

Foresters
Financial

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Presents

SMART Universal Life Non-Med



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414927C US (04/17)

Agenda

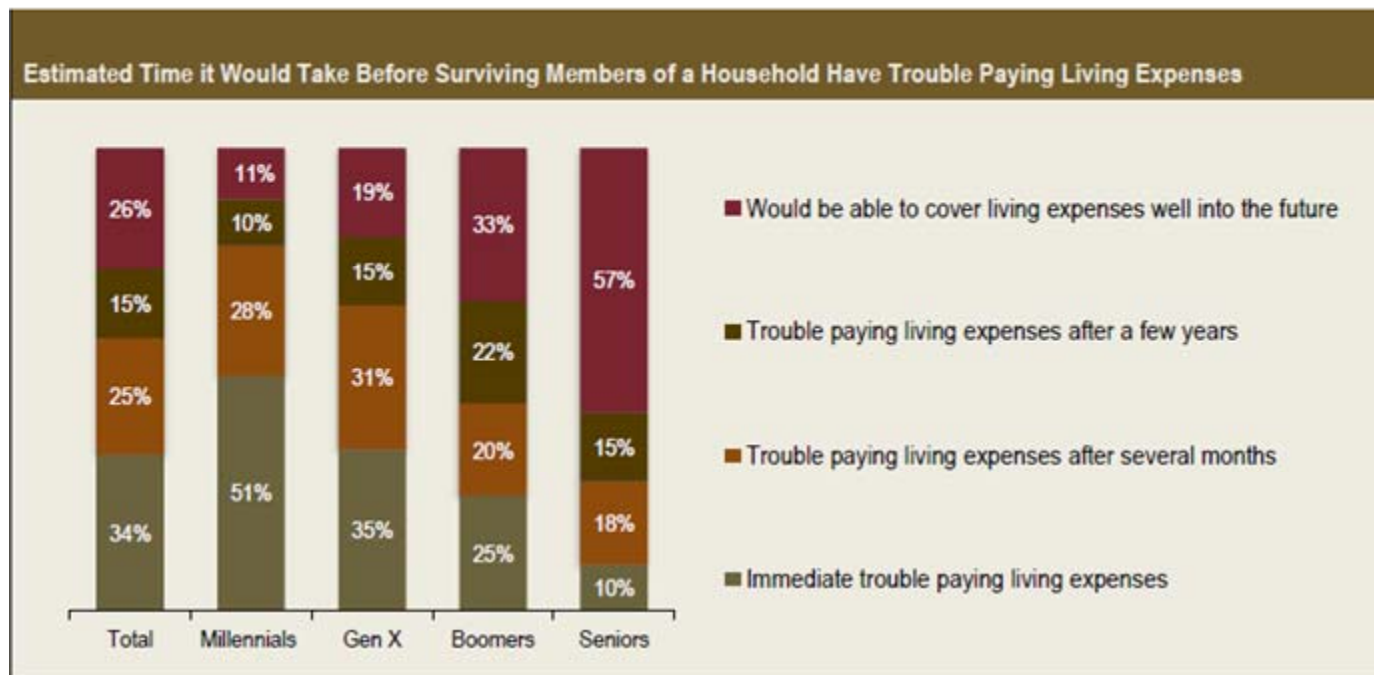
SMART UL

- Opportunity
- Product highlights
- Sales strategies



Where is the opportunity?

- Given the loss of primary wage earner
 - 1 in 3 households would have immediate trouble paying living expenses



Stats provided by 2016 Insurance Barometer Study completed by LIMRA.

Non-Med SMART UL

Delivering a solution- SMART UL



- **Non-medical death benefit options**
 - Issue age (age nearest birthday) & death benefit limits

Ages	Minimum D.B.	Maximum D.B.
0-15	\$10,000	\$150,000
16-55	\$25,000	\$400,000
56-75	\$25,000	\$150,000

- **Underwriting classes**
 - Juvenile (0-15)
 - Non-Tobacco: No use of products with nicotine within past 12 months
 - Tobacco: Used any product with nicotine within past 12 months

Non-medical (Insurability depends on the answers to a few medical and lifestyle questions and an underwriting review, based on underwriting requirements and guidelines.)

