Life Insurance Company
of the Southwest

member of
National Life
Group®

SecurePlus Paragon

Indexed Universal Life

Marketing Guide

63933 MK3179(0709) TC48285(0709)

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Expect more from Life

SecurePlus Paragon

- designed to complement the existing LSW indexed product portfolio
- a potential solution for the most competitive personal sales situations
- has the flexibility to meet many demanding business case scenarios
- for producers and their clients who expect more from life

Table of Contents

SecurePlus Paragon

SecurePlus Paragon, the latest addition to the Life Insurance Company of the Southwest (LSW) Indexed Product Portfolio.

SecurePlus Paragon offers...

- A flexible premium universal life policy with an indexed interest crediting feature
- Highly competitive lifetime rolling Target Premiums
- Five interest crediting strategies with the choice of a fixed interest strategy and four index strategies
- For business planning sales, the option for high early cash values through the Balance Sheet Benefit Rider
- Death Benefit Blending Options for lower premium outlay through the Additional Protection Benefit Rider
- 1035 Exchanges with loans
- No-additional-cost Accelerated Benefit Riders
- Ten year surrender charge schedule
- Variable and Fixed Loan Options with the Overloan Protection Rider
- Full customization with available riders
- Available in Pension and Profit Sharing plans[1]

Riders are optional and may be available at additional cost. Riders may not be available in all states. Payment of Accelerated Benefits will reduce the Cash Value and Death Benefit otherwise payable under the policy and may result in a taxable event.

1 LSW products are available in all Pension Plans except 412(e)(3).

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SecurePlus Paragon

Features & Benefits

Features	Benefits
Five Interest Crediting Strategies:	
SecurePlus Paragon offers five choices of interest crediting options: • One Fixed Interest crediting strategy • Four Index Crediting strategies based on the changes in the S&P 500® Index.	Your clients can select one or multiple index strategies. Regardless of how they feel the Index will move, they can select strategies that they think will work best for them.
Overloan Protection Rider:	
This rider helps prevent your client's policy from lapsing in situations where loan balances threaten the contract's ability to stay in force. Substantial limitations apply to exercising the Overloan Protection Rider, including that the policy be in force at least 15 years and the insured having attained the age of 75,	Policy loans[2] from SecurePlus Paragon are generally received income-tax free. If the policy lapses, with outstanding policy loans, there could be taxable income to the policyholder. In the event loan balances threaten the contract's ability to stay in force, and if the terms of the rider are met, the Overloan Protection Rider will restructure the policy so that it is guaranteed not to lapse.
Additional Protection Benefit Rider (APB):	
APB may increase the total death benefit and cash value without significantly increasing the cost.	The APB rider provides additional permanent coverage on the primary insured at a cost that is generally lower than the cost of the base coverage.
Balance Sheet Benefit Rider:	
This rider provides early duration enhanced policy surrender values which increase the policy's collateral value for business accounting as surrender charges may reduce the policy's cash value in early years.	This rider was designed for use in business planning cases. When funding an employee benefit program, this rider may help where there is a need for higher cash surrender value in the early policy years.
Guarantees:[3]	
A guaranteed minimum interest rate of 2.5%.	Clients can be assured that regardless of the changes in the S&P 500® index, policy values, at death or full surrender will reflect a guaranteed accumulated value calculated at 2.5%.[4]

2 Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Except in the case of a Modified Endowment Contract (MEC), withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. For MECs, contract loans and withdrawals are considered taxable income.

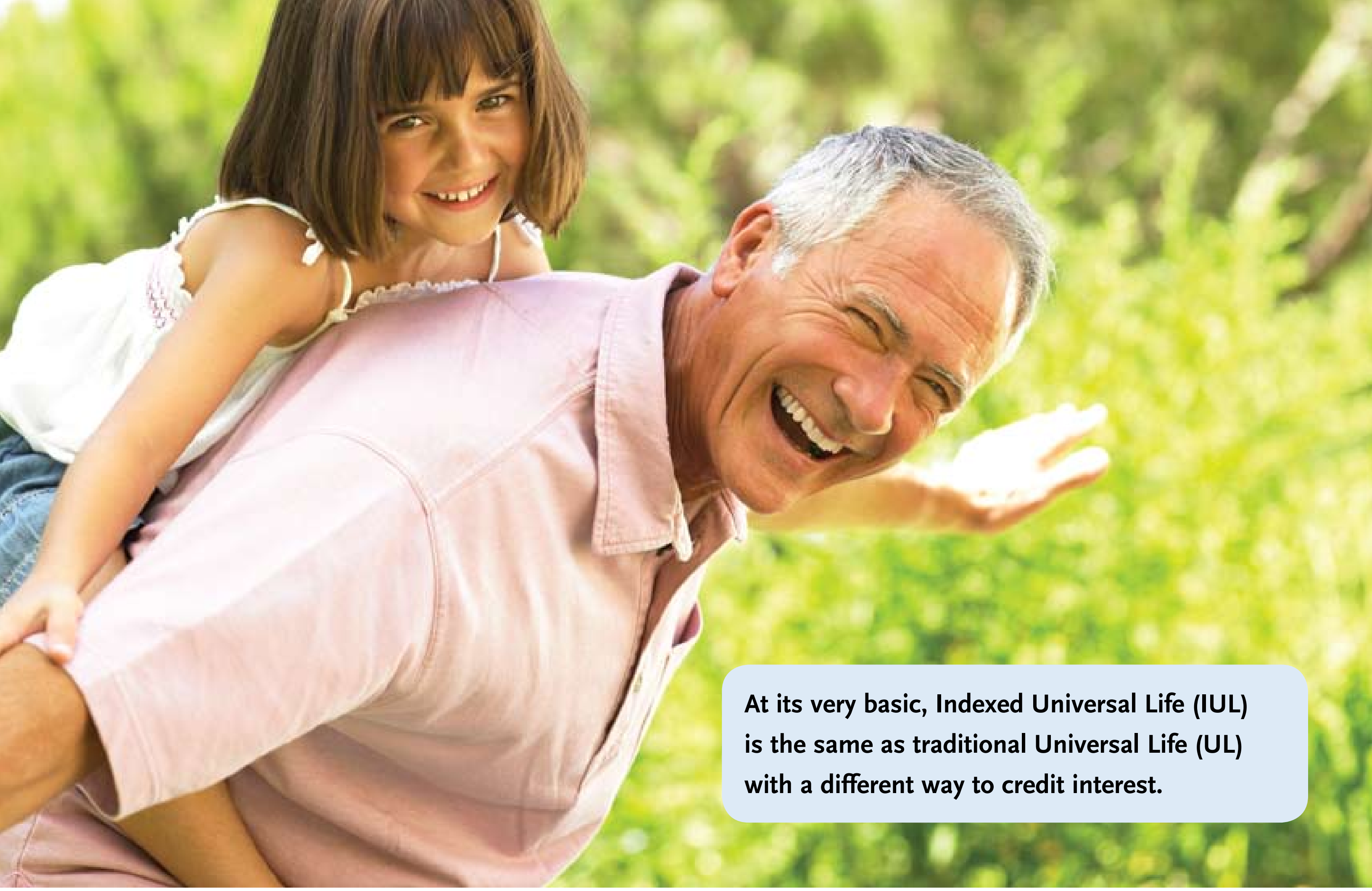
3 Guarantees are dependent upon the claims-paying ability of the issuing company.

