Product that is filed on only LSW paper. It is intended to replace the Living Life product. Living Life By Design will be available to only 3IP agents. Submitting for Living Life By Design will be available as of October 28, 2019.

#### **Overview:**

- Product Name:  
  
Living Life By Design
- Display Names in NB/NBA:  
  
Living Life By Design
- Living Life By Design product is available on a sex distinct and unisex basis.
- It is available in all jurisdictions, except the following:
  - New York
  - Montana
- Living Life By Design product is **not** available in qualified pension plans.
- Issue Ages: 0 to 85 (age nearest birthday)
- Effective Dates: Policies may not be issued with an effective date of the 14<sup>th</sup> day of any given calendar month. We will not allow effective dates of the 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup>.

*Note:* This product **can** be issued with an effective date of the 21<sup>st</sup>.

- Minimum Face Amount:

Initial Face Amount: \$50,000

Minimum Increase in Face Amount: \$25,000

- APB has a minimum face amount of \$25,000. The maximum APB base blend is 3 to 1.
- Life Insurance Test: Guideline Premium Test (GPT) is only available.
- Policy Fee: There is an option to waive the policy fee for special cases.

### **Premiums:**

- The minimum premium amount is \$10.00.
- Group billing is available with this product.

### Rate Classifications & Banding

#### Rate Classifications:

<b>Rate Class</b>	<b>Age Range</b>	<b>Face Amount Range</b>
Elite NT	18-75	All
Preferred NT	18-85	All
Select NT	18-85	All
Standard NT	0-85	All
Express Standard NT 1	0-85	Up to and including \$2,000,000
Express Standard NT 2	18-85	Up to and including \$2,000,000
Preferred Tobacco	18-85	All
Standard Tobacco	18-85	All
Express Standard Tobacco	18-85	Up to and including \$2,000,000

#### Juveniles:

Juveniles (issue ages **0 - 17**) will be issued in the Standard Non-tobacco rate class. For Band 1, known smokers will be issued in the Express Standard Non-tobacco 1 rate class. For Bands 2 and above, known smokers will get a 200% rating.

#### Banding:

This product will be banded. Banding will be determined at issue based on the total coverage amount including APB coverage. Unit loads, Cost of Insurance rate, Monthly Minimum Premium rates, and Monthly Guaranteed Premium rates may vary by face amount band.

Band 1: Minimum Face Amount to \$250,000.00

Band 2: \$250,00.01 to \$999,999.99

Band 3: \$1,000,000.00 to \$4,999,999.99

Band 4: \$5,000,000.00 and above

#### Rider Information

***Detailed rider information can be found in 'Rider Documentation for 2019 IULs'***

#### **List of Riders Available:**

- Accelerated Benefit Riders (ABR)
  - Terminal Illness
  - Chronic Illness
  - Critical Illness
  - Critical Injury
- Accumulated Value Enhancement Rider (AVER)
- Additional Protection Benefit Rider (APB)
- Balance Sheet Benefit Rider (BSB)
- Charitable Matching Gift Death Benefit Rider (CMG)
- Children's Term Rider (CTR)
- Flexible Accumulated Value Enhancement Rider (FAVE)
- GAP Protection Rider (GPR)
- Guaranteed Flex Rider (GFR)
- Interest Crediting Strategies Riders
- Lifetime Income Benefit Rider 5 (LIBR)
- Overloan Protection Rider (OPR)
- Participating Fixed Loan Rider (PFLR)
- Participating Variable Loan Rider (PVLRL)
- Premium Deposit Account (PDA)
- Standard Loan Rider (SLR)

- Systematic Allocation Rider (SAR)
- Waiver of Monthly Deductions Rider (WMD)
- Waiver of Specified Premium Rider (WSP)
- Waiver of Surrender Charges - Unemployment

#### Interest Crediting Strategies

<b>Co.</b>	<b>Indexed Strategy Name</b>	<b>Fund #</b>
LSW	Fixed Term Strategy	105
LSW	S&P Point-to-Point Cap Focus	301
LSW	S&P Point-to-Point Participation Focus	302
LSW	S&P Point-to-Point 1% Floor	306
LSW	Credit Suisse Balanced Trends Index Point-to-Point No Cap	307
LSW	Hang Seng Point-to-Point Cap Focus	305

Note: The Indexed Loan Account is only used for Participating Fixed Loans and cannot be chosen as an allocation by the customer nor will it be displayed on the Interest Crediting Strategies Form.

#### Internal Transition Rules

Refer to the document: *Internal Transition Rules – 2019 IUL Product Launch 2001 CSO Product Transition*

#### Updated Forms

- Interest Crediting Strategies Form
  - 20326(0319)
- Flexible Accumulated Value Enhancement Rider Option Election
  - ICC19-20649(0519) for remaining states
  - 20649(0519) for CA, FL, DE, SD, ND
- Supplemental Application for Guaranteed Flex Rider
  - ICC19-20650(0519) for remaining states
  - 20650(0519) for CA, DE, ND, SD
  - 20650FL(0519) for FL

#### State Approvals

Availability as of 10/28/2019 Introduction: All states except NY and MT

#### Underwriting

EZ Underwriting Availability:

<b>Age Range</b>	<b>Face Amounts</b>
18-50	Up to and including \$2,000,000
51-60	Up to and including \$1,000,000
61-65	Up to and including \$250,000

Underwriting:

<b>Face Amounts: Minimum to \$250,000</b>		
<b>Rate Classes</b>	<b>Issue Ages</b>	<b>Underwriting</b>
Elite Non-tobacco	18-75	Fluids
Preferred Non-tobacco	18-85	Fluids
Select Non-tobacco	18-85	Fluids
Standard Non-tobacco	0-65	No Fluids
Standard Non-tobacco	66-85	Fluids
Express Standard Non-tobacco 1	0-65	No Fluids
Express Standard Non-tobacco 1	66-85	Fluids
Express Standard Non-tobacco 2	0-65	No Fluids
Express Standard Non-tobacco 2	66-85	Fluids
Preferred Tobacco	18-85	Fluids
Standard Tobacco	18-65	No Fluids
Standard Tobacco	66-85	Fluids
Express Standard Tobacco	18-65	No Fluids
Express Standard Tobacco	66-85	Fluids

Underwriting, continued

<b>Face Amounts: \$250,001 - \$1,000,000</b>		
<b>Rate Classes</b>	<b>Issue Ages</b>	<b>Underwriting</b>

Elite Non-tobacco	18-85	Fluids	
Preferred Non-tobacco	18-85	Fluids	
Select Non-tobacco	18-85	Fluids	
Standard Non-tobacco	18-60	No Fluids	
Standard Non-tobacco	61-85	Fluids	
Express Standard Non-tobacco 1	0-60	No Fluids	
Express Standard Non-tobacco 1	61-85	Fluids	
Express Standard Non-tobacco 2	0-60	No Fluids	
Express Standard Non-tobacco 2	61-85	Fluids	
Preferred Tobacco	18-60	No Fluids	
Preferred Tobacco	61-85	Fluids	
Standard Tobacco	18-60	No Fluids	
Standard Tobacco	61-85	Fluids	
Express Standard Tobacco	18-60	No Fluids	
Express Standard Tobacco	61-85	Fluids	

**Face Amounts: \$1,000,001 - \$2,000,000**

<b>Rate Classes</b>	<b>Issue Ages</b>	<b>Underwriting</b>
Elite Non-tobacco	18-85	Fluids
Preferred Non-tobacco	18-85	Fluids
Select Non-tobacco	18-85	Fluids
Standard Non-tobacco	18-50	No Fluids
Standard Non-tobacco	51-85	Fluids
Express Standard Non-tobacco 1	0-50	No Fluids
Express Standard Non-tobacco 1	51-85	Fluids
Express Standard Non-tobacco 2	0-50	No Fluids
Express Standard Non-tobacco 2	51-85	Fluids
Preferred Tobacco	18-50	No Fluids
Preferred Tobacco	51-85	Fluids
Standard Tobacco	18-50	No Fluids

Standard Tobacco	51-85	Fluids
Express Standard Tobacco	18-50	No Fluids
Express Standard Tobacco	51-85	Fluids

#### Underwriting Limitations & Exclusions Information

Living Life By Design product will include the typical limitations/exclusions that may be added to the policy at the discretion of the underwriter when the policy is initially issued:

- 8516(0707) LSW Aircraft Limitation Rider
- 8517(0707) LSW Aircraft Limitation Rider-Military
- 9935(0305) LSW Foreign Travel Exclusion Endorsement

System support has been included with Living Life By Design:

- NBA System-Policy Instructions Facility-Exclusions Tab-all applicable checkboxes are available for selection when product is Living Life By Design.
- New Business System:
  - NOTN/NOCN/NOQN-Notify Data Screen – all exclusion fields are available for selection when product is Living Life By Design.

#### Substandard

Standard Non-Tobacco - Face Amounts Less than or equal to \$2M				
Rating				
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85
150%	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1
175%	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1
200%	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1	Update to Express NT 1
225%	Not Available	Update to Express NT 2	Update to Express NT 2	Update to Express NT 2
250%	Not Available	Update to Express NT 2	Update to Express NT 2	Update to Express NT 2



300%	Not Available	Update to Express NT 2	Update to Express NT 2	Update to Express NT 2
350%	Not Available	Available as Table Rating	Not Available	Not Available
400%	Not Available	Available as Table Rating	Not Available	Not Available
500%	Not Available	Available as Table Rating	Not Available	Not Available
<b>Standard Non-Tobacco - Face Amounts greater than \$2M</b>				
Rating				
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85
150%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating
175%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating
200%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating
225%	Not Available	Available as Table Rating	Available as Table Rating	Not Available
250%	Not Available	Available as Table Rating	Available as Table Rating	Not Available
300%	Not Available	Available as Table Rating	Available as Table Rating	Not Available
350%	Not Available	Available as Table Rating	Not Available	Not Available
400%	Not Available	Available as Table Rating	Not Available	Not Available
500%	Not Available	Available as Table Rating	Not Available	Not Available
<b>Standard Tobacco - Face Amounts Less than or equal to \$2M</b>				
Rating				
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85

150%	N/A	Update to Express Tobacco	Update to Express Tobacco	Update to Express Tobacco
175%	N/A	Update to Express Tobacco	Update to Express Tobacco	Update to Express Tobacco
200%	N/A	Update to Express Tobacco	Update to Express Tobacco	Update to Express Tobacco
225%	N/A	Not Available	Not Available	Not Available
250%	N/A	Not Available	Not Available	Not Available
300%	N/A	Available as Table Rating	Available as Table Rating	Not Available
350%	N/A	Available as Table Rating	Not Available	Not Available
400%	N/A	Available as Table Rating	Not Available	Not Available
500%	N/A	Not Available	Not Available	Not Available
<b>Standard Tobacco - Face Amounts greater than \$2M</b>				
Rating				
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85
150%	N/A	Available as Table Rating	Available as Table Rating	Available as Table Rating
175%	N/A	Available as Table Rating	Available as Table Rating	Available as Table Rating
200%	N/A	Available as Table Rating	Available as Table Rating	Available as Table Rating
225%	N/A	Available as Table Rating	Available as Table Rating	Not Available
250%	N/A	Available as Table Rating	Available as Table Rating	Not Available
300%	N/A	Available as Table Rating	Available as Table Rating	Not Available
350%	N/A	Available as Table Rating	Not Available	Not Available

400%	N/A	Available as Table Rating	Not Available	Not Available
500%	N/A	Available as Table Rating	Not Available	Not Available

Note: Refer to separate document for more information: *Substandard Edits for 2019 IULs*

New Business System

**LINN/LICN Screen:**

- Build with Line code M for Living Life By Design – LINN M

**LOWN/LOCN Screen:**

- PREM MODE field, available modes:
  - A = Annual
  - S = Semi-Annual
  - Q = Quarterly
  - 6 = EFT
  - X = Single Premium

**LPRN/LPCN Screen:**

- DATE OF ISSUE field:
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product can have an issue date of the 21<sup>st</sup>
  - Living Life By Design cannot be backdated prior to 05/01/2019. Online edit will occur: +INV DATE OF ISSUE

**NB38 Screen:**

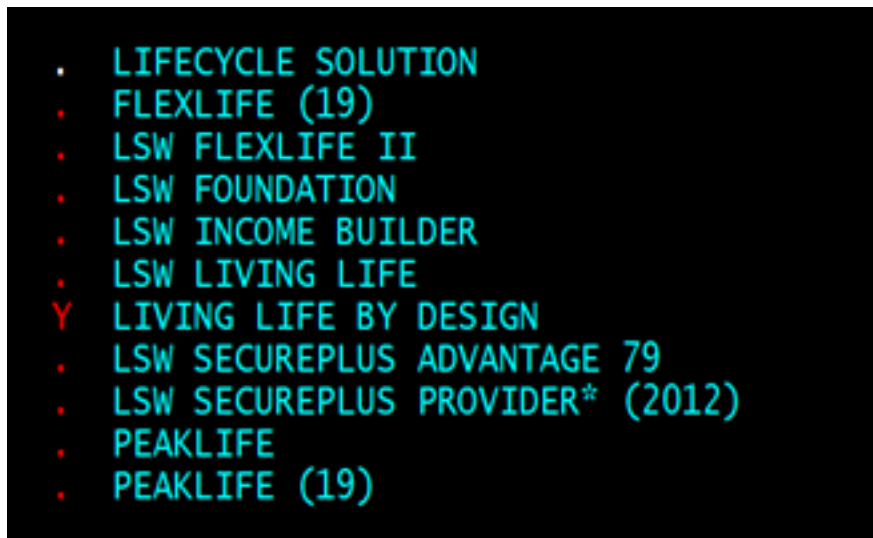
- TOBACCO USER fields, see chart below.

Rate Class	Tob Field	Tob User Field	Availability
Elite NT	E	-	18-75
Preferred NT	P	-	18-85
Select NT	G	-	18-85

Standard NT	N	-	0-85
Express Standard NT 1	R	N	0-85
Express Standard NT 2	Q	N	18-85
Preferred Tobacco	R	-	18-85
Standard Tobacco	Y	-	18-85
Express Standard Tobacco	S	T	18-85

**NB38 Screen, continued:**

- PLAN field:
  - *New* LIVING LIFE BY DESIGN has been added to the NB38 screen for selection.



**MGUL/MGCL Screen:** *New* AVER, FAVE and GFR Riders

AVER Field (Accumulated Value Enhancement Rider) – two alpha character field

- Valid Options are: NO, NM, MP

NO = For states that the FAVE rider has been approved - will automatically default to No if FAVE is available.

NM = No Multiplier - The prior version of AVER for states that did not approve the new version.

MP = Multiplier - is the new version of AVER

FAVE Field (Flexible Accumulated Value Enhancement Rider) – two alpha character field

- Valid Options are: NO, EN, EM, EP

NO = For states that did not approve rider – will automatically default to No if not state approved

EN = Enhancer

EP = Enhancer Plus

EM = Enhancer Max

GFR Field (Guaranteed Flex Rider) – two-character field

Valid Options are: NO, 10, 20, 30, 40

NO = GPR is not available due to age, state approval or was not selected

10 = 10 year

20 = 20 year

30 = 30 year

40 = 40 year

```

MGDL LS604656600,I    MORTGAGE UNIVERSAL LIFE COVERAGE SCREEN
                        LONG NAME INSURED:
INSURED: STEVE MOREIE

PLAN LIVING LIFE BD    SMOKER E          VLR Y    FEE Y    BAND 3
AMOUNT OF INSURANCE ■ 1210000 BNFT-OPTION A    INCOME    OCC
LIFE INS TEST G
PP-PYMT 3320.44        MIN MO PREM 275.87    CT PREM 6062.10
PREMIUM: A 3310.44
GSP 85922.00    GLP 7876.00    7PPL 24572.00    FAVE EN    AVER NO
ABRS: TERMINAL Y    CHRONIC Y    CRITICAL ILLNESS Y ( 3 )    CRITICAL INJURY Y
WMD Y

                        OPR Y    LIBR 5    SAR Y    LOAN S V F
                        ICSR Y    PDAR Y    CMG Y    GFR NO
GPR % GPR CTP        WSC-UR Y    BSB    BSB CTP
APB AMOUNT 25000

WSP WAIVED        WSP MIN        WSP MAX        WSP CTP
CTR UNITS 12.00    CTR CTP 73.44    CTR DOB 20141222    TOTAL CTP 6135.54
CTR EXCLUSION IND N
                        TERM CONV        RECORD TYPE
RE-CALC PREMIUM:    NXT    CO    POL
                        C118HU5021    UJI09121911315000

```

**VFND Screen:** Indexed Fund Selection screen

Co.	Indexed Strategy Name
LSW	Fixed Term Strategy
LSW	S&P Point-to-Point Cap Focus
LSW	S&P Point-to-Point Participation Focus
LSW	S&P Point-to-Point 1% Floor
LSW	Credit Suisse Balanced Trends Index Point-to-Point No Cap
LSW	Hang Seng Point-to-Point Cap Focus

PERCENT	NL INDEXED STRATEGIES
_____ %	FIXED TERM STRATEGY
_____ %	S&P500 PTP CAP FOCUS
_____ %	S&P500 PTP PRTICPN RATE FOCUS
_____ %	S&P500 PTP 1% FLOOR
_____ %	CS BAL TRNDS INDX PTP NO CAP
_____ %	HANG SENG PTP CAP FOCUS

### **MONN/MOCN Screen:**

- ISSUE DATE field:
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product **can** have an issue date of the 21<sup>st</sup>
  - Living Life By Design cannot be backdated prior to 05/01/2019. Online edit will occur: +INV DATE OF ISSUE

**ADTN/ADCN Screen:** Agent Data screen has not changed.

**NOTN/NOCN Screen:** Notify Data screen has not changed.

**SUBI/SUCI Screen:** Online edits were updated to support rating availability for new product. Refer to separate document for details: *Substandard Edits for 2019 IULs*

**STRN Screen:** Supports displays of product, tobacco classes and riders.

STRN LS604656600

INS'D: STEVE MOREIE

DATES ARE MM-DD-YY & MM-DD

ACTION: INQUIRY

STATUS: ASSIGNED - BEING UNDERWRITTEN

OPENED: 07-30-19 WL CLS: 10-20-19

BENEFITS AMOUNT

LVG LFE BD (A) E 1210000

ABR TERMINAL

ABR CHRONIC

ABR CRITICAL ILLNESS

ABR CRITICAL INJURY

ADDL PROT BEN 25000

SEE SCREEN 2 FOR FUNDS

7PPL: 24,572.00 MORE

PREM - PP: 3320.44

MMP PREM: 275.87 CT: 6135.54

SORS\$: 0.00 SUSP\$: 0.00

PREMIUM: A 3310.44 LPOA:

COMP OPTION: R

AGTS:

AGY: 3IP UND: BSM 07-30

ISSUE AGE: 20

REQUIREMENTS REQ RECVD SAT'D

NEED ABR FORM 20220 07-30

NEED F20274 ABR FORM 07-30

NEED 20401 ABR FORM 07-30

NEED 20326 FORM 07-30

C118HU5021 UJI09121910095601

**STRN Screen page 2:** Supports display of additional riders and funds.

STRN LS604656600,2

INS'D: STEVE MOREIE

REQUIREMENTS

REQ

RECVD

SAT'D

BENEFITS CONT'D

AMOUNT

WMD 1210000

OPR

LIBR 5

ICSR

PDAR

WSC-UR

FAVE ENHANCER

CMG

10% FXD TRM STRGY

10% S&P PTP CP FC

10% S&P PTP RT FC

10% S&P PTP 1% FL

10% BLT PTP NO CP

50% HSI PTP CP FC

DATES ARE MM-DD

C118HU5021 UJI09121910102900



## NBA System

### **General:**

- Product/Plan name fields: Living Life by Design is supported throughout NBA Lists & Tabs

### **Approval Tab:**

- Rating Type field: Dropdown list and Case Validation edits were updated to support rating availability. Refer to separate document for details: *Substandard Edits for 2019 IULs*

### **Contract Tab:**

- Smoker Code field: Dropdown list has been modified to support Living Life By Design

<b>Rate Class</b>	<b>Maps to New Business</b>
ELITE NT	NB38 Screen Smoker code
PREFERRED NT	NB38 Screen Smoker code P
SELECT NT	NB38 Screen Smoker code G
STANDARD NT	NB38 Screen Smoker code N
EXPRESS STANDARD NT1	NB38 Screen Smoker code R, Tobacco User code N
EXPRESS STANDARD NT2	NB38 Screen Smoker code Q, Tobacco User code N
PREFERRED TOBACCO	NB38 Screen Smoker Code R
EXPRESS STANDARD TOBACCO	NB38 Smoker code S, Tobacco User code T
STANDARD TOBACCO	NB38 Smoker code Y

### **Money Tab:**

- Issue Date field:
  - Living Life By Design cannot be backdated prior to 05/01/2019. Case Validation edit will occur: INVALID DATE OF ISSUE – MUST BE=OR>THAN 05/01/2019, THE EFFECTIVE DATE OF THE PRODUCT
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product **can** have an issue date of the 21<sup>st</sup>

### **IUL Funds Tab:**

- Fund Name field:

Fixed Term Strategy
S&P Point-to-Point Cap Focus
S&P Point-to-Point Participation Focus
S&P Point-to-Point 1% Floor
Credit Suisse Balanced Trends Index Point-to-Point No Cap
Hang Seng Point-to-Point Cap Focus

### **Status Tab:**

- Issue Date field:
  - Living Life By Design cannot be backdated prior to 05/01/2019. Case Validation edit will occur: INVALID DATE OF ISSUE – MUST BE=OR>THAN 05/01/2019, THE EFFECTIVE DATE OF THE PRODUCT
  - Issue Date cannot be the 14<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>
    - Note: this product **can** have an issue date of the 21<sup>st</sup>

### **Policy Instructions Facility:**

- Exclusions Tab: Exclusions available to Living Life will continue to be available for Living Life By Design.

### **Case Admin Facility:**

- UW Info & Msgs Tab – Basic Info: Has been updated to support display of Living Life By Design Product and applicable riders.

### **New/Updated Cautions**

<b>Caution</b>	<b>Message (20 char)</b>	<b>Agency Suppress Flag</b>	<b>Fatal Flag</b>	<b>Exception Who Code only</b>	<b>Description</b>	<b>Fatal Fatal?</b>
DATE14	ISSUE DATE CANNOT BE 14 <sup>TH</sup>	N	Y	Y	ISSUE DATE CANNOT BE THE 14 <sup>TH</sup> OF THE MONTH, PLEASE SELECT ANOTHER ISSUE DATE.	Yes

E<18	ELITE N/A AT AGE	N	Y	N	ELITE IS SELECTED, AND ISSUE AGE IS < 18. NEED TO SELECT A RATE CLASS OTHER THAN ELITE.	Yes
E>75	ELITE N/A AT AG	N	Y	N	ELITE IS SELECTED, AND ISSUE AGE IS GREATER THAN 75. NEED TO SELECT SOMETHING OTHER THAN ELITE RISK.	Yes
G<18	SELECT NT N/A AT AGE	N	Y	N	SELECT NON-TOBACCO IS SELECTED AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN SELECT NON-TOBACCO.	Yes
P<18	PREF NT N/A AT AGE	N	Y	N	PREFERRED NON- TOBACCO IS SELECTED, AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN SELECT PREFERRED NT.	Yes
R<18	PREF TOB N/A AT AGE	N	Y	N	PREFERRED TOBACCO IS SELECTED, AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN PREFERRED TOBACCO.	Yes
S<18	STD TOB N/A AT AGE	N	Y	N	STANDARD TOBACCO IS SELECTED, AND ISSUE AGE IS<18. NEED TO SELECT A RATE CLASS OTHER THAN STANDARD TOBACCO.	Yes

EST<18	EXP STD TB NA AT AGE	N	Y	N	EXPRESS STANDARD TOBACCO SELECTED, AND ISSUE AGE IS < 18. NEED TO SELECT A RATE CLASS OTHER THAN EXPRESS STANDARD TOBACCO.	Yes
SMKRN	AGE 17 OR LESS	Y	Y	Y	ISSUE AGE IS 17 OR LESS AND THE SMOKER CODE IS NOT EQUAL TO N, RN OR QN.	Yes
Caution	Message (20 char)	Agency Suppress Flag	Fatal Flag	Exception Who Code only	Description	Fatal Fatal?
XPRSNA	EXPRESS CLASS N/A	Y	N	N	EXPRESS STANDARD NON-TOBACCO 1, EXPRESS STANDARD NON-TOBACCO 2 AND EXPRESS STANDARD TOBACCO ARE NOT AVAILABLE IF FACE AMOUNT IS GREATER THAN \$1,000,000	No
EZ-UW	EZ-UW ELIGIBLE				EZ-UW ELIGIBLE DUE TO AGE/AMOUNT CRITERIA.  - issue age is between 18-50 with total underwriting amount up to \$2,000,000 - issue age between 51- 60 with total underwriting amount up to \$1,000,000 - issue age between 61- 65 with total underwriting amount up to \$250,000	No

FA&APB	FACE<\$25,000 & APB>0	Y	N	N	Base Face Amount and APB Amount in combination must = the minimum of \$50,000. (Base & APB each have a minimum face amount of \$25,000 rule.)	No
APBMAX	APB AMT > MAX AVAIL	N	N	Y	The maximum APB is 3 times the base face amount.	Yes
CPBDOB	CPB-NEED- DOB-CHILD	N	Y	N	CTR – need DOB of child	Yes
BNDGAP	GAP N/A WITH UW AMT	Y	Y	Y	GAP RIDER NOT AVAILABLE IF UNDERWRITING AMOUNT (FACE + apb) IS EQUAL TO OR GREATER THAN 1 MILLION.	Yes
Caution	Message (20 char)	Agency Suppress Flag	Fatal Flag	Exception Who Code only	Description	Fatal Fatal?
CKFAVE	CHECK FAVE RIDER	N	Y	Y	FLEXIBLE ACCUMULATED VALUE ENHANCEMENT RIDER IS APPROVED IN THE STATE OF EXECUTION BUT THE FAVE INDICATOR ON THE COVERAGE SCREEN IS NO.	Yes
FAVENX	FAVE NOT AP IN STATE	N	Y	Y	FLEXIBLE ACCUMULATED VALUE ENHANCEMENT RIDER IS NOT APPROVED IN THE STATE OF EXECUTION.	Yes

#### Policy Package

Generation of Policy Packages will continue to transition to new software (xPression) to produce the documents necessary to create the Policy. The output material produced contains a more modern look and feel. Documents needed to assemble the policy are printed in a specified order.

**Policy Package material/order:**

- Policy Review Checklist – Form 7994
- Request to Ship – Form 5422
- New Business Policy Transmittal Letter
- (FOD) Policy Receipt – Form 8084– 1<sup>st</sup> Copy
- (FOD) New Issue Amendment (if required) – Form 8018– 1<sup>st</sup> Copy
- (FOD) Policy Change Amendment (if required) – Form 1421
- (FOD) Statement of Health (if required) – Form 5230
- (FOD) W-9 (if required)
- (FOD) Life Insurance Application (if required) – Form 8121
- (FOD) Supplemental Information to the Application (if required) – Form 8123
- (FOD) HIPAA Form (if required) – Form 8164
- (FOD) ABR Disclosure(s) (if required) – Forms 8083, 20230, 20294, 20299, 20302, 20303, 20314, 20335, 8208, and/or 8849
- (FOD) ABR Supplemental Application (if required) – Form 20401CA
- (FOD) Medical Questionnaire (if required) – Form 1443
- (FOD) Equity Indexed Life Insurance Product Disclosure (if required) – Form 8469MA
- Illustration (if required) – Continue to print 2<sup>nd</sup> copy of signature page
- Welcome letter
- NAIC Buyer's Guide or state specific Life Insurance Buyer's Guide
- Living Life By Design Buyer's Guide
  - Cat No: 104708(1019)
- Privacy Notice – Form 9314
- Guaranty Association Notices (if required 35 states) – Form 6272
- Civil Union (if required) - Forms 20217 if CO, 20095 if DE, 20093 if IL, 9235 if VT
- Maine Ins Rule Chapter 585 (if ME) – Form 8698
- Beneficiary Designation may not apply in Event of Annulment Divorce (if VA) – Form 8156
- Policy Receipt – Form 8084 – 2<sup>nd</sup> Copy
- Policy Cover – Form 20417
- LSW/NL Face Sheet (if required 14 states) – Form 8016
- Life Insurance Disclosure (if required CA, KY, ME, NH, OR, WA, WI) – Form 8884
- Data Pages
- Policy Pages/Rider Pages
- (OnBase doc) New Issue Amendment (if required) – Form 8018
- (OnBase doc) Policy Change Amendment (if required) – Form 1421
- (OnBase doc) Application (Part A) – Form 8121
- (OnBase doc) Term Conversion Application – Form 20007
- (OnBase doc) Policy Change/Term Conversion Supplemental – Form 20114
- (OnBase doc) Supplemental Information Form – Form 8123
- (OnBase doc) Chronic Illness Rider Supplement – Form 20274CA
- (OnBase doc) Critical Injury Rider Supplement – Form 20401CA
- (OnBase doc) Equity Indexed Life Insurance Product Disclosure – Form 8469MA
- (OnBase doc) Medical Questionnaire (Part B) – Form 1443
- (OnBase doc) Aviation Form – Form 1480

- (OnBase doc) Statement of Health – Form 5230
- Policy Backing – Form 20417

#### *Draft Version #4*

#### Overview

**We will create new LSW SummitLife products to remain competitive in a post-7702 market. SummitLife will replace LSW PeakLife. Target market will be the same as PeakLife. SummitLife will not be sold on NL paper.**

#### Plan Codes

Pension Indicator	Sex	Fee	SummitLife
Non-Pen	Unisex	No Fee	100122
Non-Pen	Unisex	Fee	101122
Non-Pen	Sex Distinct	No Fee	100222
Non-Pen	Sex Distinct	Fee	101222
Pension	Unisex	No Fee	110122
Pension	Unisex	Fee	111122
Pension	Sex Distinct	No Fee	110222
Pension	Sex Distinct	Fee	111222

#### Availability

This product will be available on a sex distinct and unisex basis in all jurisdictions except for Montana where it will be available on a unisex basis only. This product may only be issued on a unisex basis outside of Montana in employer-employee situations subject to the Norris decision and/or Title VII of the Civil Rights Act.