Delivering a solution- SMART UL

- **Non-medical death benefit options**
 - **Death benefit options**
 - **Level death benefit**
 - **Increasing death benefit**
 - **Death benefit amount changes**
 - **Increases & decreases available**
 - » **After 1st certificate anniversary**
 - » **Subject to certain restrictions**
 - » **Requires evidence of insurability (increases)**

Delivering a solution- SMART UL

- **Definition of Life Insurance**
 - **Guideline premium test (GPT)**
 - Limits premiums paid relative to death benefit
 - **Cash value accumulation test (CVAT)**
 - Limits cash values relative to death benefit
 - **Why do insurance companies follow these guidelines?**
- **Modified Endowment Contract**
 - **What is a MEC?**
 - **What are the effects?**



Delivering a solution- SMART UL

– Premiums

- Payable to age 100
- Premium flexibility
- Minimum premium no-lapse guarantee
 - 10-year guaranteed protection subject to premium requirements

Premium Mode	Minimum Premium
Monthly PAC	\$25 (\$17 ages 0-15)
Quarterly	\$75 (\$51 ages 0-15)
Semi-Annual	\$150 (\$102 ages 0-15)
Annual	\$300 (\$204 ages 0-15)

– Interest Rates:

- Guaranteed minimum rate: 3%
- Current rate: 5.60%



Delivering a solution- SMART UL

– Expenses

- Surrender charge
 - Decreasing charge for 15 years
 - Death Benefit increases will receive a charge for 15-years on increased portion
- Premium expense charge
 - 6% of premiums for first 20-years
 - 0% years 21+
- Monthly administration charge of \$12 per month
- Face amount deduction
 - Charge in first 10 years based on face amount
 - Face amount increases will receive a charge for 10 years on increased portion
- Cost of insurance (COI)
 - Charge for the cost based on amount at risk
- Monthly rider deduction

Delivering a solution- Smart UL

- **Certificate loans:**
 - Available if there is cash value
 - **Maximum loan**
 - Account value minus
 - » Surrender charges
 - » 3 months deduction
 - » Existing loan
 - Certificate used as collateral
 - **Interest rate**
 - 5%
 - Preferred loan: 3% after 7th certificate anniversary
 - Interest is charged daily on loan amount
 - **Loan collateral**
 - Credited at 3%
 - Certificate terminates if loan amount and accrued loan interest exceeds the account value



Delivering a solution- SMART UL

– Certificate withdrawals:

- Minimum: \$500
- Maximum withdrawal:
 - Account value **minus**
 - » Surrender charges
 - » 3 months deduction
 - » Existing loan
 - » Change fee
- Available after 1st certificate anniversary
- Decreases the account value
- May be subject to surrender charge
- Decreases face amount on level death benefit
- Remaining face amount must meet minimum face amount requirements

Delivering a solution- SMART UL

- **Lapse of certificate**
 - Monthly anniversary if the cash value is less than monthly deduction
 - During the minimum premium payment period (10-year NLG) if requirements are not met

- **Grace period**
 - 61 days from due date of defaulted monthly deduction

- **Reinstatements**
 - Within 3 years of the date of lapse, subject to
 - Evidence of insurability
 - Premiums required to keep certificate in-force during grace period
 - Plus premiums to keep certificate from going into grace period for 3 months after reinstatement

Delivering a solution- SMART UL

- **Change fee**
 - \$25 per transaction
 - Withdrawals
 - In-force illustrations in excess of 1 per year
 - Face amount decreases
 - Rider cancellations or decreases
 - Change in tobacco status.

- **Illustration**
 - Require for certificate issue
 - Require client signature on either
 - Illustration certification form
 - Signed illustration matching the product as applied for

Note: Foresters reserves the right to increase or decrease this fee in the future but will never exceed \$50

Offering options for your client- SMART UL

Riders available:

- Value added riders:
(automatically included for no additional premium)
 - Accelerated Death Benefit Rider
 - Family Health Benefit Rider
 - Common Carrier Accidental Death Rider

- Optional riders:
 - Disability Income Rider (Accident only)
 - Waiver of Monthly Deductions Rider
 - Accidental Death Rider
 - Children's Term Rider
 - Guaranteed Purchase Option Rider



Sales strategies- SMART UL

- Estate maximization
- Retirement income
- Succession planning
- Buy/sell agreements
- Charitable remainder trust
- Spousal lifetime access trust
- Dynasty trust



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