



## Universal Life

Colonial Life's Universal Life 1000 is a flexible premium, adjustable death benefit life insurance plan that accumulates cash value, based on current interest rates. Employees can purchase individually owned life insurance coverage that is theirs to keep, even if they change jobs or retire.

## Base Plan Benefits

Coverage	<b>Available for the employee, spouse and juvenile.</b>
Two Plan Options	<b>Offers a choice of two plan options:</b> <ul style="list-style-type: none"> <li>▪ <b>Option A - establishes a basic program of cash value life insurance – offers a stable death benefit at a low cost and builds cash value at current credited interest rates.</b></li> <li>▪ <b>Option B - offers life insurance benefits that increase as the policy's cash value increases – provides you and your family inflation protection as needs change over time.</b></li> </ul>
Death Benefit	<b>Employees can change the death benefit to adapt to changing needs, subject to IRS and underwriting guidelines.</b> <b>Minimum issue amount: \$5,000 or \$3.00 weekly target premium.</b> <b>Maximum issue amount: unlimited, based on underwriting.</b>
Cash Value	<b>Premiums build cash value based on current interest rates, (which are subject to change).</b>
Guaranteed Interest Rate	<b>Interest rates are guaranteed to be no lower than 4 percent.</b>
Family Coverage	<b>Available through separate policies or Spouse and Children's Term Riders.</b>
Accelerated Death Benefit Provision	<b>If the insured is diagnosed with a terminal illness and has a life expectancy of 12 months or less, the policyowner can request up to 75 percent of the death benefit, to a maximum of \$150,000. There is no additional premium charged for this provision. A \$200 one time administrative fee will be charged.</b>
Premiums	<b>Tobacco distinct/unisex premiums. Lower premiums at face amounts over \$150,001.</b>
Withdrawals	<b>\$250 minimum with a \$50 withdrawal charge.</b>
Endows	<b>Endows at age 100, based on target premium and assumed credited interest rate.</b>
Additional Benefits	<b>Additional benefits are available through optional riders (at an additional cost).</b>

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## Juvenile Policy

Same as the adult plan, with these differences:

Coverage	Employees do not have to purchase coverage on themselves to purchase policies for their children or grandchildren.
Premiums	Uni-tobacco/unisex premiums.
Death Benefit	Minimum death benefit of \$25,000. Maximum death benefit – unlimited, based on underwriting.
Guaranteed Purchase Option	Allows the policyowner the right to purchase additional amounts of insurance without providing evidence of insurability.  The option may be exercised at ages 18, 21, and 24.  Maximum amount for all options is either the initial face amount of the policy, or \$100,000, whichever is less.
Dependent Children Ages 18-24	Dependent children ages 18-24 who are full-time students, may be issued a tobacco distinct adult policy.

## Optional Riders

Policyowners may select to enhance their universal life policy by adding an optional rider(s) at an additional premium.

### Accidental Death Benefit Rider

- Benefit equal to the death benefit of the policy, not to exceed \$150,000.
- Pays an additional death benefit if the primary insured dies as a result of an accidental bodily injury before age 70.
- Benefit amount doubles if the accidental bodily injury occurs while the insured is a fare-paying passenger within a public conveyance, such as a subway or city bus.
- An additional 25 percent of the accidental death benefit will be paid if the insured dies due to an accidental bodily injury sustained while driving or riding in a private passenger vehicle and wearing a seatbelt.

### Additional Coverage Term Rider

- Face amounts: \$5,000 minimum, up to 100 percent of base plan's face amount applied for on the primary insured.
- Provides additional 20-year level term insurance coverage on the primary insured.
- Premiums are level for the duration of the term, based on issue age, tobacco use, and premium per thousand of coverage purchased.
- Conversion is available to a cash value plan without evidence of insurability, on or after the first policy anniversary date.

