

## Product Specification: TruStage Simplified Issue Term Life Band 2

Version 1.3 8/28/2017

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### Appendices

- [1: Premium Calculation and Sample Rates](#)      [2: LifePRO and G/L Account Information](#)      [3: Validation Tools](#)

### Product Summary

<b>MVF Summaries</b> <a href="#">Back to Top</a>	<p>This definition applies to the ultimate product vision in totality. However, the product will be built using a "Minimum Viable Functionality" (MVF) approach.</p> <p>MVF 1 is the Web &amp; Consumer Sales</p> <p>MVF 2 will be Direct Write capability.</p> <p style="text-align: right;"><b>SME: Scott Graffius, Product Management</b></p>													
<b>Product Definition</b> <a href="#">Back to Top</a>	<p><b>Ultimate Product Vision and Value:</b> This will be a simple term product that gives young families easy access to affordable term life coverage. It will be functionally similar to the UT80 product but having face amounts available from \$101,000 to \$300,000.</p> <p><b>Product Description:</b> Level benefit term life insurance in all durations. All coverage will cease the policy anniversary following the insured attaining age 80.</p> <ul style="list-style-type: none"> <li>• Premiums are banded by age.</li> <li>• The current premium scale is guaranteed for the life of the policy. The premiums increase upon entry into the next five-year age bracket.</li> <li>• If premium rates change they will change on policy anniversaries.</li> <li>• Tobacco and Non-Tobacco Rate classes</li> </ul> <p style="text-align: right;"><b>SME: Blake Cory, Product Management</b></p>													
<b>Marketing</b> <a href="#">Back to Top</a>	<p><b>Marketed Benefits</b></p> <ul style="list-style-type: none"> <li>• With this product we will differentiate from our competitors through the total customer experience.</li> <li>• The customer experience must be simple, quick and convenient throughout the entire life of the product: from application to contract to service and claims.</li> <li>• SI Term will offer affordable protection beyond final expenses, covering things like income replacement, a child's education or home mortgage payments.</li> <li>• The 5-year banded premium schedule for this product makes it an easier financial commitment to start the coverage.</li> </ul> <p><b>Marketing Constraints</b></p> <ul style="list-style-type: none"> <li>• Issue ages 18 – 69 and face amounts \$101,000 – \$300,000</li> <li>• Not being marketed to qualified employer plans.</li> </ul> <p><b>Target Customer</b> The SI Term life product will be available to consumers both within and outside of the credit union market. Our target customers are between the ages of 30 and 55. These hardworking families have loved ones to protect and things to invest for. With many life events in front of them, we have the opportunity to engage them proactively to address their current financial needs with this product. In addition, we can continue to provide protection as their life circumstances may change.</p> <p><b>Unique Features</b></p> <ul style="list-style-type: none"> <li>• Simple, quick and convenient to apply</li> <li>• Higher amounts of term coverage than UT80 are available</li> <li>• No medical exam required</li> <li>• SI Term is the most affordable way to get started with life insurance</li> <li>• Tobacco and Non-Tobacco Rates</li> </ul> <p style="text-align: right;"><b>SME: Carrie Lory, Commercialization</b></p>													
<b>Product Identification</b> <a href="#">Back to Top</a>	<p><b>Marketing Name:</b> TruStage Term Life Insurance</p> <p><b>Internal Name:</b> Simplified Issue Term Band 2</p> <p><b>System Product ID's:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">LifePro and TPP Product Information</th> <th style="width: 25%;">Description</th> <th style="width: 25%;">Product ID</th> <th style="width: 25%;">Product Notes</th> <th style="width: 25%;">Company Code</th> </tr> </thead> <tbody> <tr> <td><b>Note:</b></td> <td>Term Life Base Policy</td> <td>IST8017B2</td> <td></td> <td>51</td> </tr> </tbody> </table>				LifePro and TPP Product Information	Description	Product ID	Product Notes	Company Code	<b>Note:</b>	Term Life Base Policy	IST8017B2		51
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<p><b>Filing Identification</b></p> <p><a href="#">Back to Top</a></p>	<p><b>State of Domicile:</b> Iowa</p> <p>-</p> <p><b>Form Numbers:</b> This form number information is as of initial product rollout. It is recommended you access the FACTS <a href="#">Product Report</a> for current form number information.</p> <table border="1"> <tr> <td></td> <td>Policy Form</td> <td>Application</td> <td>ADB Rider Form</td> <td>ADB Rider App</td> <td>Accelerated Benefit Option Endorsement*</td> </tr> <tr> <td>Compact</td> <td>ICC17-SIT-2</td> <td>ICC17-SIT-2APP</td> <td></td> <td></td> <td>Use non-compact form 1668 or state variation</td> </tr> <tr> <td>Non-Compact</td> <td>2017-SIT-2</td> <td>2017-SIT-2APP</td> <td></td> <td></td> <td>Use non-compact form 1668 or state variation</td> </tr> </table> <p style="text-align: right;">SME: Kim Steggall, Rate and Form Compliance</p>		Policy Form	Application	ADB Rider Form	ADB Rider App	Accelerated Benefit Option Endorsement*	Compact	ICC17-SIT-2	ICC17-SIT-2APP			Use non-compact form 1668 or state variation	Non-Compact	2017-SIT-2	2017-SIT-2APP			Use non-compact form 1668 or state variation																				
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<p><b>Product Distribution</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Distribution Channels</b></p> <p>This product will be sold through in the Consumer Sales call center, and online at TruStage.com. This product will be filed for sale in direct write, but will not be marketed through that channel at this time. The product will not be sold through face-to-face representatives.</p> <p style="text-align: right;">SME: Blake Cory, Product Management Carrie Lory, Commercialization</p>																																						