4 Minus any applicable surrender charges.

Product at a Glance

Issue ages:	0–85 (age nearest birthday)
Minimum Face Amount:	$100,000 (Base Face Amount plus APB Face Amount)
Pension Minimum Face Amount:	Standard Initial: $5,000 ($25,000 in WA) Preferred Initial: $25,000
Minimum APB Face Amount:	$25,000
Maximum APB Face Amount:	Nine times base face amount
Maximum Face Amount:	Amounts greater than $3,000,000 subject to prior approval
Rate Classes:	Elite Preferred Non-Tobacco User (issue ages 20–75) Preferred Non-Tobacco User (issue ages 20–85) Standard Non-Tobacco User (issue ages 0–85) Preferred Tobacco User (issue ages 20–85) Standard Tobacco User (issue ages 20–85) Standard Non-Tobacco User will be used for insureds ages 0–19
Substandard:	Table ratings and flat extras are available with Standard Non-Tobacco User and Standard Tobacco User classes. Temporary flat extras are available with any rate class.
Minimum Premium:	$25.00 / month
Surrender Schedule:	10 year charge schedule
Expense Charges:	Based on age, sex, rate class, and face amount Policy fee: $5 per month Premium load: 6% of premium
Policy Loans:	Available after the first policy year, both variable and fixed
Withdrawals:	Available after the first policy year
1035 Exchanges with Loans:	Available loan balances can account for up to 50% of the gross transferred amount
Riders available (where approved):	Accelerated Benefits Riders (Terminal, Chronic, and Critical Illness) Accidental Death Benefit Rider Additional Protection Benefit Rider Balance Sheet Benefit Rider Children's Term Rider[5] Disability Income Rider (2-year and 5-year)[5] Enhanced Policy Protection Period Rider[5] Extension of Benefits Rider[5] Guaranteed Insurability Rider[5] Long-Term Care Rider[5] Other Insured Rider Overloan Protection Rider[5] Qualified Plan Exchange Privilege Rider Unemployment Rider[5] Waiver of Target Premium Rider

5 Riders are not available in pension plans.



What is Indexed Universal Life?

Consider the following features shared by all universal life contracts...

Flexibility – A customer can decide how much life insurance he or she needs (subject to certain requirements and limitations). The death benefit and premium payment can also be adjusted to accommodate changing needs.

Security – Beneficiaries are protected against possible financial hardship in the event of the insured's death.

Tax-deferred account value growth – The contract's account value earns an interest crediting rate which is accumulated income tax-deferred.

Tax-free death benefit – Under current tax laws governing individual life insurance, life insurance proceeds are generally paid income tax-free to the beneficiary.

Tax-free distributions – Under current tax laws governing individual life insurance, life insurance cash values accessed via loans are generally paid income tax-free.

IUL Interest Crediting (Upside Potential)

In a traditional UL contract, interest is credited based on the performance of investments made by the insurance company (usually in high quality bonds and mortgages). In an IUL contract, the customer has this fixed interest option, as well as the option to have interest credited based on the changes in the S&P 500® Index.[6]

IUL Guarantees (Downside Protection)

Each Index Segment has a 1-year term. During that period, it is expected that the value of the S&P 500® will change, either positively or negatively. In the event that market values decline, SecurePlus Paragon has a built-in 0% interest crediting floor. This means that no matter what happens to the change in the S&P 500® values each year, policy values can never be lost due to a decline in the Index. SecurePlus Paragon provides additional downside protection with a lifetime 2.5% guaranteed interest crediting rate which will be applied in case of death or full surrender only if the policy return is less than the 2.5% guarantee.

6 The Policy does not directly participate in any stock or equity investment.

Sales Scenarios

Indexed Universal Life – Who Are Your Clients?

Specifically, customers who have a need for life insurance, and who:

- focus on cash value with the possibility of accessing policy cash values at a later date, if available;
- are willing to give up some guarantees often found in other fixed life insurance contracts for the upside interest-crediting potential and downside risk protection.

IUL has a customer risk profile that lies somewhere between a fixed UL contract and a variable UL contract. Because of this, an IUL contract is generally less volatile than a variable UL contract.

Individual Insurance Planning

Clients who are looking for death benefit protection and the accumulation of cash value to assist with education costs, and/or provide supplemental retirement income are candidates for this product. The tax-deferred accumulation of cash value and tax-favored distributions makes SecurePlus Paragon an effective vehicle to build cash value. Clients also may want to use their cash value to reduce premium payments during their retirement years and the potential for higher cash value accumulation can improve their ability to do so.

Estate Planning

Large estates can be exposed to significant settlement costs whether through gift or estate taxes, probate expense or costs to administer the estate. SecurePlus Paragon's death benefit provides liquidity to help cover these costs and protect assets that may otherwise have to be sold in less than ideal conditions.

On the following pages we highlight hypothetical "client" scenarios which explain how SecurePlus Paragon can help your clients achieve their individual and business insurance planning objectives.

Business Market

Life insurance is often the preferred choice in funding buy-sell agreements, executive bonus plans, and non-qualified deferred compensation arrangements. By providing premium flexibility, upside cash value accumulation through the indexed strategy accounts and optional benefits to help protect key employees and their families, SecurePlus Paragon is ideal for business planning situations.

Additionally, qualified plans offer a great opportunity to use tax-deductible dollars to pay life insurance premiums.

"Upside Potential with Downside Protection."

SecurePlus Paragon

Focus on **Survivor Protection**

SecurePlus Paragon can be designed as a high death benefit contract ideal for successful individuals who need a substantial amount of protection.

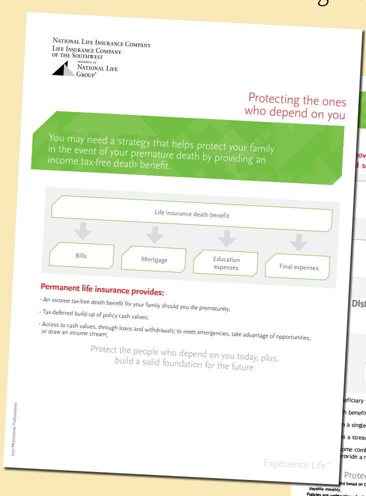
Your clients are raising families, saving for college, and planning for retirement. They also understand the need to protect their families and assets against financial loss brought on by premature death.

However, they want life insurance protection that can change as their needs change.

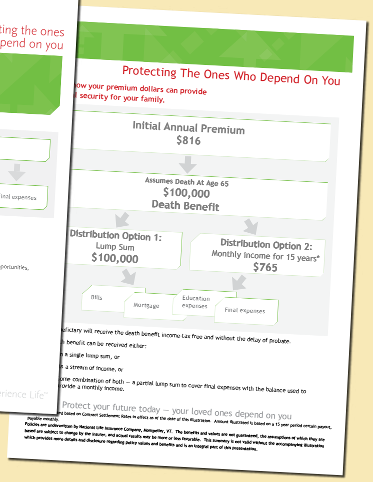
Use of the APB rider may increase the total death benefit and cash value without significantly increasing the cost.

Point of Sale Materials

Consumer flyer available for presentation on survivor needs – catalog #63731.



Sample ICS output:



SecurePlus Paragon for Survivor Protection

Death Benefit Protection

- Provide cash the family needs to pay off debt, meet monthly obligations, and maintain their lifestyle.
- Ensure that funds will be there to help pay the children's future college expenses.

Lifetime Access to Cash Values[7]

- Cash value which can be accessed to pay for unplanned expenses or to meet short term income needs.
- Supplement retirement income.
- Waiver of Target Premium Rider upon total disability.

Benefits for Chronic or Terminal Illness[8]

- Money for a terminal, chronic, or critical illness.
- Pay for costs associated with home health care, medical procedures, drug therapies and other quality of life expenditures.

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7 Policy loans and withdrawals will reduce the cash value and death benefit and may result in a taxable event. Surrender charges will reduce policy values in the early years of the contract.

8 Benefits received from exercising the Accelerated Benefits Rider may be used for any purpose and are not limited to illness-related expenses. Use of accelerated benefits will reduce the policy's cash value and death benefit.