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### **Children's Term Rider**

- Face amounts - \$1,000 to \$10,000 in \$1,000 increments.
- Provides level term insurance for one premium for all eligible dependent children of the primary insured who are at least 14 days of age, under age 19, unmarried, and living in a regular parent-child relationship with the insured.
- Eligible children are covered until the policy anniversary after their 25<sup>th</sup> birthday or the insured's 70<sup>th</sup> birthday, whichever occurs first. Conversion is then available to a cash value plan without evidence of insurability, for up to five times the rider amount.
- Should the primary insured die while eligible children are still covered by the rider, each dependent child will be provided a paid-up term policy until age 25.
- Premiums are level, uni-tobacco and unisex.

### **Guaranteed Purchase Option Rider**

- Maximum amount for each option is the initial face amount of the policy not to exceed a total combined maximum of \$100,000 for all options.
- Allows the policyowner to purchase additional coverage, up to the initial face amount of the policy, at three specified option dates — the second, fifth and eighth policy anniversary dates — or for a specified life event.
- On the second, fifth, and eighth policy anniversary dates, insured's can purchase additional face amounts without evidence of insurability. They may also exercise a life event option on the date of the insured's marriage, birth of a living child, adoption of a child, or legal divorce. (Exercising a life event option date cancels out the next policy anniversary option date.)
- Rates are based on issue age, tobacco use, and rate per thousand of coverage purchased.
- The insured will be issued a separate policy and a policy fee will be included in the premium for the GPO when exercising this option.

### **Spouse Term Rider**

- Face amounts - \$5,000 to \$50,000 for all issue ages in \$1,000 increments.
- Level premiums are based on issue age, uni-tobacco and premium per thousand of coverage purchased.
- Face amount cannot exceed the base policy's face amount.
- Conversion available to cash value plan without evidence of insurability.
- No spouse signature required.

### **Waiver of Monthly Deductions Rider**

- Waives all monthly deductions for the policy and any riders if insured becomes totally disabled due to an accidental bodily injury or sickness. Disability must begin after the rider effective date and before the policy anniversary following the insured's 65<sup>th</sup> birthday and continue longer than the elimination period.
- An elimination period of six months applies. Premiums paid during this time are credited to the fund value after the claim for waiver of monthly deductions is approved.

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## Features

- Individual universal life insurance plan that provides affordable, cash value insurance protection to individuals in the payroll-deduction market.
- Flexibility to adapt to a customer's changing needs with adjustable death benefit amounts and flexible premiums.
- Premiums build cash value based on current interest rates, which are subject to change. (Interest rates are guaranteed to be no lower than 4 percent).
- Death benefit remains level until maturity at age 100.
- Loans – \$250 minimum; 6% loan interest rate; 4% guaranteed interest rate credited to the loaned cash value; net charge on loan of 2%.
- Death benefit paid tax-free to the beneficiary, regardless of other life insurance and Social Security.
- Portable coverage – Insureds may keep their policies if they change jobs or retire.

## Eligibility Requirements

### Employee

- Issue ages, 16-79.
- Employed full time (20+ hours per week).
- Actively at work on the date of enrollment.
- Employed with present employer for at least 90 days.

### Spouse

Must be the spouse of an employee.

- **Individual Policy**
  - Issue ages, 16-79.
- **Spouse Term Rider**
  - Issue ages, 16-65.
  - May be added to an existing universal life plan.

### Dependent

- **Individual Policy**
  - Issue ages, 0-17, (18-24 if a full-time student).
  - Dependent students ages 18-24 are issued adult plans and the tobacco question is required on the application.
  - No additional benefit riders are available on juvenile policies for insured's under the age of 17.

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### **Children's Term Rider**

- Issue ages: 14 days-18 years for children; 16-65 for the primary insured.
- Meets the definition of an insured child.
- May be added to an existing universal life plan.

### **Other Rider Eligibility**

To purchase a policy rider, applicants must first qualify for a base Universal Life policy.