SummitLife will only be sold on LSW paper.

## **Rate Classifications and Issue Ages**

<b>Risk Class</b>	<b>Minimum Issue Age (all products)</b>	<b>Maximum Issue Age (all products)</b>	<b>Face Amount Availability</b>
Elite Non-tobacco	18	75	All
Preferred Non-tobacco	18	85	All

Select Non-tobacco	18	85	All
Standard Non-tobacco	0	85	All
Express Standard Non-tobacco 1	0	85	Total Face $\leq$ \$2M
Express Standard Non-tobacco 2	18	85	Total Face $\leq$ \$2M
Preferred Tobacco	18	85	All
Standard Tobacco	18	85	All
Express Standard Tobacco	18	85	Total Face $\leq$ \$2M

SummitLife availability will be expanded to include juveniles (issue ages 0-17) for Standard Non-tobacco and Express Standard Non-tobacco 1.

**For SummitLife, EZ underwriting will be offered to total face amount  $\leq$  \$3,000,000 for issue ages 18-50 and to total face amount  $\leq$  \$1,000,000 for issue ages 51-60. Otherwise full medical underwriting will be required.**

**Issue age is based on age nearest birthday.**

Juveniles (issue ages 0 - 17) will be issued in the Standard Non-Tobacco rate class. For Face Amounts less than or equal to \$2,000,000 known smokers will be issued in the Express Standard Non-tobacco 1 rate class. For Face Amounts \$2,000,001 and above, known smokers will get a 200% rating.

**We will have sex-distinct and unisex versions.**

**GPT and CVAT will be offered.**

The sweep date will be the 14<sup>th</sup> of every calendar month. For this reason, policies may not be issued with an effective date of the 14<sup>th</sup> day of any given calendar month. We will not allow effective dates of the 29<sup>th</sup>, 30<sup>th</sup>, and 31<sup>st</sup>.

For pension cases, SummitLife will be available under the same underwriting rules as non-pension cases, plus automatic issue, simplified issue and guaranteed issue.

## **Substandard Policies**



**Express Standard risk classes will be available. The Express Standard risk classes will be available up to \$2,000,000 (inclusive) for all issue ages.**

**Table of Availability:**

<b>Standard Non-Tobacco - Face Amounts Less than or equal to \$2M</b>					
Rating					
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	
175%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	
200%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	
225%	Not Available	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2	
250%	Not Available	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2	
300%	Not Available	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2	
350%	Not Available	Available as Table Rating	Not Available	Not Available	
400%	Not Available	Available as Table Rating	Not Available	Not Available	
500%	Not Available	Available as Table Rating	Not Available	Not Available	

<b>Standard Non-Tobacco - Face Amounts greater than \$2M</b>					
Rating	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M	
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	

175%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	
200%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	
225%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
250%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
300%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
350%	Not Available	Available as Table Rating	Not Available	Not Available	
400%	Not Available	Available as Table Rating	Not Available	Not Available	
500%	Not Available	Available as Table Rating	Not Available	Not Available	

<b>Standard Tobacco - Face Amounts Less than or equal to \$2M</b>					
Rating	Face Amount <= \$2M	Face Amount <= \$2M	Face Amount <= \$2M	Face Amount <= \$2M	
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	N/A (no juvenile tobacco)	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco	
175%	N/A (no juvenile tobacco)	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco	
200%	N/A (no juvenile tobacco)	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco	
225%	N/A (no juvenile tobacco)	Not Available	Not Available	Not Available	
250%	N/A (no juvenile tobacco)	Not Available	Not Available	Not Available	
300%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available	

350%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available	
400%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available	
500%	N/A (no juvenile tobacco)	Not Available	Not Available	Not Available	

<b>Standard Tobacco - Face Amounts greater than \$2M</b>					
Rating	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M	
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Available as Table Rating	
175%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Available as Table Rating	
200%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Available as Table Rating	
225%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available	
250%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available	
300%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available	
350%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available	
400%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available	
500%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available	

## **Description of Availability:**

### For Face Amount up and including \$2,000,000:

- Permanent flat extras are available with all rate classifications. Temporary flat extras are available with Standard and Express Standard classes. Table ratings are not available for Express Standard classes. See below for table ratings with Standard classes.
- A nonsmoking insured with a substandard table rating up to and including 200% will be placed in the Express Standard Non-tobacco 1 rate classification.
- A nonsmoking insured with a substandard table rating between 225% and 300% (inclusive) will be placed in the Express Standard Non-tobacco 2 rate classification.
- A smoking insured with a substandard table rating up to and including 200% will be placed in the Express Standard Tobacco rate classification.
- Ages 18-74 we allow substandard table ratings at 350%, 400% and 500% for Standard Non-tobacco insureds and at 300%, 350% and 400% for Standard Tobacco insureds to allow underwriters to quote special cases above the current Express Standard limits. These ratings will align with substandard ratings currently offered in Foresight. No other table ratings will be allowed. Policies will either be issued as Express Standard or as Standard Non-tobacco/Tobacco with a high rating %.\_
- Ages 75 through 79 - no ratings over 300%
- Ages 80 through 85 - no ratings over 200%

-

### For Face Amount above \$2,000,000:

- Table ratings and temporary flat extras are available with the Standard Non-tobacco and Standard Tobacco rate classes. Permanent flat extras are available with any rate class.
- Ages 75 through 79 - no ratings over 300%
- Ages 80 through 85 - no ratings over 200%
- Substandard table ratings will be applied until the later of age 65 or 20 years. Flat extras apply for the number of years assigned during underwriting.

### **Available ratings for face amounts above \$2,000,000 are**

- 150% - Table B
- 175% - Table C
- 200% - Table D
- 225% - Table E
- 250% - Table F
- 300% - Table H
- 350% - Table J

- 400% - Table L
- 500% - Table P

### Face Amount Banding

Face amount banding will be determined based on mortality data, reinsurance and pricing impact.

Band 0\*: Minimum Face Amount to \$999,999.99

Band 1: \$1,000,000.00 to \$4,999,999.99

Band 2: \$5,000,000.00 and above

\*Currently Band 0 is only available for Multi-Life, Kai-Zen, and NorthStar's Emerging Affluent Programs with a minimum face of \$500,000 and an ability to make exceptions down to \$300,000.

Note: Face amount bands are set at issue and cannot change as a result of face amount changes. This applies to all product features that are band specific, and availability is determined by the at-issue band

### Minimum Face Amount

See the table below for the initial total minimum coverage amount which is based on the total of base face and any additional protection rider sum insured.

The initial base minimum face amount in the table below is based on issuing with the maximum 3 to 1 ABP blend.

APB has a minimum sum insured amount of \$25,000 in all years. \$25,000 is the minimum for additional segments both at and after issue. Total coverage amount may be reduced after issue to \$100,000. Face reductions are processed on a LIFO basis with APB segments reduced before base coverage segments. The base coverage minimum face amount in years 2+ is in the table below.

	<b>Initial Total Coverage Amount</b>	<b>Initial Base Minimum Face</b>	<b>APB Minimum Sum Insured – All Years</b>	<b>Minimum Total Coverage Amount After Issue</b>	<b>Base Minimum Face in Years 2+</b>	<b>Minimum Increase in Face Amount</b>
Non-Pension	\$1,000,000	\$250,000	\$25,000	\$100,000	\$100,000	\$25,000

Non-Pension Override	\$1,000,000	\$250,000	\$25,000	\$100,000	\$100,000	\$25,000
Pension	\$1,000,000	\$250,000	\$25,000	\$100,000	\$100,000	\$25,000
Pension Override	\$1,000,000	\$250,000	\$25,000	\$100,000	\$100,000	\$25,000
Special Programs	\$500,000	\$125,000	\$25,000	\$100,000	\$100,000	\$25,000
Special Programs Override	\$300,000	\$75,000	\$25,000	\$100,000	\$75,000	\$25,000

#### Policy Benefits

#### Death Benefit Options:

The policyholder may elect either of two death benefit options, Option A or Option B.

#### Guaranteed Interest Rate:

The guaranteed interest rate, or Minimum Accumulated Value Interest Rate, is 1.00%.

#### Corridor Factors:

The corridor factors used will vary based on the test used to determine compliance with the definition of life insurance for federal income tax purposes.

If the Guideline Premium Test applies, the factors will vary by attained age. There is no change to GPT corridor factors.

If the Cash Value Accumulation Test applies, the factors will vary by attained age and sex of each insured. There is no change to CVAT corridor factors. They will be calculated as  $1/NSP$  where the NSP is the same Net Single Premium used for MEC 7-Pay premiums calculated in the black box for the base policy and all riders classified as qualified additional benefits. The interest rate to calculate  $1/NSP$  will be 2% in all durations.

#### Optional Limitations:

The following limitations/exclusions may be added to the policy at the discretion of the underwriter when the policy is initially issued:

<b>Rider/Endorsement</b>	<b>NL</b>	<b>LSW</b>
	<b>Form Number</b>	<b>Form Number</b>
Aircraft Limitation Rider	0140(0199)	8516(0707)
Aircraft Limitation Rider – Military	0141(0199)	8517(0707)
Foreign Travel Exclusion Endorsement	9496(0204)	9935(0305)

#### Premiums

New rate tables will be provided for Minimum Monthly Premium (MMP), Monthly Guaranteed Premium (MGP), and Commissionable Target Premium (CTP).

The premium load will be 6% in all years.

The minimum premium amount is \$10.

#### Accumulated Value

### Accumulated Value Enhancement

There will be an Accumulated Value Enhancement. This enhancement will be offered as a rider. See Optional Benefits section for more details.

### Monthly Deductions

New rates tables will be provided for all monthly deductions (charges per unit of face amount, charge per policy, charges per unit of net amount at risk, charge as a percentage of accumulated value, surrender charges and charge for some riders).

The monthly deduction for any coverage segment with a substandard rating will be adjusted by multiplying the appropriate monthly deduction rate by the adjustment factor associated with the table rating, if any, and then adding one-twelfth of the annual flat extra rating, if any.

The monthly policy fee is \$6.

Target premiums, minimum monthly premiums, monthly guarantee premiums (if applicable), and unit loads will be adjusted by a factor defined for each substandard rating as demonstrated in the following table.

<b>Substandard Rating</b>	<b>Minimum Premiums</b>		<b>CTP and Unit Load Factor</b>
	<b>MMP Factor</b>	<b>MGP Factor</b>	
100%	1.00	1.00	1.00
150%	1.28	1.28	1.10
175%	1.52	1.52	1.15
200%	1.55	1.55	1.20
225%	1.68	1.68	1.25
250%	1.95	1.95	1.30
300%	2.04	2.04	1.40
350%	2.27	2.27	1.50
400%	2.50	2.50	1.60
500%	2.90	2.90	1.80

Surrender charges do not vary by substandard rating.

For substandard table ratings:

- For unit loads on a current basis, the substandard table rating factor will apply until the later of to attained age 65 or 20 years.
- For unit loads on a guaranteed basis, the substandard table rating factor will apply until maturity.
- For COIs on a current and guaranteed basis, substandard table ratings will apply until the later of to attained age 65 or 20 years.
- For IRC mortality, substandard table ratings will apply until the later of to attained age 65 or 20 years.
- For premiums, the substandard table rating factor will apply until the later of to attained age 65 or 20 years.

Flat extras apply for the number of years assigned during underwriting.



The accumulated value of the policy is equal to the sum of the accumulated value in each of the different interest crediting strategies.

## Percentage of Accumulated Value Charge

The percentage of accumulated value charge is 5bps per month for 10 years on a current basis and for life on a guaranteed basis. Since SummitLife is only on LSW paper, there is no NY exception.

## Unit Loads

- Current unit load period:
  - 15 years; nonsmokers
  - 20 years; smokers
- Guaranteed unit load period:
  - All years (No NY exception since only LSW paper)
- Guaranteed unit load rates same as current unit load rates
- Unit loads vary by gender, rate class, issue age, and band.

## Interest Crediting Strategies

Strategies will be filed as riders for all products. Not all strategies will be offered in all states. A fixed strategy will be offered in addition to the indexed strategies.

<b>Indexed Strategy</b>	<b>Index</b>	<b>Floor</b>	<b>Cap</b>	<b>Participation Rate</b>	<b>Threshold</b>
Cap Focus	S&P 500	0%	Variable	100%	None
PR Focus	S&P 500	0%	Set	Variable	None
Indexed Loan Account	S&P 500	0%	Variable	100%	None
Non-Zero Floor	S&P 500	1%	Variable	100%	None
Low Volatility Control	Credit Suisse	0%	No Cap	Variable	None
Low Volatility Control	SocGen	0%	No Cap	Variable	None

All strategies above are based on an annual point-to-point credited interest rate methodology.

The guaranteed rates for the new indexed strategy are:

<b>Indexed Strategy</b>	<b>Index</b>	<b>Guaranteed Floor</b>	<b>Guaranteed Cap</b>	<b>Guaranteed Participation Rate</b>
Low Volatility Control	SocGen	0%	No Cap	50%

If a Standard Loan or Participating Fixed Loan results in amounts being deducted from a segment prior to its segment maturity date, no elections from the Fixed Strategy to the Indexed Strategy will be processed in the 12 months following the loan. This is the same as currently processed for FlexLife II. It will only apply to new issues.

## Basic Strategy

The Basic Strategy Minimum Value for each Policy Month is equal to the Basic Strategy Minimum at the beginning of a Policy Year multiplied by an adjustment factor, where:

- the Basic Strategy Minimum at the beginning of a Policy Year is equal to 12.5 multiplied by the Monthly Deduction due on the first day of that Policy Year; and
- the adjustment factor is equal to  $[1-(m-1)/12.5]$ ; and
- $m$  = Policy Month.

## Indexed Loan Account

When an indexed loan is taken via participating fixed loans, the requested loan amount will immediately move into the Indexed Loan Holding Account. The movement of loaned money out of the existing strategies will follow the deduction hierarchy. Capitalized loan interest will not be transferred to the Indexed Loan Holding Account. Interest will be credited to the indexed loan holding account value on a daily basis at a rate declared by the Company, subject to the annual guaranteed minimum crediting rate.

On the monthly sweep date any indexed loan holding account value will be swept to the Indexed Loan Account.

## Deductions Hierarchy

Deductions from the policy's accumulated value (e.g., monthly deductions and withdrawals) and transfers to back a standard loan or participating fixed loan will be taken from each segment of the various interest crediting strategies in the following order, similar to PeakLife 2019 (and other 2019 IUL products):

- First from the basic strategy, until the basic strategy accumulated value is exhausted;
- Next, from any and all Systematic Allocation Accounts until exhausted;
- Next from the fixed strategy, until the fixed strategy accumulated value is exhausted;
- Next from the index strategies, then LIFO by segment (or "month"), then pro-rata by fund value;
- Next from the Indexed Loan Holding Account;
- Next from the Indexed Loan Account, then LIFO by segment (or "month"), then pro-rata by fund value.

The accumulated value of the policy is equal to the sum of the accumulated value in each of the different interest crediting strategies.

## **Policy Protection Period**

The policy protection period corresponds to the first 10 policy years. An increase in coverage does not initiate a new policy protection period. During the policy protection period the surrender charge will be ignored for the purpose of determining whether the policy should enter a grace period provided that the cumulative minimum premium requirement has been met.

## **Policy Loan Options**

Policy loan options will be filed as riders. The loan options offered will be:

- Participating variable loans
- Standard loans
- Participation fixed loans

Monthly and annual policy loans will be offered.

### **Settlement Options**

The policy forms contain a general statement on Settlement Options offered.

## Basis of Values

### New Mortality table

- 2017 CSO ANB Ultimate Sex Distinct Composite for sex distinct cases
- 2017 CSO ANB Ultimate (80% Male/20% Female) Composite for unisex cases

### Interest Rate

- Valuation Rate Non-Secondary Guarantee (Statutory & Tax) – 3.00%
- Valuation Rate Secondary Guarantee (Statutory & Tax) – 3.75%
- Nonforfeiture Rate – 3.50%

### Computation of Guideline Premiums

The guideline single and level premiums will be computed based on:

- guaranteed mortality,
- the current unit loads,
- the current policy fee,
- the current premium loads,
- the current accumulated value charge,
- the current monthly deduction for riders classified as qualified additional benefits

If the Benefit Distribution Option is utilized the guideline single and level premiums will be computed based on the total face amount.

The guideline single premium will be computed based on an interest crediting rate of 4%. The interest rate is reduced by the account value charge in order to incorporate the account value charge into the guideline calculation.

The guideline level premium will be computed based on an interest crediting rate of 2%. The interest rate is reduced by the account value charge in order to incorporate the account value charge into the guideline calculation.

### Optional Benefits

When an optional benefit is added after issue, the minimum monthly premium for the policy will be increased by an amount equal to the minimum monthly premium for the rider and the

commissionable target premium will be increased by an amount equal to the commissionable target premium for the rider.

When an optional benefit is terminated due to expiry or by request from the policyholder, the commissionable target premium and minimum monthly premium for the policy will be reduced by an amount equal to the corresponding premiums for the rider.

## **Accelerated Benefit Riders**

**Please note that the lifetime maximum benefit payout for Terminal Illness will be kept at \$1,500,000.**

### ***Availability:***

- **Issue Ages 0 to 85**
- Please note: ABR availability rules are the same as existing products. This document is not comprehensive.

The following limits apply to both Critical Illness and Chronic Illness:

- Critical and Chronic are available for preferred classes, standard classes, Express Standard NT 1 and Express Standard Tobacco. Not available for Express Standard NT 2.
- Critical and Chronic are not available with substandard ratings > 200%
- ABR Critical is available on auto-excess reinsurance. On a facultative/CUP basis, the reinsurance treaties will need to be checked to see if ABR Critical is allowed. Quota-share is not available on this product.
- At the underwriter's discretion, ABR Critical Illness and Critical Injury may be denied if a flat extra rating is applied.

The following limits apply specifically to New Jersey:

- If the policy is eligible for critical (i.e. passes underwriting and substandard rules) then Terminal/Critical will be added to the policy and we will not add stand-alone Terminal. This policy would also be eligible for Chronic since the terminal coverage required is covered by the Terminal/Critical rider.

- If the policy is the first policy on the insured, there is no face amount limit. Any policy that passes underwriting can have all ABRs.
- If there is already an NL Group policy on the insured, and the total coverage with existing ABRs of any kind, after taking into account the new policy, is greater than \$1,000,000 then the compact version of Critical will not be allowed.
- If the compact version Terminal/Critical is requested after issue it will be subject to the same underwriting and total coverage eligibility as new issues.
- If the compact version of Terminal/Critical is added after issue, the existing stand-alone Terminal (if any) can stay on the contract.

The following limits apply to the 7 states with the compact version of Chronic:

- If the policy is eligible for chronic (i.e. passes underwriting and substandard rules) then the Terminal/Chronic will be added to the policy. We do not have a stand-alone Terminal rider in these states. If the insured is denied Chronic due to underwriting then terminal is also not available.
- If the policy is the first policy on the insured, there is no face amount limit. Any policy that passes underwriting can have all ABRs.
- If there is already an NL Group policy on the insured, and the total coverage with existing ABRs of any kind, after taking into account the new policy, is greater than \$1,500,000 then the compact version of Chronic will not be allowed.
- If the compact version Terminal/Chronic is requested after issue it will be subject to the same underwriting and total coverage eligibility as new issues.

All ABR's are available at or after issue. Chronic and Critical require underwriting.

### *Rates*

There will be no charge for these riders.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## Annual Accumulated Value Enhancement Rider

This rider will automatically be added to all applicable policies at issue and used to facilitate the Accumulated Value Enhancement. The policyowner must elect at issue the desired type of Accumulated Value Enhancement: Annual Accumulated Value Enhancement Rider or Flexible Accumulated Value Enhancement Rider.

-

This rider provides a fixed bonus that varies by interest crediting strategy. It will be offered on both a current and guaranteed basis where the current bonus amount will never be less than the guaranteed bonus amount. The current and guaranteed rates may be set equal to one another for a specific strategy, however, either may change in the future (together or separately) depending on the economic environment. It will be incorporated in the calculation of the Minimum Accumulated Value (MAV). It will also affect the guaranteed pass of the illustration.

The table below identifies the initial current bonus and guaranteed bonus amounts:

<b>Interest Crediting Strategy</b>	<b>Bonus Amount - Current</b>	<b>Bonus Amount – Guaranteed</b>	<b>Bonus Start Year</b>
Basic Strategy	0.25%	0.25%	2
Fixed Strategy	0.25%	0.25%	2
SAR	0.25%	0.25%	2
Indexed Loan Account	0.25%	0.25%	2
S&P Pt to Pt Cap Focus	0.25%	0.25%	2
S&P Pt to Pt PR Focus	0.25%	0.25%	2
S&P Pt to Pt 1% Floor	0.25%	0.25%	2
Credit Suisse Vol Control	1.20%	0.25%	2
SocGen Vol Control	1.35%	0.25%	2

*Calculation Methodology*

Accumulated Value Enhancement =  $A * B / C$  where,

A = average of accumulated value on each monthiversary of prior policy year

B = sum of...

Amount in Idx Stgy 1 on Policy Anniversary \* Idx Stgy 1 Bonus Amount;

Amount in Idx Stgy 2 on Policy Anniversary \* Idx Stgy 2 Bonus Amount;

.....

C = Accumulated Value on Policy Anniversary

The AV in the loan collateral account do not contribute to the above.

The Accumulated Value Enhancement will be credited to the Basic Strategy, on Policy Anniversary.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

#### *Termination*

This rider will terminate at the earliest of when the policy terminates or upon request of the policyowner.

#### *Rates*

There is no charge for this rider.



### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

-

## **Flexible Accumulated Value Enhancement Rider**

This rider will automatically be added to all applicable policies at issue and used to facilitate the Accumulated Value Enhancement. Policyholders will have the option to choose among options available with this rider. The policyowner must elect at issue the desired type of Accumulated Value Enhancement: Annual Accumulated Value Enhancement Rider or Flexible Accumulated Value Enhancement Rider.

This rider will work on a bucket by bucket basis rather than a policy level basis. It will not be incorporated in the calculation of the Minimum Accumulated Value (MAV). It will also not affect the guaranteed pass of the illustration. The Flexible Accumulated Value Enhancement Rider will allow for 2 or more bonuses to be attached to the policy. At least one of those options must be free.

If FAVE is not approved by a state, AAVE will be utilized instead.

### Rider Mechanics:

- A charge as a percentage of accumulated value which will start in the year preceding the year that the first bonus is credited (excluding free version)
- Interest bonus applied to indexed strategies only, including indexed loan account (exclude fixed strategy)
- Interest bonus paid when individual buckets get indexed interest (rather than wait until policy anniversary)
- Interest bonus is based on ending value of the bucket

-

Multiple versions would be available:

- One free version (Enhancer)
- 2 versions with a charge (Enhancer Plus, Enhancer Max)

Charge will start in year 1 when the first Indexed Segment is created

Bonus interest will be paid in year 2 on first Indexed Segment anniversary

Parameters to include:

- Interest Bonus Percentage
- Maximum Bonus Interest Percentage – there could be No Maximum Bonus Interest Percentage
- Interest Bonus Charge Percentage

Parameter variation:

- Parameters will vary by policy duration
- Parameters will vary by index strategy on a current basis

The Flexible Accumulated Value Enhancement will be offered on both a current and guaranteed basis.

- Guaranteed Charge = Current Charge
- Guaranteed Interest Bonus and Maximum Interest Bonus Percentages will be less than Current Interest Bonus and Maximum Interest Bonus Percentages

Current and guaranteed rates are specified in the table below. The rates for the S&P strategy are inclusive of the cap focus, PR focus, and non-zero floor strategies, as well as the indexed loan account:

Current Enhancer Rates					
Index Interest Strategy	Version	Interest Bonus Charge Percentage	Interest Bonus Percentage	Starts in Policy Year	Maximum Interest Bonus Percentage

S&P	Enhancer	n/a	15%	2	0.40%
Credit Suisse and SocGen	Enhancer	n/a	25%	2	2.00%
S&P	Enhancer Plus	1.00% All Yrs	45% All Yrs	Charges in yr 1 Bonus in yr 2	2.15%
Credit Suisse and SocGen	Enhancer Plus	1.00% All Yrs	50% All Yrs	Charges in yr 1 Bonus in yr 2	4.00%
S&P	Enhancer Max	3.00% Yrs 1-19 2.00% Yrs 20-29 1.00% Yrs 30+	95% Yrs 2-20 70% Yrs 21-30 45% Yrs 31+	Charges in yr 1 Bonus in yr 2	5.75% Yrs 2-20 4.00% Yrs 21-30 2.15% Yrs 31+
Credit Suisse and SocGen	Enhancer Max	3.00% Yrs 1-19 2.00% Yrs 20-29 1.00% Yrs 30+	105% Yrs 2-20 80% Yrs 21-30 50% Yrs 31+	Charges in yr 1 Bonus in yr 2	8.00% Yrs 2-20 6.00% Yrs 21-30 4.00% Yrs 31+

Guaranteed Enhancer Rates					
Index Interest Strategy	Version	Interest Bonus Charge Percentage	Interest Bonus Percentage	Starts in Policy Year	Maximum Interest Bonus Percentage
All	Enhancer	n/a	15%	2	0.40%
All	Enhancer Plus	1.00% All Yrs	20% All Yrs	Charges in yr 1 Bonus in yr 2	1.50%

All	Enhancer Max	3.00% Yrs 1-19	30% Yrs 2-20	Charges in yr 1	2.50% Yrs 2-20
		2.00% Yrs 20-29	25% Yrs 21-30		2.00% Yrs 21-30
		1.00% Yrs 30+	20% Yrs 31+	Bonus in yr 2	1.50% Yrs 31+

Each segment in any Index strategy will have an Interest Bonus Amount. The Interest Bonus Amount will be paid at the end of the crediting period for each Indexed Segment.

The Interest Bonus Amount for each Indexed Segment is calculated as the minimum of (a) or (b), where

- = the Index Earnings multiplied by the Interest Bonus Percentage,
- = the value of the Indexed Segment at the end of the crediting period, but before interest crediting, multiplied by the Maximum Interest Bonus Percentage.

For versions with a charge, the Interest Bonus Charge is deducted from the Accumulated Value in an Indexed Segment at the beginning of the crediting period. The charge is equal to the Interest Bonus Charge Percentage multiplied by the Accumulated Value in the Indexed Segment at the beginning of the crediting period.

The Flexible Accumulated Value Enhancement will **not** be incorporated in the calculation of the Minimum Accumulated Value (MAV).

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.

#### *After Issue Changes*

- The policyholder will be able to switch FAVE versions and the change will be effective for Indexed Segments going forward.

### *Termination*

This rider will terminate at the earliest of when the policy terminates or upon request of the policyowner.

### *Rates*

A percentage of accumulated value charge which will start in the year preceding the year that the first bonus is credited (excluding free version). This charge will only be applied to the bucket that is being created, not the entire accumulated value. For example, if the first bonus interest is credited on the 14<sup>th</sup> of June 2023, the first charge will be collected on the 14<sup>th</sup> of June 2022 when the bucket is created.

### *Interaction with Other Riders*

If a Waiver of Monthly Deductions Rider is attached to the policy and exercised, the Interest Bonus Option without an associated Interest Bonus Charge will be automatically elected. The policyholder may not elect an Interest Bonus Option with an Interest Bonus Charge while the Waiver of Monthly Deductions Rider is active.