**Product Details**

<p><b>Advanced Premium</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Advanced premium deposits are not allowed.</b></p> <p style="text-align: right;">SME: Les Haskin, Service Administration Ilyya Golanek, Product Actuarial</p>						
<p><b>Benefits</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Benefits provided by the policy</b></p> <ul style="list-style-type: none"> <li>Level death benefit to age 80</li> <li>The product will not have any cash values</li> <li>There are no dividends as this is a non-participating product</li> </ul> <p style="text-align: right;">SME: Blake Cory, Product Management</p>						
<p><b>Billing</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Available Billing Methods:</b></p> <p><b>Initial Bill:</b></p> <ul style="list-style-type: none"> <li>ACH/PAC</li> <li>Credit Card – (State exceptions exist)</li> <li>Direct Bill</li> </ul> <p><b>Subsequent billing:</b></p> <ul style="list-style-type: none"> <li>ACH/PAC</li> <li>Credit Card – (State exceptions exist)</li> <li>Direct Bill</li> </ul> <p><b>Default Billing Method:</b></p> <ul style="list-style-type: none"> <li>Direct Bill</li> </ul> <p><b>Modal Factors</b></p> <p>Customers will have payment frequency options of Monthly, Quarterly, Semiannual or Annual. There will not be a discount or surcharge based on payment frequency.</p> <p style="text-align: right;">SME: Les Haskin, Service Administration</p>						
<p><b>Cash Values/ Non- forfeiture</b></p> <p><a href="#">Back to Top</a></p>	<p><b>This plan has no cash value. This plan also has no Reduced Paid Up (RPU) or Extended Term Insurance (ETI).</b></p> <p><b>Non-Forfeiture: designed to avoid cash values</b></p> <table border="1"> <tr> <td>Mortality Table:</td> <td>2017 CSO, Age Last Birthday, Male/Female and Smoker Distinct</td> </tr> <tr> <td>Interest Rate:</td> <td>4.5%</td> </tr> <tr> <td>Method:</td> <td>Standard Non-Forfeiture Law</td> </tr> </table> <p style="text-align: right;">SME: Ilyya Golanek, Product Actuarial Les Haskin, Service Administration Blake Cory, Product Management</p>	Mortality Table:	2017 CSO, Age Last Birthday, Male/Female and Smoker Distinct	Interest Rate:	4.5%	Method:	Standard Non-Forfeiture Law
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Interest Rate:	4.5%						
Method:	Standard Non-Forfeiture Law						
<p><b>Conversions</b></p> <p><a href="#">Back to Top</a></p>	<p><b>The insured may elect to convert all or part of the amount of coverage in force under the policy provided:</b></p> <ul style="list-style-type: none"> <li>Insured can convert any time after the policy is in force, as long as the insured's written request is made on or before the final conversion date shown on his or her policy schedule; (administered as 31 days following the final conversion date) and;</li> <li>The company is currently offering a conversion whole life product and;</li> <li>The insured's final conversion date is the policy anniversary on or next following his or her 80th birthday.</li> <li>The conversion product has been independently reviewed for qualification under CVAT.</li> </ul> <p style="text-align: right;">SME: Les Haskin, Service Administration Ilyya Golanek, Product Actuarial Blake Cory, Product Management</p>						
<p><b>Death Proceed Calculation</b></p>	<p><b>Death proceeds will equal the face amount of the policy; plus any premium paid beyond the date of death; minus any premium due.</b></p>						