### **Accidental Death Benefit Rider:**

- Issue ages, 16-65 for employees and spouses.
- May be added to an existing universal life plan when increasing the policy's death benefit.

### **Additional Coverage Term Rider:**

- Issue ages, 16-50 for employees and spouses.
- Only provides coverage for the main insured.
- May be added to an existing universal life plan.

### **Guaranteed Purchase Option Rider:**

- Issue ages, 16-60 for employees and spouses.
- Available only when a Universal Life policy is initially purchased.

### **Waiver of Monthly Deductions Rider:**

- Issue ages, 16-55 for employees and spouses.
- May be added to an existing universal life plan when increasing the policy's death benefit.

## **Participation Requirements**

To offer this plan, we require only 3 eligible applicants.

## **Premium Information**

### **Employee and Spouse Policy**

- Tobacco-distinct, unisex premiums
- Two face amount premium bands:
  - Band 1: \$5,000 - \$150,000
  - Band 2: \$150,001 – unlimited.

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## What Is Not Covered

If the insured commits suicide, whether he is sane or insane, within two years from the coverage effective date or the date of reinstatement, we will not pay the death benefit. We will terminate this policy and return the premiums paid, minus any loans and loan interest.

## Underwriting

### Simplified Issue (SI)

- Available in all accounts with 100+ lives.
- Available for employee and spouse policies.
- Two questions—Eligibility and AIDS (knockout).
- One reflex health question—“Within the past 12 months, have you, or your spouse if applying for spouse coverage, been hospitalized or missed 5 or more consecutive days of work for any reason other than flu, pregnancy, accidents, allergies, back or knee disorder?” **If the “reflex” health question is answered “yes,” the applicant must automatically answer the Simplified Issue Level 1 health questions.**
- SI Limits — Employee and spouse: \$3 per week target premium or minimum \$5,000 face amount.

### Simplified Issue Level One (SI1)

- Available in all accounts.
- Available for employee and spouse policies.
- Must answer Eligibility, AIDS, Height/Weight and five additional health questions.
- All Simplified Issue Level One health questions are “knockout.”
- SI1 limits – Employee: up to \$20 per week target premium, to maximum \$150,000; Spouse: up to \$10 per week target premium, to maximum \$75,000.
- Applicant and benefit representative know at point-of-sale whether coverage will be issued.

### Full Underwriting

- Available in all accounts.
- Available for employee, spouse and juvenile policies.
- Required on all face amounts above Simplified Issue Level 1 guidelines.

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## Universal Life 1000 Sample Monthly Premiums Employee/Spouse, Option A

### Sample Non-Tobacco Target Premiums

Issue Age	\$3/wk- 13.00/mo		\$8/wk- 34.67/mo		\$10/wk 43.33/mo		\$12/wk 52.00/mo		\$16/wk 69.33/mo		\$20/wk 86.67/mo	
	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value*	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value *
25	22,674	4,748	73,062	15,891	93,217	20,337	113,372	24,796	173,903	27,107	219,517	34,297
35	13,928	3,224	44,880	10,730	57,261	13,727	69,642	16,731	94,404	22,732	119,166	28,740
45	8,405	1,800	27,083	5,976	34,554	7,643	42,025	9,315	56,968	12,653	71,910	15,996
55			15,630	2,229	19,941	2,851	24,253	3,475	32,877	4,721	41,500	5,968
65			8,654	1,639	11,042	2,101	13,429	2,563	18,204	3,486	22,979	4,409

\*Guaranteed Cash Value is at age 65 and is based on a 4% interest rate.