If a Lifetime Income Benefit Rider is attached to the policy and exercised, the Interest Bonus Option without an associated Interest Bonus Charge will be automatically elected. The policyholder may not elect an Interest Bonus Option with an Interest Bonus Charge while the Lifetime Income Benefit Rider is active.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## **Additional Protection Benefit Rider**

### *Availability*

- Issue Ages: 0 - 85

- Minimum Face Amount: \$25,000
- Pension Minimum Face Amount: \$25,000
- The maximum APB to base blend will be 3 to 1. The same APB blend limit is applicable to pension and non-pension cases.
- This rider will be available at issue and after issue on the same issue age and rate classes as the base product.
- 100% of the APB coverage will be eligible when exercising ABRs.

### *Rates*

This rider will have new policy charges i.e. cost of insurance rates, a charge per thousand of sum insured, minimum monthly premiums, and monthly guarantee premiums.

Current cost of insurance rates will be the same as the base product.

Charges per thousand of sum insured will be different than the base product, however the duration of the charge will be the same. The duration of the charge per thousand on a current basis is 15 years for nonsmokers, 20 years for smokers.

### *Qualified Additional Benefit*

This rider is integrated with the base policy for the purpose of definition of life insurance testing.

## **Balance Sheet Benefit Rider**

This rider waives the surrender charge and levelizes commissions. The coverage amount is described as a percentage of the base face amount where the surrender charge will be waived.

The policyholder may choose the percent of surrender charge to be waived between 1% and 100% in whole percentages.

Levelized commission rates will also need to be defined.

This structure of this rider will be similar to existing products but we will have new rates.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Available after issue: No

#### *Rates*

There will be new charges per thousand of base face amount multiplied by the coverage percentage where the rates are dependent on the surrender charges of the base product.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## **Benefit Distribution Option**

Instead of a single lump sum death benefit, this rider spreads the Death Benefit out over a duration of 10-30 years.

Installment payments cannot extend beyond the policy anniversary nearest the insured's age 95. To illustrate this, if death occurs at age 88, then the BDO payouts would occur for seven years. If death occurs at age 96, then the death benefit would be paid out as a lump sum. We will be adding a table to the data section to illustrate this.

For product launch, the Death Benefit used in the Net Amount at Risk calculation will be multiplied by a rate that varies by attained age and the period certain duration chosen at issue where installment payments will not extend beyond attained age 95. We would like to build flexibility, such that the policyholder can choose an attained age earlier than 95 for which the installment payments will end.

The benefit distribution percentage is the percentage of death benefit that will be paid via the terms of this rider. The benefit distribution percentage will be chosen and set at issue, subject to a minimum of 50% and a maximum of 100%.

The duration of the payments will be chosen and set at issue.

The length of the duration of benefit payments will be chosen at issue according to the rules in the following table:

<b>Issue Age</b>	<b>Period Certain Duration</b>
0-65	10-30
66	10-29
67	10-28
68	10-27
69	10-26
70	10-25
71	10-24
72	10-23
73	10-22
74	10-21
75	10-20
76	10-19
77	10-18
78	10-17
79	10-16
80	10-15
81	10-14



82	10-13
83	10-12
84	10-11
85	10

The frequency of the payments during the installment period will be chosen at time of claim by the Beneficiary. A monthly or annual frequency will be allowed. The amount of the Benefit Payment must be at least \$250.

- If there is more than one Beneficiary that will get a pro rata share of the Benefit Payment, each share must be at least \$250.
- Should the monthly payments for a Beneficiary not meet this minimum required amount, the Beneficiary's amount will be paid out as an annual payment.
- Should the annual payments for a Beneficiary not meet this minimum required amount, the Beneficiary's amount will be paid out as a lump sum payment

This option is set at issue. If the insured applies for and qualifies for an underwritten face amount increase, they may terminate BDO at that time. No other after issue changes to the BDO structure are allowed.

Benefit Payments from this rider are computed assuming a discount rate of 1%. The Death Benefit of the policy may change over time due to requested changes, functions of the policy, other riders on the policy, or policy debt. The Net Death Benefit available at time of claim will be used as the basis for the BDO benefit payments.

As an example:

Death Benefit = \$500,000

Loan Balance = \$200,000

BDO Percentage = 50%

Net Death Benefit = \$300,000

\$150,000 would be paid as a lump sum. The remaining \$150,000 would be used as the basis for the BDO payments.

The Benefit Distribution Option will be incorporated into the 8121 and 9212 applications.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Available after issue: No
- Available with pension: No

#### *Termination*

This rider will terminate on the date the insured reaches attained age 95.

#### *Interaction with Other Riders (list includes riders not necessarily available on SummitLife)*

<b>Rider</b>	<b>Allowed with BDO</b>	<b>Treatment</b>
ABRs	Yes	The portion of DB that is accelerated while the policy is in force will not be included with the calculation of the Benefit Payments upon the death of the insured.
APB	Yes	Available for BDO installments
BSB	Yes	
CTR	Yes	Coverage not available for BDO installments
DBPR	Yes	
SAR	Yes	
CMGDBR	Yes	Coverage not available for BDO installments
GIR	Yes	

ILA	Yes	
LIBR	Yes	Any changes to the DB as a result of LIBR will be reflected and the DB available at time of death will be used in the calculation of Benefit Payments
OIR	Yes	Coverage not available for BDO installments
OPR	Yes	
QPEP	No	
WMD	Yes	
WSP	Yes	

### *Definition of Life Insurance*

The face amount will be used for guideline single, guideline level, 7-pay premium calculations, and the NSP in the CVAT calculation.

### *Rates*

- There is no charge for this rider.
- We will continue to use the same rates as FlexLife II. The rates are applied to the Death Benefit in the Net Amount at Risk calculation. This rate varies by attained age and the period certain chosen at issue.
- There is no impact to the guaranteed COI charges as a result of this rider.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## **Death Benefit Protection Rider**

If the conditions of this rider are met, the policy will be guaranteed not to lapse during the death benefit protection period.

The death benefit protection period will vary based on the insured's issue age.

#### *Availability*

- This rider cannot be added after issue.
- This rider is available for all rate classes.
- This rider is available on both Option A and B.
- The Maximum issue age is set at 75. There is no minimum issue age.

If the Guideline Premium Test is selected, the Death Benefit Protection Rider is not available if the annualized monthly guarantee premium is greater than the guideline level premium.

The default in the illustration and application is to select this rider when available.

#### *Protection Period*

<b>Issue Age</b>	<b>Guaranteed Period</b>
0 to 29	30
30 to 39	25
40 to 54	20
55 to 64	15
65 to 75	10

#### *Modal Premium Factor*

The following modal premium factors will be used to determine the guaranteed premium. The following modal premium factors are based on a 5% interest assumption. The 5% may vary from year to year on new issues only.

Mode	Modal Premium Factor
Annual	11.73579
Semi-Annual	5.93946
Quarterly	2.98784
Monthly	1.00000

#### *Rates*

- This rider will not have a monthly deduction.
- The guarantee period will vary by issue age.
- Unique minimum monthly guarantee premiums will be set for this rider.

#### *Qualified Additional Benefit Status*

This rider is not a Qualified Additional Benefits rider.

## **Systematic Allocation Rider (SA)**

The policyholder may elect Systematic Allocations at and after issue by sending us an allocation schedule, filling out the desired allocation schedule of funds from the basic strategy to the interest crediting strategies and selecting the SA option.

If the SA option is elected, then all new money swept out of the Basic Strategy, provided that the total amount swept is greater than or equal to the minimum SA deposit amount, will be transferred to a SA account. Funds swept from the Basic Strategy which do not meet the minimum SA deposit requirement are swept into interest crediting strategies in the same way existing products work today.

Dollars allocated to the SA strategy can be from new money and renewal money. Dollars allocated to the SA strategy via renewal money is only permitted once per policy year.

The minimum annual SA deposit amount will be \$3,000.

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#### *Availability*

- This rider will be added automatically to all policies.
- This rider is available for all issue ages and all rate classes.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit Status*

This rider is not a Qualified Additional Benefits rider.

## **Participating Fixed Loans Rider**

This rider will automatically be added to all policies at issue and used to facilitate participating fixed loans.

Loaned money will be transferred to the Indexed Loan Account – S&P 500, Point to Point, Cap Focus Strategy.

The only way to transfer money out of the Indexed Loan Account is as required by a change to a standard loan or participating variable loan, and a loan repayment.

A fixed loan rate of 5% is set at issue. We will reserve the right to adjust the fixed loan rate for new issues.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

#### *Termination*

This rider will terminate with the base policy and for no other reason.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## **Participating Variable Loans Rider**

This rider will automatically be added to all policies at issue and used to facilitate participating variable loans. Participating Variable Loans function in the exact same way as Variable Net Cost

Loans do today. We renamed the loan as part of the 2019 IUL project to be more client/agent friendly and more consistent with industry standards.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

#### *Termination*

This rider will terminate with the base policy and for no other reason.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## **Standard Loans Rider**

This rider will automatically be added to all policies at issue and used to facilitate standard loans. Standard Loans function in the exact same way as Fixed Net Cost Loans do today. We renamed the loan as part of the 2019 IUL project to be more client/agent friendly and more consistent with industry standards.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.



- Available after issue: Yes

#### *Termination*

This rider will terminate with the base policy and for no other reason.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## **Lifetime Income Benefit Rider Version 5**

It is the same version used on FlexLife II and Living Life.

This rider provides a guaranteed lifetime income benefit, with income disbursed as standard loans for the life of the insured. There are certain qualifications that must be met before the benefit can be elected.

-

#### *Availability*

This rider will be automatically added at issue to all eligible policies.

Issue Ages:                      0 – 75

This rider cannot be added to policy where the insured is rated higher than 250%. It is not available on Express Standard Non-tobacco 2.

This rider does not have a charge until exercised.

Exercise ages are 60 – 85. Table look ups will be based on the age of the insured.

### *State Specials*

On LSW paper, FlexLife II, the only version of LIBR that will be available is LIBR 5.

- Currently, LIBR 5 is available in all states with the exception of KS, MT, and NY.
- LIBR 5 will continue to remain unavailable in KS and NY.
- LIBR 5 will become available in MT, pending state approval.

### *Policy Forms*

LSW: same as Living Life

### *Rates*

The current scale will be used for this rider.

-

### *Qualified Additional Benefit Status*

This rider is not a qualified additional benefit.

## Premium Deposit Account

This rider allows the owner to make a lump sum payment that will be used to pay future Planned Premiums over a chosen duration. The PDA earns a guaranteed interest rate that is determined at the time of deposit. Policy premiums are automatically paid annually from this account. By prepaying, the owner ultimately pays a discounted premium. This rider helps to avoid a Modified Endowment Contract, maintaining tax qualifications of life insurance.

### *Availability*

This rider will be added automatically to all policies (pension and non-pension policies). This rider can be elected at issue or any time after issue.

The rider cannot be exercised while the policy is owned by a qualified pension or profit sharing plan. In order to exercise the rider in such a situation, the policy must first be transferred out of the plan.

This rider is available for all issue ages and all rate classes.

This rider can be added to all policies at issue but cannot be elected by depositors who are active members of the military due to a regulation that does not allow a surrender fee for active military.

### *Qualified Additional Benefit*

This rider is not a Qualified Additional Benefits rider.

## OverLoan Protection Rider

### *Availability*

-

Issue Ages: 0 - 85

This rider is not available to pension cases. This rider is automatically added to all non-pension policies that meet the eligibility requirements. The attained age eligibility requirement may be changed from 75 to 65.

This rider is not available with CVAT policies.

Substandard: This rider will not be issued with substandard ratings, but it may be added to a rated policy.

Available After Issue: Yes

#### *Rates*

If the attained age eligibility requirement is lowered to age 65, new charges will be provided for attained ages 65-74. Otherwise, the charges for the 2019 IULs will be used.

#### *Qualified Additional Benefit Status*

This rider is not a qualified additional benefit.

## **Qualified Plan Exchange Privilege (QPEP)**

#### *Availability*

For Qualified Pension and Profit Sharing Plan trust owned life insurance, the QPEP rider allows the policy to be surrendered while owned under the qualified plan and elect to have a new policy written outside of the qualified plan.

The face amount of the new policy cannot be more than the face amount of the policy, less the cash surrender value of the policy being surrendered on the date of exchange.

This rider is automatically to all pension cases at issue.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit Status*

This rider is not a qualified additional benefit.

## **Waiver of Monthly Deductions Rider**

Same as LSW and NL FlexLife.

#### *Availability*

Issue Ages: 0 – 55

WMD is not available for face amounts above \$3,000,000. This is the same as 2019 IUL products.

Benefit: Waives monthly deductions during the continuance of the disability. However, if the disability begins on or after the date the insured reaches attained age 60, covered monthly deductions will not be waived beyond the later of:

- The monthly date the insured reaches the attained age of 65; or
- The monthly contract date following two years of continued disability.

This rider has an elimination period of 3 months for NL and 6 months for LSW.

Substandard: If the insured is rated 150% or if the insured is rated with a \$5.00 or less per thousand flat extra for 2 or less years, the waiver of premium rider will be rated 200%. If the insured is rated 175% to 200%, the waiver of premium rider will be rated 300%. This rider will not be available with Express Standard Non-tobacco 2 policies, policies with a table rating greater than D (200%) or on policies with a flat extra greater than \$5.00 per thousand for two years or more. If the insured is classified as Express Standard NT 1 or Express Tobacco then the underwriter will assign either a 200% or 300% rating. Any substandard rating will adjust only the charge for this rider.

This rider is not available in conjunction with Waiver of Specified Premium.

This rider may not be selectively attached to certain coverage segments. If this rider exists on a Policy, then it must be added to all coverage segments.

Available After Issue: No

### *Rates*

The last pricing of this rider was done in 1993. Rates for LSW will be the same as for WMD rates for Ultra Select.

*Qualified Additional Benefit Status*

This rider is a qualified additional benefit.

## **Waiver of Specified Premium Rider**

Same as LSW and NL FlexLife.

*Availability*

Issue Ages:

LSW: 15 – 55

NL: 0 – 55

WSP is not available for face amounts above \$3,000,000. This is the same as 2019 IUL products.

Minimum Annual Benefit: Annualized minimum premium less the annualized minimum premium for the waiver of specified premium rider.

Maximum Annual Benefit: Lesser of the annualized planned periodic premium and the guideline level premium for the policy excluding the guideline level premium for the waiver of specified premium rider.

Substandard: If the insured is rated 150% or if the insured is rated with a \$5.00 or less per thousand flat extra for 2 years or less, the waiver of premium rider will be rated 200%. If the

insured is rated 175% to 200%, the waiver of premium rider will be rated 300%. This rider will not be available with Express Standard Non-tobacco 2 policies, policies with a table rating greater than D (200%), or on policies with a flat extra greater than \$5.00 per thousand for two years or more. If the insured is classified as Express Standard NT 1 or Express Tobacco then the underwriter will assign either a 200% or 300% rating. Any substandard rating will adjust the charge, MMP, MGP, and CTP for this rider.

This rider is not available with single premium policies.

This rider is not available in conjunction with Waiver of Monthly Deductions.

This rider may not be selectively attached to certain coverage segments. If this rider exists on a Policy, then it must be added to all coverage segments.

Available After Issue: No

### *Rates*

Harbor 2008/Horizon 2008 form and rates will be used for the LSW version.

### *Qualified Additional Benefit Status*

This rider is a qualified additional benefit.

Policy Rights, Privileges, and Features

## **Policy Loans**

### **General Terms**

We will loan an amount up to the loan value (the cash surrender value minus an amount equal to three times the monthly deductions due on the most recent monthly policy date) of the policy less the amount of any debt secured by the policy, at any time after the first policy year. The policy



must be in force at the time that the loan is made. The policy will be the sole collateral for the loan and the policy must be assigned to the company.

On an extra-contractual basis, we currently allow policy loans in the first policy year for other UL/IUL plans. We will allow this practice to extend to this product. We may elect to change that practice at any point in time.

The debt secured by the policy includes loans, unpaid loan interest, and accrued loan interest not otherwise due.

After a loan is made, loan interest shall be due on the next and all later policy anniversaries (loan interest is calculated in arrears). If any interest is not paid when due, it will be added to the loan and bear interest on the same terms.

All or any part of the debt may be repaid any time prior to the death of the insured or the surrender of the policy. Debt may not, however, be repaid during a grace period. Any remittance will be deemed to be a premium payment and not a repayment of debt unless the policyholder specifies that the remittance is a repayment of debt.

All debt shall become due upon the death of the insured or the surrender of the policy and shall be paid from the policy values.

## **Loan Value**

The loan value on any day is equal to the accumulated value on the valuation date, less the surrender charge on the valuation date, less three times the monthly deductions due on the last monthly policy date.

## **Loan Interest Rate**

For Standard Loans and Participating Variable Loans, this policy will use a variable loan interest rate based upon the Moody's Corporate Bond Yield Average - Monthly Average Corporate,

subject to a minimum rate of 3.0%. The loan rate will be reset on each policy anniversary based upon the published monthly average for the calendar month ending two months before the calendar month in which the policy anniversary occurs. If, on any anniversary, the change in the loan rate would be less than half a percentage point, the loan rate will not change. There will be a cap on the variable loan rate equal to the Basic Strategy Interest Rate plus 3.00%.

For loans taken via Participating Fixed Loans, a Fixed Loan Rate of 5% will be set at issue. We will reserve the right to adjust the fixed loan rate for new issues, but it will be no larger than 8%.

Loan Interest will be compound. This is the same as FlexLife II, PeakLife, Living Life, and 2019 IUL products

### **Interest Credited on Loaned Funds**

This policy will offer three choices with respect to how interest will be credited on account value that is collateral for outstanding policy loans. The loan option is selected by the policyholder at the time the first policy loan is initiated. Only one loan option is allowed at any time. The loan option may be changed upon request and such changes will take effect on the next anniversary.

1. Participating Variable Loans: All account value will remain in the various interest crediting strategies and there will be no transfer of account value to a segregated loan collateral account.
1. Standard Loans: Loaned amounts will be transferred from the various interest crediting strategies as described in the deduction hierarchy section of this document and placed in a segregated loan collateral account. Interest will be credited to the loan collateral account at a fixed interest rate that is a direct function of the loan interest rate, but not less than the guaranteed interest rate. Loan repayments will result in a transfer of account value equal to the loan repayment amount from the loan collateral account to the basic strategy. We intend to allow wash loans after policy year 11.

There will be a spread between the rate charged on the loan and the loan collateral. The loan spread will be 50 bps for 10 years and 0 thereafter.

1. Participating Fixed Loans: Requested loan amounts will be transferred from the various interest crediting strategies as described in the deduction hierarchy section of this document and placed in the Indexed Loan Holding Account. Capitalized loan interest will not be transferred to the Indexed Loan Holding Account.

A fixed loan rate of 5% will be set at issue. We will reserve the right to adjust the fixed loan rate for new issues, but it will be no larger than 8%.

### **Illustrations (ITS) Only**

We cannot illustrate more than 50 bps of loan leverage in order to comply with AG49-A. The difference between the loan rate charged and the rate credited on loaned value will be 50bps in place of 100bps. For Participating Fixed Loans, the fixed rate is guaranteed at issue and must be used as the loan interest rate in the illustration system. Therefore, the interest credited on loaned money for Participating Fixed Loans will be the fixed loan rate plus 50 bps. For Participating Variable Loans, hold the loan rate at the current VLR and adjust the crediting rate, as opposed to adjusting the VLR. This means that the calculation method will be similar for Participating Variable and Participating Fixed loans.

The Supplemental Hedge Budget will be credited to the loaned balance as the bonus amount. The SHB amount will vary by index strategy.

The default loan option is Participating Variable Loans. In the event that all three loan options are not approved in a particular state, the default loan option order will be as follows:

- Participating Variable Loans
- Participating Fixed Loans
- Standard Loans

We reserve the right to set a minimum loan amount that will be no greater than \$1,000. Our current minimum for this product will be \$500. There will be state specials in FL and NY, where the minimum loan amount will be \$0.

We used the three loan options that were previously filed as separate riders.

- Participating Variable Loans will be filed under the Participating Variable Loans Rider
- Participating Fixed Loans will be filed under the Participating Fixed Loans Rider
- Standard Loans will be filed under the Standard Loans Rider

## **1035 Exchanges**

It is our intention to allow the transfer of an existing policy loan as part of a §1035 exchange; however, the loan value transferred cannot exceed 50% of the gross policy value transferred from the original policy. The process is consistent with our current individual IUL products. All three loan types will be available for 1035 loans. 1035 loans will default to participating variable loans in all states. In the event that all three loan options are not approved in a particular state, the default loan option order will follow the order as described in the Interest Credited on Loaned Funds Section. Both internal and external exchanges will need to be tracked by the system.

## **Cash Surrender Value**

The policyholder may surrender the policy for its cash surrender value. The cash surrender value on any day is equal to the accumulated value on the valuation date, less any debt to the company secured by the policy, less the value of the surrender charge on the valuation date.

We may defer the payment of the cash surrender value for not more than six months. If we defer such a payment for more than thirty days, it will be increased with interest from the date of the request to surrender the policy to the date of payment at a rate which will be declared periodically by the company, but not less than the guaranteed interest rate per year or as mandated by state law.

A 10-year surrender charge schedule will be expressed as a rate per thousand of base face amount that will vary based on the issue age, rate class, and sex of the insured. Each increase in face amount, other than those resulting from changes in death benefit option, those resulting from the appropriate application of the death benefit factors, or those resulting from an additional protection benefit rider, will have its own surrender charge schedule. There will be no reduction in surrender charges following a decrease in the policy face amount.

## Withdrawal of Cash Surrender Value

At any time after the first policy year while the policy is in force, the policyholder may make a withdrawal of the policy's cash surrender value subject to the following terms.

- The minimum withdrawal amount is \$500, but we reserve the right to change it up to \$1,000.
- The amount withdrawn plus the withdrawal fee may not exceed the cash surrender value on the date of the withdrawal less three times the monthly deductions due on the most recent monthly policy date.
- The accumulated value will be decreased by the amount of the withdrawal plus the withdrawal fee as described in the deduction hierarchy section of this document.
- If death benefit option A is in effect on the date of the withdrawal, the face amount of the policy will be reduced by an amount equal to the amount of the withdrawal plus the withdrawal fee.
- A withdrawal will not be permitted if it will reduce the face amount below the minimum face amount for the policy or if it would cause the policy to no longer qualify as life insurance for federal income tax purposes.

There will be a \$25 withdrawal fee reported on the data section and illustrated on the guaranteed and average ledger. We will reserve the right to charge up to a \$25 withdrawal fee but we will not assess the fee on a current basis. We will not illustrate the \$25 withdrawal fee on the current or alternate pass.

A reduction in the policy's face amount due to a withdrawal of cash surrender value will affect the existing term segments on a last in, first out (LIFO) basis. Commissionable target premiums and minimum monthly premiums will be recomputed to reflect the change in coverage units.

## Settlement Options

We no longer list specific settlement options in the form.

A claim form will describe the settlement options. This is not needed Day 1.

These descriptions represent our current intentions which may change as conditions warrant.

## **Annuity Options**

- Annuity Certain: Guaranteed annuity payments will be made for a stated number of years based on the guaranteed basis of values or the current basis of values if this basis results in greater annuity payments. The purchase rates on a current basis will be equal to 103.5% of the purchase rates in effect for a similar single premium immediate annuity. The commuted value of the remaining annuity payments may be taken at any time. The interest rate used to calculate the commuted value will be the variable loan rate in effect at the time that the request is made.
- Life Annuity: Annuity payments will be made on a single life, joint and last survivor, or joint and contingent basis. A guarantee period may be selected including an installment refund. Purchase rates will be equal to the greater of those developed using the guaranteed basis of values and those developed using the current basis of values.
- Benefit Distribution Option: This is an irrevocable settlement option that is set at issue. Instead of a single lump sum death benefit, the Benefit Distribution Option spreads the death benefit out over time. Benefit payments will be made based on the Duration of Benefit Payments and Benefit Distribution Percentage chosen at issue, as well as the frequency of payments chosen at time of claim. Benefit payments will be paid based on a discount rate of 1%.

## **Non Annuity Options**

The right of withdrawal and the right to change options may be included with any of the non-annuity settlement options. The right of withdrawal allows all or part of the remaining value may be withdrawn at any time, subject to a limit of four partial withdrawals during any calendar year. The right to change options allows the remaining value to be applied under a new option.

- Payments of Interest Only (Option 1): Interest on the proceeds will be paid either for the life of the payee or for a chosen period. The remaining value will be paid at the earliest of the death of the payee or the end of the chosen period. Interest, in addition to the guaranteed basis, may be paid in any year. This additional interest will be equal to the difference between the surplus interest rate set by the Board of Directors and the guaranteed basis. The first payment will be made at the end of the first payment interval.

- Payments of a Stated Amount (Option 4): Periodic payments of a stated amount will be paid until the proceeds are exhausted. The proceeds will be credited with interest at the guaranteed basis. Interest, in addition to the guaranteed basis, may be paid in any year. This additional interest will be equal to the difference between the surplus interest rate set by the Board of Directors and the guaranteed basis. The first payment will be made on the effective date.

## **General Terms**

Please see the Benefit Distribution Option Section for General Rules around the Benefit Payments under BDO.

- Periodic payments may be paid in 12, 6, 3, or 1 month intervals.
- If the proceeds to be placed under a settlement option are less than \$5,000, we will pay the proceeds in a lump sum to the payee.
- If any periodic payments under a settlement option would be less than \$100, we will change the modal frequency of the payments to provide payments of at least \$100.
- The effective date of any option is the date that the proceeds become payable.
- If the proceeds are assigned on the effective date of a settlement option, we will pay the assignee's share in a lump sum and apply the balance under the settlement option.
- After the effective date of a settlement option, neither the payments nor the remaining value may be assigned or encumbered.
- A certificate will be provided describing the terms of the settlement option elected.

## **Basis of Values**

Interest: 1.0%

Mortality: 2012 IAM

There is a state special in North Dakota. The interest basis for settlement options is 1.50%.

In all jurisdictions, the applicable interest rate to increase the death benefit from the date of death to the date of payment will be the higher of the contractual rate, the statutorily-mandated rate, or the rate set by management or the Board as applicable for each approved policy form.

After-Issue Changes

## **Benefits**

### **Change in Death Benefit Option**

The policy's death benefit option may be changed once each policy year after the first policy anniversary. A change in the death benefit option will not be permitted if the change would cause the policy to no longer qualify as life insurance for federal income tax purposes.

Upon a change from Option A to Option B, the face amount of the policy shall decrease by an amount equal to the accumulated value of the policy just prior to the effective date of the change. A change from Option A to Option B will not be permitted if the resulting face amount of the policy (base face + APB sum insured) is less than the minimum face amount. The decrease in face amount as a result of this change will be processed on a last in first out basis.

Upon a change from Option B to Option A, the face amount shall increase by an amount equal to the accumulated value of the policy just prior to the effective date of the change. The increase in face amount as a result of this change will apply to the most recent segment. This increase in face amount will be considered a material change. In the event that a decrease in face amount is applied with the same effective date as the Option change, and results in a face amount that is lower than it was immediately prior to the option change, no material change will occur. The event that causes the material change is the increase in face amount.

Death Benefit Option Changes will be allowed with the Benefit Distribution Option. There will be no change to the rate applied to the Net Amount at Risk. The benefit payments will be computed at time of death using a 1% discount rate.

Commissionable target premiums and minimum monthly premiums will be recomputed to reflect the change in coverage units following a change in the death benefit option.

Surrender charges and unit loads are not recalculated.



# **Change in Face Amount**

## **Face Amount Increases**

The policyholder may apply for an increase in the face amount of the policy after the first policy anniversary subject to following terms:

- Satisfactory proof that the insured is then insurable.
- Each increase must satisfy the minimum face amount requirements for the policy.
- An increase in the face amount will become effective on the monthly policy date on or next following our approval of the application.

Each increase in face amount generates its own term segment, which will have its own effective date, rate classification, commissionable target premium, minimum monthly premium, unit load, and surrender charges.

Face amount increases are allowed with the Benefit Distribution Option. The benefit payments will be computed at time of death using a 1% discount rate. Upon a fully underwritten face amount, the Benefit Distribution Option may be terminated. No other changes to BDO are allowed upon a face amount increase.

## **Face Amount Decreases**

A policyholder may request a decrease in the face amount of the policy after the first policy anniversary subject to the following terms:

- The decrease in face amount will become effective on the monthly policy date on or next following our receipt of the request.
- Decreases will not be permitted which would reduce the face amount of the policy (base face + APB sum insured) below the minimum face amount. Face amount reductions related to withdrawals and death benefit options changes are described in sections for Withdrawal of Cash Surrender Value and Change in Death Benefit Option respectively.
- Decreases will not be permitted which would cause the policy to no longer qualify as life insurance for federal income tax purposes (i.e., the reduction would result in a guideline limit less than the cumulative premium or a negative guideline level premium).

- During the first 9 policy years, the total face amount of the policy, including any additional protection benefit riders, may be no less than 75% of the largest total face amount in force at any time in the twelve policy months prior to the request. This restriction will not apply in the 10<sup>th</sup> policy year and later.

A reduction in the policy's face amount will affect the existing term segments on a last in, first out (LIFO) basis. Additional protection benefit segments with the same effective date as a base segment will be deemed to have been added after the base segment. Commissionable target premiums and minimum monthly premiums will be recomputed to reflect the change in coverage units. Surrender charges and the monthly charge per thousand will not be adjusted.

