

# Universal Life Insurance

Central Valley Ag Cooperative

Training Date: November 16, 2018

*For Agent Use Only –  
Property Of Trustmark Insurance Company*



# Plan Features

- Universal Life Insurance plans have flexible permanent coverage with portable death protection and cash value accumulation
- Employees can adjust their death benefit, cash value and premiums as needs change, take policy loans and access living benefits for long term care

# Plan Features

For Universal LifeEvents and Universal Life:

- Fully portable coverage with no change in rates or benefits
- Current interest rate is 3%
- Guaranteed minimum interest rate is based on 3%

# Plan Features

Issued Universal Life plans available as:

Plan	Universal LifeEvents	Universal Life	Guaranteed Universal Life
Employee Issue Ages	18 – 64	65 – 75	76 – 80 paper applications only
Spouse Issue Ages	18 – 64	65 – 70	Not Available
Child Issue Ages	Not Available	*Birth – 22 may vary by state	Not Available
Grandchild Issue Ages	Not Available	*Birth – 18 may vary by state	Not Available
Child/Grandchild Birth	Not Available	* The day after release from the hospital following birth through maximum issue age listed above	Not Available

*Employee applicants age 76 to 80 may apply for Guaranteed Universal Life Plan.*

# Plan Features

Employee does not have to participate to enroll:

- Spouse in Universal LifeEvents or
  - Spouse in Universal Life
    - If spouse applicant is age 65 or older
  - Children or grandchildren in Universal Life
- 
- The spouse amount may exceed employee coverage amount



# Universal LifeEvents

Uniquely designed to match the needs of employees as they go through life

- **The LifeEvents Advantage:**
- For the same premium, it pays a higher death benefit during working years and continues higher living benefits during retirement years compared to traditional universal life

# Universal LifeEvents

During working years, financial needs may include:

- Child day care
- School supplies and fees
- Meals for a larger family
- Mortgage payments
- College tuition
- Many other family obligations
- A higher death benefit is needed to provide the family with maximum protection

# Universal LifeEvents in action

Example: 35 year old, \$8/week premium, non-smoker

**SAMPLE ONLY**

**LifeEvents®**

**Universal Life**

**Face Amount**

\$54,612

\$34,799

---

**Before Age 70**

**Death Benefit**

**\$54,612**

**\$34,799**

LTC Benefit

\$54,612

\$34,799

---

**Age 70+**

**LTC Benefit**

**\$54,612**

**\$34,799**

Death Benefit<sup>1</sup>

\$18,204

\$34,799

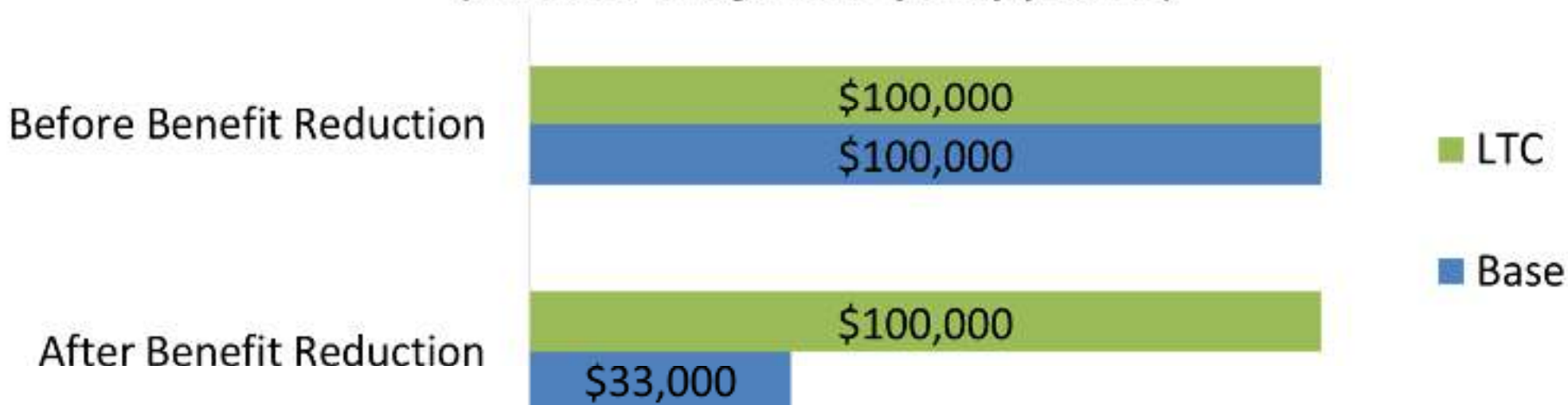
<sup>1</sup>Death benefit reduces to one-third at the latter of age 70 or the 15<sup>th</sup> policy anniversary. Issue age is 64 and under.