### Sample Tobacco Target Premiums

Issue Age	\$3/wk- 13.00/mo		\$8/wk- 34.67/mo		\$10/wk 43.33/mo		\$12/wk 52.00/mo		\$16/wk 69.33/mo		\$20/wk 86.67/mo	
	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value*	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value *	Face Amt.	Guar. Cash Value*
25	15,983	3,224	51,502	11,061	65,710	14,184	79,918	17,322	108,333	23,582	136,748	29,858
35	9,948	2,334	32,057	7,905	40,901	10,127	49,744	12,357	67,431	16,809	85,119	21,269
45	5,945	1,363	19,156	4,587	24,441	5,873	29,725	7,164	40,294	9,740	50,863	12,321
55			11,140	1,718	14,213	2,202	17,287	2,685	23,433	3,651	29,580	4,618
65			6,656	1,009	8,492	1,296	10,328	1,585	14,000	2,162	17,673	2,740

\*Guaranteed Cash Value is at age 65 and is based on a 4% interest rate.

### Juvenile Policy Sample Target Premium (Uni-tobacco) \$25,000 Policy Face Amount, Option A

Issue Age	Weekly Target Premium	Monthly Target Premium	Guaranteed Cash Value at Age 65*
14 days	\$2.02	\$8.75	\$8,160
5 years	2.19	9.50	7,585
10 years	2.37	10.25	6,185
15 years	2.60	11.25	5,299

\*Guaranteed Cash Value is at age 65 and is based on a 4% interest rate.

### Dependent Student Policy Sample Target Premiums

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**\$35,000 Policy Face Amount, Option A-Non-Tobacco**

Issue Age	Weekly Target Premium	Monthly Target Premium	Guaranteed Cash Value at Age 65*
18	\$3.33	\$14.45	6,744
20	3.58	15.50	7,167
21	3.66	15.85	7,011
22	3.82	16.55	7,343

\*Guaranteed Cash Value is at age 65 and is based on a 4% interest rate.

**\$35,000 Policy Face Amount, Option A-Tobacco**

Issue Age	Weekly Target Premium	Monthly Target Premium	Guaranteed Cash Value at Age 65*
18	\$4.38	\$19.00	6,221
20	4.71	20.40	6,609
21	4.87	21.10	6,672
22	5.03	21.80	6,681

\*Guaranteed Cash Value is at age 65 and is based on a 4% interest rate.

**Sample Rider Monthly Premiums**

Spouse Term Rider Sample Monthly Premiums						
Issue Age	\$10,000	\$20,000	\$25,000	\$30,000	\$40,000	\$50,000
25	\$3.50	\$7.00	\$8.75	\$10.50	\$14.00	\$17.50
35	6.00	12.00	15.00	18.00	24.00	30.00
45	10.60	21.20	26.50	31.80	42.40	53.00
55	20.80	41.60	52.00	62.40	83.20	104.00
65	39.00	78.00	97.50	117.00	156.00	195.00

Children's Term Rider Sample Monthly Premiums	
\$1,000	\$0.45
\$2,000	\$0.90
\$3,000	\$1.35
\$4,000	\$1.80
\$5,000	\$2.25
\$6,000	\$2.70
\$7,000	\$3.15
\$8,000	\$3.60
\$9,000	\$4.05
\$10,000	\$4.50

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### Accidental Death Benefit Rider

Issue Ages 16-65	Sample Monthly Premium per \$1,000 Death Benefit	
	\$0.12	

### Additional Coverage Term Rider

Issue Age	Sample Monthly Premium per \$1,000 Death Benefit	
	Non-Tobacco	Tobacco
25	\$0.15	\$0.22
35	\$0.19	\$0.36
45	\$0.47	\$0.96
50	\$0.74	\$1.53

### Guaranteed Purchase Option Rider

Issue Age	Sample Monthly Premium per \$1,000 Death Benefit	
	Non-Tobacco	Tobacco
25	\$0.02	\$0.03
35	\$0.03	\$0.05
45	\$0.11	\$0.18
55	\$0.20	\$0.34
60	\$0.28	\$0.46

### Waiver of Premium Rider Monthly Rate

Issue Age	Sample Rates per \$1,000
25	\$0.04
35	\$0.06
45	\$0.12
55	\$0.15

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