Face decreases are allowed with the Benefit Distribution Option. The benefit payments will be computed at time of death using a 1% discount rate.

## Change in Rate Classification

The insured's rate classification may be upgraded with satisfactory evidence of insurability. New rules which specify which rate classes can be upgraded and what they can be upgraded to were introduced in July 2017 for existing and new products. Only guaranteed cost of insurance rates, current unit loads, guaranteed unit loads, and surrender charges will continue to be based on the original rate classification. All other future current rates will be based on the new rate classification. Commissionable target premiums and minimum monthly premiums will be recomputed as needed to reflect the change in classification.

Premium Class Changes are allowed if the move allows a drop in an inherent substandard rating or a move from Preferred Tobacco/Tobacco to Non-Tobacco. An improvement from Preferred Tobacco to Non-Tobacco will only be allowed if the resulting Non-Tobacco classification has no substandard rating attached to it. In addition, changes from Non-Tobacco to Preferred Non-Tobacco or Select Non-Tobacco to Preferred Non-Tobacco will be allowed.

Rate Class At Issue	After Issue Rate Class Improvement	Second After Issue Rate Class Improvement
------------------------	---------------------------------------	--

Select Non-Tobacco	Preferred Non-Tobacco	None
Non-Tobacco	Preferred Non-Tobacco	None
Preferred Tobacco	Non-Tobacco	None
Tobacco	Non-Tobacco	Preferred Non-Tobacco
Express Standard Non-Tobacco 1	Non-Tobacco	None
Express Standard Non-Tobacco 2	Non-Tobacco	None
Express Tobacco	Tobacco	Non-Tobacco

#### General Provisions

## Policy Protection Period

The policy protection period corresponds to the first 10 policy years. An increase in coverage does not initiate a new policy protection period. During the policy protection period the surrender charge will be ignored for the purpose of determining whether the policy should enter a grace period provided that the cumulative minimum premium requirement has been met.

## Grace Period

If on any monthly policy date the cash surrender value is less than the monthly deduction on such a date, a grace period shall start, unless:

1. the policy is within the Policy Protection Period; and
2. the accumulated value less any debt to us on this policy is greater than the monthly deduction on that date; and
3. the cumulative premiums paid since the policy's date of issue, less any withdrawals and less any debt to us on the policy are greater than or equal to the cumulative minimum monthly premiums due since the policy's date of issue.

In order to simplify the administration of the grace period, the current minimum monthly premium may be deducted from the cumulative minimum monthly premiums due for policies for policies paid by monthly EFT.

The grace period shall be 61 days, and the policy shall remain in force during the grace period. We will mail a notice of the premium required to keep the policy in force (billed amount) to the policyholder.

If sufficient premium is not paid by the later of the last day of the grace period or the 31<sup>st</sup> day after the lapse pending notice is sent, the policy shall terminate without value. If full payment is received the payment is applied to the policy and the policy should automatically move into active status. If partial payment is received the payment is applied to the policy and pending lapse status is retested as described above. If the policy passes the lapse test it should automatically move into active status, and otherwise should remain in pending lapse.

At the end of any grace period, termination will not occur if a claim begins under a waiver of monthly deductions rider during the grace period and continues to the end of the grace period.

## **Backdating**

Backdating of policies will be permitted. To prevent immediate lapse upon issue, backdated policies will require an initial premium equal to MMP plus an additional MMP for each month the policy is backdated.

Policies can be backdated up to 6 months prior to the product launch. We cannot issue policies prior to when the form became available.

## **Maturity**

This policy will not have an explicit maturity date. If the policy is in force when the insured reached attained age 121, the face amount of the policy will be set equal to the Accumulated Value, and the Death Benefit Option will automatically revert to Option A. The Death Benefit Option may not thereafter be changed, and no additional premium will be accepted on this policy. All Monthly Deduction on the policy will cease. The Owner may, however, continue to access the Cash Surrender Value and to make or repay Policy Loans.

## **Free Look Period**

The policy may be returned at any time within ten days after its receipt date by the policyholder. Upon such return, the policy will be deemed void and we will refund any premium paid.

## **Reinstatement**

If this policy terminates at the end of a grace period, it may be reinstated. It must be reinstated on a monthly policy date within five years from the start of the grace period. In order to reinstate a policy, we will require satisfactory proof that the insured is insurable and a sufficient reinstatement premium determined as follows:

If reinstatement occurs during the policy protection period, the required payment shall be an amount equal to the greater of:

- the premium which will be sufficient to produce an accumulated value, net of policy debt, plus four times the monthly deduction due on the date the grace period began, or

2) the sum of:

1. The cumulative minimum monthly premiums due at the start of the grace period, plus
2. Three times the minimum monthly premium due at the start of the grace period, plus
3. any debt to us on this policy; plus
4. all withdrawals; less
5. all premiums paid.

If reinstatement occurs after the policy protection period, the required payment shall be a premium which will make the cash surrender value sufficient to provide:

1. two times the monthly deduction due on the date the grace period began; plus
2. three times the monthly deduction due on the date of reinstatement.

The current premium load design is level. If a tiered premium load is utilized, the premium load used in the reinstatement quote will be based on policy duration and this section will be updated accordingly.

When a policy is reinstated, the accumulated value of the policy at the time of final lapse will be restored along with the cash value available for deductions at the time that the grace period began. The duration of a reinstated policy will be computed without regard to the period between the final lapse date and the reinstatement date for the purpose of assigning surrender charges and monthly per thousand of face amount charges. The duration of a reinstated policy will be computed with regard to the period between the final lapse date and the reinstatement date for the purpose of assigning premium load. The restored accumulated valued value and the net reinstatement premium will be allocated to the basic strategy.

The Benefit Distribution Option (BDO), Standard Loan Rider, Participating Variable Loan Rider, Participating Fixed Loan Rider, and the Flexible Accumulated Value Enhancement Rider or Annual Accumulated Value Enhancement Rider may be reinstated if the base policy to which they are attached is reinstated.

## **Incontestability**

This policy will have a two-year contestability period, measured from the policy's effective date. In addition, a separate two-year contestability period will apply to any increases in face amount for which an application is required, and a separate two year contestability period will apply to any reinstatement. With respect to any reinstated policy, the contestable period is based only on statements made in the reinstatement application to the extent that the reinstatement contestability period extends beyond the original contestability period of the policy.

The contestability period for a policy or increase in face amount issued as a conversion is measured from the original policy's effective date.

## **Misstatement of Age or Sex**

If the age or sex of the insured has been misstated, we will adjust the Death Benefit to be the amount that would have been purchased at the correct age and sex of the insured in consideration of the most recent Monthly Cost of Insurance by adjusting the Net Amount at Risk by the ratio of

the incorrect Monthly Cost of Insurance Rate to the correct Monthly Cost of Insurance Rate. The adjustment shall take effect on the Monthly Policy Date on or next following the date we receive proof to our satisfaction of such misstatement. If the Insured has died, we will adjust the Death Benefit as of the last Monthly Policy Date prior to the date of the insured's death.

The original words "Face Amount" of the misstatement of age and sex definition above were changed for "Death Benefit" to comply with "the compact" misstatement of age and sex policy form definitions.

On Hold

On Hold

## Documentation

*Draft Version #19*

2017 CSO IUL Products Specifications  
Overview

**We will create new NLIC and LSW IUL products due to changes in regulations with regards to 2017 CSO mortality table and Principle Based Reserves. Target markets of the new products will generally be the same as existing products.**

FlexLife and PeakLife will be available to all distribution outlets. However, there will be specific entitlement rules for First Financial Security (FFS) and Premier Financial Alliance (PFA). As an example, FlexLife and PeakLife on NL paper will be made available to PFA for sales in NY at time of launch. In addition, FlexLife and PeakLife will be made available, with home office support, to FFS and PFA if the business cannot be reasonably met by their proprietary products. FFS will have exclusivity for selling Life Scope and PFA will have exclusivity for selling Living Life by Design.

Plan Codes

LSW FlexLife 2019			LSW PeakLife 2019		
Non-Pension	Pension	Description	Non-Pension	Pension	Description
100118	110118	Unisex No Fee	100119	110119	Unisex No Fee
101118	111118	Unisex Fee	101119	111119	Unisex Fee
100218	110218	Sex Distinct No Fee	100219	110219	Sex Distinct No Fee
101218	111218	Sex Distinct Fee	101219	111219	Sex Distinct Fee

<b>NL FlexLife 2019</b>			<b>NL PeakLife 2019</b>		
<b>Non-Pension</b>	<b>Pension</b>	<b>Description</b>	<b>Non-Pension</b>	<b>Pension</b>	<b>Description</b>
100318	110318	Unisex No Fee	100319	110319	Unisex No Fee
101318	111318	Unisex Fee	101319	111319	Unisex Fee
100418	110418	Sex Distinct No Fee	100419	110419	Sex Distinct No Fee
101418	111418	Sex Distinct Fee	101419	111419	Sex Distinct Fee
<b>LSW Life Scope 2019</b>			<b>LSW Living Life 2019</b>		
<b>Non-Pension</b>	<b>Pension</b>	<b>Description</b>	<b>Non-Pension</b>	<b>Pension</b>	<b>Description</b>
N/A	N/A	Unisex No Fee	N/A	N/A	Unisex No Fee
N/A	N/A	Unisex Fee	N/A	N/A	Unisex Fee
N/A	N/A	Sex Distinct No Fee	N/A	N/A	Sex Distinct No Fee
101618	N/A	Sex Distinct Fee	101619	N/A	Sex Distinct Fee

Product Names for all Systems

- FlexLife and FlexLife NL
- PeakLife and PeakLife NL
- Living Life by Design
- Life Scope

To differentiate the new product names from prior versions, (19) will be added at the end of the marketing name of FlexLife, PeakLife and Life Scope. This will not be applicable to Living Life by Design as this product will have a different marketing name than the current version of Living Life.

Availability

Rate Classifications and Issue Ages

**We will adjust the risk classes for all IUL products to align with our new 2018 Term and 2019 Whole Life products. Note that all new IUL products will now offer all better risk classes starting at issue age 18. Issue age limits are now the same for all products, with the exception of Juveniles (issue ages 0-17) on PeakLife. Juveniles will not be available on PeakLife\*.**

<b>Risk Class</b>	<b>Minimum Issue Age (all products)</b>	<b>Maximum Issue Age (all products)</b>	<b>Face Amount Availability</b>
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Elite Non-tobacco	18	75	All
Preferred Non-tobacco	18	85	All
Select Non-tobacco	18	85	All
Standard Non-tobacco*	0	85	All
Express Standard Non-tobacco 1*	0	85	Total Face ≤ \$2M
Express Standard Non-tobacco 2	18	85	Total Face ≤ \$2M
Preferred Tobacco	18	85	All
Standard Tobacco	18	85	All
Express Standard Tobacco	18	85	Total Face ≤ \$2M

**EZ underwriting will be offered to total face amount ≤ \$2,000,000 for issue ages 18-50, to total face amount ≤ \$1,000,000 for issue ages 51-60 and to total face amount ≤ \$250,000 for issue ages 61-65. Otherwise full medical underwriting will be required. This means that PeakLife will now offer EZ underwriting for policies to total face amount ≤ \$2,000,000 for issue ages 18-50 and for policies exactly at \$1,000,000 for issue ages 51-60. No EZ underwriting will be offered to other issue ages.**

**Issue age is based on age nearest birthday for all products.**

**For all products we will move to Non-Tobacco/Tobacco terminology for both companies.**

Juveniles (issue ages 0 - 17) will be issued in the Standard Non-Tobacco rate class. For Band 1, known smokers will be issued in the Express Standard Non-tobacco 1 rate class. For Face Amounts \$2,000,001 and above, known smokers will get a 200% rating. Juveniles will not be available for sale on PeakLife.

**We will have sex-distinct and unisex versions for FlexLife and PeakLife only. Living Life by Design and Life Scope will only be offered on a sex-distinct basis.**

**GPT will be offered on all products and CVAT will only be offered on FlexLife and PeakLife.**

We are changing the sweep date for the new 2017 CSO IUL products to the 14<sup>th</sup> of every calendar month. For this reason, policies may not be issued with an effective date of the 14<sup>th</sup> day of any given calendar month. We will not allow effective dates of the 29<sup>th</sup>, 30<sup>th</sup>, and 31<sup>st</sup>.

For pension cases on FlexLife and PeakLife, the products will be available under the same underwriting rules as non-pension cases, plus automatic issue, simplified issue and guaranteed issue.

#### Substandard Policies

Express Standard risk classes will be available on FlexLife, PeakLife, Living Life by Design and Life Scope. The same substandard rules will apply to all 4 products. The Express Standard risk classes will now be available up to \$2,000,000 (inclusive) for all issue ages.

#### Table of Availability:

<b>Standard Non-Tobacco - Face Amounts Less than or equal to \$2M</b>					
Rating					
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	
175%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	
200%	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	Maps to Express NT 1	
225%	Not Available	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2	
250%	Not Available	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2	
300%	Not Available	Maps to Express NT 2	Maps to Express NT 2	Maps to Express NT 2	
350%	Not Available	Available as Table Rating	Not Available	Not Available	
400%	Not Available	Available as Table Rating	Not Available	Not Available	
500%	Not Available	Available as Table Rating	Not Available	Not Available	

#### Standard Non-Tobacco - Face Amounts greater than \$2M

Rating	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M	
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	
175%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	
200%	Available as Table Rating	Available as Table Rating	Available as Table Rating	Available as Table Rating	
225%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
250%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
300%	Not Available	Available as Table Rating	Available as Table Rating	Not Available	
350%	Not Available	Available as Table Rating	Not Available	Not Available	
400%	Not Available	Available as Table Rating	Not Available	Not Available	
500%	Not Available	Available as Table Rating	Not Available	Not Available	

<b>Standard Tobacco - Face Amounts Less than or equal to \$2M</b>					
Rating	Face Amount <= \$2M	Face Amount <= \$2M	Face Amount <= \$2M	Face Amount <= \$2M	
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85	
150%	N/A (no juvenile tobacco)	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco	
175%	N/A (no juvenile tobacco)	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco	
200%	N/A (no juvenile tobacco)	Maps to Express Tobacco	Maps to Express Tobacco	Maps to Express Tobacco	

225%	N/A (no juvenile tobacco)	Not Available	Not Available	Not Available	
250%	N/A (no juvenile tobacco)	Not Available	Not Available	Not Available	
300%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available	
350%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available	
400%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available	
500%	N/A (no juvenile tobacco)	Not Available	Not Available	Not Available	

<b>Standard Tobacco - Face Amounts greater than \$2M</b>				
Rating	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M	Face Amount > \$2M
Issue Age	0 - 17	18 - 74	75 - 79	80 - 85
150%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Available as Table Rating
175%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Available as Table Rating
200%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Available as Table Rating
225%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available
250%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available
300%	N/A (no juvenile tobacco)	Available as Table Rating	Available as Table Rating	Not Available
350%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available
400%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available

500%	N/A (no juvenile tobacco)	Available as Table Rating	Not Available	Not Available
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### **Description of Availability:**

#### For Face Amount up and including \$2,000,000:

- Permanent flat extras are available with all rate classifications. Temporary flat extras are available with Standard and Express Standard classes. Table ratings are not available for Express Standard classes. See below for table ratings with Standard classes.
- A nonsmoking insured with a substandard table rating up to and including 200% will be placed in the Express Standard Non-tobacco 1 rate classification.
- A nonsmoking insured with a substandard table rating between 225% and 300% (inclusive) will be placed in the Express Standard Non-tobacco 2 rate classification.
- A smoking insured with a substandard table rating up to and including 200% will be placed in the Express Standard Tobacco rate classification.
- Currently, insureds with substandard ratings above 300% for nonsmokers and above 200% for smokers are declined and are not offered insurance. We would like to allow substandard table ratings at 350%, 400% and 500% for Standard Non-tobacco insureds and at 300%, 350% and 400% for Standard Tobacco insureds to allow underwriters to quote special cases above the current Express Standard limits. These ratings will align with substandard ratings currently offered in Foresight. No other table ratings will be allowed. Policies will either be issued as Express Standard or as Standard Non-tobacco/Tobacco with a high rating %.
- Ages 75 through 79 - no ratings over 300%
- Ages 80 through 85 - no ratings over 200%

#### For Face Amount above \$2,000,000:

- Table ratings and temporary flat extras are available with the Standard Non-tobacco and Standard Tobacco rate classes. Permanent flat extras are available with any rate class.
- Ages 75 through 79 - no ratings over 300%
- Ages 80 through 85 - no ratings over 200%
- Substandard table ratings will be applied until the later of age 65 or 20 years. Flat extras apply for the number of years assigned during underwriting.

### **Available ratings for face amounts above \$2,000,000 are**

- 150% - Table B
- 175% - Table C
- 200% - Table D
- 225% - Table E

- 250% - Table F
- 300% - Table H
- 350% - Table J
- 400% - Table L
- 500% - Table P

## Face Amount Banding

**Face amount banding will be determined based on mortality data, reinsurance and pricing impact. Banding will vary by product.**

### **FlexLife**

Band 1: Minimum Face Amount to \$250,000.00; and

Band 2: \$250,000.01 to \$999,999.99; and

Band 3: \$1,000,000.00 to \$1,999,999.99; and

Band 4: \$2,000,000.00 and above

### **PeakLife**

In the Multi-Life Market only, PeakLife will be available for face amounts below \$1,000,000. The Minimum Face Amount for Multi-Life cases is \$300,000. It is possible this will be marketed with a Minimum Face Amount of \$500,000; however, the expectation is that some exceptions to \$300,000 will be allowed.

Band 0: Minimum Face Amount for Multi-Life Cases to \$999,999.99

Band 1: \$1,000,000.00 to \$4,999,999.99

Band 2: \$5,000,000.00 and above

### **Living Life by Design**

Band 1: Minimum Face Amount to \$250,000.00; and

Band 2: \$250,000.01 to \$999,999.99; and

Band 3: \$1,000,000.00 to \$4,999,999.99

Band 4: \$5,000,000.00 and above

Note: Face amount bands are set at issue, and can not change as a result of face amount changes.

This applies to all product features that are band specific, and availability is determined by at issue band

Minimum Face Amount

### **FlexLife**

	<b>Initial Total Face Amount</b>	<b>Minimum Increase in Face Amount</b>
Non-Pension	\$50,000	\$25,000
Pension – Elite, Preferred & Select Non-tobacco and Preferred Tobacco	\$25,000	\$2,000
Pension – Non WA states Standard Non-tobacco, Standard Tobacco & Express Standard	\$5,000	\$2,000
Pension – WA only Standard Non-tobacco, Standard Tobacco & Express Standard	\$25,000	\$2,000

-

The minimum coverage amount is based on the total of base face and any additional protection rider sum insured. Both APB and Base each have a minimum face amount of \$25,000 with an initial total minimum face amount of \$50,000. This \$25,000 minimum applies to each segment both at and after issue. For pension cases, both APB and Base each have a minimum face amount of \$2,000. The maximum APB blend is 3 to 1.

## PeakLife

	<b>Initial</b>	<b>Minimum Increase</b>
	<b>Total Face Amount</b>	<b>in Face Amount</b>
Non-Pension	\$1,000,000	\$25,000
Pension	\$1,000,000	\$25,000
Multi-Life Market	\$300,000	\$25,000

For policies issued on an individual basis, the initial minimum coverage amount is \$1,000,000 based on the total of base face and any additional protection rider sum insured. Base coverage has an initial minimum face amount of \$250,000. APB has a minimum face amount of \$25,000 in all years. \$25,000 is the minimum for all additional segments both at and after issue. The maximum APB blend is 3 to 1. Total face amount may be reduced after issue to \$100,000. Face reductions are processed on a LIFO basis with APB segments reduced before base coverage segments. As a result, base coverage will have a minimum face amount of \$100,000 in years 2+.

For policies issued within a multi-life case, the initial minimum coverage amount is \$300,000 based on the total of base face and any additional protection rider sum insured. Base coverage has an initial minimum face amount of \$75,000. APB has a minimum face amount of \$25,000 in all years. \$25,000 is the minimum for all additional segments both at and after issue. The maximum APB blend is 3 to 1. Total face amount may be reduced after issue to \$100,000. Face reductions are processed on a LIFO basis with APB segments reduced before base coverage segments. As a result, base coverage will have a minimum face amount of \$75,000 in years 2+.

## Living Life by Design

Initial Total Face Amount Minimum = \$50,000

The minimum coverage amount is based on the total of base face and any additional protection rider sum insured. Both APB and Base each have a minimum face amount of \$25,000 with an initial total minimum face amount of \$50,000. This \$25,000 minimum applies to each segment both at and after issue. For pension cases, both APB and Base each have a minimum face amount of \$2,000. The maximum APB blend is 3 to 1.

Minimum Increase in Face Amount (other than GPR increases) = \$25,000

## Policy Benefits

Death Benefit Options:



<b>Product</b>	<b>Level (Option A)</b>	<b>Increasing (Option B)</b>
FlexLife	Yes	Yes
PeakLife	Yes	Yes
Living Life by Design	Yes	Yes
Life Scope	Yes	Yes

Guaranteed Credited Interest Rate:

<b>Product</b>	<b>Guaranteed Rate</b>
FlexLife	2.00%
PeakLife	1.00%
Living Life by Design	0.10%

Corridor Factors:

- No change to Guideline Premium Test (GPT) factors
- New factors will be calculated for Cash Value Accumulation Test (CVAT) based on the new 2017 CSO mortality table. The factors will continue to be calculated based on 1/Net Single Premium (NSP).

Optional Limitations:

These endorsements will be available with all 4 new IUL products.

<b>Rider/Endorsement</b>	<b>NL Form Number</b>	<b>LSW Form Number</b>
Aircraft Limitation Rider	0140(0199)	8516(0707)
Aircraft Limitation Rider – Military	0141(0199)	8517(0707)
Foreign Travel Exclusion Endorsement	9496(0204)	9935(0305)

Premiums

## Premium Tables

- New Minimum Monthly Premium (MMP) rates will be provided for all products
- New Monthly Guarantee Premium (MGP) rates will be provided for all products offering the Death Benefit Protection Rider. See Optional Benefits section for riders' availability by product.
- New Commissionable Target Premium (CTP) rates will be provided for all products
- New Guideline Level Premiums, Guideline Single Premiums and MEC Premiums will be calculated based on the new 2017 CSO mortality tables.

## Premium Loads

- Premium load will be 6% of the premium paid for FlexLife
- Living Life by Design Premium Loads:
  - Face Amounts \$999,999.99 and below: 6% of the premium
  - Face Amounts \$1,000,000.00 and above: 8% in the first year and 6% thereafter
- Premium load will be 8% in the first year and 6% thereafter of the premium paid for PeakLife

The minimum premium amount is \$10.

## Accumulated Value

### Accumulated Value Enhancement

There will be an Accumulated Value Enhancement offered on certain products. This enhancement will be offered as a rider. See Optional Benefits section for more details.

## Monthly Deductions

New rates tables will be provided for all monthly deductions (charges per unit of face amount, charge per policy, charges per unit of net amount at risk, charge as a percentage of accumulated value, surrender charges and charge for some riders) for each product.

The monthly deduction for any coverage segment with a substandard rating will be adjusted by multiplying the appropriate monthly deduction rate by the adjustment factor associated with the table rating, if any, and then adding one-twelfth of the annual flat extra rating, if any.

The monthly policy fee is \$6 for all products.

Target premiums, minimum monthly premiums, monthly guarantee premiums (if applicable), and unit loads will be adjusted by a factor defined for each substandard rating as demonstrated in the following table. This is the same for all new IUL products.

Substandard Rating	Minimum Premiums		CTP and Unit Load Factor
	MMP Factor	MGP Factor	
100%	1.00	1.00	1.00
150%	1.28	1.28	1.10
175%	1.52	1.52	1.15
200%	1.55	1.55	1.20
225%	1.68	1.68	1.25
250%	1.95	1.95	1.30
300%	2.04	2.04	1.40
350%	2.27	2.27	1.50
400%	2.50	2.50	1.60
500%	2.90	2.90	1.80

Surrender charges do not vary by substandard rating.

For substandard table ratings:

- For unit loads on a current basis, the substandard table rating factor will apply until the later of age 65 or 20 years.
- For unit loads on a guaranteed basis, the substandard table rating factor will apply until maturity.
- For COIs on a current and guaranteed basis, substandard table ratings will apply until the later of age 65 or 20 years.
- For IRC mortality, substandard table ratings will apply until the later of age 65 or 20 years.

Flat extras apply for the number of years assigned during underwriting.

The accumulated value of the policy is equal to the sum of the accumulated value in each of the different interest crediting strategies.

Percentage of Accumulated Value Charge

FlexLife - The percentage of accumulated value charge is 3bps per month for policy years 1 – 25

PeakLife - The percentage of accumulated value charge is 4bps per month for policy years 1 – 10

Living Life by Design Band 1 & 2 - The percentage of accumulated value charge is 3bps for policy years 1 – 25

Living Life by Design Band 3 & 4 - The percentage of accumulated value charge is 4bps for policy years 1 – 10

## Unit Loads

### FlexLife

- Current unit load period:
  - Non-Tobacco classes: 10 years
  - Tobacco classes: 15 years
- Guaranteed unit load period:
  - All years, except NY where guaranteed period = current period
- Guaranteed unit load rates same as current unit load rates
- Unit loads vary by gender, rate class, issue age, and band.

### PeakLife

- Current unit load period:
  - The longer of 15 years or until Attained Age 80
- Guaranteed unit load period:
  - All years, except NY where guaranteed period = current period
- Guaranteed unit load rates same as current unit load rates
- Unit loads vary by gender, rate class, issue age, and band.

### Living Life by Design

- Current unit load period will vary by face amount band:
  - Face Amount Bands 1 & 2: Non-Tobacco – 10 years; Tobacco – 15 years
  - Face Amount Bands 3 & 4: The longer of 15 years or until Attained Age 80
- Guaranteed unit load period is all years
- Guaranteed unit load rates same as current unit load rates
- Unit loads vary by gender, rate class, issue age, and band.

## Interest Crediting Strategies

Strategies will be filed as riders for all products. Not all strategies will be offered with all products. We will introduce new indexed strategies and remove existing indexed strategies with the new IUL products.

A fixed strategy will be offered with all products.

<b>Product</b>	<b>Cap Focus</b>	<b>PR Focus</b>	<b>Indexed Loan Account</b>	<b>Threshold</b>	<b>NEW Hang Seng Index</b>	<b>NEW Non-Zero Floor</b>	<b>NEW Low Volatility Control</b>
FlexLife	Yes	Yes	Yes	No	Yes	Yes	Yes
PeakLife	Yes	Yes	Yes	No	Yes	Yes	Yes
Living Life by Design	Yes	Yes	Yes	No	Yes	Yes	Yes

\*PR = Participation Rate

Note: After further analysis, we are now able to keep Hang Seng Index as originally planned.

<b>Indexed Strategy</b>	<b>Index</b>	<b>Floor</b>	<b>Cap</b>	<b>Participation Rate</b>	<b>Threshold</b>
Cap Focus	S&P 500	0%	Variable	100%	None
PR Focus	S&P 500	0%	Set	Variable	None
Indexed Loan Account	S&P 500	0%	Variable	100%	None
Threshold	S&P 500	0%	Variable	100%	Yes
Hang Seng	Hang Seng	0%	Variable	100%	None
Non-Zero Floor	S&P 500	1%	Variable	100%	None
Low Volatility Control	Credit Suisse	0%	No Cap	Variable	None

All strategies above are based on an annual point-to-point credited interest rate methodology.

For all jurisdictions except New York, the guaranteed rates for the new indexed strategies are:

<b>Indexed Strategy</b>	<b>Index</b>	<b>Guaranteed Floor</b>	<b>Guaranteed Cap</b>	<b>Guaranteed Participation Rate</b>
Non-Zero Floor	S&P 500	1%	2.1%	100%
Low Volatility Control	Credit Suisse	0%	No Cap	50%
Hang Seng	Hang Seng	0%	3%	100%

In New York, the guaranteed rates for the new indexed strategies are below. The guaranteed cap on the Non-Zero Floor strategy is the only difference from all other jurisdictions.

<b>Indexed Strategy</b>	<b>Index</b>	<b>Guaranteed Floor</b>	<b>Guaranteed Cap</b>	<b>Guaranteed Participation Rate</b>
Non-Zero Floor	S&P 500	1%	3.0%	100%
Low Volatility Control	Credit Suisse	0%	No Cap	50%
Hang Seng	Hang Seng	0%	3%	100%

The following strategies will be removed:

1. MSCI Emerging Markets
2. Point-to-Average – No Cap
3. Point-to-Point – No Cap

If a Standard Loan or Participating Fixed Loan results in amounts being deducted from a segment prior to its segment maturity date, no elections from the Fixed Strategy to the Indexed Strategy will be processed in the 12 months following the loan. This is the same as currently processed for FlexLife II. It will only apply to new issues.