<p><a href="#">Back to Top</a></p>	<p><b>Death Proceeds if death is the result of suicide during the first two contract years.</b> If the insured dies by suicide within two years of the policy issue date or reinstatement date, the death proceeds payable will be limited to the premiums paid (including any rider premiums), reduced by any indebtedness.</p> <p><b>Interest on Death Proceeds</b></p> <p>Death proceeds held on deposit under an agreement the interest paid is considered contractual interest subject to information reporting under §6049 and subject to the \$10 threshold on Form 1099-INT</p> <p>Amounts held by the Us with respect to any beneficiary will be prorated over the period to which payments will be made (§101(d)). The interest element of any installment settlement option that exceeds the prorated amount is includible in gross income and subject to information reporting on Form 1099-R.</p> <p><u>Requirements for Compact States:</u>                  Interest rate: The rate applied to funds left on deposit in effect at the time of death. If no rate is established for funds left on deposit, then the 2 year Treasury Constant Maturity Rate as published by the Federal Reserve in effect at the time of death. See <a href="#">Tax/Regulatory</a> section.                  Time Period: Interest shall accrue from the date of the death to the date payment is made.                  Additional interest may be due if, once deemed payable, a claim is not paid within a reasonable time period as specified by regulations, (such as 31 days). See contract and state regulations for additional details.</p> <p><u>Requirements for Other States:</u>                  CUNA Mutual Group will pay interest on death benefit proceeds. The required time period for which interest is due and the rate of interest may vary by state and change from time to time.                  Additional interest may be due if, once deemed payable, a claim is not paid within a reasonable time period as specified by regulations, (such as 31 days).</p> <p><b>Contestability Period</b>                  Claims filed within two years of the issue date or reinstatement date, or within two years of a change requiring underwriting are contestable. The contest must be based on statements that are material to the risk or change that was accepted.</p> <p><u>State Variations</u>                  New York: 2-year contestability is always measured from the issue date (not the reinstatement date).</p> <p style="text-align: right;"><b>SME: Iliya Golanek, Product Actuarial Patrick Feldhake, Claims</b></p>
<p><b>Default coverage amount if amount not provided on application</b></p> <p><a href="#">Back to Top</a></p>	<p>When the applicant has not selected a coverage amount, the minimum coverage amount offered in the solicitation (e.g. direct mail kit) is considered to be the amount applied for.</p> <p>The application would be eligible for the Life Applicant Upgrade (LAU) program (i.e. a call center outbound call to offer higher coverage amounts) if/when that program is made available.</p> <p><u>State Variations</u>                  None</p> <p style="text-align: right;"><b>SME: Les Haskin, Service Administration Judy Faust, Forms Drafting</b></p>
<p><b>Distribution Expense Allowances</b></p> <p><a href="#">Back to Top</a></p>	<p><b>DIRECT TO CONSUMER</b></p> <p><b>Marketing Expense Allowances</b>                  The marketing allowances allocated are different across all distribution channels (DRTV, direct mail, Consumer Sales, digital/online) and may vary from year-to-year. The allowances, communicated in the form of the Potential Profit Factor (PPF), are established by the Life Pricing Actuarial area at least annually.</p> <p><b>Standard Credit Union Non-Interest Income Rates</b>                  Year 1: 10% (multiplied by collected premium)                  Years 2+: 2% (multiplied by collected premium)</p> <p>Other non-interest income rates may be mutually agreed upon by the credit union and CMFG Life.</p> <p><b>Note:</b> No credit union compensation will be paid for applications received from non-credit union members.</p> <p><b>FACE TO FACE</b>                  Currently not available for Face to Face distribution</p> <p style="text-align: right;"><b>SME: Iliya Golanek, Product Actuarial</b></p>
<p><b>Dividends</b></p> <p><a href="#">Back to Top</a></p>	<p><b>This policy is non-participating and dividends are not paid.</b></p> <p><b>Dividend Options:</b> Not Applicable  <b>Direct Recognition:</b> Not Applicable</p> <p style="text-align: right;"><b>SME: Blake Cory, Product Management Iliya Golanek, Product Actuarial</b></p>
<p><b>Electronic Signature (E-Sig)</b></p> <p><a href="#">Back to Top</a></p>	<p>The policy can be applied for through the call center using an e-signature. The e-sig functions as a secure email sent to the customer by a Consumer Sales rep (in the event that a voice signature cannot be completed). The electronic signature will also apply to riders that are applied for at the same time the base plan is applied for. Electronic signature is not expected to be available for adding riders after the base policy has been issued. Note that the electronic signature executed by Consumer Sales is different from the online application process and the technical functionality that enables it. See Web section for electronic signature applicable to applications completed electronically.</p> <p><u>State Variations and Exceptions</u>                  None</p> <p style="text-align: right;"><b>SME: John Gabriel, Product Compliance Kim Steggall, Rates and Forms Filing Frank Cain, Consumer Sales</b></p>
<p><b>Face Amount Limits</b></p>	<p><b>NEW BUSINESS ONLY</b></p>