**You care. We listen.**



# Universal LifeEvents in action

## Death Benefit Reduces To 1/3 (The later of age 70 or policy year 15)



- At the same time, your living benefits continue at the full original level so you have maximum protection when you are more likely to need long term care
- Issue ages 56 to 64: The 1/3 reduction will be the 15<sup>th</sup> policy anniversary

# Accelerated Death Benefit

ABR

## Accelerated Death Benefit (Terminal Illness)

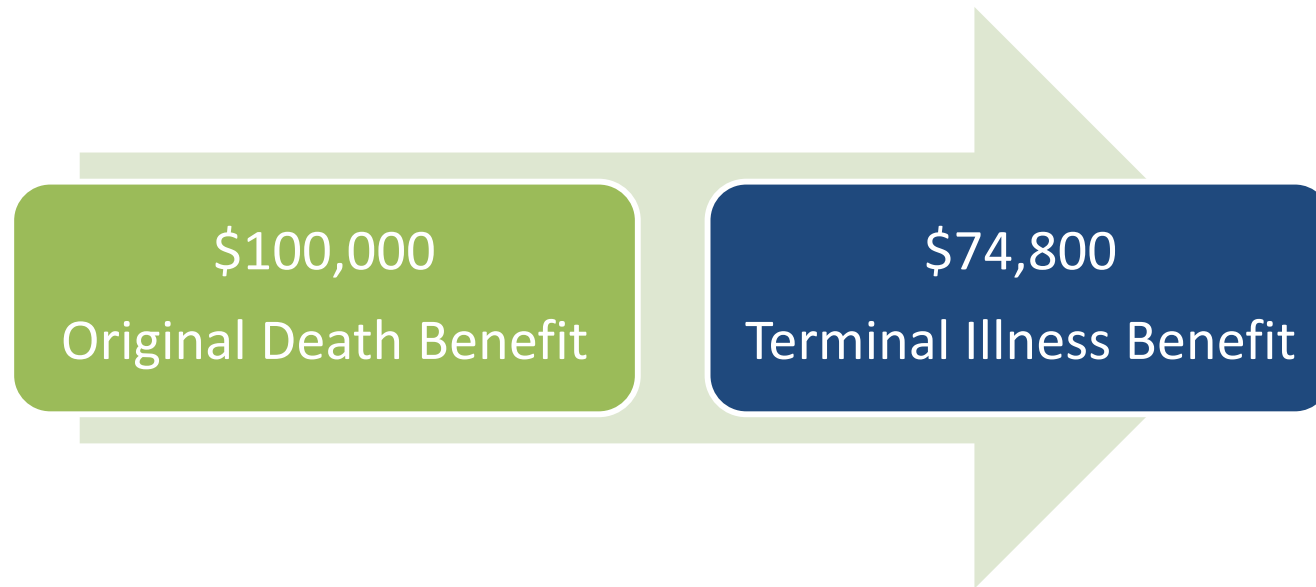
- Accelerates a one-time payment up to 75% of death benefit when life expectancy is 24 months or less, as compared to 50% with six or 12 month limitations, commonly seen in the industry
- No cost until benefit payment is requested
- One time \$200 fee in most states
- Future premiums will be waived for the 24 months during which death is expected to occur

# Accelerated Death Benefit

ABR

## Accelerated Death Benefit (Terminal Illness)

- Limited to a maximum of 75% of the Available Death Benefit not to exceed \$300,000 less an administrative fee of \$200



# Long Term Care Benefit

LTC

## Long Term Care Benefit

Provides a monthly benefit equal to 4% of the base policy for up to 25 months for medically necessary ADL assistance provided by:

- Nursing home
- Adult day care
- Licensed home health care provider
- Assisted living facility

PREMIUM (35-YR-OLD)	
25¢ DAILY For LTC	
FEATURE	BENEFIT
LTC rider pays \$4,000 per month for 25 months	\$100,000
Total potential policy value	\$100,000