Basic Strategy

The Basic Strategy Minimum Value for each Policy Month is equal to the Basic Strategy Minimum at the beginning of a Policy Year multiplied by an adjustment factor, where:

- the Basic Strategy Minimum at the beginning of a Policy Year is equal to 12.5 multiplied by the Monthly Deduction due on the first day of that Policy Year; and
- the adjustment factor is equal to  $[1-(m-1)/12.5]$ ; and
- $m$  = Policy Month.

#### Indexed Loan Account

When an indexed loan is taken via participating fixed loans, the requested loan amount will immediately move into the Indexed Loan Holding Account. The movement of loaned money out of the existing strategies will follow the deduction hierarchy. Capitalized loan interest will not be transferred to the Indexed Loan Holding Account. Interest will be credited to the indexed loan holding account value on a daily basis at a rate declared by the Company, subject to the annual guaranteed minimum crediting rate applicable for each product.

On the 14<sup>th</sup> day of each calendar month any indexed loan holding account value will be swept to the Indexed Loan Account. This new sweep date will only be applicable to all new 2017 CSO IUL products.

#### Deductions Hierarchy

Deductions from the policy's accumulated value (e.g., monthly deductions and withdrawals) and transfers to back a standard loan or participating fixed loan will be taken from each segment of the various interest crediting strategies in the following order, similar to FlexLife II:

- First from the basic strategy, until the basic strategy accumulated value is exhausted;
- Next, from any and all Systematic Allocation Accounts until exhausted;
- Next from the fixed strategy, until the fixed strategy accumulated value is exhausted;
- Next from the index strategies, then LIFO by segment (or "month"), then pro-rata by fund value;
- Next from the Indexed Loan Holding Account;
- Next from the Indexed Loan Account, then LIFO by segment (or "month"), then pro-rata by fund value.

The accumulated value of the policy is equal to the sum of the accumulated value in each of the different interest crediting strategies.

#### Policy Protection Period

The policy protection period corresponds to the first 10 policy years. An increase in coverage does not initiate a new policy protection period. During the policy protection period the

surrender charge will be ignored for the purpose of determining whether the policy should enter a grace period provided that the cumulative minimum premium requirement has been met.

### Policy Loan Options

Policy loan options will be filed as riders. The loan options offered will be:

- Participating variable loans
- Standard loans
- Participation fixed loans

We currently only offer annual policy loans. Monthly policy loans will now be offered.

### Settlement Options

**The new IUL products will be filed with a general statement on Settlement Options offered. This is similar to how we filed the new 2018 Term and 2019 Whole Life products.**

### Basis of Values

#### New Mortality table

- 2017 CSO ANB Ultimate Sex Distinct Composite for sex distinct cases
- 2017 CSO ANB Ultimate (80% Male/20% Female) Composite for unisex cases

### Interest Rate

- Valuation Rate (Statutory & Tax) – 3.50%
- Nonforfeiture Rate – 4.50%

### New Calculation Feature

**We will now reflect the Accumulated Value Charge, if any, in Guideline Level and Guideline Single calculation for Base and APB coverage of all products. This calculation feature has already been implemented for PeakLife but not for other IUL products.**

The guideline single and level premiums will be computed based on:

- guaranteed mortality,
- the current unit loads,
- the current policy fee,
- the current premium loads,
- the current accumulated value charge (if any),
- the current monthly deduction for riders classified as qualified additional benefits except for the other insured rider when it covers the insured under the base policy, and



- the mortality basis for the guaranteed cost of insurance rates for the other insured rider when it covers the insured under the base policy.

If the Benefit Distribution Option is utilized the guideline single and level premiums will be computed based on the total face amount.

The guideline single premium will be computed based on an interest crediting rate of 6%.

The guideline level premium will be computed based on an interest crediting rate of 4%.

#### Optional Benefits

##### **FlexLife**

**Existing FlexLife II riders will be carried forward. Only the Accidental Death Benefit rider will NOT be carried forward. We will not be adding the Flexible Accumulated Value Enhancement rider at this time.**

##### **PeakLife**

Most existing PeakLife riders will be carried forward. Only the Accumulated Value Enhancement rider will **NOT** be carried forward.

A new Flexible Accumulated Value Enhancement rider will be available on PeakLife.

##### **Living Life by Design**

- Most riders on Living Life will be carried forward
- Availability rules may change
- Riders that will be newly available on Living Life by Design
  - BSB (same functionality as other products, but new to Living Life by Design)
  - Guaranteed Flex Rider (GFR) (this is a new rider)
  - All Loan Options will be now offered
  - Flexible Accumulated Value Enhancement rider (this is a new rider)

## Riders Available by Product

**Riders which will be revised with a Revised policy form or Revised with new rates or New for the product are identified in the grid below. Other riders identified as Yes will continue to be offered and will be the same as currently used with existing products. Riders identified as No will not be offered with the product.**

<b>Rider</b>	<b>FlexLife</b>	<b>PeakLife</b>	<b>Living Life by Design</b>	<b>Rates &amp; Parameters may vary by product</b>
Accelerated Benefits Riders	Yes	Yes	Yes	Same across products
Accidental Death Benefit Rider	No	No	No	Same across products
Accumulated Value Enhancement Rider	Revised	Only in states where FAVE is not approved	Revised	Yes, will vary
Additional Protection Benefit Rider	Revised	Revised	Revised	Yes, will vary
Balance Sheet Benefit Rider	Revised	Revised	New	Yes, will vary
Benefit Distribution Option (BDO)	Yes	Yes	No	Same across products
Charitable Matching Gift Death Benefit Rider	Yes	No	Yes	Same across products
Children's Term Rider	Yes	No	Yes	Same across products
Death Benefit Protection Rider	Revised	No	No	Yes, will vary
Guaranteed Flex Rider	No	No	Yes	N/A
Systematic Allocation Rider	Yes	Yes	Yes	Same across products
Gap Protector Rider	No	No	Revised	n/a
Guaranteed Insurability Option Rider	Yes	No	No	Same across products

Interest Crediting Strategies Riders	+ New	+ New	+ New	Keep flexibility to set caps by product, but anticipating to have same rates across all products at launch
Participating Fixed Loans Rider	Yes	Yes	Yes	Same across products
Participating Variable Loans Rider	Yes	Yes	Yes	Same across products
Standard Loans Rider	Yes	Yes	Yes	Same across products
Lifetime Income Benefit Rider (version 5)	Yes	Yes	Yes	Same across products
Premium Deposit Account	Yes	Yes	New	Same across products
Other Insured Rider	Yes	No	No	Same across products
Overloan Protection Rider	Revised	Revised	Revised	Same across products
Qualified Plan Exchange Privilege (QPEP)	Revised	Revised	No	Same across products
Waiver of Monthly Deductions Rider	Yes	Yes	Yes	Same across products
Waiver of Specified Premium Rider	Yes	Yes	Yes	Yes, will vary
Waiver of Surrender Charges - Unemployment	No	No	Yes	n/a
Accidental Injury Death Benefit Rider	No	No	No	n/a
Common Carrier Accidental Death Benefit	No	No	No	n/a
Overseas Transportation Death Benefit	No	No	No	n/a

Flexible Accumulated Value Enhancement Rider	No	Yes	Yes	Yes, will vary
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Rider	QAB?	Guideline Premium Calculation Includes Charge?	TEFRA Premium Netted by Charge Amount?
<b>Guaranteed Flex Rider</b>	No	No	No
<b>BSB</b>	No	No	Yes (only for 2019 IUL's)
<b>Enhancer</b>	No	No	No
<b>Children's Term Rider</b>	Yes	Yes	No

Accelerated Benefit Riders

**Please note that the lifetime maximum benefit payout for Terminal Illness will be kept at \$1,500,000.**

*Availability:*

- Issue Ages 0 to 85
- Please note: ABR availability rules are the same as existing products. This document is not comprehensive.

The following limits apply to both Critical Illness and Chronic Illness:

- Critical and Chronic are available for preferred classes, standard classes, Express Standard NT 1 and Express Standard Tobacco. Not available for Express Standard NT 2.
- Critical and Chronic are not available with substandard ratings > 200%
- ABR Critical is available on auto-excess reinsurance. On a facultative/CUP basis, the reinsurance treaties will need to be checked to see if ABR Critical is allowed. Quota-share is not available on this product.
- At the underwriter's discretion, ABR Critical Illness and Critical Injury may be denied if a flat extra rating is applied.

The following limits apply specifically to New Jersey:

- If the policy is eligible for critical (i.e. passes underwriting and substandard rules) then Terminal/Critical will be added to the policy and we will not add stand-alone Terminal. This policy would also be eligible for Chronic since the terminal coverage required is covered by the Terminal/Critical rider.
- If the policy is the first policy on the insured, there is no face amount limit. Any policy that passes underwriting can have all ABRs.
- If there is already an NL Group policy on the insured, and the total coverage with existing ABRs of any kind, after taking into account the new policy, is greater than \$1,000,000 then the compact version of Critical will not be allowed.
- If the compact version Terminal/Critical is requested after issue it will be subject to the same underwriting and total coverage eligibility as new issues.
- If the compact version of Terminal/Critical is added after issue, the existing stand-alone Terminal (if any) can stay on the contract.

The following limits apply to the 7 states with the compact version of Chronic:

- If the policy is eligible for chronic (i.e. passes underwriting and substandard rules) then the Terminal/Chronic will be added to the policy. We do not have a stand-alone Terminal rider in these states. If the insured is denied Chronic due to underwriting then terminal is also not available.
- If the policy is the first policy on the insured, there is no face amount limit. Any policy that passes underwriting can have all ABRs.
- If there is already an NL Group policy on the insured, and the total coverage with existing ABRs of any kind, after taking into account the new policy, is greater than \$1,500,000 then the compact version of Chronic will not be allowed.
- If the compact version Terminal/Chronic is requested after issue it will be subject to the same underwriting and total coverage eligibility as new issues.

All ABR's are available at or after issue. Chronic and Critical require underwriting.

### *Rates*

There will be no charge for these riders.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## Accumulated Value Enhancement Rider

This rider will automatically be added to all applicable policies at issue and used to facilitate the Accumulated Value Enhancement.

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A new version of this rider will be filed, forms 20652(0119) and 20653(0119). The new Accumulated Value Enhancement rider will work like the current multiplier AVE with a few notable exceptions. It will work on a bucket by bucket basis rather than a policy level basis. It will not be incorporated in the calculation of the Minimum Accumulated Value (MAV). It will also not affect the guaranteed pass of the illustration. The new Accumulated Value Enhancement will only allow for one free (no charge) bonus to be attached to the policy.

The Accumulated Value Enhancement will be offered on both a current and guaranteed basis.

<b>Product</b>	<b>Interest Bonus Rate</b>	<b>Starts in Policy Year</b>	<b>Interest Bonus Cap Rate</b>
FlexLife	10%	6	0.75%
PeakLife	N/A*	N/A*	N/A*
Living Life by Design – Bands 1 & 2	10%	6	0.75%
Living Life by Design – Bands 3+	N/A*	N/A*	N/A*

### **\*State Specials**

If FAVE is not approved by a state, the new version of AVE will be utilized instead. The associated parameters to use with the new version of AVE will be those defined for the Enhancer version of FAVE (see table below). This will apply for Living Life by Design (Bands 3 & 4) and PeakLife.

The new version of AVE and FAVE will not be approved by New York at product launch. See the Accumulated Value Enhancement Rider – New York section for more details.

Each segment in any Index strategy will have an Interest Bonus Amount. The Interest Bonus Amount will be paid at the end of the crediting period for each Indexed Segment.

The Interest Bonus Amount for each Indexed Segment is calculated as the minimum of (a) or (b), where

- = the Index Earnings multiplied by the Interest Bonus Percentage,
- = the value of the Indexed Segment at the end of the crediting period, but before interest crediting, multiplied by the Maximum Interest Bonus Percentage.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

#### *Termination*

This rider will terminate with the base policy and for no other reason.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

#### *Accumulated Value Enhancement Rider - New York*

This rider will automatically be added to all applicable policies at issue and used to facilitate the Accumulated Value Enhancement. We anticipate this rider only being available in New York.

A new version of this rider will be filed, form 20654NY(0119). This new version of the Accumulated Value Enhancement rider will work like the AVE offered on FlexLife.

There will be an annual Accumulated Value Enhancement equal to a fixed percentage of Accumulated Value. This bonus will be calculated based on the average monthly Accumulated Value and added to the policy at the end of the policy year in which the AVE starts. The Accumulated Value Enhancement will be credited to the Basic Strategy.

The Accumulated Value Enhancement will be offered on both a current and guaranteed basis. It will be incorporated in the calculation of the Minimum Accumulated Value (MAV). It will also affect the guaranteed pass of the illustration.

<b><u>Product</u></b>	<b><u>Accumulated Value Enhancement – NY</u></b>	<b><u>Starts in Policy Year</u></b>
FlexLife	<u>0.35%</u>	<u>6</u>
PeakLife	<u>0.50%</u>	<u>2</u>

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

#### *Termination*

This rider will terminate with the base policy and for no other reason.

#### *Rates*

There is no charge for this rider.



### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

### *Flexible Accumulated Value Enhancement Rider*

This rider will automatically be added to all applicable policies at issue and used to facilitate the Accumulated Value Enhancement. Policyholders will have the option to choose among options available with this rider.

A new rider will be filed called the Flexible Accumulated Value Enhancement Rider, forms 20643(0119) and 20644(0119). It will work like the current multiplier AVE with a few notable exceptions. It will work on a bucket by bucket basis rather than a policy level basis. It will not be incorporated in the calculation of the Minimum Accumulated Value (MAV). It will also not affect the guaranteed pass of the illustration. The Flexible Accumulated Value Enhancement Rider will allow for 2 or more bonuses to be attached to the policy. At least one of those options must be free.

If FAVE is not approved by a state, the new version of AVE will be utilized instead. The associated parameters to use with the new version of AVE will be those defined for the Enhancer version of FAVE (see table below). This will apply for Living Life by Design and PeakLife.

The new version of AVE and FAVE will not be approved by New York at product launch. See the Accumulated Value Enhancement Rider – New York section for more details.

### *Rider Mechanics – Differences from the current AVE include:*

- A new charge as a percentage of accumulated value which will start in the year preceding the year that the first bonus is credited (excluding free version)
- Different interest bonus rates, year the bonus starts, interest bonus cap (to be updated by product)
- Interest bonus applied to indexed strategies only, including indexed loan account (exclude fixed strategy)
- Interest bonus paid when individual buckets get indexed interest (rather than wait until policy anniversary)
- Interest bonus is based on ending value of the bucket

Multiple versions would be available

- One free version
- 2 versions with a charge

Charge will start in year 1 when the first Indexed Segment is created

Bonus interest will be paid in year 2 on first Indexed Segment anniversary

Parameters to include:

- Interest Bonus Percentage (instead of calling it a Multiplier)
- Maximum Bonus Interest Percentage (instead of calling it a Cap) – there could be No Maximum Bonus Interest Percentage
- Interest Bonus Charge Percentage

Parameter variation:

- Parameters will vary by policy duration
- Need flexibility to vary parameters depending on Index Strategy, however it is anticipated that at launch all index strategies will have same parameters

The Flexible Accumulated Value Enhancement will be offered on both a current and guaranteed basis.

- Guaranteed Charge = Current Charge
- Guaranteed Interest Bonus and Maximum Interest Bonus Percentages will be less than Current Interest Bonus and Maximum Interest Bonus Percentages

Current Enhancer Rates					
Product	Version	Interest Bonus Charge Percentage	Interest Bonus Percentage	Starts in Policy Year	Maximum Interest Bonus Percentage

PeakLife, Living Life Band 3 & Band 4	Enhancer	n/a	15%	2	1.00%
PeakLife, Living Life Band 3 & Band 4	Enhancer Plus	1.00% All Yrs	35% All Yrs	Charges in yr 1  Bonus in yr 2	3.00%
PeakLife, Living Life Band 3 & Band 4	Enhancer Max	3.00% Yrs 1-19 2.00% Yrs 20-29 1.00% Yrs 30+	85% Yrs 2-20 60% Yrs 21-30 35% Yrs 31+	Charges in yr 1  Bonus in yr 2	7.00% Yrs 2-20 5.00% Yrs 21-30 3.00% Yrs 31+
Living Life Band 1 & Band 2	N/A (will have AVE, same parameters as FlexLife)	N/A	N/A	N/A	N/A

#### Guaranteed Enhancer Rates

Product	Version	Interest Bonus Charge Percentage	Interest Bonus Percentage	Starts in Policy Year	Maximum Interest Bonus Percentage
PeakLife, Living Life Band 3 & Band 4	Enhancer	n/a	15%	2	1.00%
PeakLife, Living Life Band 3 & Band 4	Enhancer Plus	1.00% All Yrs	20% All Yrs	Charges in yr 1  Bonus in yr 2	1.50%
PeakLife, Living Life Band 3 & Band 4	Enhancer Max	3.00% Yrs 1-19 2.00% Yrs 20-29 1.00% Yrs 30+	30% Yrs 2-20 25% Yrs 21-30 20% Yrs 31+	Charges in yr 1  Bonus in yr 2	2.50% Yrs 2-20 2.00% Yrs 21-30 1.50% Yrs 31+

Living Life Band 1 & Band 2	N/A (will have AVE, same parameters as FlexLife)	N/A	N/A	N/A	N/A
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Each segment in any Index strategy will have an Interest Bonus Amount. The Interest Bonus Amount will be paid at the end of the crediting period for each Indexed Segment.

The Interest Bonus Amount for each Indexed Segment is calculated as the minimum of (a) or (b), where

- = the Index Earnings multiplied by the Interest Bonus Percentage,
- = the value of the Indexed Segment at the end of the crediting period, but before interest crediting, multiplied by the Maximum Interest Bonus Percentage.

For versions with a charge, the Interest Bonus Charge is deducted from the Accumulated Value in an Indexed Segment at the beginning of the crediting period. The charge is equal to the Interest Bonus Charge Percentage multiplied by the Accumulated Value in the Indexed Segment at the beginning of the crediting period.

The Flexible Accumulated Value Enhancement will **not** be incorporated in the calculation of the Minimum Accumulated Value (MAV).

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.

#### *After Issue Changes*

- The policyholder will be able to switch FAVE versions and the change will be effective for Indexed Segments going forward.

### *Termination*

This rider will terminate with the base policy and for no other reason.

### *Rates*

A percentage of accumulated value charge which will start in the year preceding the year that the first bonus is credited (excluding free version). This charge will only be applied to the bucket that is being created, not the entire accumulated value. For example, if the first bonus interest is credited on the 14<sup>th</sup> of February 2021, the first charge will be collected on the 14<sup>th</sup> of February 2020 when the bucket is created.

### *Interaction with Other Riders*

If a Waiver of Monthly Deductions Rider is attached to the policy and exercised, the Interest Bonus Option without an associated Interest Bonus Charge will be automatically elected. The policyholder may not elect an Interest Bonus Option with an Interest Bonus Charge while the Waiver of Monthly Deductions Rider is active.

If a Lifetime Income Benefit Rider is attached to the policy and exercised, the Interest Bonus Option without an associated Interest Bonus Charge will be automatically elected. The policyholder may not elect an Interest Bonus Option with an Interest Bonus Charge while the Lifetime Income Benefit Rider is active.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

Additional Protection Benefit Rider

### **FlexLife**

### *Availability*

- Issue Ages: 0 - 85
- Minimum Face Amount: \$25,000

- Pension Minimum Face Amount: \$2,000
- The maximum APB to base blend will be 3 to 1. The same APB blend limit is applicable to pension and non-pension cases.
- This rider will be available at issue and after issue on the same issue age and rate classes as the base product.
- 100% of the APB coverage will be eligible when exercising ABRs.

### *Rates*

This rider will have new policy charges i.e. cost of insurance rates, a charge per thousand of sum insured, minimum monthly premiums, and monthly guarantee premiums.

Current cost of insurance rates and charges per thousand of sum insured will be different than the base product.

The charge per thousand will be charged for 10 years (non-tobacco) and 15 years (tobacco) on a current basis.

In NY, there will be a higher guaranteed charge where the duration of the guaranteed charges equals the duration of current charges. In all other jurisdictions, there will be a higher guaranteed charge, which equals the charge in NY, except that it will apply in all years.

## **PeakLife**

### *Availability*

- Issue Ages: 18 - 85
- Minimum Face Amount: \$25,000
- Pension Minimum Face Amount: \$25,000
- The maximum APB to base blend will be 3 to 1. The same APB blend limit is applicable to pension and non-pension cases.
- This rider will be available at issue and after issue on the same issue age and rate classes as the base product.
- 100% of the APB coverage will be eligible when exercising ABRs.

### *Rates*

This rider will have new policy charges i.e. cost of insurance rates, a charge per thousand of sum insured, and minimum monthly premiums.

Current cost of insurance rates and charges per thousand of sum insured will be different than the base product.

The charge per thousand will be charged for the later of 15 years or to the year the insured turns 80 on a current basis. In NY, there will be a higher guaranteed charge where the duration of the guaranteed charges equals the duration of current charges. In all other jurisdictions, there will be a higher guaranteed charge, which equals the charge in NY, except that it will apply in all years.

### **Living Life by Design**

#### *Availability*

- Issue Ages: 0 - 85
- Minimum Face Amount: \$25,000
- The maximum APB to base blend will be 3 to 1.
- This rider will be available at issue and after issue on the same issue age and rate classes as the base product.
- 100% of the APB coverage will be eligible when exercising ABRs.

### *Rates*

This rider will have new policy charges i.e. cost of insurance rates, a charge per thousand of sum insured, minimum monthly premiums, and monthly guarantee premiums.

Current cost of insurance rates and charges per thousand of sum insured will be different than the base product.

Face Amount Bands 1 & 2 (i.e Face Amounts below \$1,000,000.00)

The charge per thousand will be charged for 10 years (non-tobacco) and 15 years (tobacco) on a current basis. There will be a higher guaranteed charge and it will apply in all years.

Face Amount Bands 3, 4 (i.e. Face Amounts \$1,000,000.00 and above)

The charge per thousand will be charged for the later of 15 years or to the year the insured turns 80 on a current basis. There will be a higher guaranteed charge and it will apply in all years.

#### *Qualified Additional Benefit*

This rider is integrated with the base policy for the purpose of definition of life insurance testing.

#### *Balance Sheet Benefit Rider*

This rider waives the surrender charge and levelizes commissions. The coverage amount is described as a percentage of the base face amount where the surrender charge will be waived.

The policyholder may choose the percent of surrender charge to be waived between 1% and 100% in whole percentages.

Levelized commission rates will also need to be defined.

This structure of this rider will be similar to existing products but we will have new rates.

#### *Availability*



- All issue ages and rate classes as base coverage.
- Available after issue: No

### *Rates*

There will be new charges per thousand of base face amount multiplied by the coverage percentage where the rates are dependent on the surrender charges of the base product.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

### *Benefit Distribution Option*

Instead of a single lump sum death benefit, this rider spreads the Death Benefit out over a duration of 10-30 years.

Installment payments cannot extend beyond the policy anniversary nearest the insured's age 95. To illustrate this, if death occurs at age 88, then the BDO payouts would occur for seven years. If death occurs at age 96, then the death benefit would be paid out as a lump sum. We will be adding a table to the data section to illustrate this.

For product launch, the Death Benefit used in the Net Amount at Risk calculation will be multiplied by a rate that varies by attained age and the period certain duration chosen at issue where installment payments will not extend beyond attained age 95. We would like to build flexibility, such that the policyholder can choose an attained age earlier than 95 for which the installment payments will end.

The benefit distribution percentage is the percentage of death benefit that will be paid via the terms of this rider. The benefit distribution percentage will be chosen and set at issue, subject to a minimum of 50% and a maximum of 100%.

The duration of the payments will be chosen and set at issue.

The length of the duration of benefit payments will be chosen at issue according to the rules in the following table:

<b>Issue Age</b>	<b>Period Certain Duration</b>
0-65	10-30
66	10-29
67	10-28
68	10-27
69	10-26
70	10-25
71	10-24
72	10-23
73	10-22
74	10-21
75	10-20
76	10-19
77	10-18
78	10-17
79	10-16
80	10-15
81	10-14
82	10-13
83	10-12
84	10-11
85	10

The frequency of the payments during the installment period will be chosen at time of claim by the Beneficiary. A monthly or annual frequency will be allowed. The amount of the Benefit Payment must be at least \$250.

- If there is more than one Beneficiary that will get a pro rata share of the Benefit Payment, each share must be at least \$250.
- Should the monthly payments for a Beneficiary not meet this minimum required amount, the Beneficiary's amount will be paid out as an annual payment.
- Should the annual payments for a Beneficiary not meet this minimum required amount, the Beneficiary's amount will be paid out as a lump sum payment

This option is set at issue. If the insured applies for and qualifies for an underwritten face amount increase, they may terminate BDO at that time. No other after issue changes to the BDO structure are allowed.

Benefit Payments from this rider are computed assuming a discount rate of 1%. The Death Benefit of the policy may change over time due to requested changes, functions of the policy, other riders on the policy, or policy debt. The Net Death Benefit available at time of claim will be used as the basis for the BDO benefit payments.

As an example:

Death Benefit = \$500,000

Loan Balance = \$200,000

BDO Percentage = 50%

Net Death Benefit = \$300,000

\$150,000 would be paid as a lump sum. The remaining \$150,000 would be used as the basis for the BDO payments.

The Benefit Distribution Option will be incorporated into the 8121 and 9212 applications.

### *Availability*

- All issue ages and rate classes as base coverage.
- Available after issue: No
- Available with pension: No

### *Termination*

This rider will terminate on the date the insured reaches attained age 95.

### *Interaction with Other Riders*

<b>Rider</b>	<b>Allowed with BDO</b>	<b>Treatment</b>
ABRs	Yes	The portion of DB that is accelerated while the policy is in force will not be included with the calculation of the Benefit Payments upon the death of the insured.
APB	Yes	Available for BDO installments
BSB	Yes	
CTR	Yes	Coverage not available for BDO installments
DBPR	Yes	
SAR	Yes	
CMGDBR	Yes	Coverage not available for BDO installments
GIR	Yes	
ILA	Yes	
LIBR	Yes	Any changes to the DB as a result of LIBR will be reflected and the DB available at time of death will be used in the calculation of Benefit Payments
OIR	Yes	Coverage not available for BDO installments
OPR	Yes	

QPEP	No	
WMD	Yes	
WSP	Yes	

### *Definition of Life Insurance*

The face amount will be used for guideline single, guideline level, 7-pay premium calculations, and the NSP in the CVAT calculation.

### *Rates*

- There is no charge for this rider.
- We will continue to use the same rates as FlexLife II. The rates are applied to the Death Benefit in the Net Amount at Risk calculation. This rate varies by attained age and the period certain chosen at issue.
- There is no impact to the guaranteed COI charges as a result of this rider.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

### *Charitable Matching Gift Rider*

If a charitable beneficiary is named, NLG will match 2% of base face amount, but no greater than \$30,000.

A matching contribution will be made to any organization accredited as a charity that qualifies for a charitable deduction under IRS rules and regulations.

If the charitable organization is not in existence or no longer accredited as a charity under IRS rules and regulations, at time of death, the Owner (or the Owner's estate

Representative, if the Owner is the Insured) must designate in writing a new charitable organization to whom the benefit will be paid. If we do not receive such written designation within 90 days of our request, no benefit will be paid under this rider.

After verification of the charitable beneficiary, the owner of the policy will have the option to allow NLG to send a letter notifying the charity upon the death of the insured.

If no charitable organization is named as Beneficiary at the time of the Insured's death, no benefit will be paid under this rider.

Multiple charitable organizations may be named as Beneficiaries and will share proportionally in the distribution of benefits.

The additional death benefit paid due to this rider is not available for acceleration.

Increases or decreases in the policy base face amount after issue will result in a corresponding change in the DB we will match under CMG.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: No

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

## Children's Term Rider

We will be using the same riders as for FlexLife II where the maximum coverage age is 25; and the maximum conversion privilege is 6x CTR Face or \$150,000.

### *Availability*

- Issue Ages: Insured's dependent children 15-days – 16 years
- Minimum Face Amount: \$5,000 per child
- Maximum Face Amount: \$25,000 per child
- Coverage must be purchased in multiples of \$1,000.

Substandard: This rider may be added to a base policy with a substandard insured but children added to the rider cannot be rated.

Available After Issue: Yes

Coverage End Date: The coverage on any dependent child will end on the first policy anniversary following the child's 25<sup>th</sup> birthday.

### *Rates*

The FlexLife II rate scale will be used for this rider.

### *Qualified Additional Benefit*

This rider is a qualified additional benefit.

## Death Benefit Protection Rider

If the conditions of this rider are met, the policy will be guaranteed not to lapse during the death benefit protection period.

The death benefit protection period will vary based on the insured's issue age.

#### *Availability*

- This rider cannot be added after issue.
- This rider is available for all rate classes.
- This rider is available on both Option A and B.
- The Maximum issue age is set at 75. There is no minimum issue age.