<a href="#">Back to Top</a>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Issue Age</th> <th colspan="2" style="text-align: center;">Filed Face Amounts</th> <th colspan="2" style="text-align: center;">Face Amounts Available for Sale</th> </tr> <tr> <th style="text-align: center;">Minimum Face Amount</th> <th style="text-align: center;">Maximum Face Amount</th> <th style="text-align: center;">Minimum Face Amount</th> <th style="text-align: center;">Maximum Face Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">18 – 69 yrs</td> <td style="text-align: center;">\$101,000</td> <td style="text-align: center;">\$300,000</td> <td style="text-align: center;">\$101,000</td> <td style="text-align: center;">\$300,000</td> </tr> </tbody> </table> <p style="margin-top: 20px;"><u>State Variations</u> None</p> <p style="text-align: right; margin-top: 20px;">SME: Blake Cory, Product Management Illya Golanek, Product Actuarial</p>	Issue Age	Filed Face Amounts		Face Amounts Available for Sale		Minimum Face Amount	Maximum Face Amount	Minimum Face Amount	Maximum Face Amount	18 – 69 yrs	\$101,000	\$300,000	\$101,000	\$300,000
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18 – 69 yrs	\$101,000	\$300,000	\$101,000	\$300,000											
<b>Gender</b>  <a href="#">Back to Top</a>	<p><b>Standard States</b> Premiums are based on Male or Female</p> <p><u>State Variations</u> Montana is uni-sex (blend 60/40, M/F)</p> <p style="text-align: right;">SME: Blake Cory, Product Management Illya Golanek, Product Actuarial</p>														
<b>Guarantees</b>  <a href="#">Back to Top</a>	<p><b>Guaranteed Premiums and Death Benefits</b></p> <p>The following policy values are guaranteed at the time the policy is issued:</p> <ul style="list-style-type: none"> <li>Five-year attained age premium brackets are guaranteed for the life of the contract</li> <li>Death benefits are guaranteed to be level for the life of the contract</li> </ul> <p style="text-align: right;">SME: Blake Cory, Product Management Illya Golanek, Product Actuarial</p>														
<b>Issue Age Limits</b>  <a href="#">Back to Top</a>	<p><b>Issue Age Limits</b></p> <p><b>NEW SALES</b>          Filing Issue Age Limits: 18 years – 69          System Issue Age Limits: 18 years – 69          Marketing Issue Age Limits: 18 years – 69 (no restrictions exist regarding marketed ages)</p> <p><u>State Variations</u> None</p> <p style="text-align: right;">SME: Blake Cory, Product Management Illya Golanek, Product Actuarial</p>														
<b>Maturity Proceeds</b>  <a href="#">Back to Top</a>	<p>N/A</p> <p style="text-align: right;">SME: Blake Cory, Product Management</p>														
<b>Non-forfeiture Options</b>  <a href="#">Back to Top</a>	<p><u>See Cash Value/ Non- forfeiture</u></p> <p style="text-align: right;">SME: Blake Cory, Product Management Les Haskin, Service Administration Illya Golanek, Product Actuarial</p>														
<b>Options Prior to Maturity</b>  <a href="#">Back to Top</a>	<p><b>Term to Whole Life Conversion</b></p> <p style="text-align: right;">SME: Blake Cory, Product Management Les Haskin, Service Administration Illya Golanek, Product Actuarial</p>														
<b>Partial Withdrawals:</b>  <a href="#">Back to Top</a>	<p>N/A</p> <p style="text-align: right;">SME: Blake Cory, Product Management Les Haskin, Service Administration</p>														
<b>Policy Changes After Issue</b>  <a href="#">Back to Top</a>	<p><b>Decreases:</b> Face amount decreases will be allowed to the product minimum.</p> <p><b>Increases:</b> Coverage amount increases to existing contracts will not be allowed. The insured must re-apply. Current coverage need not be terminated.</p> <p><b>Add Riders:</b> Not Available</p> <p><b>Conversions:</b> The insured may elect to convert all or part of the amount of coverage. See conversions section for details.</p> <p><b>Delayed processing expenses:</b> N/A - no surrender or cash value with this product</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Blake Cory, Product Management</p>														
<b>Policy Fee</b>  <a href="#">Back to Top</a>	<p><b>Annual Policy Fee</b> A flat annual policy fee of \$60 will be applied to each policy to cover administrative expenses. The policy fee is included in the full premium price for quoting and billing purposes, with disclosure in the policy contract. There may be policy fees for riders that are made available for this product.</p> <p style="text-align: right;">SME: Illya Golanek, Product Actuarial</p>														
<b>Policy Loans</b>  <a href="#">Back to Top</a>	<p>N/A</p> <p><b>Loan Value:</b> N/A</p> <p><b>Loan Rate:</b> N/A</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Judy Faust, Forms Drafting Blake Cory, Product Management</p>														
<b>Premium Description</b>  <a href="#">Back to Top</a>	<p><b>Premium Description</b> This product will have five-year attained age premium brackets. The premiums increase on the anniversary of the issue date immediately following the insured's birthday entry into the next five-year age bracket (ages ending in 0 and 5). Note that the premium scale will be set at time of issue and guaranteed for the life of the policy. Annual premiums per unit vary by age, gender, and premium bands. This product will have tobacco distinct classes. Backdating will not be available for this product.</p>														