Maximum issue age is 70, Maximum issue age is 64 for Universal Life Events

# Long Term Care Benefit

LTC

## Long Term Care Benefit

- Triggered by 2 of 6 Activities of Daily Living:



- Or cognitive impairment (such as Alzheimer's or other nervous/mental disorder caused by clinically organic disease)
- Without the Benefit Restoration Rider in place, benefits are paid as an acceleration and proportionately reduce the death benefit

# Long Term Care Benefit

LTC

## Long Term Care Benefit

### Waiting period

- Benefits begin after the insured has been confined in a long term care facility or assisted living facility or received home health care or adult day care services for 90 days (premium waived after 90 days from the inception of a long term care benefit)

# Long Term Care Benefit

LTC

## Long Term Care Benefit

### Pre-existing conditions

- No benefits will be paid for any benefit period that results from a pre-existing condition that starts during the first 6 months after the effective date of this rider
- A pre-existing condition means the existence of symptoms which would cause an ordinarily prudent person to seek diagnosis, care or treatment or a condition of the insured for which medical advice or treatment was recommended by, or received from a provider of health care services, within six months immediately before the rider effective date



# Extension Of Benefits

EOB

## Extension Of Benefits

Extends benefits under the LTC Rider

- When the insured is still eligible for benefits after completing the full acceleration of the original benefit
- Benefits will be extended up to the amount of the original LTC available

PREMIUM (35-YR-OLD)	
25¢ DAILY For LTC	
2¢ DAILY For Extension	
FEATURE	BENEFIT
LTC rider pays \$4,000 per month for 25 months	\$100,000
Extension of LTC – an additional 25 months	\$100,000
Total potential policy value	\$200,000

Maximum issue age is 70, Maximum issue age is 64 for Universal Life Events



# Death Benefit Restoration

BRR

## Death Benefit Restoration

Restores the death benefit that is reduced to pay for LTC

PREMIUM (35-YR-OLD)	
25¢ DAILY For LTC	
14¢ DAILY For Restoration	
FEATURE	BENEFIT
LTC rider pays \$4,000 per month for 25 months	\$100,000
Death benefit restoration rider	\$100,000
Total potential policy value	\$200,000

Maximum issue age is 70, Maximum issue age is 64 for Universal Life Events

You care. We listen.

# Extension Of Benefits & Death Benefit Restoration **BXR**

## Extension of Benefits & Death Benefit Restoration

While benefits are extended:

- The monthly cost of insurance and administrative charges for the restored certificate and any riders still in-force will be waived by this rider

After extended benefits end:

- The premium must be paid for the restricted certificate. Restricted applies to the base policy and the remaining riders that are still in force if any

PREMIUM (35-YR-OLD)	
25¢ DAILY For LTC	
2¢ DAILY For Extension	
14¢ DAILY For Restoration	
FEATURE	BENEFIT
LTC rider pays \$4,000 per month for 25 months	\$100,000
Extension of LTC – an additional 25 months	\$100,000
Death benefit restoration rider	\$100,000
Total potential policy value	\$300,000

Maximum issue age is 70, Maximum issue age is 64 for Universal Life Events

# How Living Benefits add up

**BXR**

Example: \$100,000 Death Benefit	Maximum Benefit Amount	
	UL & LE Before Age 70:	LE Age 70+:
<p><b>Long-Term Care Benefit (LTC)</b> Pays a monthly benefit equal to 4 percent of your death benefit for up to 25 months. The LTC benefit accelerates the death benefit and proportionately reduces it.</p>	<b>\$100,000</b>	<b>\$100,000</b>
<p><b>Benefit Restoration</b> Restores the death benefit* that is reduced to pay for LTC, so your family receives the full death benefit amount when they need it most.</p>	<b>\$100,000</b>	<b>\$33,000</b>
<p><b>Extension of LTC</b> Extends the LTC benefit up to an additional 25 months.</p>	<b>\$100,000</b>	<b>\$100,000</b>
<p><b>Total Maximum Benefit</b> Living Benefits can triple the value of your life insurance.</p>	<b>\$300,000</b>	<b>\$233,000</b>

\*Death benefit reduces to one-third at the latter of age 70 or the 15<sup>th</sup> policy anniversary. Issue age is 64 and under.