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SecurePlus Paragon

Focus on **Cash Value Accumulation**

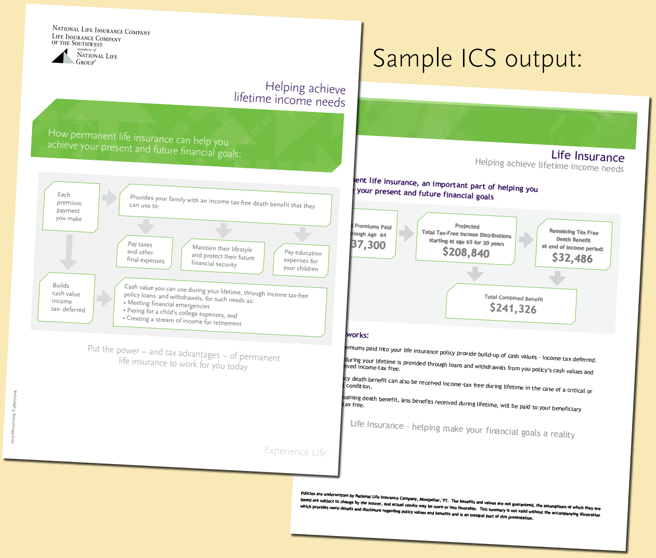
SecurePlus Paragon can also be structured as a cash value contract that can be ideal for successful individuals who need both protection and a strategy for accumulating assets on a tax-efficient basis.

Your clients may be looking for a tax-favored way to further diversify their savings. SecurePlus Paragon can be a way to ensure both death benefit protection as well as tax-efficient growth of policy cash value. Cash value that your clients can access, when they need it, on a tax-favorable basis.

Point of Sale Materials

Consumer flyer available for presentation on cash value accumulation – catalog #63733.

Sample ICS output:



Survivor Protection plus tax-efficient Cash Value accumulation

- Death Benefit Protection completes this aspect of the retirement funding in the event of premature death.
- Funding at the guideline/MEC levels will provide optimal cash value accumulation potential.
- Policy loans and withdrawals may be received income tax-free.[9]
- Choice between Fixed and Variable net cost loan options.
- Overloan Protection Rider for when loan balances threaten the contract's ability to stay in force.

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9 Policy loans and withdrawals reduce the policy's cash value and death benefits and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. For MECs, contract loans and withdrawals are considered taxable income.

SecurePlus Paragon

Focus on **Living Benefits**

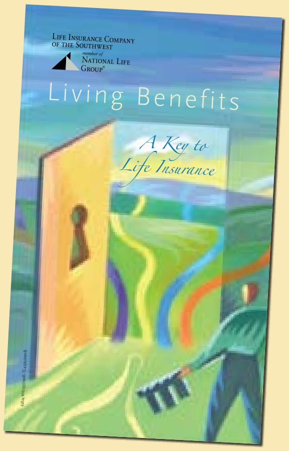
Protecting against financial loss brought on by the death of an income earner can be crucial. One of the biggest risks for financial loss is the possibility of a terminal, chronic, or critical illness.

Health insurance plans may not cover costs associated with a terminal, chronic, or critical illness.

Which explains why individuals are looking for a strategy that will not only help protect them financially against potential terminal, chronic, or critical illness, but also give them options if they never require that protection.

Point of Sale Materials

Consumer brochure available for presentation on living benefits – catalog #62824.



Did you know:

- About every 26 seconds, an American will suffer a coronary event, and about every minute someone will die from one.[10]
- On average, every 40 seconds someone in the United States has a stroke.[10]
- At age 65, the odds are nearly one in two that you will require nursing home services for at least 2.5 years.[11]

Providing for heirs and protecting assets from expenses associated with a terminal, chronic, or critical illness with:

Accelerated Benefits Rider (ABR)[12]

- Terminal
- Chronic
- Critical

Rider benefits that can provide cash for:

- Living Expenses
- Nursing Home Care
- Home Health Care
- Adult Day Care
- Medical Procedures
- Drug Therapies
- Household Expenses, and
- Quality of Life Expenditures

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10 American Heart Association, American Stroke Association, Heart Disease and Stroke Statistics, 2008 update.

11 Medicare, US Department of Health and Human Services, 2007.

12 Receipt of the Accelerated Benefits will reduce the contract's cash value and death benefit and may result in a taxable event. There is no restriction placed on the use of the benefit received.

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SecurePlus Paragon

Focus on **Wealth Transfer**

As they approach retirement, most people want to ensure that the assets they've accumulated will not only last for the rest of their lives, but upon their death, will be passed to their heirs quickly, privately, and as tax-efficiently as possible.

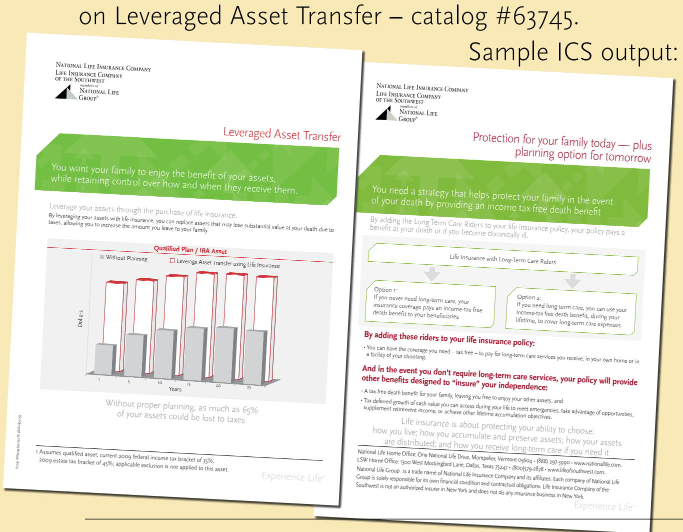
That puts clients who've accumulated sizeable retirement assets – and who don't need them to meet their ongoing living expenses – in a difficult position.

By using distributions from accumulated assets, whether qualified or non-qualified, to purchase a SecurePlus Paragon policy, clients can leverage those assets, which may lose substantial value at death due to taxes, allowing them to increase the amount they leave to their family.

Point of Sale Materials

Consumer flyer available for presentation on Leveraged Asset Transfer – catalog #63745.

Sample ICS output:



SecurePlus Paragon can provide them with similar benefits as an annuity but with the added protection of:[13]

- An income tax-free death benefit that will be substantially greater than the premium dollars used to pay for it, allowing them to provide a greater legacy to their heirs; and
- Riders that allow access to the death benefit if diagnosed with a chronic or terminal illness.[14]

Without proper planning, as much as 35%[15] of your client's assets could be lost to income taxes. SecurePlus Paragon provides an income-tax free death benefit that can leverage their assets and increase the amount they leave to their family.

13 Only an annuity guarantees the principal paid into the contract. With the life insurance policy, it could lapse from not paying the premiums.

14 Use of the Accelerated Benefits will reduce the policy's cash value and death benefit.

15 Assumes qualified asset, current 2009 federal income tax bracket of 35%. Assumes that the assets are distributed in a lump sum from a pension plan, 401(k), or IRA and that your beneficiary's taxable income exceeds $208,850 (married filing jointly). The loss could be greater if your estate exceeds $3.5 million or if your beneficiary's taxable income is significantly higher.

SecurePlus Paragon

Focus on **Key Person Protection**

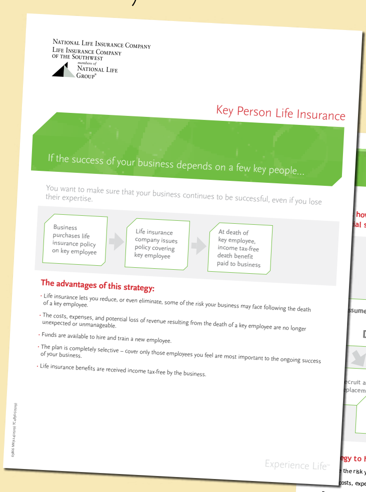
Much of a business' success depends on their key people. Whether it is a part owner or an important employee, the business must plan for the continued success in the event of the loss of their key person's expertise.

You can help your clients indemnify the financial loss their business would experience at the premature death of a key employee. Key Person insurance can be used to keep lines of credit open, train another employee for the same specialized skills and expertise, and help assure the completion of ongoing projects and initiatives.

