

## APPENDIX D

## POLICY INFORMATION FOR APPLICANT - UNIVERSAL LIFE POLICY

This information is being provided to help you to understand this policy and to compare it to similar policies, so you can choose the one that is best for you. If you have questions about this form, be sure to ask your agent for an explanation.

[Name of Insurance Company]  
[Address of Insurance Company]

Policy Name: [insert name]  
Form Number: [insert number]

A policy for [Name of Insured(s)]  
Social Security Number(s): [Insert number]  
Date of Birth: [Insert DOB]

Applied for on [insert date]

Your Agent is [Name of Agent]  
[Agent's Address]  
[Agent's Telephone Number]

## POLICY APPLIED FOR

Type of Universal Life Insurance Policy: \_\_\_\_\_ Flexible Premium \_\_\_\_\_ Fixed Premium

[A flexible premium policy means that you may vary the premiums paid subject to any minimum and maximum payments stated in the policy. If you do not pay enough to cover the cost of insurance, part of your cash value will be used. Some policies can lapse without value if premiums are not paid.]

[A fixed premium policy means that you have agreed to pay a scheduled premium on each due date.]

The first year death benefit applied for is \$(insert amount). The death benefit option applied for is [describe the option].

The first year annual premium is \$(insert amount).

You have agreed to pay premiums [insert frequency] and each premium payment is scheduled to be \$(insert amount).

This information does not include any riders for which you may apply with this policy. Riders give you extra benefits not included in the basic policy. Riders may affect your premium and cash values. Ask your agent for a full explanation of any riders.

Risk Classification Information (as applied for):

M\_\_\_\_\_ F\_\_\_\_\_ Age\_\_\_\_\_ Smoker\_\_\_\_\_ Non-Smoker\_\_\_\_\_ Other\_\_\_\_\_ (Specify) \_\_\_\_\_

## Life Insurance Disclosure Regulation

## YOUR POLICY CHARGES

The *mortality charge* is the amount used to pay for the basic insurance death benefit. The current mortality charge is \$(insert amount) for the first year, so this much of your first year premium pays for the death benefit. This amount may increase as you get older. In addition, the mortality charge can change. The maximum mortality charge for your current age is \$(insert amount). The company reviews mortality charges every (insert frequency).

The company's fee for *administration* of this policy may change from time to time. The current fee is \$(insert amount) per (insert period), so this much of your yearly premium pays for the company's administrative costs. The maximum fee that can be charged is \$(insert amount) per (insert period).

*Expense Deductions* (front end loads) These are additional charges that may be deducted from your premium. The amount of the charge may change depending on how long the policy has been in force. The amount currently being charged in the first year is (insert dollar amount or percentage), and the maximum charge permitted in the first year is (insert dollar amount or percentage).

*Surrender charges* (back end loads) are charges you may pay when your policy is surrendered. The current charge is (insert dollar amount or percentage) and the maximum charge permitted is (insert dollar amount or percentage). Surrender charges are assessed for (insert number) years (in decreasing amounts).

## YOUR POLICY CREDITS

The part of your premium not used for the above charges earns interest for you. It is the cash surrender value which you can take if you should cancel this policy.

The company has the right to change the interest rates credited to amounts paid into this policy to reflect current investment earnings. The company reviews interest rates every (insert time period). We guarantee our rates will not go below (insert amount) %.

This policy's interest rate (is/is not) interest indexed. Interest indexing means that the interest rate credited to the amounts paid in to the policy follows a formula based on changes in the (insert index).

## OTHER IMPORTANT INFORMATION ABOUT THIS POLICY

The company will pay an endowment benefit to the insured if the policy is still in force, and the insured is living and attains the age of (insert number). This is called the "maturity age." This means the company will pay your (death benefit amount) (cash surrender value) when you have reached the maturity age, instead of waiting until you die.

If interest rates and charges were to be consistent with those illustrated in Chart A, the expenses of the policy could cause it to terminate before the maturity age. This policy would terminate at age (insert number).

Under the Chart A assumptions, the level annual premium required to provide the first year death benefit to maturity age is \$(insert amount).

Based on the current assumption used to develop Chart B, the policy (would/would not) terminate before the maturity age. [If it would, indicate the policy year in which it would terminate.]

580-26

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## ILLUSTRATION OF POLICY VALUES

Chart A shows the guaranteed minimum interest rate and how your cash value would grow if the illustrated premium and interest rate were credited every year. Chart B shows how your cash value will grow if the interest rate remains at the level currently being paid. In both cases, the effect of any riders added to the policy is not shown.

## CHART A

The following values are based on the interest rates which are guaranteed by the company and based on your timely payment of the premiums in Column 1 as applied for. If you pay a different premium in any year, results will differ.

## CHART B

The following values are based on the current interest rates which the company is crediting on this policy form. Interest rates may increase or decrease from this rate. Also this chart assumes you pay the premiums shown in Column 1 as applied for.

	1	2	3	4		1*	2	3	4	
				Cash					Cash	
Policy	Annual	Death	Interest	Surrender		Annual	Death	Interest	Surrender	Policy
Year	Premium	Benefit	Rate	Value at		Premium	Benefit	Rate	Value at	Year
				Year End					Year End	
[ 1 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 1 ]
[ 2 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 2 ]
[ 3 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 3 ]
[ 4 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 4 ]
[ 5 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 5 ]
[ 6 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 6 ]
[ 7 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 7 ]
[ 8 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 8 ]
[ 9 ]	_____	_____	_____	_____		_____	_____	_____	_____	[ 9 ]
[10]	_____	_____	_____	_____		_____	_____	_____	_____	[10]
[11]	_____	_____	_____	_____		_____	_____	_____	_____	[11]
[12]	_____	_____	_____	_____		_____	_____	_____	_____	[12]
[13]	_____	_____	_____	_____		_____	_____	_____	_____	[13]
[14]	_____	_____	_____	_____		_____	_____	_____	_____	[14]
[15]	_____	_____	_____	_____		_____	_____	_____	_____	[15]
[16]	_____	_____	_____	_____		_____	_____	_____	_____	[16]
[17]	_____	_____	_____	_____		_____	_____	_____	_____	[17]
[18]	_____	_____	_____	_____		_____	_____	_____	_____	[18]
[19]	_____	_____	_____	_____		_____	_____	_____	_____	[19]
[20]	_____	_____	_____	_____		_____	_____	_____	_____	[20]
(Fill in other years as needed at five year intervals)										
AGE										AGE
[60]	_____	_____	_____	_____		_____	_____	_____	_____	[60]
[65]	_____	_____	_____	_____		_____	_____	_____	_____	[65]
[70]	_____	_____	_____	_____		_____	_____	_____	_____	[70]

(To year of termination or maturity age)

\*The first year annual premium includes any additional amounts to be deposited as applied for.

In addition to interest rates, changes in mortality and expense charges may affect the illustrations in Chart B. Current charges are used to determine the values in Chart B. The maximum guaranteed charges are used to determine the values in Chart A.

## DISCLAIMER NOTICE REGARDING TAX LAW

The information in this "Policy Information for Applicant" is not intended to be used in tax planning nor is it intended for the purpose of providing tax advice. The possibility of future changes in tax laws must be recognized and taken into consideration.

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580-27