**You care. We listen.**

# Coverage Date

Coverage is effective on the date of the application, subject to elimination and/or waiting periods if any, provided the applicant has met the following criteria:

- Has executed a payroll deduction authorization form
- Meets the employment eligibility and underwriting criteria

# Rates

- Rates are determined by:
  - Age on effective date
  - Smoking status
  - Smoking status is determined by cigarette smoking within the prior 12 months
- If we determine the person smoked cigarettes within the 12 months prior to the application, the coverage is rescinded
- Trustmark does not consider the exclusive use of electronic cigarettes (or e-cigarettes) within the prior 12 months as a “YES” to smoking status

# Employee Eligibility

## Central Valley Ag Cooperative

Full-Time Employees	Part-Time Employees	Eligibility Issue Ages
Employees who are actively at work on the application date	Not Eligible	Must live within the USA
Average 30+ hours per week	Not Eligible	Ages 18 through 64 years for Universal LifeEvents
<b>ELIGIBILITY &amp; ENROLLMENT CONDITIONS:</b> <i>See Underwriting Offer - <a href="#">Click Here</a></i>		Ages 65 through 75 years for Universal Life

# Spouse Eligibility

The spouse must live within the USA

- Issue ages 18 through 64 years for Universal LifeEvents
- Issue ages 65 through 70 years for Universal Life

Includes a “qualified partner” as defined by the employer:

[Central Valley Ag Cooperative](#)

- Trustmark will use the definition of an eligible/covered spouse that is provided to us via the employer rules
- No additional documentation will be required at time of application

# Spouse Eligibility

## Spouse Eligibility Requirements

- A completed Acknowledgment and Authorization form for every spouse is required when the face amount applied for is
  - Over the maximum MGI underwriting offer amount and
  - Also over \$50,000
- Use the pre-paid return self-mailer form [#I573-NWB-387 R1111](#) to facilitate spouse signature responses directly to the New Business processing department
  - the application will be held until this form is received



# Child Eligibility

## CHILD INDIVIDUAL UL PLAN

### Eligibility requirements for employee's children:

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>• Must live within the USA</li><li>• Unmarried</li><li>• Natural children</li><li>• Adopted child</li><li>• Stepchild</li><li>• Court appointed legal guardianship</li></ul> | <ul style="list-style-type: none"><li>• Issue age is the day after they are released from the hospital following birth through maximum issue age:<ul style="list-style-type: none"><li>• 22 for <b>Child Individual UL Plan</b></li></ul></li></ul> |
|  | <ul style="list-style-type: none"><li>• see next slide for children age 19 through the maximum issue age(s) listed above</li></ul>  |

# Child Eligibility

## CHILD INDIVIDUAL UL PLAN

- Every eligible child age 19 through maximum issue age (listed on previous slide) must also be:
  - A full time student and
  - Dependent on the employee for support and maintenance

# Grandchild Eligibility

## CHILD INDIVIDUAL UL PLAN

### Eligibility requirements for employee's children:

- Must live within the USA
- Unmarried
- Issue age is the day after they are released from the hospital following birth through maximum issue age:
- 18 for **Child Individual UL Plan**

If the employee has legal guardianship of a grandchild, please see **Child Eligibility** slides.

Grandchildren are eligible for the **Child Individual UL Plan** without legal guardianship.

# Child & Grandchild Eligibility

- Eligibility of children & grandchildren
- Individual child and grandchild policy/certificates
- Uni-smoker rates
- The face amount is determined by the child's issue age
- Grandchild underwriting is always simplified issue
- Upon reaching independence, ownership can be changed to the insured (child)

# Ownership of Coverage

- For employee, spouse, child and grandchild plans the owner of the coverage is the employee
- By policy provision, if the owner dies during the lifetime of the insured, the insured becomes owner of the plan

# Replacement of Coverage

- Life Replacements are NOT ALLOWED
- Long Term Care (LTC) Replacements are NOT ALLOWED

# Underwriting

Click here for  
UNDERWRITING OFFER  
applicable to this enrollment  
(not available for e-mailed/printed  
enroller training manuals)