If the Guideline Premium Test is selected, the Death Benefit Protection Rider is not available if the annualized monthly guarantee premium is greater than the guideline level premium.

The default in the illustration and application is to select this rider when available.

#### *Protection Period*

<b>Issue Age</b>	<b>Guaranteed Period</b>
0 to 29	30
30 to 39	25
40 to 54	20
55 to 64	15
65 to 75	10

#### *Modal Premium Factor*

The following modal premium factors will be used to determine the guaranteed premium. The following modal premium factors are based on a 5% interest assumption. The 5% may vary from year to year on new issues only.



Mode	Modal Premium Factor
Annual	11.73579
Semi-Annual	5.93946
Quarterly	2.98784
Monthly	1.00000

### *Rates*

- This rider will not have a monthly deduction.
- The guarantee period will vary by issue age.
- Unique minimum monthly guarantee premiums will be set for this rider.

### *Qualified Additional Benefit Status*

This rider is not a Qualified Additional Benefits rider.

### *Guaranteed Flex Rider*

### *Summary*

This rider provides a secondary guarantee, similar to DBPR but offers the customer more flexibility. At issue, the owner can elect if they would like a 10, 20, 30, or 40 year secondary guarantee periods (subject to issue age restrictions). The 10 year option will be free and there will be a small charge for the longer durations. The only after issue changes offered will be to drop the rider if they no longer want it, but they cannot switch periods.

### *Details*

If the conditions of this rider are met, the policy will be guaranteed not to lapse during the death benefit protection period.

The death benefit protection period will be selected at issue and cannot be changed.

### *Availability*

- This rider cannot be added after issue.
- This rider is available for all rate classes.
- This rider is available on both Option A and B.
- The Maximum issue age is set at age 75. There is no minimum issue age.
- There is no maximum face amount. There is no minimum face amount.

If the Guideline Premium Test is selected, the Death Benefit Protection Rider is not available if the annualized monthly guarantee premium is greater than the guideline level premium.

The default period in the illustration will depend on the “Concept” chosen.

### *Protection Period*

The options available will vary by issue age as outlined in the chart below:

Issue Age Range	10 Year Available?	20 Year Available?	30 Year Available?	40 Year Available?
0 – 55	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
56 - 65	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	No
66 - 75	<b>Yes</b>	<b>Yes</b>	No	No
76 - 85	No	No	No	No

### *Modal Premium Factor*

The following modal premium factors will be used to determine the guaranteed premium. The following modal premium factors are based on a 5% interest assumption. The 5% may vary from year to year on new issues only.

<b>Mode</b>	<b>Modal Premium Factor</b>
Annual	11.73579
Semi-Annual	5.93946
Quarterly	2.98784
Monthly	1.00000

### *Rates*

- This rider will have a monthly deduction.
- The monthly deduction will be a per thousand of face amount charge
- This charge will vary by the protection period length
- This charge is based on the total current face of the policy if there are after issue changes
- The 10 year guarantee will not have a charge, but all other periods will.
- Unique minimum monthly guarantee premiums will be set for this rider.
- The minimum monthly guarantee premiums will also vary by the secondary guarantee period selected
- Other riders that also have MGP's under DBPR (such as the Gap Protector Rider), will also have an MGP under GFR.

This rider will only be on Living Life by Design.

### *Qualified Additional Benefit Status*

This rider is not a Qualified Additional Benefits rider.

### *Systematic Allocation Rider (SA)*

The policyholder may elect Systematic Allocations at and after issue by sending us an allocation schedule, filling out the desired allocation schedule of funds from the basic strategy to the interest crediting strategies and selecting the SA option.

If the SA option is elected, then all new money swept out of the Basic Strategy, provided that the total amount swept is greater than or equal to the minimum SA deposit amount, will be transferred to a SA account. Funds swept from the Basic Strategy which do not meet the minimum SA deposit requirement are swept into interest crediting strategies in the same way existing products work today.

Dollars allocated to the SA strategy can be from new money and renewal money. Dollars allocated to the SA strategy via renewal money is only permitted once per policy year.

The minimum annual SA deposit amount will be \$3,000.

#### *Availability*

- This rider will be added automatically to all policies.
- This rider is available for all issue ages and all rate classes.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit Status*

This rider is not a Qualified Additional Benefits rider.

#### Guaranteed Insurability Option Rider

#### *Availability*

#### Issue Ages

- 0 – 37 (LSW)
- 0 – 39 (NL)

#### Minimum Option Amount:

- \$5,000 (LSW)

- \$25,000 (NL)

Maximum Option Amount:

- (LSW) Lesser of policy's total face amount and \$50,000
- (NL) 2 times the base face amount but not to exceed the following table:
  - Age 0-24: \$50,000
  - Age 25-27: \$60,000
  - Age 28-30: \$75,000
  - Age 31-39: \$100,000

Substandard Policies:

This rider is not available on substandard policies and will not be issued with ratings. Therefore, this rider will not be available on policies with any of the three Express Standard rate classes.

Available After Issue: Yes

Termination - Coverage under this rider will terminate on:

- LSW: The policy anniversary following the insured's 40th birthday.
- NL: The date the insured reaches attained age 40.

### *Rates*

The current rate scale will be used for this rider.

### *Qualified Additional Benefit*

This rider is a qualified additional benefit.

Participating Fixed Loans Rider

This rider will automatically be added to all policies at issue and used to facilitate participating fixed loans.

Loaned money will be transferred to the Indexed Loan Account – S&P 500, Point to Point, Cap Focus Strategy.

The only way to transfer money out of the Indexed Loan Account is as required by a change to a standard loan or participating variable loan, and a loan repayment.

A fixed loan rate of 5% is set at issue. We will reserve the right to adjust the fixed loan rate for new issues.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

#### *Termination*

This rider will terminate with the base policy and for no other reason.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

Participating Variable Loans Rider

This rider will automatically be added to all policies at issue and used to facilitate participating variable loans. Participating Variable Loans function in the exact same way as Variable Net Cost Loans do today. We are renaming the loan as part of this project to be more client/agent friendly and more consistent with industry standards.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

#### *Termination*

This rider will terminate with the base policy and for no other reason.

#### *Rates*

There is no charge for this rider.

#### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

#### *Standard Loans Rider*

This rider will automatically be added to all policies at issue and used to facilitate standard loans. Standard Loans function in the exact same way as Fixed Net Cost Loans do today. We are renaming the loan as part of this project to be more client/agent friendly and more consistent with industry standards.

#### *Availability*

- All issue ages and rate classes as base coverage.
- Automatically added at issue.
- Available after issue: Yes

### *Termination*

This rider will terminate with the base policy and for no other reason.

### *Rates*

There is no charge for this rider.

### *Qualified Additional Benefit*

This rider is not a qualified additional benefit.

Lifetime Income Benefit Rider Version 5

It is the same version used on FlexLife II and Living Life.

This rider provides a guaranteed lifetime income benefit, with income disbursed as standard loans for the life of the insured. There are certain qualifications that must be met before the benefit can be elected.

### *Availability*

This rider will be automatically added at issue to all eligible policies.

Issue Ages:                0 – 75

This rider cannot be added to policy where the insured is rated higher than 250%. It is not available on Express Standard Non-tobacco 2.

This rider does not have a charge until exercised.



Exercise ages are 60 – 85. Table look ups will be based on the age of the insured.

### *State Specials*

On LSW paper, FlexLife II, the only version of LIBR that will be available is LIBR 5.

- Currently, LIBR 5 is available in all states with the exception of KS, MT, and NY.
- LIBR 5 will continue to remain unavailable in KS and NY.
- LIBR 5 will become available in MT, pending state approval.

On NL paper, NL FlexLife II, multiple versions of LIBR will remain available until state approval is received.

- LIBR 3 is currently available in MD and NY.
- LIBR 4 is currently available in all states, with the exception of MD and NY.
- Upon state approvals, LIBR 5 will become available.

### *Policy Forms*

LSW: same as Living Life

NL: new filing

### *Rates*

The current scale will be used for this rider.

### *Qualified Additional Benefit Status*

This rider is not a qualified additional benefit.

#### Premium Deposit Account

This rider allows the owner to make a lump sum payment that will be used to pay future Planned Premiums over a chosen duration. The PDA earns a guaranteed interest rate that is determined at the time of deposit. Policy premiums are automatically paid annually from this account. By prepaying, the owner ultimately pays a discounted premium. This rider helps to avoid a Modified Endowment Contract, maintaining tax qualifications of life insurance.

#### *Availability*

This rider will be added automatically to all policies (pension and non-pension policies). This rider can be elected at issue or any time after issue.

The rider cannot be exercised while the policy is owned by a qualified pension or profit sharing plan. In order to exercise the rider in such a situation, the policy must first be transferred out of the plan.

This rider is available for all issue ages and all rate classes.

This rider can be added to all policies at issue but cannot be elected by depositors who are active members of the military due to a regulation that does not allow a surrender fee for active military.

#### *Qualified Additional Benefit*

This rider is not a Qualified Additional Benefits rider.

#### Other Insured Rider

#### *Availability*

Issue Ages: 0 – 85 (Both products). Issue ages will vary by rate classifications just like the base products.

OIR will not be available with the Express rate classes. If the base insured is Express and an OIR on self is desired, the following mapping rules will apply for the OIR:

- If the base insured is an Express Non-Tobacco 1, then an OIR on self will be a Nonsmoker with a 175% rating
- If the base insured is an Express Non-Tobacco 2, then an OIR on self will be a Nonsmoker with a 250% rating
- If the base insured is an Express Smoker, then an OIR on self will be a Smoker with a 175% rating

If the base insured is a Juvenile and a known smoker with a face amount above \$2,000,000, the base product will be issued as a Standard Non-Tobacco with a 200% rating. If an OIR on self is desired, then the OIR on self will be a Nonsmoker with a 200% rating.

No smoker OIR rates are currently available for issue ages 18 & 19. If the OIR is on self, the following mapping rules will apply for the OIR:

- All preferred NT base maps to Standard NT OIR
- Express NT 1 maps to 175% Standard NT OIR
- Express NT 2 maps to 250% Standard NT OIR
- Preferred Tobacco and Standard Tobacco map to Standard NT OIR with 200% rating
- Express Tobacco map to Standard NT OIR with 400% rating

The OIR rider offers the same risk classes on both NL and LSW versions.

Permitted Relationship: Self, Spouse, Child and Business Partner

Minimum Total Face Amount: \$25,000 (\$5,000 for pension cases)

Maximum Total Face Amount: Policy's Total Face Amount

The following may be designated as primary other insured: Spouse and Business Partner only.

Substandard: Rider may be issued with table and/or flat extra ratings and may be issued on a rated policy.

Available riders on other insureds: Accelerated Benefit Riders only (ABR7 is not available if the record has OIRs).

Available After Issue: Yes

The maximum number of automated OIR entries per policy will continue to be 5. Additional OIR entries per policy will continue to be added manually.

#### *Rates*

Rates will be the same as for FlexLife II (NL and LSW).

#### *Qualified Additional Benefit*

- Spouse or Child: Yes
- Business Partner: No
- Self: This rider is integrated with the base policy for the purpose of determining compliance with IRC §7702 and §7702A.

OverLoan Protection Rider

#### *Availability*

Issue Ages: 0 - 85

This rider is not available to pension cases. This rider is automatically added to all non-pension policies that meet the eligibility requirements.

This rider is not available with CVAT policies.

Substandard: This rider will not be issued with substandard ratings, but it may be added to a rated policy.

Available After Issue: Yes

#### *Rates*

New charges will be developed for this rider based on 2017 CSO mortality tables.

#### *Qualified Additional Benefit Status*

This rider is not a qualified additional benefit.

#### *Qualified Plan Exchange Privilege (QPEP)*

There will be an updated version of QPEP for the new IUL series.

#### *Availability*

For Qualified Pension and Profit Sharing Plan trust owned life insurance, the QPEP rider allows the policy to be surrendered while owned under the qualified plan and elect to have a new policy written outside of the qualified plan.

The face amount of the new policy cannot be more than the face amount of the policy, less the cash surrender value of the policy being surrendered on the date of exchange.

This rider is automatically to all pension cases at issue.

### *Rates*

There is no charge for this rider.

### *Qualified Additional Benefit Status*

This rider is not a qualified additional benefit.

Waiver of Monthly Deductions Rider

Same as LSW and NL FlexLife.

### *Availability*

Issue Ages: 0 – 55

WMD is not available for face amounts above \$3,000,000. This is the same as 2001 CSO products.

Benefit: Waives monthly deductions during the continuance of the disability. However if the disability begins on or after the date the insured reaches attained age 60, covered monthly deductions will not be waived beyond the later of:

- The monthly date the insured reaches the attained age of 65; or
- The monthly contract date following two years of continued disability.

This rider has an elimination period of 3 months for NL and 6 months for LSW.

Substandard: If the insured is rated 150% or if the insured is rated with a \$5.00 or less per thousand flat extra for 2 or less years, the waiver of premium rider will be rated 200%. If the insured is rated 175% to 200%, the waiver of premium rider will be rated 300%. This rider will not be available with Express Standard Non-tobacco 2 policies, policies with a table rating greater than D (200%) or on policies with a flat extra greater than \$5.00 per thousand for two years or more. If the insured is classified as Express Standard NT 1 or Express Tobacco then the underwriter will assign either a 200% or 300% rating. Any substandard rating will adjust only the charge for this rider.

This rider is not available in conjunction with Waiver of Specified Premium.

This rider may not be selectively attached to certain coverage segments. If this rider exists on a Policy, then it must be added to all coverage segments.

Available After Issue: No

#### *Rates*

The last pricing of this rider was done in 1993. Rates for LSW will be the same as for WMD rates for Ultra Select.

#### *Qualified Additional Benefit Status*

This rider is a qualified additional benefit.

Waiver Of Specified Premium Rider

Same as LSW and NL FlexLife.

#### *Availability*

Issue Ages:

LSW: 15 – 55

NL: 0 – 55

WSP is not available for face amounts above \$3,000,000. This is the same as 2001 CSO products.

Minimum Annual Benefit: Annualized minimum premium less the annualized minimum premium for the waiver of specified premium rider.

Maximum Annual Benefit: Lesser of the annualized planned periodic premium and the guideline level premium for the policy excluding the guideline level premium for the waiver of specified premium rider.

Substandard: If the insured is rated 150% or if the insured is rated with a \$5.00 or less per thousand flat extra for 2 years or less, the waiver of premium rider will be rated 200%. If the insured is rated 175% to 200%, the waiver of premium rider will be rated 300%. This rider will not be available with Express Standard Non-tobacco 2 policies, policies with a table rating greater than D (200%), or on policies with a flat extra greater than \$5.00 per thousand for two years or more. If the insured is classified as Express Standard NT 1 or Express Tobacco then the underwriter will assign either a 200% or 300% rating. Any substandard rating will adjust the charge, MMP, MGP, and CTP for this rider.

This rider is not available with single premium policies.

This rider is not available in conjunction with Waiver of Monthly Deductions.

This rider may not be selectively attached to certain coverage segments. If this rider exists on a Policy, then it must be added to all coverage segments.



Available After Issue: No

### *Rates*

Harbor 2008/Horizon 2008 form and rates will be used for the LSW version.

### *Qualified Additional Benefit Status*

This rider is a qualified additional benefit.

### Gap Protector Rider Description of Benefit

This rider is specifically designed as an additional benefit for Premier Financial Alliance (PFA)'s proprietary product. The functionality of the rider will remain the same as the prior version, but it will be repriced.

This benefit annually increases the face amount by a pre-selected amount with no additional underwriting at time of increase. The increase in face amount due to this benefit will be a level dollar amount each year, based on the percent increase option chosen and the face amount at issue. This right to increase will last until the policy has reached the maximum total face amount as defined by the rider, or the policy owner has reached attained age 70. After the right to increase is terminated, the policy owner maintains the total face amount of the policy (base face amount + face amount gained through GPR).

The Gap Protector Rider will create a new increase segment each year that the right to increase is active. The GPR segment will have COI charges, but it will not have surrender charges or a unit load. Each year the rider is active, a per thousand rider charge will be applied to the level increase amount. Increasing premiums are required to keep the policy in force during the increase period.

The annual level increase amount may only be selected at issue.

Percent Increase Options: 5%, 10%, 15%

The right to increase under this rider will end when the insured reaches the maximum attained age of 70 or a maximum face amount, whichever occurs first. At this time no more increases will be allowed and the total face amount of the policy will remain level. In addition, the policyholder will have the option to end the right to increase prior to reaching the maximum attained age or the final face amount.

The Final Face Amount is a multiple of the minimum of the face amount at issue or \$250,000, and varies by issue age. The final face amount is a cap on the size of the GPR segment (or total of all GPR segments).

Issue Age	Maximum GPR Face Amount
20 – 29	4x minimum of \$250,000 and Face at Issue
30 – 39	3x minimum of \$250,000 and Face at Issue
40 - 50	2x minimum of \$250,000 and Face at Issue

In the event that a face amount increase different than the level increase amount is necessary in the final year to reach the final face amount (only occurs with the 15% increase option) the charge in the final year will be adjusted to reflect the actual amount of increase received.

#### Availability

Issue Ages: 20 - 50

This rider is not available on substandard policies with table ratings or with express risk classes. This rider is also not available on policies with flat extra ratings.

Underwriting: This rider will have the same underwriting requirements as the base product. All policies with face amounts less than or equal to \$250,000 will go through the underwriting engine, and this rider does not create an exception to this rule. Subsequent increases provided by the rider during the increase period will not require additional underwriting.

Financial Underwriting – Financial underwriting will be based on the Final Face Amount, and will be assessed using the following rule:

$(\text{Final Face Amount})/(\text{Salary Factor}) = \text{Minimum acceptable salary for the engine to approve.}$  If the salary is less than this minimum then the case should be referred to an underwriter.

The salary factors are defined in the underwriting guidelines, and do not differ from other products.

Face Amount: This rider will only be available on face amount bands 1 and 2, but the increase amount is limited to a multiple of the minimum of the total face amount at issue and \$250,000.

This rider will only be available at issue.

If the policy is issued from a term conversion, then additional underwriting would be necessary to add GPR to the policy.

## Premiums

Policies with the Gap Protector Rider will either have an increasing premium or a level premium. If the premium is increasing, it will increase with each face amount increase. The amount of the increase in premium will be equal to the dollar amount the target premium (CTP) increases.

Changes between an increasing premium and level premium will be permitted after issue.

At issue, all policies will be set to have an increasing premium. No choice will be available at issue, but the policy holder can request a change between increasing and level premium any time after issue.

An exception to this is if the policy is a Single Pay, since the planned annual premium will be \$0, this value will not increase automatically at issue and NB will send an indicator that this premium should be level to VTG.

90 days before the face amount and premium increase each year, a letter will go out to both the agent and the policyholder to inform them of this increase.

Any payment mode is available with GPR, and premium payments in general are handled the same as with the base product.

## Minimum Monthly Premiums

Each coverage segment will have a separate minimum monthly premium. In addition, the rider will have a minimum monthly premium equal to a per thousand rate applied against the level increase amount.

#### Example of Minimum Monthly Premium Calculation with GPR:

A Male, Standard Non-Smoker, with \$100,000 of coverage elects the 10% increase option for GPR. The MMP Rate on the Base segment is 0.41158, and the MMP Rate on the GPR segment is 0.13428. His Gap Protection Rider MMP Rate is 2.14539. Since he bought 10% increases he is buying  $10\% * \$100,000 = \$10,000$  each year. The MMP Fee is \$6.50 monthly.

His minimum monthly premium in year 1, month 1 would be:

- $41158 * \$100,000 / 1000 + 0.13428 * \$0 / 1000 + 2.14539 * \$10,000 / 1000 + \$6.50 = \$69.11$

In year two, he would receive an additional \$10,000 of death benefit from the Gap Protection Rider. In year 2 month 1 the minimum monthly premium on the policy will be:

- $41158 * \$100,000 / 1000 + 0.13428 * \$10,000 / 1000 + 2.14539 * \$10,000 / 1000 + \$6.50 = \$70.45$

In year three, he would receive an additional \$10,000 of death benefit, making the total death benefit for the Gap Protection Rider segment \$20,000. In year 3 month 1 the minimum monthly premium on the policy will be:

- $41158 * \$100,000 / 1000 + 0.13428 * \$20,000 / 1000 + 2.14539 * \$10,000 / 1000 + \$6.50 = \$71.80$

#### Monthly Guaranteed Premiums

Each coverage segment will have a separate monthly guarantee premium. In addition, the rider will have a monthly guaranteed premium equal to a per thousand rate applied against the level increase amount.

#### Commissionable Target Premiums

Each coverage segment will have a separate commissionable target premium. In addition, the rider will have a commissionable target premium equal to a per thousand rate applied against the level increase amount.

#### Example of Target Premium Calculation with GPR:

A Male, Standard Non-Smoker, with \$100,000 of coverage elects the 10% increase option for GPR. The CTP Rate on both the Base and GPR segment are 9.19. His Gap Protection Rider CTP is 25.7. Since he bought 10% increases he is buying  $10\% * \$100,000 = \$10,000$  each year.

His total CTP in year 1 would be:

- $19 * \$100,000/1000 + 9.19 * \$0/1000 + 25.7 * \$10,000/1000 = \$1,176.00$

In year two, he would receive an additional \$10,000 of death benefit due to GPR, and so in year 2 his total CTP would be:

- $19 * \$100,000/1000 + 9.19 * \$10,000/1000 + 25.7 * \$10,000/1000 = \$1,267.90$

In year three, he would receive an additional \$10,000 of death benefit due to GPR making the total face amount of the GPR segment \$20,000, and so in year 3 the total CTP would be:

- $19 * \$100,000/1000 + 9.19 * \$20,000/1000 + 25.7 * \$10,000/1000 = \$1,359.80$

#### Monthly Deductions

##### Charges per Unit of GPR Face Amount Segment

There is no unit load on the GPR segment.

##### Charges per Unit of GPR Level Increase Amount

The charge for Gap Protector Rider will be a per thousand charge based on the level increase amount. This charge will apply for each policy year during the increase period.

This charge is paid in advance of face amount increases. For example, these monthly deductions paid during the first year of the policy correspond to the first GPR increase that happens in the first instant of policy year 2. Similarly, this charge should not be assessed after the final face amount increase occurs.

### **Charges per Unit of Net Amount at Risk**

This rider will have its own cost of insurance charges. The current cost of insurance rates for the Gap Protector Rider coverage vary based on the issue age, rate class, sex, and duration of the policy. The guaranteed cost of insurance rates are based on 2001 CSO and vary based on the issue age, duration, rate class, and sex of each insured. The company will reserve the right to increase the current GPR cost of insurance rates to an amount not to exceed the guaranteed values shown in the contract.

In general, all COI calculations will be handled the same for the Gap Protector Rider segment as the base segment.

### **Surrender Charges**

This rider has no surrender charge associated with it.

### **General Provisions**

### **Ceasing Increases**

In the event that the policy holder wishes to end the right to increase under the Gap Protector Rider, the current Total Face Amount of the policy will be maintained and no further face amount increases under the benefit of the rider will be allowed. The face amount of the Gap Protector Rider segment will remain in force.

## **Grace Period**

Due to the fact that the policy will remain in force during the grace period, the Gap Protector Rider will also remain in force. No Gap Protector Rider increases will occur during the grace period.

## **Reinstatement**

No face amount increases will occur between the start of the grace period and the reinstatement date. When the policy is reinstated the face amount, premiums, and charges will all be the same as they were at the start of the grace period. Gap Protector Rider increase coverage segments will continue to occur on the policy anniversary.

At time of reinstatement, subject to underwriting approval, the Owner may choose one of the following:

- a. Discontinue the Gap Protector Rider Face Amount increases. The Gap Protector Rider Face Amount after reinstatement would be equal to the Gap Protector Rider Face Amount at the start of the Grace Period.
- b. Continue increases to the Gap Protector Rider Face Amount, beginning on the next Policy Anniversary. The Final Gap Protector Rider Face Amount and the ending date of the Increase Period may be recalculated to account for any increases to the Gap Protector Rider Face Amount that were missed while the policy was lapsed. At no time will increases be made after the insured has reached Attained Age 70.

Reinstatement of this policy and rider shall not revive any right to add to the Face Amount under this rider if the insured has reached the maximum attained age and/or the maximum face amount prior to reinstatement. No automatic GPR face amount increases will occur after the insured has reach Attained Age 70.

The Gap Protector Rider final increase date can change after issue in the event of a reinstatement.

## **After Issue Changes**

This rider cannot be added after issue.

### **Face Amount Decrease**

If a policy holder elects to decrease the face amount of the policy, the right to increase under the Gap Protector Rider will end and no further increases will be allowed. The Face Amount of the policy will be reduced on a LIFO basis.

### **Face Amount Increase**

If a policy holder elects to increase the face amount of the policy, the right to increase under the Gap Protector Rider will end and no further increases will be allowed. This includes increases of both Base and APB coverage.

### **Death Benefit Option Change**

The policy holder may elect to change their death benefit option when the right to increase under GPR is active. Face Amount increases due to GPR may still continue after a death benefit option change.

In the event of an option change from Option B to Option A, the face amount of the Base Segment will be the only face amount to change. In the event of an option change from Option A to Option B, face amount of the most recent segment will be reduced. If the policy has the Gap Protector Rider, the Final Gap Protector Rider face amount will be adjusted by the same amount the Gap Protector Rider coverage segment(s) were adjusted.

The face amount of the GPR segment will never be adjusted as the result of a death benefit option change from B to A.

### **Withdrawals**



Withdrawals are allowed with GPR. With Death Benefit Option A, withdrawals will be treated on a LIFO basis – including GPR segments. Both the Final Gap Protector Rider face amount and the Gap Protector Rider Face Amount will be adjusted by the same amount.

A partial withdrawal will require the generation of a data page to reflect the decrease in the Final Gap Protector Rider face amount. In general, we do not generate new data pages upon a partial withdrawal. This requirement will be limited to Living Life policies with GPR only.

Refer to section 5.3.

Interaction with Other Riders

### **Accelerated Benefits Riders**

If a policy with GPR is accelerated, then the future increases on the policy will be adjusted pro rata. For example, if before accelerating a policy had \$5,000 increases, and 50% of the face amount was accelerated, then the future GPR increases would be \$2,500.

The discounted death benefit calculation will assume no future increases.

The Final Gap Protector Rider Face amount will also be adjusted pro rata.

100% of the face amount of the GPR face amount segment can be accelerated.

### **Additional Protection Benefit Rider**

The level increase amount is based on the face amount of the policy at issue (base + APB). When a policy has APB at issue, the GPR segment will be considered to have been added last.

When APB is added to a policy after issue, the maximum 3 to 1 blend will be assessed against the entire face amount (both Base and GPR segments).

### **Guaranteed Flex Rider**

GFR will be allowed with GPR. The Gap Protector Rider will have its own MGP that will also vary by the secondary guarantee period.

### **LIBR**

GPR increases must stop before income due to LIBR can be taken.

### **Waiver Riders**

Waiver of Monthly Deductions – all monthly deductions are covered (including those from GPR), however when a claim is made, GPR increases cease.

Waiver of Specific Premium – Premium to waive is set at issue and does not increase with GPR increases. We will increase the maximum specified premium amount to be the guideline level premium.

### **Flexible Accumulated Value Enhancement Rider**

Enhancer and GPR have conflicting availability rules, so they will never be on the same contract.

### **BSB**

GPR coverage does not have surrender charges. Therefore, BSB charge will only be applied to base policy face Amount Commissions

With the deferred compensation plan, there are two types of commissionable target premium which will each pay commissions differently: target premium from a coverage segment, and target premium from a rider.

The Gap Protector Rider is unique in that it contains both types of commissionable target premium.

#### Target Premium from a Coverage Segment

- This CTP is eligible for the usual commission schedule as well as an additional 15.5% which will be paid to the deferred compensation plan.
- When the face amount of the GPR segment increases, it causes an increase in the GPR segment's target premium.

#### Target Premium from a Rider

- (a) This CTP is eligible for only the usual commission schedule. The additional 15.5% will not be paid on this part of the CTP.
- (b) This piece of the CTP is for the right to increase with GPR. This is a level CTP amount that is present in all durations the rider is active.
- (c) The CTP for all other riders is treated the same way.

#### Example of Target Premium Calculation with GPR:

As a Male, Standard Non-Smoker, with \$100,000 of coverage elects the 10% increase option for GPR. The CTP Rate on both the Base and GPR segment is 10.21 (Target Premium from a Coverage Segment). His Gap Protector Rider CTP rate is 5.34 (Target Premium from a Rider). Since he bought 10% increases he is buying  $10\% * \$100,000 = \$10,000$  each year.

His total CTP in year 1 would be:

- $21/1000 * \$100,000 + 5.34/1000 * \$10,000 = \$1,074.40$

In year two, he would receive an additional \$10,000 of death benefit due to GPR, and so in year 2 his total CTP would be:

- $21/1000 * \$100,000 + 10.21/1000 * \$10,000 + 5.34/1000 * \$10,000 = \$1,176.50$

In year three , he would receive an additional \$10,000 of death benefit due to GPR, and so in year 3 his total CTP would be:

- $21/1000 * \$100,000 + 10.21/1000 * \$20,000 + 5.34/1000 * \$10,000 = \$1278.60$

#### Federal Income Tax Considerations

#### Section 7702 and Section 7702(A)

GPR is a Qualified Additional Benefit (QAB). Each increase in face amount will be treated as a material change.