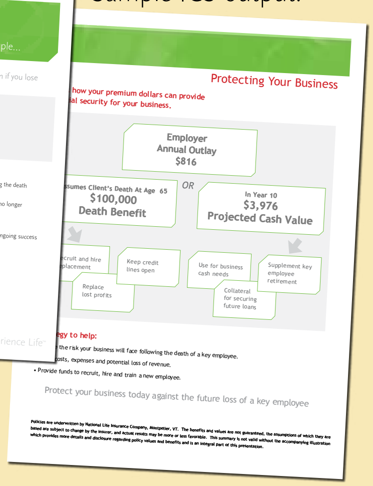
Consider the use of the Balance Sheet Benefit Rider for when the company needs to demonstrate a high ratio of Cash Surrender value for premium outlay on the company's balance sheet.

Point of Sale Materials

Consumer flyer available for presentation on Key Person Protection – catalog #63866.



Sample ICS output:



SecurePlus Paragon for Key Person Protection

Death Benefit:

- Provides funds needed to hire and train new employees.
- Replaces lost profits.

Tax-Deferred Cash Value which can be:

- Accessed to fund unplanned business expenses.
- Used for supplemental retirement income.

Disability Protection

- Waiver of Target Premium Rider upon total disability of the Key Employee will continue to fund the policy.

Benefits for Chronic or Terminal Illness

- Accelerated Death Benefit if the key employee becomes chronically or terminally ill.[16]
- Company can choose to keep ABR benefits paid or pay Key Employee. Benefits paid to Key Employee will be received as ordinary income.

16 Receipt of the Accelerated Benefits will reduce the contract's cash value and death benefit.

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Sales Scenarios

SecurePlus Paragon

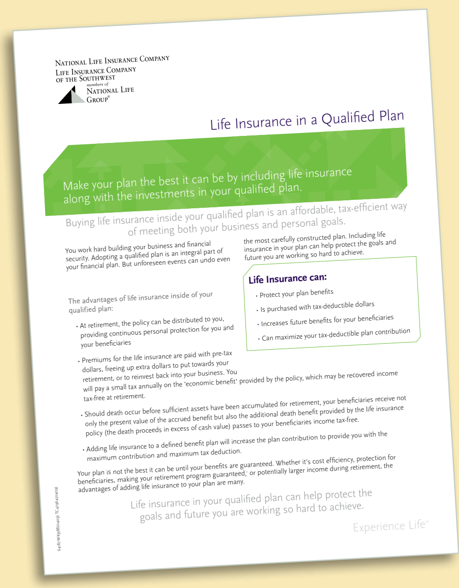
Focus on **Pre-Retirement Death Benefit Protection funded through Qualified Plans**

Employer–sponsored qualified plans such as 401(k), Profit Sharing, Money Purchase and Defined Benefit Plans allow for plan contributions to be used to pay the life insurance premium for plan participants.

Life insurance inside a qualified plan is purchased with employer tax-deductible plan contributions and is an affordable way of providing death benefit protection. Should a plan participant die before reaching retirement, life insurance ensures the retirement plan will "self-complete" - paying not only the value in the participant's account but an additional income tax-free death benefit.

Through the use of the Balance Sheet Benefit (BSB) rider, Paragon can also be structured to maintain a high ratio of cash surrender value to premiums paid. This feature protects employers who sponsor Defined Benefit Advantage plans from having to make unplanned additional contributions.

Point of Sale Materials



National Life Insurance Company
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Life Insurance in a Qualified Plan

Make your plan the best it can be by including life insurance along with the investments in your qualified plan.

Buying life insurance inside your qualified plan is an affordable, tax-efficient way of meeting both your business and personal goals.

You work hard building your business and financial security. Adopting a qualified plan is an integral part of your financial plan. But unforeseen events can undo even the most carefully constructed plan. Including life insurance in your plan can help protect the goals and future you are working so hard to achieve.

Life Insurance can:
- Protect your plan benefits
- Is purchased with tax-deductible dollars
- Increases future benefits for your beneficiaries
- Can maximize your tax-deductible plan contribution

The advantages of life insurance inside of your qualified plan:

- At retirement, the policy can be distributed to you, providing continuous personal protection for you and your beneficiaries
- Premiums for the life insurance are paid with pre-tax dollars, freeing up extra dollars to put towards your retirement, or to reinvest back into your business. You will pay a small tax annually on the 'economic benefit' provided by the policy, which may be recovered income tax-free at retirement.
- Should death occur before sufficient assets have been accumulated for retirement, your beneficiaries receive not only the present value of the accrued benefit but also the additional death benefit provided by the life insurance policy (the death proceeds in excess of cash value) passes to your beneficiaries income tax-free.
- Adding life insurance to a defined benefit plan will increase the plan contribution to provide you with the maximum contribution and maximum tax deduction.

Your plan is not the best it can be until your benefits are guaranteed. Whether it's cost efficiency, protection for beneficiaries, making your retirement program guaranteed,' or potentially larger income during retirement, the advantages of adding life insurance to your plan are many.

Life insurance in your qualified plan can help protect the goals and future you are working so hard to achieve.

Experience Life™

64187 MK5388(0409) TC47964(0409)

Consumer flyer available for presentation of life insurance in qualified plans – catalog #64187.

Funding a Qualified Plan with Paragon:

- Death Benefits complete the plan for beneficiaries in the event of a premature death.
- Premiums are paid with pre-tax plan dollars.
- Insurance Death Benefit Received Income Tax-Free.
- An alternative to group insurance.

Interest Crediting Methodology

Basic Strategy

All premiums paid by the client are allocated into the Basic Strategy and a rate of interest declared by the company is credited to the account. This rate for the Basic Strategy is guaranteed to be not less than 2.5%.

The Basic Strategy must maintain a minimum value. This minimum value is determined at the start of each policy year and is an estimate of the amount required to fund the monthly deductions for the policy year. This amount will change each policy year on the policy anniversary.

Once per month, on the 21st, any Basic Strategy value in excess of the Basic Strategy minimum value will be transferred to the other strategies based on the allocation specified by the policy holder.

Interest Crediting Strategies

LSW's SecurePlus Paragon contract has five different interest crediting strategies available to provide maximum flexibility for your customer. These strategies are:

1. The Fixed-Term Strategy
2. Point-to-Point, Cap Focus Index Strategy
3. Point-to-Point, Participation Rate Focus Index Strategy
4. Point-to-Point, No Cap Index Strategy
5. Point-to-Average Index Strategy

Fixed-Term Strategy

Each transfer to the Fixed-Term Crediting Strategy creates a distinct fixed-term segment.

Each fixed-term segment will have a crediting period of one year. A rate of interest declared by the company is credited to the account daily. The minimum rate of interest credited is 2.5%. At the end of each fixed-term segment period, the funds will be transferred back to the basic strategy.

Available Index Strategies

Point-to-Point, Cap Focus Index Strategy

The Cap Focus Index Strategy guarantees that the Participation Rate will always be greater than or equal to 100%. This strategy will always provide a higher Cap than the Participation Rate focused Index strategy. The guaranteed minimum Cap is 3.1%.

Point-to-Point, Participation Rate Focus Index Strategy

The Participation Rate Focus Index strategy guarantees that the Participation Rate will be at least 110%. Since this strategy is designed to provide a higher Participation Rate, it will have a lower Cap. The guaranteed minimum Cap is 3.0%.

Point-to-Point, No Cap Index Strategy

The No Cap Index strategy applies no Cap and is, therefore, balanced by a lower Participation Rate. The guaranteed minimum Participation Rate is 25%.

The Point-to-Average Index Strategy

The Point-to-Average Index Strategy is guaranteed to have no Cap. The guaranteed minimum Participation Rate is 30%.

Interest Crediting Methodology

Index Strategies

Each transfer to an Index Strategy creates a distinct Index Segment. Each Index Segment will have a crediting period of one year. Index Earnings are credited to each Index Segment at the end of the crediting period. Each Index Segment will have a Participation Rate and a Cap, which is determined in advance for each crediting period.