	<p style="text-align: right;">SME: Ilyia Golanek, Product Actuarial Donna Fischer, LifePro IT</p>												
<p><b>Prior Insurance Search</b></p> <p><a href="#">Back to Top</a></p>	<p>This product will be subject to a prior coverage search. This product will enforce a \$300,000 product per life maximum of Simplified Issue Term Life coverage.</p> <p style="text-align: right;">SME: Lori Lown, Underwriting Blake Cory, Product Management Ilyia Golanek, Actuarial Bill Byrd, Risk Transfer</p>												
<p><b>Reinstatement Provision</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Reinstatement Provision</b> Reinstatement requires signed reinstatement form, evidence of insurability which will be consistent with the new business underwriting performed at the time reinstatement is applied for, and payment of one month's past due premium, and is requested within 3 years of the last premium due date.</p> <p style="text-align: right;">SME: Blake Cory, Product Management Judy Faust, Forms Drafting</p>												
<p><b>Reserves Calculation</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Reserve Requirements:</b> Detailed actuarial documentation of reserves and nonforfeiture values may be found in the actuarial product documentation. The mortality tables used in reserve calculations are in the Validation Tool.</p> <p><b>Statutory Valuation Basis:</b></p> <table border="1" data-bbox="324 535 1198 598"> <tr> <td>Mortality Table:</td> <td>2017 CSO, Age Last Birthday, Male/Female and Smoker Distinct</td> </tr> <tr> <td>Interest Rate:</td> <td>3.5%</td> </tr> <tr> <td>Method:</td> <td>According to Regulation Triple X</td> </tr> </table> <p><b>Tax Valuation Basis:</b></p> <table border="1" data-bbox="324 634 1198 697"> <tr> <td>Mortality Table:</td> <td>2017 CSO, Age Last Birthday, Male/Female and Smoker Distinct</td> </tr> <tr> <td>Interest Rate:</td> <td>The tax reserve interest rate will be adjusted annually as allowed by valuation law.</td> </tr> <tr> <td>Method:</td> <td>According to Regulation Triple X</td> </tr> </table> <p><b>Deficiency Reserves</b> Tests for minimum reserves will use the same basis as statutory reserves. Deficiency Reserve not required.</p> <p style="text-align: right;">SME: Ilyia Golanek, Product Actuarial</p>	Mortality Table:	2017 CSO, Age Last Birthday, Male/Female and Smoker Distinct	Interest Rate:	3.5%	Method:	According to Regulation Triple X	Mortality Table:	2017 CSO, Age Last Birthday, Male/Female and Smoker Distinct	Interest Rate:	The tax reserve interest rate will be adjusted annually as allowed by valuation law.	Method:	According to Regulation Triple X
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<p><b>Riders and Endorsements</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Riders:</b> NA <b>Endorsements:</b> NA</p> <p style="text-align: right;">SME: Blake Cory, Product Management</p>												
<p><b>Sales Requirements</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Illustrated Products</b></p> <p><u>Sales Illustrations</u> The product is non-illustrated. No formal illustrations are required and non-guaranteed elements cannot be displayed.</p> <p><u>Inforce Illustrations</u> Not Applicable</p> <p><b>Non-Illustrated Products</b></p> <p><u>Time of Application Requirements</u> The product is non-illustrated. No formal illustrations are required and non-guaranteed elements cannot be displayed.</p> <p><u>Policy Delivery Requirements</u> The product is non-illustrated. No formal illustrations are required and non-guaranteed elements cannot be displayed.</p> <p style="text-align: right;">SME: John Gabriel, Product Compliance</p>												
<p><b>Settlement Options</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Settlement Options</b> Settlement options are available upon request. The available options, subject to minimum amount requirements*, are as follows:</p> <p><u>Settlement Options stated in the contract</u></p> <ul style="list-style-type: none"> <li>• Installment Option</li> <li>• Life Income – Options with Guaranteed Period Certain</li> </ul> <p><u>Other Settlement Options currently available, but not listed in the contract or required</u></p> <ul style="list-style-type: none"> <li>• Interest Option</li> <li>• Joint and Survivor Life Income</li> </ul> <p>State- Variations:</p> <table border="1" data-bbox="365 1570 1339 1596"> <tr> <td>NY</td> <td></td> </tr> </table> <p>* The minimum amount that can be applied under a settlement option is the greater of \$2,000, or the amount required to provide a monthly payment of \$25.</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Ilyia Golanek, Product Actuarial Blake Cory, Product Management</p>	NY											
NY													
<p><b>Small Face Disclosures</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Small Face Amount Disclosure Requirements</b></p> <p>Small face amount disclosures are required in certain states if</p> <ol style="list-style-type: none"> <li>1) the face amount is below state specific minimums, and</li> <li>2) the cumulative premiums over the term of the contract exceed the face amount,</li> </ol> <p>State Specific Face Amount Guidelines for Small Face Amounts:</p> <table data-bbox="357 1837 690 1900"> <tr> <td>IA, NV, NC, OR, UT</td> <td>\$15,000 or less</td> </tr> <tr> <td>WV</td> <td>\$25,000 or less</td> </tr> <tr> <td>WA</td> <td>less than \$5,000</td> </tr> </table> <p>See the linked <a href="#">Small Face Amount Disclosures</a> document for additional details.</p>	IA, NV, NC, OR, UT	\$15,000 or less	WV	\$25,000 or less	WA	less than \$5,000						
IA, NV, NC, OR, UT	\$15,000 or less												
WV	\$25,000 or less												
WA	less than \$5,000												