Click Here To  
Return To  
Presentation Quick Links

**You care. We listen.**

# GI Underwriting

## GI: GUARANTEED ISSUE

- **GI with MGI questions NOT asked: See underwriting offer**
- Applicants do not need to answer the Modified Guaranteed Issue (MGI) questions for Guaranteed Issue (GI) applications
  - **MGI questions will not be asked**
  - Review underwriting offer specifics for:  
Central Valley Ag Cooperative
    - Not all riders are always included in GI
    - If GI requirements not met, applications may be pended for MGI questions
    - GI is not applicable if age 65 or over on the effective date, please refer to the underwriting offer to determine GI eligibility for all other applicants



# GI Underwriting

## GI: GUARANTEED ISSUE

- *Trustmark offers the waived participation GI underwriting offer with the expectation that when the above conditions are met, the employee participation will exceed 20%.*
- *If the requirements outlined in the proposal are met, including the percentage of employees seen requirement and final employee participation is less than 20%, all eligible employees ages 18 to 64 who apply for coverage will be issued at least the GI amount.*

# MGI Underwriting

## MGI: MODIFIED GUARANTEED ISSUE

- Modified Guaranteed Issue (MGI) is the preferred issue status for all UL applications
- There are only two underwriting questions that need to be asked
- A 6-month disability and doctor's visit question and
- An AIDS question

# SI Underwriting

## SI: SIMPLIFIED ISSUE

- Simplified Issued (SI) involves extensive underwriting questions to the insured
- There are three additional questions along with the two MGI questions
  - Major medical conditions in the last 5 years – chest pains, cancer, heart attack, etc.
  - Counseling or treatment for drugs and alcohol in the past 10 years
  - Has the insured seen a doctor in the past 12 months
  - We also request the height and weight of the insured

# Underwriting Questions On Applications

[Click Here To  
Return To  
Presentation Quick Links](#)

**You care. We listen.**

# MGI Underwriting

## MGI: MODIFIED GUARANTEED ISSUE APPLICATIONS

- MGI underwriting for any applicant for an individual plan or benefit rider coverage is based upon the answers to two “gatekeeper” medical questions:
  - 1) Is any person to be insured now disabled, been seen by a physician or been treated in a medical facility, including a doctor's office, within the last six months for illness or disease (other than flu, colds)?

# MGI Underwriting

## MGI: MODIFIED GUARANTEED ISSUE APPLICATIONS

### Note for question #1:

- If there has been a 'routine checkup' in the past 6 months then "NO" would be a correct answer
- But if someone has a checkup for follow up of an underlying medical condition (Example: high blood pressure, previous cancer diagnosis, diabetes, medicine control or review, etc.) then the answer must be "YES" and the simplified issue questions completed with details for underwriting

# MGI Underwriting

## MGI: MODIFIED GUARANTEED ISSUE APPLICATIONS

- If the reason for a “YES” answer to the medical question is solely based on one of the following medical conditions, then the question should be answered “NO”

- Acne
- Allergic Rhinitis
- Appendectomy
- Athletes Foot
- Boil
- Bunionectomy
- Bursitis
- Carbuncle
- Carpal Tunnel Syndrome
- Chicken Pox
- Conjunctivitis
- Contact Dermatitis
- Corneal Abrasion
- Eczema
- Food Poison
- Hay Fever
- Heel Spurs
- Hemorrhoidectomy
- Hernia Repair (Inguinal)
- Measles
- Mumps
- Myositis
- Normal Pregnancy
- Pink Eye
- Poison Ivy
- Ringworm
- Sebaceous Cyst
- Sinusitis
- Tendinitis
- Tonsillectomy
- Tubes in Ear
- Tubal Ligation
- Vasectomy
- Wisdom Teeth Extraction

# MGI Underwriting

## MGI: MODIFIED GUARANTEED ISSUE APPLICATIONS

- 2) Has any person to be insured been treated for, or diagnosed by a member of the medical profession as having acquired immune deficiency syndrome (AIDS) or tested positive on an AIDS or HIV test?
- A 'YES' for either of the two gatekeeper questions requires that the three additional simplified issue medical questions also be completed



# SI Underwriting

## SI: SIMPLIFIED ISSUE APPLICATIONS

**SI underwriting** requires that the proposed insured provide answers to **three** additional questions:

- Major health impairments in the last 5 years
- Any history of drug or alcohol treatment (within last 10 years)
- Specify reason for seeing medical practitioner in past 12 months (other than routine physical) a medical examination will not be required