The Index for the strategies will be the S&P 500®. On each anniversary of an Index Segment, the Index Growth for that segment will be calculated as a function of the changes in the Index over the crediting period.

Interest Earnings for each Index Segment are calculated at the end of the crediting period of such segment as follows:

1. Index Growth multiplied by the segment's Participation Rate, adjusted so that the rate is no greater than the segment's Cap, and no less than 0%; multiplied by
2. The value in the applicable Index Segment.

SecurePlus Paragon has three Point-to-Point Index Strategies and a Point-to-Average Index Strategy.

The Point-to-Point method measures the change in the index value from the start of the segment (Starting Index Value) to the value of the Index 12 months later (Ending Index Value). The change in the index value is divided by the Starting Index Value to determine the Index Growth.

The Index Growth is then multiplied by the Participation Rate (the resulting value will never be less than zero). The Participation Rate is the rate that the policy holder shares in the Index Growth. Once the Participation Rate is applied to the Index Growth, the result is compared to the Cap. In no instance will the earnings for the segment exceed the Cap.

For example, let's assume an Index Segment has a Participation Rate of 100% and a Cap of 12%. If the Index Growth is 10%, the Index Segment would be credited 10% (10% increase times a 100% Participation Rate falls below the 12% Cap).

The Point-to-Average method measures the change in index value from the Starting Index Value to the Daily Average of the Index over the next 12-month period. The difference between the Daily Average of the Index and the Starting Index Value is divided by the Starting Index Value to determine the Index Growth.

The Index Growth is then multiplied by the Participation Rate (the resulting value will never be less than zero). There is no Cap for this strategy.

For example, assume an Index Segment has a Participation Rate of 110%. If the Index Growth, comparing the Starting Index Value to the Daily Average of the Index, is 10%, that Index Segment would be credited 11% (10% increase times 110% Participation Rate with no Cap).

Annual Reset

At the end of each index segment period, the funds, including any interest credits, will be transferred back to the basic strategy for reallocation.

The Starting Index Values are reset after each reallocation. This ensures that decreases in the S&P 500® Index do not have to be made up before additional interest can be earned.

Interest Crediting Methodology

Indexed Interest Crediting – Glossary of Terms

Annual Reset: means that at the end of each Index Segment Year, the Starting Index Value for that Policy Segment will be reset to the Ending Index Value from the prior year.

Basic Strategy: the account where all premiums are initially deposited. Charges are taken from the Basic Strategy. If value in the Basic Strategy is not enough to cover the charges, charges will be allocated to the Fixed-Term Strategy and then the Index Strategies.

Basic Strategy Sweep Date: the 21st of the month. This is the date that funds in the Basic Strategy, in excess of the minimum value, will be allocated to the chosen Interest Crediting Strategies.

Cap: the maximum annual effective interest rate that can be credited to an Index Segment.

Daily Average of the Index: the arithmetic average of all the published daily ending values of the Index for a 12-month period.

Ending Index Value: the value of the Index at the end of the day an Index Segment ends.

Fixed-Term Strategy: a rate of interest declared by the company will be credited to the account daily.

Guaranteed Interest Rate: is the predetermined minimum rate of interest earned. The basic and fixed term crediting methods have a 2.5% minimum. Equity Index strategies have a 2.5% minimum annual guarantee.

Index: for SecurePlus Paragon, the Index is defined as the S&P 500® Index, excluding dividends.

Indexed Interest: the interest credited to an Index Segment using either the Point-to-Point or Point-to-Average strategy.

Interest Crediting Strategy: one of the five available methods used to calculate how interest is credited to the Policy. The five choices are Fixed-Term, Point-to-Average and three Point-to-Point strategies.

Participation Rate: the percentage applied to the Index Growth used in the formula to calculate the Indexed Interest for an Index Segment.

Point-to-Average Strategy: compares the Starting Value of the Index to the Daily Average of the Index to determine the Index Growth.

Point-to-Point Strategy: compares the Starting Value of the Index to the Ending Value of the Index to determine the Index Growth.

Index Segment: each time premiums are transferred from the Basic Strategy into an Index Strategy a new Index Segment is created.

Policy Segment Year: the 12-month periods, beginning when an Index Segment is created, used to determine the Indexed Interest earned on the value of the Index Segment.

Starting Index Value: the value of the Index at the end of the day an Index Segment begins.

Product Specifications

Policy Protection Period

The Policy Protection Period helps protect the policy against lapse during the first five policy years. During this period, the policy will not enter a grace period, even if the cash surrender value is not sufficient to cover the monthly deductions, as long as:

- the sum of premiums paid, less all withdrawals made and less any policy debt, is greater than or equal to the total minimum monthly premiums in effect since the date of issue, and
- the accumulated value less any policy debt is sufficient to cover the monthly deductions

The Policy Protection Period applies to the first five policy years only, and does not restart after an increase in face amount.

At the end of the Policy Protection Period, if significant Accumulated Value has not been built up in the policy during the Policy Protection Period, payment of a premium significantly higher than the Minimum Monthly Premium may be required to keep the policy in force.

Monthly Cost of Insurance

Each month the cost of insurance (COI) is deducted from the accumulated value. Guaranteed maximum COI rates shown in the policy are based on the 2001 CSO mortality tables and are higher than what we currently charge. Current COI rates are select and ultimate, and vary by age, sex, and rate class. The current COI rate is guaranteed for the first ten years.

Surrender Charges

Surrender charges apply during the first ten years of the policy. A dollar amount per thousand of face amount will be based on issue age, sex, rate class, and policy duration. A face amount increase will have its own surrender charges associated with it. The surrender charge will be capped at one target premium in year one.

Expense Charges

Based on age, sex, rate class, and face amount.
Policy fee: $5.00 per month.
Premium load: 6% of premium.

Premiums

This universal life policy has both minimum and commissionable target premiums. A premium equal to one minimum monthly payment is due on the date of issue. The commissionable target premium (CTP) is the maximum premium on which the higher compensation rate will apply. The minimum monthly and commissionable target premium will be based on the face amount, age, rate class, and gender.

The minimum billed premium amount is $25.00/month.

Payment of the minimum premium for the first five years guarantees that the policy will stay in force during that time, unless the minimum premium is reduced as the result in a reduction in coverage.

Unscheduled premiums may be paid into the policy at any time.

The “target” premium for the Waiver of Target Premium Rider and the Unemployment Rider is defined as the policyholder’s planned periodic premium, up to the policy CTP.

The minimum monthly premium will be based on the face amount, age, rate class, and gender.

With SecurePlus Paragon the customer may choose which premium test will be used to keep the contract within the federal definition of life insurance. Under Section 7702 of the Internal Revenue Code, a policy will generally be treated as life insurance for federal tax purposes if at all times it meets either (1) the “guideline premium test” or (2) the “cash value accumulation test”. In general, the cash value accumulation test will allow you to make higher premium payments during early years. The cash value accumulation test will only be available if the premium payments create a Modified Endowment Contract (MEC) at issue. The guideline premium test may allow you to maintain a higher cash value in relation to the face amount. Customers must choose either the guideline premium test or the cash value accumulation test when the policy is issued. Once the policy is issued, the customer may not change to a different test.

Death Benefit Options

The policy holder may elect an Option A (level) or Option B (increasing) death benefit option.

Option A – the death benefit is equal to the greater of

1. the face amount; or
2. the accumulated value multiplied by the applicable corridor factor

Option B – The death benefit is equal to the greater of

1. the face amount plus the accumulated value; or
2. the accumulated value multiplied by the applicable corridor factor

Change in Death Benefit Option

The policy's death benefit option can be changed from Option A to B, or B to A, once each policy year after the first policy anniversary. If a change would cause the contract to no longer qualify as life insurance for federal income tax purposes, the change will not be allowed.