<p><b>State Availability</b></p> <p><a href="#">Back to Top</a></p>	<p style="text-align: right;">SME: John Gabriel, Product Compliance</p> <p>The product is available for sale in the following states:</p> <p><b>STATES IN SCOPE FOR SI TERM BAND 2 IMPLEMENTATION MVF1:</b></p> <table border="1" data-bbox="321 275 722 537"> <tr><td>AL</td><td><del>GA</del></td><td>MD</td><td>NJ</td><td>SD</td></tr> <tr><td>AK</td><td>HI</td><td>MA</td><td>NM</td><td>TN</td></tr> <tr><td>AZ</td><td>ID</td><td>MI</td><td>NC</td><td>TX</td></tr> <tr><td>AR</td><td>IL</td><td>MN</td><td>ND</td><td>UT</td></tr> <tr><td>CA</td><td>IN</td><td>MS</td><td>OH</td><td><del>VT</del></td></tr> <tr><td>CO</td><td>IA</td><td>MO</td><td>OK</td><td>VA</td></tr> <tr><td>CT</td><td>KS</td><td><del>MT</del></td><td>OR</td><td>WA</td></tr> <tr><td>DE</td><td>KY</td><td>NE</td><td>PA</td><td><del>WV</del></td></tr> <tr><td>DC</td><td>LA</td><td>NV</td><td>RI</td><td>WI</td></tr> <tr><td>FL</td><td>ME</td><td>NH</td><td>SC</td><td>WY</td></tr> </table> <p><b>STATES NOT IN SCOPE FOR SI TERM BAND 2 IMPLEMENTATION MVF1:</b></p> <table border="1" data-bbox="321 594 924 621"> <tr><td>GA</td><td>MT</td><td>NY</td><td>VT</td><td>WV</td></tr> </table> <p>* In full deployment, SI Term will be sold in all 50 U.S. states (not in Puerto Rico).</p> <p style="text-align: right;">SME: Kim Steggall, Rate &amp; Forms Filing</p>	AL	<del>GA</del>	MD	NJ	SD	AK	HI	MA	NM	TN	AZ	ID	MI	NC	TX	AR	IL	MN	ND	UT	CA	IN	MS	OH	<del>VT</del>	CO	IA	MO	OK	VA	CT	KS	<del>MT</del>	OR	WA	DE	KY	NE	PA	<del>WV</del>	DC	LA	NV	RI	WI	FL	ME	NH	SC	WY	GA	MT	NY	VT	WV
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CO	IA	MO	OK	VA																																																				
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FL	ME	NH	SC	WY																																																				
GA	MT	NY	VT	WV																																																				
<p><b>Surrender Proceeds</b></p> <p><a href="#">Back to Top</a></p>	<p>N/A</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Ilyia Golanek, Product Actuarial</p>																																																							
<p><b>Tax/Regulatory Information</b></p> <p><a href="#">Back to Top</a></p>	<p>§7702: Definition of Life Insurance: Cash Value Accumulation Test (CVAT) The life insurance design is using the CVAT qualifying test. The cash surrender value of the contract may not at any time exceed the net single premium that would have to be paid at that time to fund the future benefits under the contract assuming the contract doesn't mature before the insured reaches attained age as defined in the terms of the policy.</p> <p>§7702A: 7-Pay Testing will not be done due to the lack of cash value on this contract.</p> <p><b>Basis for Tax Definitions:</b></p> <table border="1" data-bbox="321 1014 1203 1119"> <tr><td>Mortality Table:</td><td>2017 CSO, Age Last Birthday, Gender Distinct, Smoker Distinct, Ultimate</td></tr> <tr><td>Deemed Maturity</td><td>Age 100</td></tr> <tr><td>Interest Rate:</td><td>4.5% = Maximum of 4% or highest guaranteed rate in the contract</td></tr> <tr><td>Method:</td><td>Discounted Semi-Continuous</td></tr> <tr><td>Expense Allowance:</td><td>NA</td></tr> </table> <p>§101(a) provides for death benefit exclusion gross income whether in single sum or other method</p> <ul style="list-style-type: none"> <li>• Does not include amounts paid as interest on the proceeds under an agreement to pay interest. The interest is includible in gross income             <ul style="list-style-type: none"> <li>◦ Contractual interest is subject to information reporting under §6049</li> <li>◦ Reporting is subject to \$10 threshold on Form 1099-INT</li> </ul> </li> </ul> <p>Settlement Options on Death Death proceeds held on deposit under an agreement the interest paid is considered contractual interest subject to information reporting under §6049 and subject to the \$10 threshold on Form 1099-INT</p> <p>Amounts held by the Us with respect to any beneficiary will be prorated over the period to which payments will be made (§101(d)). The interest element of any installment settlement option that exceeds the prorated amount is includible in gross income and subject to information reporting on Form 1099-R.</p> <p>§1.101-4 sets forth the computational rules for settlement options</p> <ul style="list-style-type: none"> <li>• Proration method on installment payments for life death claim proceeds</li> <li>• Proration methods may vary by the settlement option selected refer to the terms of the contract and tax calculations set forth in 1.101-4(d)(3) and (g)</li> <li>• Surviving Spouse (§ 101(d)) exclusion applies to the extent that the total payments made in excess of the determined under the proration method do not exceed \$1000.00 in a taxable may be excluded from the gross income of the surviving spouse. This exclusion is not applicable to amounts that are not prorated.</li> </ul> <p style="text-align: right;">SME: Colleen Phalen, Corporate Tax Ilyia Golanek, TruStage Actuarial</p>	Mortality Table:	2017 CSO, Age Last Birthday, Gender Distinct, Smoker Distinct, Ultimate	Deemed Maturity	Age 100	Interest Rate:	4.5% = Maximum of 4% or highest guaranteed rate in the contract	Method:	Discounted Semi-Continuous	Expense Allowance:	NA																																													
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<p><b>Temporary Insurance Agreement (TIA)</b></p> <p><a href="#">Back to Top</a></p>	<p>Not available</p> <p style="text-align: right;">SME: Lori Lown, Underwriting</p>																																																							
<p><b>Termination / Maturity</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Coverage will end on the earliest of:</b></p> <ol style="list-style-type: none"> <li>1. The date of the insured's death;</li> <li>2. The date we receive the owner's request to terminate the policy;</li> <li>3. The date the premium grace period ends without a premium payment; or</li> <li>4. The policy anniversary on or next following the insured's 80th birthday</li> </ol> <p style="text-align: right;">SME: Les Haskin, Service Administration Blake Cory, Product Management</p>																																																							
<p><b>Tobacco Usage</b></p>	<p>Tobacco &amp; Non-Tobacco Rates will be available.</p>																																																							