#### Guideline Premiums

The Total Guideline Premium (applies to both GLP and GSP) will be computed as:

$$\text{GLP} = \text{Base \& APB Segments GLP} + \text{Policy Fee GLP} + \text{GPR Segment GLP} + \text{GPR Charge GLP}$$

#### GPR Segment GLP and GSP

The Gap Protector Rider segment's Guideline Annual Premium will be recalculated each year that the face amount increases. Since an increase in face amount will occur every year the rider is active, the guideline premium in year (t) for Gap Protector Rider segment will be computed as follows:

$$\text{GLP}(t) = \text{GLP}(t-1) + \text{GPR Face Amount}(t) * \text{NSP}(t) / \text{a-due}(t) - \text{GPR Face Amount}(t-1) * \text{NSP}(t) / \text{a-due}(t)$$

$$\text{GSP}(t) = \text{GSP}(t-1) + \text{GPR Face Amount}(t) * \text{NSP}(t) - \text{GPR Face Amount}(t-1) * \text{NSP}(t)$$

This logic is similar to the logic we use to calculate the new guideline premium when a policy holder elects to change their death benefit option.

There is no unit load on the GPR segment, so the annualized admin expense is zero for all policy years. The select period mortality does not restart for each increase. Thus, the NSP and a-due are always equal for a new piece of face amount and all previous ones in any given year. This fact makes calculating the increasing guideline much simpler, as there is not a need to keep track of every stream of NSP and a-due for each face amount increase.

#### GLP and GSP for GPR's per Thousand Charge

This premium is calculated in the same way the guideline premium for the charge on the Guaranteed Insurability Option Rider is calculated. Since this charge does not change for the duration of the rider, this portion of the guideline premium remains constant as long as the rider is in force. This premium is calculated under the assumption that the rider will remain in force until the earlier of attained age 70 and when the max face amount is reached.

#### MEC and 7-Pay Premium

For the purposes of computing the MEC Premium (7-Pay), each annual level increase will be treated as a separate increase segment and follows the same computational rules as regular increases on the policy.

#### Qualified Additional Benefit

The right to increase coverage under this rider (associated with the Level Increase Amount) is a qualified additional benefit.

Additionally, the GPR Face Amount Segment is integrated with the base policy for the purpose of definition of life insurance testing.

#### Waiver Of Surrender Charges - Unemployment Rider

The insured will have the option to waive the Surrender Charge on a full surrender of the policy to which this rider is attached if the following conditions are met:

1. The surrender occurs while the Insured is unemployed; and
2. Unemployment began while this rider was in force; and
3. Unemployment has continued for at least twelve consecutive months.

The Insured shall be deemed unemployed only if:

1. The Insured is unable to work due to involuntary termination of full-time employment; or
2. A union authorized strike occurs causing full-time employment to cease.

Full-time employment is defined as working for pay for at least 30 hours per week within the United States for at least four weeks immediately prior to unemployment.

This benefit is not provided if unemployment results from voluntary termination of employment, self-employment, part-time employment, retirement, disability or sickness. The benefit will be available if unemployment begins before the rider is terminated.

#### Availability

Issue age:	0-59
Max attained age:	59 at the last policy anniversary
Elimination period:	1 year after policy issue date
Issue specific:	automatically attached to all eligible PFA proprietary product policies
Underwriting:	no specific underwriting will be done at issue for this rider

This rider is not available in Connecticut, Tennessee, and Washington.

This rider is not available after issue.

#### Termination

Rider will terminate under following conditions:

1. the policy anniversary upon which the insured reaches attained age 60; or
2. the termination of the policy; or
3. the monthly policy date after receiving of written request to terminate the rider.

\*Please see the rider form for full details on conditions required at time of claim.

## Policy Rights, Privileges, and Features

### Policy Loans

#### General Terms

We will loan an amount up to the loan value (the cash surrender value minus an amount equal to three times the monthly deductions due on the most recent monthly policy date) of the policy less the amount of any debt secured by the policy, at any time after the first policy year. The policy must be in force at the time that the loan is made. The policy will be the sole collateral for the loan and the policy must be assigned to the company.

On an extra-contractual basis, we currently allow policy loans in the first policy year for other UL/IUL plans. We will allow this practice to extend to this product. We may elect to change that practice at any point in time.

The debt secured by the policy includes loans, unpaid loan interest, and accrued loan interest not otherwise due.

After a loan is made, loan interest shall be due on the next and all later policy anniversaries (loan interest is calculated in arrears). If any interest is not paid when due, it will be added to the loan and bear interest on the same terms.

All or any part of the debt may be repaid any time prior to the death of the insured or the surrender of the policy. Debt may not, however, be repaid during a grace period. Any remittance will be deemed to be a premium payment and not a repayment of debt unless the policyholder specifies that the remittance is a repayment of debt.

All debt shall become due upon the death of the insured or the surrender of the policy and shall be paid from the policy values.

### Loan Value

The loan value on any day is equal to the accumulated value on the valuation date, less the surrender charge on the valuation date, less three times the monthly deductions due on the last monthly policy date.

## Loan Interest Rate

For Standard Loans and Participating Variable Loans, this policy will use a variable loan interest rate based upon the Moody's Corporate Bond Yield Average - Monthly Average Corporate, subject to a minimum rate of 3.0%. The loan rate will be reset on each policy anniversary based upon the published monthly average for the calendar month ending two months before the calendar month in which the policy anniversary occurs. If, on any anniversary, the change in the loan rate would be less than half a percentage point, the loan rate will not change. There will be a cap on the variable loan rate equal to the Basic Strategy Interest Rate plus 2%.

For loans taken via Participating Fixed Loans, a Fixed Loan Rate of 5% will be set at issue. We will reserve the right to adjust the fixed loan rate for new issues, but it will be no larger than 8%.

Loan Interest will be compound. This is the same as FlexLife II, PeakLife, and Living Life.

## Interest Credited on Loaned Funds

This policy will offer three choices with respect to how interest will be credited on account value that is collateral for outstanding policy loans. The loan option is selected by the policyholder at the time the first policy loan is initiated. Only one loan option is allowed at any time. The loan option may be changed upon request and such changes will take effect on the next anniversary.

1. Participating Variable Loans: All account value will remain in the various interest crediting strategies and there will be no transfer of account value to a segregated loan collateral account.
2. Standard Loans: Loaned amounts will be transferred from the various interest crediting strategies as described in the deduction hierarchy section of this document and placed in a segregated loan collateral account. Interest will be credited to the loan collateral account at a fixed interest rate that is a direct function of the loan interest rate, but not less than the guaranteed interest rate. Loan repayments will result in a transfer of account value equal to the loan repayment amount from the loan collateral account to the basic strategy. We intend to allow wash loans after policy year 11.
3. *NOTE:* There will be a spread between the rate charged on the loan and the loan collateral. The loan spread will be 50 bps for 10 years and 0 thereafter.
4. Participating Fixed Loans: Requested loan amounts will be transferred from the various interest crediting strategies as described in the deduction hierarchy section of this document and placed in the Indexed Loan Holding Account. Capitalized loan interest will not be transferred to the Indexed Loan Holding Account.



A fixed loan rate of 5% will be set at issue. We will reserve the right to adjust the fixed loan rate for new issues, but it will be no larger than 8%.

### **Illustrations (ITS) Only**

Participating Fixed Loans will be illustrated differently from Participating Variable Loans. The fixed rate is guaranteed at issue and must be used as the loan interest rate in the illustration system. We cannot illustrate more than 100 bps of loan leverage in order to comply with AG49. Therefore, the interest credited on loaned money for participating fixed loans will be the fixed loan rate plus 100 bps.

The default loan option is Participating Variable Loans. In the event that all three loan options are not approved in a particular state, the default loan option order will be as follows:

1. Participating Variable Loans
2. Participating Fixed Loans
3. Standard Loans

We reserve the right to set a minimum loan amount that will be no greater than \$1,000. Our current minimum for this product will be \$500. There will be state specials in FL and NY, where the minimum loan amount will be \$0.

We used the three loan options that were previously filed as separate riders.

1. Participating Variable Loans will be filed under the Participating Variable Loans Rider
2. Participating Fixed Loans will be filed under the Participating Fixed Loans Rider
3. Standard Loans will be filed under the Standard Loans Rider

### **1035 Exchanges**

It is our intention to allow the transfer of an existing policy loan as part of a §1035 exchange; however, the loan value transferred cannot exceed 50% of the gross policy value transferred from the original policy. The process is consistent with our current individual IUL products. All three loan types will be available for 1035 loans. 1035 loans will default to participating variable loans in all states. In the event that all three loan options are not approved in a particular state, the default loan option order will follow the order as described in the Interest Credited on Loaned Funds Section. Both internal and external exchanges will need to be tracked by the system.

## Cash Surrender Value

The policyholder may surrender the policy for its cash surrender value. The cash surrender value on any day is equal to the accumulated value on the valuation date, less any debt to the company secured by the policy, less the value of the surrender charge on the valuation date.

We may defer the payment of the cash surrender value for not more than six months. If we defer such a payment for more than thirty days, it will be increased with interest from the date of the request to surrender the policy to the date of payment at a rate which will be declared periodically by the company, but not less than the guaranteed interest rate per year or as mandated by state law.

A 10-year surrender charge schedule will be expressed as a rate per thousand of base face amount that will vary based on the issue age, rate class, and sex of the insured. Each increase in face amount, other than those resulting from changes in death benefit option, those resulting from the appropriate application of the death benefit factors, or those resulting from an additional protection benefit rider, will have its own surrender charge schedule. There will be no reduction in surrender charges following a decrease in the policy face amount.

## Withdrawal of Cash Surrender Value

At any time after the first policy year while the policy is in force, the policyholder may make a withdrawal of the policy's cash surrender value subject to the following terms.

- The minimum withdrawal amount is \$500, but we reserve the right to change it up to \$1,000.
- The amount withdrawn plus the withdrawal fee may not exceed the cash surrender value on the date of the withdrawal less three times the monthly deductions due on the most recent monthly policy date.
- The accumulated value will be decreased by the amount of the withdrawal plus the withdrawal fee as described in the deduction hierarchy section of this document.
- If death benefit option A is in effect on the date of the withdrawal, the face amount of the policy will be reduced by an amount equal to the amount of the withdrawal plus the withdrawal fee.
- A withdrawal will not be permitted if it will reduce the face amount below the minimum face amount for the policy or if it would cause the policy to no longer qualify as life insurance for federal income tax purposes.

There will be a \$25 withdrawal fee reported on the data section and illustrated on the guaranteed ledger. We will reserve the right to charge up to a \$25 withdrawal fee but we will not assess the fee on a current basis.

A reduction in the policy's face amount due to a withdrawal of cash surrender value will affect the existing term segments on a last in, first out (LIFO) basis. Commissionable target premiums and minimum monthly premiums will be recomputed to reflect the change in coverage units.

### Settlement Options

We no longer list specific settlement options in the form.

A claim form will describe the settlement options. This is not needed Day 1.

These descriptions represent our current intentions which may change as conditions warrant.

### Annuity Options

- Annuity Certain: Guaranteed annuity payments will be made for a stated number of years based on the guaranteed basis of values or the current basis of values if this basis results in greater annuity payments. The purchase rates on a current basis will be equal to 103.5% of the purchase rates in effect for a similar single premium immediate annuity. The commuted value of the remaining annuity payments may be taken at any time. The interest rate used to calculate the commuted value will be the variable loan rate in effect at the time that the request is made.
- Life Annuity: Annuity payments will be made on a single life, joint and last survivor, or joint and contingent basis. A guarantee period may be selected including an installment refund. Purchase rates will be equal to the greater of those developed using the guaranteed basis of values and those developed using the current basis of values.
- Benefit Distribution Option: This is an irrevocable settlement option that is set at issue. Instead of a single lump sum death benefit, the Benefit Distribution Option spreads the death benefit out over time. Benefit payments will be made based on the Duration of

Benefit Payments and Benefit Distribution Percentage chosen at issue, as well as the frequency of payments chosen at time of claim. Benefit payments will be paid based on a discount rate of 1%.

### Non Annuity Options

The right of withdrawal and the right to change options may be included with any of the non-annuity settlement options. The right of withdrawal allows all or part of the remaining value may be withdrawn at any time, subject to a limit of four partial withdrawals during any calendar year. The right to change options allows the remaining value to be applied under a new option.

- Payments of Interest Only (Option 1): Interest on the proceeds will be paid either for the life of the payee or for a chosen period. The remaining value will be paid at the earliest of the death of the payee or the end of the chosen period. Interest, in addition to the guaranteed basis, may be paid in any year. This additional interest will be equal to the difference between the surplus interest rate set by the Board of Directors and the guaranteed basis. The first payment will be made at the end of the first payment interval.
- Payments of a Stated Amount (Option 4): Periodic payments of a stated amount will be paid until the proceeds are exhausted. The proceeds will be credited with interest at the guaranteed basis. Interest, in addition to the guaranteed basis, may be paid in any year. This additional interest will be equal to the difference between the surplus interest rate set by the Board of Directors and the guaranteed basis. The first payment will be made on the effective date.

### General Terms

Please see the Benefit Distribution Option Section for General Rules around the Benefit Payments under BDO.

- Periodic payments may be paid in 12, 6, 3, or 1 month intervals.
- If the proceeds to be placed under a settlement option are less than \$5,000, we will pay the proceeds in a lump sum to the payee.
- If any periodic payments under a settlement option would be less than \$100, we will change the modal frequency of the payments to provide payments of at least \$100.
- The effective date of any option is the date that the proceeds become payable.
- If the proceeds are assigned on the effective date of a settlement option, we will pay the assignee's share in a lump sum and apply the balance under the settlement option.
- After the effective date of a settlement option, neither the payments nor the remaining value may be assigned or encumbered.
- A certificate will be provided describing the terms of the settlement option elected.

## Basis of Values

Interest: 1.0%

Mortality: 2012 IAM

There is a state special in North Dakota. The interest basis for settlement options is 1.50%.

In all jurisdictions, the applicable interest rate to increase the death benefit from the date of death to the date of payment will be the higher of the contractual rate, the statutorily-mandated rate, or the rate set by management or the Board as applicable for each approved policy form.

## After-Issue Changes

### Benefits

#### Change in Death Benefit Option

The policy's death benefit option may be changed once each policy year after the first policy anniversary. A change in the death benefit option will not be permitted if the change would cause the policy to no longer qualify as life insurance for federal income tax purposes.

Upon a change from Option A to Option B, the face amount of the policy shall decrease by an amount equal to the accumulated value of the policy just prior to the effective date of the change. A change from Option A to Option B will not be permitted if the resulting face amount of the policy is less than the minimum face amount. The decrease in face amount as a result of this change will be processed on a last in first out basis.

Upon a change from Option B to Option A, the face amount shall increase by an amount equal to the accumulated value of the policy just prior to the effective date of the change. The increase in face amount as a result of this change will apply to the most recent segment. This increase in face amount will be considered a material change. In the event that a decrease in face amount is applied with the same effective date as the Option change, and results in a face amount that is lower than it was immediately prior to the option change, no material change will occur. The event that causes the material change is the increase in face amount.

Death Benefit Option Changes will be allowed with the Benefit Distribution Option. There will be no change to the rate applied to the Net Amount at Risk. The benefit payments will be computed at time of death using a 1% discount rate.

Commissionable target premiums and minimum monthly premiums will be recomputed to reflect the change in coverage units following a change in the death benefit option.

Surrender charges and unit loads are not recalculated.

#### Change in Face Amount Face Amount Increases

The policyholder may apply for an increase in the face amount of the policy after the first policy anniversary subject to following terms:

- Satisfactory proof that the insured is then insurable.
- Each increase must satisfy the minimum face amount requirements for the policy.
- An increase in the face amount will become effective on the monthly policy date on or next following our approval of the application.

Each increase in face amount generates its own term segment, which will have its own effective date, rate classification, commissionable target premium, minimum monthly premium, unit load, and surrender charges.

Face amount increases are allowed with the Benefit Distribution Option. The benefit payments will be computed at time of death using a 1% discount rate. Upon a fully underwritten face amount, the Benefit Distribution Option may be terminated. No other changes to BDO are allowed upon a face amount increase.

#### Face Amount Decreases

A policyholder may request a decrease in the face amount of the policy after the first policy anniversary subject to the following terms:

- The decrease in face amount will become effective on the monthly policy date on or next following our receipt of the request.
- Decreases will not be permitted which would reduce the face amount of the policy below the minimum face amount. Face amount reductions related to withdrawals and death benefit options changes are described in sections for Withdrawal of Cash Surrender Value and Change in Death Benefit Option respectively.
- Decreases will not be permitted which would cause the policy to no longer qualify as life insurance for federal income tax purposes (i.e., the reduction would result in a guideline limit less than the cumulative premium or a negative guideline level premium).
- During the first 9 policy years, the total face amount of the policy, including any additional protection benefit riders, may be no less than 75% of the largest total face amount in force at any time in the twelve policy months prior to the request. This restriction will not apply in the 10<sup>th</sup> policy year and later.

A reduction in the policy's face amount will affect the existing term segments on a last in, first out (LIFO) basis. Additional protection benefit segments with the same effective date as a base segment will be deemed to have been added after the base segment. Commissionable target premiums and minimum monthly premiums will be recomputed to reflect the change in coverage units. Surrender charges and the monthly charge per thousand will not be adjusted.

Face decreases are allowed with the Benefit Distribution Option. The benefit payments will be computed at time of death using a 1% discount rate.

#### Change in Rate Classification

The insured's rate classification may be upgraded with satisfactory evidence of insurability. New rules which specify which rate classes can be upgraded and what they can be upgraded to were introduced in July 2017 for existing and new products. Only guaranteed cost of insurance rates, unit loads, and surrender charges will continue to be based on the original rate classification. All other future current rates will be based on the new rate classification. Commissionable target premiums and minimum monthly premiums will be recomputed as needed to reflect the change in classification.

Premium Class Changes are allowed if the move allows a drop in an inherent substandard rating or a move from Preferred Tobacco/Tobacco to Non-Tobacco. An improvement from Preferred

Tobacco to Non-Tobacco will only be allowed if the resulting Non-Tobacco classification has no substandard rating attached to it. In addition, changes from Non-Tobacco to Preferred Non-Tobacco or Select Non-Tobacco to Preferred Non-Tobacco will be allowed.

<b>Rate Class At Issue</b>	<b>After Issue Rate Class Improvement</b>	<b>Second After Issue Rate Class Improvement</b>
Select Non-Tobacco	Preferred Non-Tobacco	None
Non-Tobacco	Preferred Non-Tobacco	None
Preferred Tobacco	Non-Tobacco	None
Tobacco	Non-Tobacco	Preferred Non-Tobacco
Express Standard Non-Tobacco 1	Non-Tobacco	None
Express Standard Non-Tobacco 2	Non-Tobacco	None
Express Tobacco	Tobacco	Non-Tobacco

#### General Provisions

##### Policy Protection Period

The policy protection period corresponds to the first 10 policy years. An increase in coverage does not initiate a new policy protection period. During the policy protection period the surrender charge will be ignored for the purpose of determining whether the policy should enter a grace period provided that the cumulative minimum premium requirement has been met.

##### Grace Period

If on any monthly policy date the cash surrender value is less than the monthly deduction on such a date, a grace period shall start, unless:

1. the policy is within the Policy Protection Period; and
2. the accumulated value less any debt to us on this policy is greater than the monthly deduction on that date; and
3. the cumulative premiums paid since the policy's date of issue, less any withdrawals and less any debt to us on the policy are greater than or equal to the cumulative minimum monthly premiums due since the policy's date of issue.



In order to simplify the administration of the grace period, the current minimum monthly premium may be deducted from the cumulative minimum monthly premiums due for policies for policies paid by monthly EFT.

The grace period shall be 61 days, and the policy shall remain in force during the grace period. We will mail a notice of the premium required to keep the policy in force (billed amount) to the policyholder.

If sufficient premium is not paid by the later of the last day of the grace period or the 31<sup>st</sup> day after the lapse pending notice is sent, the policy shall terminate without value. If full payment is received the payment is applied to the policy and the policy should automatically move into active status. If partial payment is received the payment is applied to the policy and pending lapse status is retested as described above. If the policy passes the lapse test it should automatically move into active status, and otherwise should remain in pending lapse.

At the end of any grace period, termination will not occur if a claim begins under a waiver of monthly deductions rider during the grace period and continues to the end of the grace period.

#### Backdating

Backdating of policies will be permitted. To prevent immediate lapse upon issue, backdated policies will require an initial premium equal to MMP plus an additional MMP for each month the policy is backdated.

Policies can be backdated up to 6 months prior to the product launch. We cannot issue policies prior to when the form became available.

#### Maturity

This policy will not have an explicit maturity date. If the policy is in force when the insured reached attained age 121, the face amount of the policy will be set equal to the Accumulated Value, and the Death Benefit Option will automatically revert to Option A. The Death Benefit Option may not thereafter be changed, and no additional premium will be accepted on this policy. All Monthly Deduction on the policy will cease. The Owner may, however, continue to access the Cash Surrender Value and to make or repay Policy Loans.

#### Free Look Period

The policy may be returned at any time within ten days after its receipt date by the policyholder. Upon such return, the policy will be deemed void and we will refund any premium paid.

## Reinstatement

If this policy terminates at the end of a grace period, it may be reinstated. It must be reinstated on a monthly policy date within five years from the start of the grace period. In order to reinstate a policy, we will require satisfactory proof that the insured is insurable and a sufficient reinstatement premium determined as follows:

If reinstatement occurs during the policy protection period, the required payment shall be an amount equal to the greater of:

1) the premium which will be sufficient to produce an accumulated value, net of policy debt, plus four times the monthly deduction due on the date the grace period began, or

2) the sum of:

1. The cumulative minimum monthly premiums due at the start of the grace period, plus
2. Three times the minimum monthly premium due at the start of the grace period, plus
3. any debt to us on this policy; plus
4. all withdrawals; less
5. all premiums paid.

If reinstatement occurs after the policy protection period, the required payment shall be a premium which will make the cash surrender value sufficient to provide:

1. two times the monthly deduction due on the date the grace period began; plus
2. three times the monthly deduction due on the date of reinstatement.

In addition, for PeakLife and Living Life by Design Bands 3 and 4, because of the tiered premium load, the premium load used in the reinstatement quote will be based on policy duration. For example, if a policy is quoted to be reinstated in the first policy year, then the

premium load reflected in the online quote will be 8%. Reinstatement quotes with an effective date in policy years 2+ will use a premium load of 6%.

When a policy is reinstated, the accumulated value of the policy at the time of final lapse will be restored along with the cash value available for deductions at the time that the grace period began. The duration of a reinstated policy will be computed without regard to the period between the final lapse date and the reinstatement date for the purpose of assigning surrender charges and monthly per thousand of face amount charges. The duration of a reinstated policy will be computed with regard to the period between the final lapse date and the reinstatement date for the purpose of assigning premium load. The restored accumulated value and the net reinstatement premium will be allocated to the basic strategy.

The Benefit Distribution Option (BDO), Charitable Matching Gift Death Benefit Rider (CMG), Standard Loan Rider, Participating Variable Loan Rider, Participating Fixed Loan Rider, and the Flexible Accumulated Value Enhancement Rider or Accumulated Value Enhancement Rider may be reinstated if the base policy to which they are attached is reinstated.

#### Incontestability

This policy will have a two year contestability period, measured from the policy's effective date. In addition, a separate two year contestability period will apply to any increases in face amount for which an application is required, and a separate two year contestability period will apply to any reinstatement. With respect to any reinstated policy, the contestable period is based only on statements made in the reinstatement application to the extent that the reinstatement contestability period extends beyond the original contestability period of the policy.

The contestability period for a policy or increase in face amount issued as a conversion is measured from the original policy's effective date.

#### Misstatement of Age or Sex

If the age or sex of the insured has been misstated, we will adjust the Death Benefit to be the amount that would have been purchased at the correct age and sex of the insured in consideration of the most recent Monthly Cost of Insurance by adjusting the Net Amount at Risk by the ratio of the incorrect Monthly Cost of Insurance Rate to the correct Monthly Cost of Insurance Rate. The adjustment shall take effect on the Monthly Policy Date on or next following the date we receive proof to our satisfaction of such misstatement. If the Insured has died, we will adjust the Death Benefit as of the last Monthly Policy Date prior to the date of the insured's death.

The original words “Face Amount” of the misstatement of age and sex definition above were changed for “Death Benefit” to comply with “the compact” misstatement of age and sex policy form definitions.

## Appendix 1

Rate structure – See each product Calculation and Rate Specifications document.

## Appendix 2: Additional Functionality Not in Scope

Return of Premium Death Benefit Option C is a potential future enhancement. This may apply to just PeakLife or to multiple products. Scope to be defined after initial product launch.

## Appendix: Summary of Specs Revision

### Version 8 – March 6, 2019

- Finalized that EZ underwriting will be available up to \$2M for ages 18 to 50
- Finalized express risk classes will be offered up to but not including \$1M
- Finalized face amount banding for all products
- Finalized that APB blend will be limited to 3 to 1 for FlexLife
- Finalized substandard ratings table for MMP, MGP, CTP & Unit Loads
- Finalized bank name “Credit Suisse” for Low Volatility Control index strategy
- Hang Seng may not be pursued and an alternative Index may be added
- Finalized DBPR guaranteed periods and maximum issue age
- Should move forward with build of Buy-up Bonus for FlexLife while keeping in mind that the rider may not be implemented

### Version 9 – March 18, 2019

- Clarified EZ underwriting section to include \$ limits. Also clarified EZ underwriting limits for PeakLife.
- Added 350% substandard rating as eligible option for face amounts < \$1M. This will align with substandard ratings currently offered in Foresight.
- Hang Seng Index is back in.
- Changing sweep date from 21<sup>st</sup> to another date has not been decided yet.
- Changed FlexLife interest bonus cap rate from 0.70% to 0.75%.

### Version 10 – April 8, 2019

- Sweep date will be the 14<sup>th</sup> of each month for the new IUL products.
- Express risk classes limit will up to and including the limit amount. This is still an open item where the limit amount will either be \$1M or \$2M.
- Indexed strategies have been finalized for the 3 new strategies to be added and the 3 strategies to be removed.
- The buy-up bonus will not be available on FlexLife

- The ABR Terminal Illness was changed back to our current limit of \$1.5M
- FlexLife AVE rider rates are final

#### Version 11 – April 29, 2019

- Clarified face amount availability for each rate class.
- Identified that we are exploring CVAT availability for Living Life by Design.
- Express risk classes limit will up to and including the limit amount. Finalized that the limit amount will be \$2M for all products and that Express Classes will be available on PeakLife.
- Updated PeakLife and Living Life by Design face amount bands.
- Updated PeakLife minimum face amount.
- Included guaranteed rates for the 3 new indexed strategies.
- Included updates to existing Accumulated Value Enhancement Rider.
- Included updates to Flexible Choice No Lapse Guarantee Rider.
- Renamed Buy-up Bonus to Flexible Accumulated Value Enhancement Rider and included design updates.
- Adjusted highlighting in rider availability table

#### Version 12 – May 14, 2019

- The MAV calculation will not reflect FAVE
- GPR will only be available on Face Amount Bands 1 & 2
- Table to clarify substandard rating availability by face amount and issue age
- Express NT 2 is only available on ages 18 and older
- Clarified that FAVE is applied to indexed loan account
- Clarified that FAVE charge is only applied to the bucket being created, not the entire accumulated value on relevant sweep date

#### Version 13 – May 28, 2019

- Additional substandard clarification
- CVAT will not be available on Living Life by Design
- BDO will not be available on Living Life by Design
- Charitable Matching Gift Death Benefit Rider will be available on Living Life by Design, and Accidental Injury Death Benefit will not be.
- Clarified wording on APB unit load period for FlexLife and Living Life by Design (unit load period for APB matches base product, which is 15 years for tobacco rate classes)
- Finalized availability and specs for the Guaranteed Flex Rider (issue age availability, face restrictions)

#### Version 14 – June 11, 2019

- Additional clarification that juveniles will not be available on PeakLife
- Updated minimum face amount for Multi-Life for PeakLife below \$1M
- Updated the total face amount allowed for after issue face reductions for PeakLife

- Added details by product for the Percent of Accumulated Value Charge
- Removed any reference to the Early Cash Value rider; to be prioritized with other Product Roadmap initiatives
- AVE and FAVE updates

#### Version 15 – June 25, 2019

- Additional clarification for the total face amount allowed for after issue face reductions for PeakLife
- AVE and FAVE updates
- New section added for Accumulated Value Enhancement – New York

#### Version 16 – July 9, 2019

- Removed highlighting on many items as they have become finalized
- Clarified that Living Life by Design band is determined at issue
- Clarified some other GPR details
- Added final Enhancer Guaranteed Rates

#### Version 17 – July 23, 2019

- Removed highlighting on any remaining items as they have become finalized
- Clarified the application of substandard factors on a current and guaranteed basis
- Clarified availability of CTR

#### Version 18 – October 1, 2019

- Added minimum premium amount
- Added monthly policy fee
- Additional clarification on the application of substandard factors on a current and guaranteed basis
- Added base unit load duration
- Added clarification on QAB/7702 treatment for GFR, BSB, Enhancer, and CTR
- Added clarification on GFR charge
- Clarified availability of OIR
- Clarified that WMD and WSP are not available for face amounts above \$3M
- Clarified that GPR is only available in bands 1 and 2
- Added information for:
  - Policy Rights, Privileges, and Features
    - Policy Loans
    - Cash Surrender Value
    - Withdrawal of Cash Surrender Value
    - Settlement Options
  - After-Issue Changes

- Benefits
- Change in Face Amount
- Change in Rate Classification
- General Provisions
  - Policy Protection Period
  - Grace Period
  - Backdating
  - Maturity
  - Free Look Period
  - Reinstatement
  - Incontestability
  - Misstatement of Age or Sex

Version 19 – October 23, 2019

- Added guaranteed PRs/Caps for the new indexed strategies in New York
- Added that there is a state special for North Dakota for the settlement option interest rate
- Added clarification regarding the applicable interest rate to increase the death benefit from the date of death to the date of payment

#### [2023 Living Life Defender \(LLD\) - New Business Central - National Life Group](#)

Accelerated Benefits Riders (Terminal, Chronic, Critical Illness, Critical Injury)

##### *Description*

The following riders allow for the death benefit, on a discounted basis, to be accelerated during one's lifetime.