Changing from Option A (level) to Option B (increasing): The face amount of the policy will be reduced by the accumulated value just prior to the effective date of the change.

Change from Option B to A: The face amount will increase by an amount equal to the accumulated value just prior to the effective date of the change.

In both cases listed above, the death benefit is the same before and after the change.

Changes in Face Amount

Increase in Face Amount: After the first policy anniversary the policy holder may apply for an increase in coverage subject to the following terms:

- Satisfactory proof of insurability.
- The requested increase meets or exceeds $25,000.
- The change will be effective on the monthly date on or following the approval of the application.

Each increase will have its own set of surrender charges and monthly per thousand of face amount administration charges.

Decreases in Face Amount: After the first policy anniversary the policyholder may request a decrease in face amount in coverage subject to the following terms:

- The decrease becomes effective on the monthly policy date on or after the receipt of the request at the home office.
- Decreases cannot result in a face amount less than $25,000.
- Decreases will not be permitted if the decrease causes the policy to no longer qualify as life insurance for federal income tax purposes.
- The total face amount of the policy plus any additional riders may be no less than 75% of the largest total face amount in force at any time in the twelve months prior to the request.
- Decreases do not affect the level of surrender charges.

Each change in coverage will cause the Commissionable Target Premium (CTP) and Minimum Monthly Premium (MMP) to be adjusted for each new segment of coverage.

Product Specifications

Loans

Loans are available at any time after the first policy year. The policy will serve as the sole collateral for the loan.

The amount available for loan on any day will be the surrender value, less three times the monthly deductions due on the last monthly policy date.

The interest rate charged on the loan will be a variable rate that is based on the Moody's Corporate Bond Yield Average – Monthly Corporates, subject to a minimum rate of 3%.

SecurePlus Paragon offers two loan options:

1. Variable Net Cost Loan
2. Fixed Net Cost Loan

Both options will be available at the start of policy year 2 (at issue for loans resulting from 1035 exchanges).

The loan option is selected by the policyholder at the time a loan is first taken. All outstanding loans must use the same option. The policy holder may switch all existing loans from one option to the other on the policy anniversary.

Interest credited on loaned funds

1. Variable Net Cost Loans – loaned values continue to earn interest/index earnings as if no loan had been taken from the policy.
2. Fixed Net Cost Loans – loaned values are removed from the crediting strategies and segregated in a Loan Collateral Fund, and credited with:
   a. The Variable Loan Rate (VLR) minus 1.25% in year 1-10; and
   b. The Variable Loan Rate (VLR) in years 11+ ("Wash Loan").

Loans reduce cash surrender value and death benefit.

All or any loan amount may be repaid at any time prior to the death of the insured or the surrender of the policy. The exception is if the policy is in the grace period, the loan repayment would be considered a premium payment to keep the policy in force unless the policy holder specifies it as a debt repayment.

Overloan Protection Rider

This rider guarantees that the policy will not lapse in situations where loan balances threaten the contract's ability to stay in force.

Policy loans from SecurePlus Paragon are received income tax -free. If the policy lapses, with outstanding policy loans, there could be taxable income to the policy holder. In the event loan balances threaten the contract's ability to stay in force, and if the terms of the rider are met, the Overloan Protection Rider will restructure the policy so that it is guaranteed not to lapse.

Substantial limitations apply to exercising the Overloan Protection Rider, including that the policy be in force at least 15 years and the insured having attained the age of 75.

Withdrawals

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

- The amount of withdrawal may not exceed the cash surrender value minus three monthly deductions due on the last monthly policy date.
- The accumulated value will be reduced by the amount of the withdrawal.
- The face amount will be reduced by an amount equal to the withdrawal, for option A (level) contracts.
- The Company will charge a $25 fee for each withdrawal made.
- The minimum withdrawal amount for pensions is $100.

1035 Exchanges

The effective date of 1035 exchanges will be the date the funds are received into the home office. 1035 Exchanges with loans will be permitted, as long as the loan transferred does not exceed 50% of the total policy value transferred.

Available Riders

LIFE INSURANCE YOU DON'T HAVE TO DIE TO USE

Disability Income
Money to help pay your bills.

Cash Value Accumulation
Money for future plans.

Accelerated Living Benefits
Terminal, Chronic, or Critical Illness Riders.

Life Insurance
Money for your family.

Multiple Needs, One Affordable Solution

ACCELERATED BENEFIT RIDERS[17]

The Accelerated Benefits Riders 1, 2, and 3 all allow accelerated payment of up to 100% of the policy death benefit. Accelerated Benefits Rider 1 (ABR 1) is available in case of a terminal illness; Accelerated Benefits Rider 2 (ABR 2) is available in case of chronic illness; Accelerated Benefits Rider 3 (ABR 3) is available in case of critical illness.

The actual payment amount under any of the riders is discounted (the benefit payment is the actuarially discounted value of the death benefit being accelerated less a pro rata portion of any policy debt).

- There is no limit on how the funds can be used.
- There is no additional premium for any of the Accelerated Benefits Riders.
- Riders stay in force as long as the base policy remains in force.

All Accelerated Benefit Riders are available at no additional cost.

ABR 1

Gives the policy owner the option of receiving the death benefit early if the insured is terminally ill. Terminal illness is expected to result in death within two years (one year in PA, CT or VT). All or part of the death benefit may be requested early (lump sum).

ABR 2

Available when the insured is diagnosed as chronically ill:

- Unable to perform two of the six activities of daily living –bathing, continence, dressing, eating, toileting, and transferring without assistance, or
- With deterioration or loss in intellectual capacity (cognitive impairment).

Provides the option of receiving the death benefit in periodic payments after a 90-day waiting period.

The maximum monthly amount that can be accelerated is 2% of the death benefit.

ABR 2 must be in force for two years before benefits are available.

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17 Payment of Accelerated Benefits will reduce the Cash Value and Death benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event and may affect your client's eligibility for public assistance programs. Please have your clients consult with their personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect their them, their spouse and their family's eligibility for public assistance.

For more information about Rider availability in Qualified plans, see Retirement Services Newsletter "Product Availability Pension: Profit Sharing Plans."

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Available Riders

ABR 3

Available when the insured experiences one of the following qualifying events:

- Heart attack
- Major organ transplant
- Stroke
- Diagnosis of ALS (amyotrophic lateral sclerosis or Lou Gehrig's Disease)
- Diagnosis of cancer
- Diagnosis of end stage renal failure
- Blindness (corrected vision of no better than 20/200 in both eyes)

All qualifying events may not be available in all states. All or part of the death benefit may be requested early (lump sum). The actual payment will vary due to the severity of the disease. If the insured also meets the definition of a terminal illness it will likely be more beneficial to the policy owner to accept benefits under ABR 1 rather than ABR 3. ABR 3 is not available for substandard SecurePlus Paragon policies.

Any qualifying event occurring during the first 30 days the rider is in force is not covered, unless it is the result of an accident.[18]

ACCIDENTAL DEATH BENEFIT RIDER (ADB)

The ADB pays an additional death benefit if the insured's death results from an accident. It is not available on rated policies.

- Issue ages 0–60
- ADB is available to the Primary Other Insured (see the Other Insured Rider description) as well as to the primary insured under the policy
- Rider stays in force until the policy anniversary following the insured's 70th birthday, as long as the insured's life insurance coverage and the base policy remain in force
- Minimum rider amount is $10,000
- Maximum rider amount is the lesser of $250,000 or the insured's life insurance face amount
- Premiums are a level amount per thousand, based on issue age

ADDITIONAL PROTECTION BENEFIT RIDER (APB)

The APB Rider is a non-commissionable rider which provides additional permanent coverage on the primary insured. The maximum ratio of APB face amount to base face amount for a single policy will be nine to one. The APB rider will be available for all issue ages and rate classifications. The minimum APB face amount is $25,000. For a policy with APB, the maximum Death Benefit eligible for acceleration through use of the Accelerated Benefits Rider (ABR) is equal to the Policy Death Benefit minus 50% of the APB face amount at the time of initial acceleration, subject to maximum benefit amounts. Policies that utilize the APB rider will have slightly lower guaranteed values than policies utilizing all base coverage.