<p><a href="#">Back to Top</a></p> <p><b>Underwriting Criteria</b></p> <p><a href="#">Back to Top</a></p>	<p style="text-align: right;">SME: Lori Lown, Underwriting Ilyia Golanek, Product Actuarial</p> <p><b>Underwriting Criteria and Requirements</b></p> <table border="1"> <tr><td>Classes:</td><td>Standard Non Tobacco, Standard Tobacco,</td></tr> <tr><td>MIB:</td><td>No</td></tr> <tr><td>Rx Database:</td><td>Yes all amounts</td></tr> <tr><td>Medical Questions on Application:</td><td>Yes all amounts</td></tr> <tr><td>Citizenship or Permanent Resident Question on Application</td><td>Yes all amounts</td></tr> <tr><td>Driving &amp; Criminal History Question on Application</td><td>Yes all amounts</td></tr> <tr><td>MVR:</td><td>No</td></tr> <tr><td>Prior Insurance Search:</td><td>Yes, Prior Coverage Search</td></tr> <tr><td>True Risk Life</td><td>TBD</td></tr> <tr><td>Substandard and Tentative Offers:</td><td>No</td></tr> <tr><td>    Flat Extra:</td><td>No</td></tr> <tr><td>    Table Rating:</td><td>No</td></tr> <tr><td>    Tables Applicable:</td><td>N/A</td></tr> <tr><td>    Tentative Offers:</td><td>No</td></tr> </table> <p><b>Reply By Date</b></p> <ul style="list-style-type: none"> <li>Six weeks from the initial mail date and 4 weeks from the follow-up mail date.</li> </ul> <p><b>Other Requirements</b></p> <p>No other requirements will be used in the underwriting decision. We will not order PHI, APS, exam with labs, or criminal activity search.</p> <p><b>Risk Classifications</b></p> <p>This product is issued with standard rates tobacco and standard non-tobacco.</p> <p><b>Reinsurance</b></p> <p>There will be no reinsurance for this product.</p> <p style="text-align: right;">SME: Lori Lown, Underwriting</p>	Classes:	Standard Non Tobacco, Standard Tobacco,	MIB:	No	Rx Database:	Yes all amounts	Medical Questions on Application:	Yes all amounts	Citizenship or Permanent Resident Question on Application	Yes all amounts	Driving & Criminal History Question on Application	Yes all amounts	MVR:	No	Prior Insurance Search:	Yes, Prior Coverage Search	True Risk Life	TBD	Substandard and Tentative Offers:	No	Flat Extra:	No	Table Rating:	No	Tables Applicable:	N/A	Tentative Offers:	No
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Flat Extra:	No																												
Table Rating:	No																												
Tables Applicable:	N/A																												
Tentative Offers:	No																												
<p><b>Upgrades</b></p> <p><a href="#">Back to Top</a></p>	<p><b>Post - Issue Upgrade:</b></p> <p>After the issuance of the policy, an insured may be eligible to increase their coverage within 30 days of their effective date. If an insured chooses to take advantage of the upgrade offer, a benefit change is processed on the base benefit of the policy. This generates a confirmation letter to the insured that includes a Coverage Change Endorsement which should be put with their policy documents.</p> <p style="text-align: center;">Maximum LAU (Life Applicant Upgrade) amounts are as follows:</p> <ul style="list-style-type: none"> <li>TBD</li> </ul> <p><u>State Variations and Exceptions</u> None</p> <p style="text-align: right;">SME: Lori Lown, Underwriting Blake Cory, Product Management Amy Timmins, Commercialization</p>																												
<p><b>Voice Signature (VS)</b></p> <p><a href="#">Back to Top</a></p>	<p>The policy can be applied for through the call center using a voice signature. The voice signature will also apply to riders that are applied for at the same time the base plan is applied for. Voice signature is not available for adding riders after the base policy has been issued.</p> <p><u>State Variations and Exceptions</u></p> <table border="1"> <tr> <td style="text-align: center;">CT</td> <td>Requires applicant review completed application prior to signing application. See Consumer Sales documentation for additional restrictions if any.</td> </tr> </table> <p style="text-align: right;">SME: John Gabriel, Product Compliance Kim Steggall, Rates and Forms Filing Frank Cain, Consumer Sales</p>	CT	Requires applicant review completed application prior to signing application. See Consumer Sales documentation for additional restrictions if any.																										
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<p><b>Web</b></p> <p><a href="#">Back to Top</a></p>	<p>TruStage.com will contain the following:</p> <ul style="list-style-type: none"> <li>Product information</li> <li>Quote Tools</li> <li>Fully functional online application process</li> </ul> <p>Servicing functionality includes processes currently available via Digital Service on TruStage.com</p> <p>There is no information on Members Products Website (MPW) or Life Portraits</p> <p style="text-align: right;">SME: Kreshnik Rushiti, E-commerce Carrie Lory, Commercialization Blake Cory, Product Management</p>																												