- Accelerated Benefit Rider Critical Illness
- Accelerated Benefit Rider Chronic Illness
- Accelerated Benefit Rider Terminal Illness
- Accelerated Benefit Rider Critical Injury

##### *Availability*

- Issue Ages: 0 – 85
- Automatically added at issue if eligible

##### *Details*

The following limits apply to both Critical Illness and Chronic Illness:

- Critical and Chronic are available for preferred classes, standard classes, Express Standard NT 1 and Express Standard Tobacco. Not available for Express Standard NT 2.
- Critical and Chronic are not available with substandard ratings > 200%
- ABR Critical is available on auto-excess reinsurance. On a facultative/CUP basis, the reinsurance treaties will need to be checked to see if ABR Critical is allowed. Quota-share is not available on this product.
- At the underwriter's discretion, ABR Critical Illness and Critical Injury may be denied if a flat extra rating is applied.

*Available After Issue:* Yes

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Accumulated Value Enhancement Rider (AVER) New Version

### *Description*

This rider will automatically be added to all applicable policies at issue and used to facilitate the Accumulated Value Enhancement. The new version will work similar to the current multiplier AVE. It will work on a bucket by bucket basis rather than a policy level basis. The Accumulated Value Enhancement will be offered on both a current and guaranteed basis.

### *Availability*

- Issue Age: 0 – 85
- Elimination Period: None



- Automatically added at issue if eligible – if not state approved, products will get the current AVE.

### *Details*

There will be different versions of the Accumulated Value Enhancement rider.

For Living Life By Design (Bands 3 & 4) and PeakLife: If the Flexible Accumulated Value Enhancement Rider (AKA Enhancer) is not approved by a state, the new version of AVE will be utilized instead.

For FlexLife: The current version will be used.

For NY only: Although it is considered a new rider, it will be similar to the current version that is offered on FlexLife.

*Available After Issue:* No

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL

Living Life by Design

Additional Protection Benefit Rider (APB)

### *Description*

The Additional Protection Benefit Rider provides extra death benefit protection at a cost that is generally lower than the cost of the base coverage, and thus will reduce the overall premium per thousand. The cost per thousand of coverage under the APB rider is essentially the pure cost of insurance. There is no target premium and no other costs or charges associated with the portion of coverage provided under the APB Rider. Adding APB can increase the total death benefit protection without significantly increasing the cost.

### *Availability*

- Issue Ages: 0 – 85
- Minimum Face Amount: \$25,000
- Pension Minimum Face Amount: \$2,000
- Maximum Face Amount: 3 to 1

### *Details*

The maximum APB to base blend will be 3 to 1. The same APB blend limit is applicable to pension and non-pension cases.

100% of the APB coverage will be eligible for acceleration.

*Available After Issue:* Yes

This rider will be available at issue and after issue on the same issue age and rate classes as the base product.

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* This rider is integrated with the base policy for the purpose of definition of life insurance testing.

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Balance Sheet Benefit Rider (BSB)

*Description*

This rider waives the surrender charge and levelizes commissions. The coverage amount is described as a percentage of the base face amount where the surrender charge will be waived.

*Availability*

- Issue Ages: 0 – 85
- This rider is available for all rate classes.
- Valid percentages 0-100

*Details*

- The policyholder may choose the percent of surrender charge to be waived between 1% and 100% in whole percentages.
- Rates - There will be a charge per thousand of base face amount multiplied by the coverage percentage where the rates are dependent on the surrender charges of the base product.

*Available After Issue:* No

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL

## Living Life by Design

### Benefit Distribution Option Rider

#### *Description*

Instead of a single lump sum death benefit, this rider spreads the Death Benefit out over a duration of 10-30 years.

#### *Availability*

- Issue Ages: 0 – 85
- Benefit Distribution Percentage (BDO %) Options: 50 – 100%
- Duration of Benefit Payments (BDO YR): 10 – 30 Years\*

#### *Details*

The benefit distribution percentage (BDO %) may only be selected at issue.

\*The length of the duration of benefit payments (BDO YR) will be chosen at issue according to the rules in the following table.

Issue Age	Period Certain Duration (BDO YR)
0-65	10-30
66	10-29
67	10-28
68	10-27
69	10-26
70	10-25
71	10-24

72	10-23
73	10-22
74	10-21
75	10-20
76	10-19
77	10-18
78	10-17
79	10-16
80	10-15
81	10-14
82	10-13
83	10-12
84	10-11
85	10

*Available After Issue:* No

*Coverage Ends:* Insured's attained age 95

*Qualified Additional Benefit:* No

*Available on the following products:*

• FlexLife	• FlexLife NL
• PeakLife	• PeakLife NL

Charitable Matching Gift Death Benefit Rider

### *Description*

If a charitable beneficiary is named, National Life Group will match 2% of base face amount, but no greater than \$30,000.

### *Availability*

- Issue Age: 0 – 85
- Elimination Period: None
- Automatically added at issue if eligible

### *Details*

- A matching contribution will be made to any organization accredited as a charity that qualifies for a charitable deduction under IRS rules and regulations.
- If no charitable organization is named as Beneficiary at the time of the Insured's death, no benefit will be paid under this rider.
- Multiple charitable organizations may be named as Beneficiaries and will share proportionally in the distribution of benefits.
- The additional death benefit paid due to this rider is not available for acceleration.
- Increases or decreases in the policy base face amount after issue will result in a corresponding change in the Death Benefit and we will match under rider.

*Available After Issue:* No

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- Living Life by Design

Children's Term Rider (CTR)

*Description*

This rider provides term life insurance on all of the insured's children until they reach age 25. Each child is covered for the same selected benefit amount.

*Availability*

- Issue Ages: Primary Insured's Age 18-85
- Child's Age: 15-days – 16 years
- Minimum Face Amount: \$5,000 per child
- Maximum Face Amount: \$25,000 per child
- Coverage must be purchased in multiples of \$1,000.

*Details*

- The maximum coverage age is 25; and the maximum conversion privilege will be \$150,000 (2x CTR Face to 6x CTR Face).
- Substandard: This rider will not be issued with substandard ratings, but it may be added to a rated policy.

*Available After Issue:* Yes

*Coverage Ends:* Policy Anniversary following the youngest child's 25<sup>th</sup> birthday

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- Living Life by Design

Death Benefit Protection Rider (DBPR)

*Description*

If the conditions of this rider are met, the policy will be guaranteed not to lapse during the death benefit protection period.

*Availability*

- Issue Ages: 0 - 75.
- This rider is available for all rate classes.
- This rider is available on both Option A and B.

*Details*

- The death benefit protection period will vary based on the insured's issue age.
- If the Guideline Premium Test is selected, the Death Benefit Protection Rider is not available if the annualized monthly guarantee premium is greater than the guideline level premium.
- The default in the illustration and application is to select this rider when available.
- Protection Period



<b>Issue Age</b>	<b>Guaranteed Period</b>
0 to 29	30
30 to 39	25
40 to 54	20
55 to 64	15
65 to 75	10

- **Modal Premium Factor** - the following modal premium factors will be used to determine the guaranteed premium. The following modal premium factors are based on a 5% interest assumption. The 5% may vary from year to year on new issues only.

<b>Mode</b>	<b>Modal Premium Factor</b>
Annual	11.73579
Semi-Annual	5.93946
Quarterly	2.98784
Monthly	1.00000

*Available After Issue:* No

*Coverage Ends:* Refer to Protection Period above

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL

## Flexible Account Value Enhancement Rider (FAV) New

### *Description*

This rider will automatically be added to all applicable policies at issue and used to facilitate the Accumulated Value Enhancement. Policyholders will have the option to choose among options available with this rider.

### *Availability*

- PeakLife: All issue ages and rate classes as base coverage.
- Living Life by Design: All issue ages and rate classes for bands 3 & 4
- Enhancer version automatically added at issue if other versions not selected.

### *Details*

- This rider will be added at issue and policyholders will have the option to choose between three versions available with this rider.
- Multiple versions would be available
  - Enhancer (no charge)
  - Enhancer Plus
  - Enhancer Max
- Similar to the current multiplier AVE with a few notable exceptions. It will work on a bucket by bucket basis rather than a policy level basis.
- If FAVE is not approved by a state, the new version of AVE will be utilized instead.

### *After Issue Changes*

- The policyholder will be able to switch FAVE versions and the change will be effective for Indexed Segments going forward.
- If a Waiver of Monthly Deductions Rider is attached to the policy and exercised, the Interest Bonus Option without an associated Interest Bonus Charge will be automatically elected. The policyholder may not elect an Interest Bonus Option with an Interest Bonus Charge while the Waiver of Monthly Deductions Rider is active.

- If a Lifetime Income Benefit Rider is attached to the policy and exercised, the Interest Bonus Option without an associated Interest Bonus Charge will be automatically elected. The policyholder may not elect an Interest Bonus Option with an Interest Bonus Charge while the Lifetime Income Benefit Rider is active.

*Available After Issue:* No

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- PeakLife
- PeakLife NL
- Living Life by Design

GAP Protection Rider (GPR)

*Description*

This benefit annually increases the face amount by a pre-selected amount with no additional underwriting at time of increase. The increase in face amount due to this benefit will be a level dollar amount each year, based on the percent increase option chosen and the face amount at issue. This right to increase will last until the policy has reached the maximum total face amount as defined by the rider, or the policy owner has reached attained age 70. After the right to increase is terminated, the policy owner maintains the total face amount of the policy (base face amount + face amount gained through GPR).

*Availability*

- Issue Ages: 20 – 50
- This rider will only be available at issue for policies in Band 1 or Band 2.
- Not available on substandard policies with table ratings or flat extra ratings.
- Not available with express risk classes.

### *Details*

- The annual level increase amount may be only be selected at issue.

Percent increase options are: 5%, 10%, 15%

- Underwriting - this rider will have the same underwriting requirements as the base product. All policies with face amounts less than or equal to \$250,000 will go through the underwriting engine, and this rider does not create an exception to this rule. Subsequent increases provided by the rider during the increase period will not require additional underwriting.

### *Underwriting*

- This rider will have the same underwriting requirements as the base product. All policies with face amounts less than or equal to \$250,000 will go through the underwriting engine, and this rider does not create an exception to this rule. Subsequent increases provided by the rider during the increase period will not require additional underwriting.
- Financial Underwriting – Financial underwriting will be based on the Final Face Amount, and will be assessed using the following rule:

$(\text{Final Face Amount})/(\text{Salary Factor}) = \text{Minimum acceptable salary for the engine to approve.}$  If the salary is less than this minimum than the case should be referred to an underwriter.

### *After Issue Changes*

- The Final Face Amount is a multiple of the minimum of the face amount at issue or \$250,000, and varies by issue age. The final face amount is a cap on the size of the GPR segment (or total of all GPR segments).

Issue Age	Maximum GPR Face Amount
20 – 29	4x minimum of \$250,000 and Face at Issue
30 – 39	3x minimum of \$250,000 and Face at Issue
40 - 50	2x minimum of \$250,000 and Face at Issue

- Refer to the rider contract pages for further information

*Available After Issue:* No

*Coverage Ends:* Policy has reached the maximum total face amount as defined by the rider, or the policy owner has reached attained age 70.

*Qualified Additional Benefit:* No

*Available on the following products:*

- Living Life by Design

Guaranteed Flex Rider (GFR) New

*Description*

This rider is similar to DBPR but offers the customer more flexibility. If the conditions of this rider are met, the policy will be guaranteed not to lapse during the death benefit protection period.

*Availability*

- Issue Ages: 0-75

Issue Age Range	10 Year Available?	20 Year Available?	30 Year Available?	40 Year Available?
0 – 55	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
56 - 65	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	No
66 - 75	<b>Yes</b>	<b>Yes</b>	No	No

- This rider is available for all rate classes.
- This rider is available on both Option A and B.

*Details*

- The death benefit protection period will be selected at issue and cannot be changed.
- Period options available:
  - 10-year (no charge)
  - 20-year
  - 30-year
  - 40-year
- Modal Premium Factor - the following modal premium factors will be used to determine the guaranteed premium. The following modal premium factors are based on a 5% interest assumption. The 5% may vary from year to year on new issues only.

<b>Mode</b>	<b>Modal Premium Factor</b>
Annual	11.73579
Semi-Annual	5.93946
Quarterly	2.98784
Monthly	1.00000

*Available After Issue:* No

*Coverage Ends:* Based on age and year selection chosen at issue.

*Qualified Additional Benefit:* No

*Available on the following products:*

- Living Life by Design

Guaranteed Insurability Option Rider (GIO/GIR)

*Description*

This rider allows the insured to increase coverage without evidence of insurability during specified option periods.

### *Availability*

- Issue Ages: 0 – 37 (LSW), 0 – 39 (NL)
- Minimum Option Amount: \$5,000 (LSW), \$25,000 (NL)
- Maximum Option Amount: (LSW) Lesser of policy's total face amount and \$50,000

(NL) 2 times the base face amount but not to exceed:

Age 0-24: \$50,000

Age 25-27: \$60,000

Age 28-30: \$75,000

Age 31-39: \$100,000

### *Details*

- Substandard: This rider is not available on substandard policies and will not be issued with ratings. Therefore, this rider will not be available on policies with any of the three Express Standard rate classes.
- Termination – coverage under this rider will terminate on: (LSW) anniversary following insured's 40<sup>th</sup> birthday, (NL) date the insured reaches attained age 40.

*Available After Issue:* Yes

*Coverage Ends:* LSW: Insured's attained age is 38 / NL: Insured's attained age is 40

*Qualified Additional Benefit:* Yes

*Available on the following products:*

- FlexLife
- FlexLife NL

Interest Crediting Strategies Riders (ICSR)

### *Description*

This rider allows products to have the choice of different interest crediting strategies. This will give us flexibility to easily add or remove strategies in the future without having to file a new base policy form. These riders will be automatically added to all IUL policies at issue.

### *Availability*

- Issue Ages: 0-85
- All IUL products must be issued with this rider

### *Details*

- Rates - there is no charge for this rider.
- Strategies

<b>Co.</b>	<b>Indexed Strategy Name</b>	<b>Fund #</b>
LSW	Fixed Term Strategy	105
LSW	S&P Point-to-Point Cap Focus	301
LSW	S&P Point-to-Point Participation Focus	302
LSW	S&P Point-to-Point 1% Floor	306
LSW	Credit Suisse Balanced Trends Index Point-to-Point No Cap	307
LSW	Hang Seng Point-to-Point Cap Focus	305
NL	Fixed Term Strategy	102
NL	Indexed Strategy 1: S&P 500, Point to Point, Cap Focus	351
NL	Indexed Strategy 2: S&P 500, Point to Point, Participation Focus	352
NL	S&P Point-to-Point 1% Floor	355
NL	Credit Suisse Balanced Trends Index Point-to-Point No Cap	356
NL	Hang Seng Point-to-Point Cap Focus	354

\*The Indexed Loan Account (Strategy 6) is only used for Participating Fixed Loans and cannot be chosen as an allocation by the customer nor will it be displayed on the Interest Crediting Strategies Form.

Lifetime Income Benefit Rider 5 (LIBR)



### *Description*

This rider provides a guaranteed lifetime income benefit, with income disbursed as standard loans for the life of the insured. There are certain qualifications that must be met before the benefit can be elected.

### *Availability*

- Issue Ages: 0 – 75
- Automatically added at issue if eligible

### *Details*

- This rider cannot be added to a policy where the insured is rated higher than 250%.
- Not available with rate class Express Standard Non-tobacco 2.
- This rider is not available with CVAT policies.
- This rider does not have a charge until exercised.
- Exercise ages are 60 – 85. Table look ups will be based on the age of the insured.
- State Specials
  - LSW, multiple versions of LIBR will be available until state approval is received.
    - LIBR is not available in KS
    - LIBR 5 is currently available in all other states (except NY).
  - NL paper, multiple versions of LIBR will be available until state approval is received.
  - LIBR 3 is currently available in NY.
  - LIBR 4 is currently available in KS, PA, WA.
  - LIBR5 is currently available in all other states.

*Available After Issue:* Yes

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

## Other Insured Rider (OIR)

### *Description*

This rider provides low-cost annual renewable term insurance on an individual.

### *Availability*

- Issue Ages: \*0 – 85 (\*Issue ages will vary by rate classifications just like the base products.)
- Minimum Total Face Amount: \$25,000, \$5,000 for pension cases
- Maximum Total Face Amount: Policy's Total Face Amount
- Permitted Relationship: Self, Spouse, Child and Business Partner

### *Details*

- OIR will not be available with the Express rate classes. If the base insured is Express and an OIR on self is desired, the following business mapping rules will apply for the OIR:
- If the base insured is an Express Non-tobacco 1, then an OIR on self will be a Non-smoker with a 175% rating.
- If the base insured is an Express Non-tobacco 2, then an OIR on self will be a Non-smoker with a 250% rating.
- If the base insured is an Express Smoker, then an OIR on self will be a Smoker with a 175% rating.
- The following may be designated as primary other insured: Spouse and Business Partner only.
- Substandard: Rider may be issued with table and/or flat extra ratings and may be issued on a rated policy.
- Available riders on other insureds: Accelerated Benefit Riders only (ABR7 is not available if the record has OIRs).
- The maximum number of automated OIR entries per policy will continue to be 5. Additional OIR entries per policy will continue to be added manually.
- OIR rate classes available will be different than what is available on the Base Insured.

*Available After Issue:* Yes

*Coverage Ends:* Other Insured's attained age 100 or base policy end date if earlier

*Qualified Additional Benefit:*

- Spouse or Child: Yes
- Business Partner: No
- Self: This rider is integrated with the base policy for the purpose of definition of life insurance testing.

*Available on the following products:*

- FlexLife
- FlexLife NL

Overloan Protection Rider (OPR)

*Description*

This rider protects a policy from lapsing as a result of the loaned amount exceeding the accumulated cash value. This feature can prevent a tax liability as a result of a policy lapse due to being over-loaned.

*Availability*

- Issue Ages: 0 – 85
- Automatically added to all non-pension policies that are eligible.
- Not available on CVAT policies.

*Details*

- Substandard: This rider will not be issued with substandard ratings, but it may be added to a rated policy.

*Available After Issue:* Yes

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Participating Fixed Loan Rider (PFLR)

*Description*

This rider is used to facilitate participating fixed loans. We are renaming the loan as part of this project to be more client/agent friendly and more consistent with industry standards.

*Availability*

- Issue Age: 0 – 85
- Automatically added at issue if eligible
- All rate classes as base coverage

*Details*

- Loaned money will be transferred to the Indexed Loan Account – S&P 500, Point to Point, Cap Focus Strategy.
- The only way to transfer money out of the Indexed Loan Account is as required by a change to a standard loan or participating variable loan, and a loan repayment.
- A fixed loan rate of 5% is set at issue. We will reserve the right to adjust the fixed loan rate for new issues.

*Available After Issue:* Yes

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Participating Variable Loan Rider (PVLN)

*Description*

This rider is used to facilitate participating variable loans. We are renaming the loan as part of this project to be more client/agent friendly and more consistent with industry standards.

*Availability*

- Issue Age: 0 – 85
- Automatically added at issue if eligible
- All rate classes as base coverage

*Details*

- Variable Loans function in the exact same way as Variable Net Cost Loans do today.

*Available After Issue:* Yes

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Premium Deposit Account (PDA)

*Description*

This rider allows the owner to make a lump sum payment that will be used to pay future Planned Premiums over a chosen duration. The PDA earns a guaranteed interest rate that is determined at the time of deposit. Policy premiums are automatically paid annually from this account. By prepaying, the owner ultimately pays a discounted premium. This rider helps to avoid a Modified Endowment Contract, maintaining tax qualifications of life insurance.

*Availability*

- Issue Age: 0 – 85
- Automatically added at issue if eligible
- All rate classes as base coverage

*Details*

- This rider can be added to all policies at issue but cannot be elected by depositors who are active members of the military due to a regulation that does not allow a surrender fee for active military.

*Available After Issue:* Yes

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Qualified Plan Exchange Rider (QPEP)

*Description*

For Qualified Pension and Profit Sharing Plan trust owned life insurance, the QPEP rider allows the policy to be surrendered while owned under the qualified plan and elect to have a new policy written outside of the qualified plan.

*Availability*

- This rider will be automatically added at issue to all pension cases.

*Details*

- The face amount of the new policy cannot be more than the face amount of the policy, less the cash surrender value of the policy being surrendered on the date of exchange.

*Available After Issue:* No

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL

Standard Loan Rider (SLR)

*Description*

This rider is used to facilitate participating standard loans. We are renaming the loan as part of this project to be more client/agent friendly and more consistent with industry standards.

*Availability*

- Issue Age: 0 – 85
- Automatically added at issue if eligible
- All rate classes as base coverage

*Details*

- Variable Loans function in the exact same way as Fixed Net Cost Loans do today.

*Available After Issue:* Yes

*Coverage Ends:* Same as Base



*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Systematic Allocation Rider (SAR)

*Description*

This rider offers a convenient way for clients to spread out their large annual premium into the index strategies over the year in order to capitalize on potential interest rate crediting dates and reduce interest rate risk associated with one annual crediting anniversary.

*Availability*

- Issue Age: 0 – 85
- Automatically added at issue

*Details*

- The policyholder may elect Systematic Allocations at and after issue by sending us an allocation schedule, filling out the desired allocation schedule of funds from the basic strategy to the interest crediting strategies and selecting the SA option.
- The minimum annual SA deposit amount will be \$3,000.
- Rates - there is no charge for this rider.

*Available After Issue:* No

*Coverage Ends:* Same as Base

*Qualified Additional Benefit:* No

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Waiver of Monthly Deductions Rider (WMD)

*Description*

This rider provides waiving of the policy expenses and mortality charges should the insured be totally disabled.

*Availability*

- Issue Ages: 0 – 55
- Not available if WSP is elected
- Not available on policies with face amount over 3 million.

*Details*

- Substandard: If the insured is rated 150% or if the insured is rated with a \$5.00 or less per thousand flat extra for 2 or less years, the waiver of premium rider will be rated 200%. If the insured is rated 175% to 200%, the waiver of premium rider will be rated 300%. This rider will not be available with Express Standard Non-tobacco 2 policies, policies with a table rating greater than D (200%) or on policies with a flat extra greater than \$5.00 per thousand for two years or more. If the insured is classified as Express Standard NT 1 or Express Tobacco, then the underwriter will assign either a 200% or 300% rating. Any substandard rating will adjust only the charge for this rider.
- This rider is not available in conjunction with Waiver of Specified Premium.
- This rider may not be selectively attached to certain coverage segments. If this rider exists on a Policy, then it must be added to all coverage segments.

*Available After Issue:* No

*Coverage Ends:* Insured's age 65

*Qualified Additional Benefit:* Yes

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Waiver of Specified Premium Rider (WSP)

*Description*

The Waiver of Specified Premium allows your clients to determine how much of their premium will be waived in the event they become totally disabled.

*Availability*

- Issue Ages: 15 – 55 (LSW), 0 – 55 (NL)
- Minimum Annual Benefit: Annualized minimum premium less the annualized minimum premium for the waiver of specified premium rider.
- Maximum Annual Benefit: Lesser of the annualized planned periodic premium and the guideline level premium for the policy excluding the guideline level premium for the waiver of specified premium rider.
- Not available with single premium mode.
- Not available if WMD is selected.
- Not available on policies with face amount over 3 million.

*Details*

- Substandard: If the insured is rated 150% or if the insured is rated with a \$5.00 or less per thousand flat extra for 2 years or less, the waiver of premium rider will be rated 200%. If the insured is rated 175% to 200%, the waiver of premium rider will be rated 300%. This

rider will not be available with Express Standard Non-tobacco 2 policies, policies with a table rating greater than D (200%), or on policies with a flat extra greater than \$5.00 per thousand for two years or more. If the insured is classified as Express Standard NT 1 or Express Tobacco, then the underwriter will assign either a 200% or 300% rating. Any substandard rating will adjust the charge, MMP, MGP, and CTP for this rider.

- This rider is not available with single premium policies.
- This rider is not available in conjunction with Waiver of Monthly Deductions.
- This rider may not be selectively attached to certain coverage segments. If this rider exists on a Policy, then it must be added to all coverage segments.

*Available After Issue:* No

*Qualified Additional Benefit:* Yes

*Available on the following products:*

- FlexLife
- FlexLife NL
- PeakLife
- PeakLife NL
- Living Life by Design

Waiver of Surrender Charges - Unemployment

*Description*

The insured will have the option to waive the Surrender Charge on a full surrender of the policy to which this rider is attached if the following conditions are met:

- The surrender occurs while the Insured is unemployed; and
- Unemployment began while this rider was in force; and
- Unemployment has continued for at least twelve consecutive months.

*Availability*

- Issue age: 0-59
- Max attained age: 59 at the last policy anniversary
- This rider will only be on Living Life by Design.

- Not available in Connecticut, Tennessee, and Washington

#### *Details*

- Underwriting: no specific underwriting will be done at issue for this rider
- This rider is not available in Connecticut, Tennessee, and Washington.
- Elimination period: 1 year after policy issue date

*Available After Issue:* No

*Qualified Additional Benefit:* No

*Available on the following products:*

- Living Life by Design

Chart of Rider Availability by Product

<b>Rider</b>	<b>FlexLife</b>	<b>PeakLife</b>	<b>Living Life by Design</b>
<b>Accelerated Benefits Riders</b>	Yes	Yes	Yes
<b>Accumulated Value Enhancement Rider</b>	Yes	No	Yes
<b>Additional Protection Benefit Rider</b>	Yes	Yes	Yes
<b>Balance Sheet Benefit Rider</b>	Yes	Yes	Yes
<b>Benefit Distribution Option</b>	Yes	Yes	No
<b>Charitable Matching Gift Death Benefit Rider</b>	Yes	No	Yes
<b>Children's Term Rider</b>	Yes	No	Yes
<b>Death Benefit Protection Rider</b>	Yes	No	No
<b>Flexible Accumulated Value Enhancement Rider</b>	No	Yes	Yes
<b>Gap Protector Rider</b>	No	No	Yes
<b>Guaranteed Flex Rider</b>	No	No	Yes

<b>Guaranteed Insurability Option Rider</b>	Yes	No	No
<b>Interest Crediting Strategies Riders</b>	Yes	Yes	Yes
<b>Lifetime Income Benefit Rider (version 5)</b>	Yes	Yes	Yes
<b>Other Insured Rider</b>	Yes	No	No
<b>Overloan Protection Rider</b>	Yes	Yes	Yes
<b>Participating Fixed Loans Rider</b>	Yes	Yes	Yes
<b>Participating Variable Loans Rider</b>	Yes	Yes	Yes
<b>Premium Deposit Account</b>	Yes	Yes	Yes
<b>Qualified Plan Exchange Privilege</b>	Yes	Yes	No
<b>Standard Loans Rider</b>	Yes	Yes	Yes
<b>Systematic Allocation Rider</b>	Yes	Yes	Yes
<b>Waiver of Monthly Deductions Rider</b>	Yes	Yes	Yes
<b>Waiver of Specified Premium Rider</b>	Yes	Yes	Yes
<b>Waiver of Surrender Charges - Unemployment</b>	No	No	Yes

## Article Details

<b>Last Reviewed:</b>	12/13/2023	<b>Business Block:</b>	Title and Contract Change
<b>Reviewed By:</b>	Jessica Mills	<b>Intended Audience:</b>	Contract Change