18 These restrictions may not apply in all states. Please see the ABR disclosure forms for more information. The Company reserves the right to set a maximum on the total death benefit that may be accelerated under all accelerated benefits riders. The limit will be no less than $500,000.

BALANCE SHEET BENEFIT RIDER (BSB)

The Balance Sheet Benefit Rider eliminates all surrender charges on the units of insurance to which it applies. There will be a monthly charge, based on issue age, sex, and rate class per unit of coverage for the rider. Commissions on units of insurance with the BSB rider will be paid using a different schedule which levelizes the compensation.

CHILDREN'S TERM RIDER (CTR)

Not available in pension plans

The Children's Term Rider provides term life insurance on all of the insured's children until they reach age 23. Each child is covered for the same selected benefit amount. Children born or adopted after issue (after they reach the age of 15 days), and dependent stepchildren living in the insured's home will be covered as well. The children's coverage is convertible without underwriting at any time while the rider is in force for an individual whole life or universal life policy with the same face amount. The children's coverage is convertible for double the rider face amount when the child reaches age 23 or marries, or at the death of the primary insured.

- Issue ages 15 days–16 years
- Rider stays in force until the policy anniversary following the last covered child's 23rd birthday, as long as the base policy remains in force
- Minimum rider amount is $5,000
- Maximum rider amount is $25,000
- Premiums are a level amount per $1,000 regardless of the number of children covered

DISABILITY INCOME RIDER (DIR)

Not available in pension plans

Two different DIRs are available, distinguished by a two-year or a five-year benefit period. Both options provide for a fixed monthly benefit if the insured is totally disabled and unable to work. Both provide coverage for disabilities due to either sickness or accident. DIR coverage is not available on rated classes. Certain occupations are not eligible for coverage. Policy premiums are not automatically waived under the DIR; the Waiver of Target Premium Rider must be in force to waive policy premiums.

- Issue ages 18–55
- DIR is available to the Primary Other Insured (see the Other Insured Rider description) as well as to the primary insured under the policy
- Coverage stays in force until the policy anniversary following the insured's 65th birthday, as long as the insured's life insurance coverage and the base policy remain in force
- Minimum benefit amount is $300/month
- Maximum benefit amount is $2,000/month, subject to underwriting and any state limitations. The DIR benefit amount cannot exceed 66% of gross monthly income (40% in California) or $20 per $1,000 of life insurance. (For example, a $2,000 DIR must be attached to a base policy of at least $100,000.)
- Premiums vary with issue age and remain level for the term of the rider
- Rider benefit amounts cannot be increased or decreased after issue. However, an additional DIR may be added after issue, subject to underwriting and the maximum benefit limits

The DIR with the two-year maximum benefit period has a three-month waiting period. Benefits are paid retroactively after the waiting period, from the date of disability. "Disability" is defined as the insured being unable to perform the duties of his or her own occupation.[19]

19 In South Carolina, "Disability" is defined as the insured's inability to perform the duties of his or her own occupation during the first year of disability and the inability to perform the duties of any occupation for which he or she is suited thereafter.

Available Riders

The DIR with the five-year maximum benefit period has a six-month elimination period with no retroactive payment. "Disability" is defined as the insured being unable to perform the duties of his or her own occupation for a period of two years, and as unable to perform the duties of any occupation for which he or she is suited for the remaining three years.

After-issue changes between the two-year and five-year riders are not permitted.

If the insured is receiving benefits under the DIR when he or she reaches age 65, the benefit payments will continue until the end of the disability or the end of the benefit period.

Occupations ineligible for DIR

Actor/Actress	Housewife
Air Traffic Controller	Immigration Officer
Amusement Park Employee	Lifeguard
Armed Forces or Coast Guard	Logging Employee
Artist/Musician	Migrant Worker
Asbestos Worker	Mine Worker
Athletic Coach or Instructor	Movie Industry Employee
Auto Body Repair	Nature/Adventure Guide
Blaster	Nurse)
Bowling Alley Employee	Peddler
Bridge or Dam Worker	Piano Mover/Safe Mover
Bus Boy	Pilot
Bus Driver	Policeman
Cab Driver	Prison Employee
Carpet/Floor Installer	Professional Athlete
Casino Employee	Racing Employee (Dog or Horse)
Chauffeur/Limo Driver	Rodeo Rider or Clown
Circus Employee	Roofer
Delivery Person	School Teacher[24] (Public or Private)
Dishwasher	Security Guard (Armed)
Diver	Self Employed (call with specific info)
Domestic Servant (Maid, Butler, etc.)	Skating Rink Employee
Exotic Dancer	Steeplejack (Billboard Worker)
FBI Agent	Structural Iron Worker
Federal or Municipal Employee[23]	Subway or Tunnel Construction Worker
Fireman	Theater Industry Employee
Fisherman/Seaman	Truck Driver
Flight Attendant	Vending Machine Worker
Forest Ranger	
Game Warden	
Golf Pro	

ENHANCED POLICY PROTECTION PERIOD RIDER (EPPP)[20]

The short-term Enhanced Policy Protection Period Rider ensures that, during the EPPP Period, the policy will not lapse even if the Cash Surrender Value is less than or equal to zero, provided that the accumulation with interest of the premiums paid by the policy holder less withdrawals accumulated with interest and policy debt equals or exceeds the accumulation with interest of Monthly Guarantee Premiums (MGP). If on any Monthly Policy Date the minimum premium requirement is not met, notification will be sent to the policy holder that the rider will be cancelled if a specified premium is not paid within 61 days from the date we mail the notice. Once the rider is lapsed, it cannot be reinstated.

The EPPP Rider is automatically added to all new issue policies and is not available for in force policies. The EPPP Rider is available for issue ages 0 through 75 and the EPPP Period will be expressed as a number of policy years and be measured from the Issue Date. It is only available if Option A death benefit is elected, if the death benefit is changed to Option B the Rider will be terminated. The EPPP Rider will apply to the base coverage and any rider applicable to the insured. If the EPPP premium exceeds the Guideline Level Premium, the EPPP Benefit will not be permitted. This rider is not available if the APB Rider is elected.

EXTENSION OF BENEFITS RIDER[21] (EBR)

Not available in pension plans

This is an optional rider that provides the policy owner benefits to help cover expenses incurred for qualified long-term care services once a chronically ill[22] insured's death benefit under the policy has been depleted due to payments made under the Long-Term Care Rider or the Accelerated Benefits Rider 2.

Note: An Attending Physician's Statement of Disability from a licensed medical physician will be required for all claims.

Please refer to the *Agent Guide for LSW Long-Term Care Rider and LSW Extension of Benefits Rider*, MK2582(0901), Catalog #63181, for more in-depth information about the rider benefits, suitability, and disclosure requirements.

20 Withdrawals and policy loans taken against the policy will impact the Monthly Premium Test. If a withdrawal or transfer made or a policy loan taken against this policy results in the net accumulated premiums falling below the accumulated Monthly Guarantee Premiums on any Monthly Policy Date, a notice of pending termination of the rider will be sent. An additional premium would then be required to keep the rider in force.

If the Enhanced Policy Protection period Rider lapses while the Cash Surrender Value of the policy is zero, the policy may enter a Grace Period and an additional premium may be required to keep the policy in force.

Premium payments just equal to the Monthly Guarantee Premiums will ensure that a Death Benefit is payable under the policy, according to the guarantees provided by the Enhanced Policy Protection Period Rider, but this level of funding will not necessarily provide for the build up of significant Accumulated Value in the policy.