**Appendix**

**Appendix 1: Premium Calculation and Sample Rates**

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**SIT2 Product Spec Premium Rate Tables**

Annual Premium Rate Per \$1000 Face (Excl Policy Fee)				
Age	M NT	F NT	M T	F T
18-24	3.336	1.860	3.804	1.980
25-29	3.372	1.884	4.524	2.520
30-34	3.384	2.424	4.668	3.408
35-39	3.672	2.988	5.160	4.188

<b>40-44</b>	5.520	3.600	7.320	4.800
<b>45-49</b>	7.248	4.692	10.020	6.600
<b>50-54</b>	10.452	6.960	13.512	8.964
<b>55-59</b>	14.904	10.380	20.376	13.716
<b>60-64</b>	24.684	15.852	32.160	20.604
<b>65-69</b>	38.820	24.480	48.096	30.372
<b>70-74</b>	70.704	43.116	77.652	45.996
<b>75-79</b>	127.560	82.680	139.620	89.184

T = Tobacco  
 NT = Non-Tobacco

<b>Example: M NT Age 52, \$151K Face</b>	
Rate per 1000 =	10.452
Face (thousands) = <u>151</u>	<u>151</u>
Premium Before Fee	1578.252
Policy Fee	60
Annual Premium	1638.252
Round to 2 decimals	<b>1638.25</b>

SME: Ilyia Golanek, Product Actuarial

**Appendix 2 – LifePRO and General Ledger Account Information**

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	<b>LifePro Account</b>	<b>General Ledger Account</b>
First Year Premium	51-411114	400401
Renewal Premium	51-411214	400601
Death Claim	51-511096	701000
Death Claim Interest	51-821121	775000
ABO Benefit	51-511164	707600
ABO Misc Interest	51-761124	463800
ABO Admin Fee	51-761147	461450
ADB Rider Claim	51-511345	706100

SME: Lisa Herfel, Corp. Accounting

**Appendix 3 – Validation Tools**

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**Values Calculators**  
[Link to SIT Band 2 Validation Tool](#)

SME: Ilyia Golanek, Product Actuarial

**Version History:**

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Version #	Revision Date	Approved By	Summary of Changes
1.2	6/20/17	Blake Cory	<ul style="list-style-type: none"> <li>Moved to Product Library</li> </ul>
1.3	8/28/17	Blake Cory	<ul style="list-style-type: none"> <li>Updated State Availability for MVF 1</li> <li>Updated billing methods</li> <li>Added Validation Tool link to Appendix 3</li> </ul>