21 Rider names may vary by state.

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Once benefits begin accruing under this rider, they will continue during the lifetime of the insured as long as the insured remains eligible for benefits. The rider pays benefits equal to the actual expenses for covered services, subject to a maximum monthly limit (up to 1% of the policy face amount for nursing home or home health care – up to 0.5% for adult day care). Coverage under this rider may be purchased with or without Inflation Protection. This rider provides a non-forfeiture benefit for any coverage that lapses after being in force for three years. The cost per unit of coverage under this rider is level and is guaranteed not to change.

Issue Guidelines

The Long-Term Care Rider and Extension of Benefits Rider are subject to the following issue guidelines:

- Issue ages: 0–70 (age nearest birthday).
- Available on the primary insured as well as the primary other insured (covered under an Other Insured Rider).
- Coverage under an Extension of Benefits Rider is only available to a primary insured or primary other insured who also has coverage under either a Long-Term Care Rider or Accelerated Benefits Rider 2.
- Extension of Benefits Rider is not available when using the Additional Protection Benefit Rider.
- Total life insurance coverage applied for under the policy may not exceed $1,000,000.
- Not ratable and not available on rated policies.

GUARANTEED INSURABILITY RIDER (GIR)

Not available in pension plans

The GIR allows the insured to increase insurance coverage without evidence of insurability, during specified option periods. Regular option periods run from the 60th day before to the 31st day after the policy anniversary on which the insured reaches age 25, 28, 31, 34, 37, or 40. Additional option periods are available based on marriage, the birth/adoption of a child, or purchase or refinancing of a home; there is a limit of two additional options. The GIR is not available on rated cases.

- Issue ages 0–37.
- GIR is available to the Primary Other Insured (see the Other Insured Rider description) as well as to the primary insured under the policy.
- Rider stays in force until the policy anniversary following the insured's 40th birthday, as long as the base policy remains in force.
- Minimum option amount is $5,000.
- Maximum option amount is the lesser of $50,000 or the insured's life insurance amount.
- Premiums are a level amount per thousand of option amount, based on issue age.

LONG-TERM CARE RIDER[25] (LTC)

Not available in pension plans

This is an optional rider that allows the policy owner to receive a chronically ill[21] insured's death benefit in periodic payments, while such insured is still living, to help cover such insured's expenses for qualified long-term care services. Benefits under this rider begin accruing after a 90-day elimination period and will continue, as long as the insured remains eligible, until the insured's death benefit under the policy has been exhausted. The rider pays benefits equal to the actual expenses for covered services, subject to a maximum monthly limit (up to 2% of the policy death benefit for nursing home or home health care – up to 1% for adult day care). Each benefit payment will reduce the insured's death benefit by the same amount. While benefits are being paid under this rider, policy premiums or monthly deductions will be waived. The cost per unit of coverage under this rider is level and is guaranteed not to change.

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22 An insured is chronically ill if a licensed health care practitioner has certified the insured as: (1) being unable to perform (without substantial assistance from another person) at least two activities of daily living for a period of at least 90 consecutive days due to a loss of functional capacity; or (2) requiring substantial supervision for a period of at least 90 consecutive days by another person to protect oneself from threat to health and safety due to severe cognitive impairment. The activities of daily living are defined as bathing, continence, dressing, eating, toileting, and transferring.

23 May purchase DIR up to monthly home mortgage amount.

24 Only DIR 5 available.

25 Use of the Long-Term Care Rider reduces the death benefit and cash surrender value of your life insurance policy. Benefit payments will be used to pay off any outstanding policy loans first, reducing the amount of money you would normally collect as a benefit. These insurance riders have exclusions, limitations, reductions of benefits, and/or terms under which the rider may be continued in force or discontinued.

Available Riders

OVERLOAN PROTECTION RIDER

Not available in pension plans

This rider guarantees your client's policy will not lapse in situations where loan balances threaten the contract's ability to stay in force.

If the following terms of the rider are met, the Overloan Protection Rider will restructure the contract as a "paid-up" policy so that it is guaranteed not to lapse:

- Policy must be in corridor.
- Loans must equal 95% of policy's accumulated value.
- Insured is age 75 or older.
- Policy must be in force for at least 15 years.

The policyholder will be notified when eligibility requirements are met. There is no additional cost until rider is exercised. Not available with CVAT.

OTHER INSURED RIDER (OIR)

The OIR provides low-cost annual renewable term insurance on an individual. The other insured may have any of the following relationships to the primary insured:

- Self
- Spouse
- Child
- Business partner

Ineligible relationships for OIR coverage include parents, grandparents, siblings and grandchildren. Up to five OIR may be added to the same base policy. One of these OIRs (spouse or business partner only) may be designated as a "Primary OIR"; additional riders are available options to the Primary OIR (see chart on page 26 for rider availability).

The OIR is convertible to a permanent policy without evidence of insurability at any time while the rider is in force, or upon the death of the primary insured.

- Issue ages 0–85 (age nearest birthday).
- Rider stays in force until the other insured's age 100, as long as the base policy remains in force.
- Minimum OIR amount is $25,000 (or the primary insured's face amount, if less than $25,000).
- Maximum OIR amount is the base policy face amount.
- Premiums are based on sex, rate class and age; the same rate classes, with the exception of the Elite rate class, are available as for the base policy.

Benefits Available by Rider on Other Insureds

	Primary Other Insured Rider	Non-primary Other Insured Rider
Accelerated Benefits Rider 1	Yes	Yes
Accelerated Benefits Rider 2	Yes	Yes
Accelerated Benefits Rider 3	Yes	Yes
Accidental Death Benefit	Yes	No
Children's Term Rider	No	No
Disability Income Rider	Yes	No
Guaranteed Insurability Rider	Yes	No
Unemployment Rider	No	No
Waiver of Target Premium Rider	No	No
Long-Term Care Rider	Yes	No
Extension of Benefits	Yes	No

QUALIFIED PLAN EXCHANGE PRIVILEGE (QPEP) RIDER

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 retirement. The face amount of the new Policy cannot be more than the face amount, less the policy's cash value, of the policy being surrendered on the date of exchange. The maximum face amount under the new policy cannot exceed $2,000,000 and must be at least $25,000.

No evidence of insurability will be required and the new policy will be issued based on the age the insured has attained on the date of the exchange. The class of risk under the new Policy will be the same as under the pension policy. The new policy date will be the date of the exchange. The new Policy will be issued on a policy form and at a premium rate for the insured's attained age in use by the Company on the New Policy Date.

UNEMPLOYMENT RIDER (UR)

Not available in pension plans

The Unemployment Rider provides for a one-time lump sum payment into the policy after the insured has been involuntarily unemployed from full-time employment. This rider is automatically included on all universal life policies issued in states where it is approved. When the primary insured is involuntarily unemployed for three consecutive months, and submits proof such as state or federal unemployment certification, a termination notice or union certification, we will pay three months' "target" premium into the policy's accumulated value. (The target premium is the monthly planned premium, up to 1/12 of the policy CTP.) The policy must be in force when the unemployment begins, and must remain in force during the waiting period.

- Issue ages 0–60 (age nearest birthday).
- Rider stays in force until the policy anniversary following the insured's 65th birthday, as long as the base policy remains in force.
- The benefit will be paid only once.
- There is no premium for this rider.

WAIVER OF TARGET PREMIUM RIDER (WTP)

The WTP Rider waives the policy premium – actually pays a waiver of premium benefit into the policy's accumulated value – when the insured is totally disabled. If the policy lapses while this benefit is being paid, the benefit will be paid directly to the policy owner until the disability ends. There is a six-month elimination period from the date of disability before benefits begin. The benefit amount is the "target" premium (the monthly planned premium, up to 1/12 of the policy CTP).

- Issue ages 15–55.
- Rider stays in force until the policy anniversary following the insured's 60th birthday, as long as the base policy remains in force.
- The benefit amount is the entire policy target premium, including any attached riders.
- Premiums are a level amount per dollar of target premium, based on age.

If the policyholder has the WTP Rider on a policy, any application for an increase in face amount should include additional WTP coverage also, unless the insured is past the WTP age limit.

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