



Trustmark Universal Life Insurance

Reference Sheet for Common Questions



Base Contract - UL.205

What is excluded under a Universal Life policy?

The only exclusion under the base contract is suicide during the first 2 years of the policy.

The riders do contain additional exclusions.

What happens to the policy if the Insured lives to age 100?

We will pay the cash value to the Policy Owner on the policy maturity date.

Can the Policy Owner add money to the cash value of the UL policy without increasing the death benefit? If so, is there a cap?

Yes. Universal Life is known as a flexible premium policy. This means the Policy Owner can make a larger payment without changing the death benefit. However, there are guidelines established by the IRS that limits the amount the Policy Owner is allowed to pay.

Are we able to issue a policy on an applicant who is not living in the United States at the time of the application?

No. The proposed insured must live in the United States on the date of the application.

If the Insured moves outside of the United States are they able to keep the policy?

The policy is fully portable and will remain in force as long as the target premium is paid. Target premiums must be paid in US dollars.

Definition Related to Life Insurance

Mature or Maturity

Maturity Date means the policy anniversary on or after which the Insured attains age 100. It is shown on the schedule located in the policy. If the Insured is living and the policy is in force on that date, the cash value will be payable and the policy will terminate.

Application

- Spouse application for over \$50,000 requires a wet signature. See Trustmark's State Matrix for specific state requirements.

What happens if the applicant answers 'yes' to the disabled question?

If the applicant answers 'yes,' the applicant will be required to answer the Simplified Issue (SI) questions on the application.



Voluntary Benefits



What is Contestability - and why it's a factor

- All policies contain a contestability provision within the contract.
- The contestability provision only applies if the policy is Modified Guaranteed Issued (MGI), Simplified Issue (SI) or if the applicant answers 'no' to the smoker question when the policy is Guaranteed Issued (GI).
- The contestable period begins on the date of the application and, in most states, the contestable period is two years.
- If a claim occurs within the two year contestable period, we verify that the Policy Owner provided truthful and complete information to the questions asked on the application. Trustmark may request additional information from the Insured's doctors or employer.

- If it is determined the Policy Owner did not answer the questions truthfully, coverage may be rescinded (forfeited) at the time of claim and premiums would be refunded or the face amount/death benefit could be changed to a lower benefit.
- > If Policy Owner applied above the GI offer and at time of claim it is determined the Insured was not eligible for the MG or SI offer, the face amount/death benefit is "rolled back" (amended) to the GI offer and any excess premium is returned.

Coverage Options for Children

An employee has two options when purchasing coverage on children - a stand-alone Universal Life policy or coverage under a Children's Term Insurance Rider.

What is the difference between a Child Universal Plan and the Children's Term Insurance Rider?

Child Universal Life Plan (TULC)	Children's Term Insurance Rider
Priced to mature at age 100 as long as all premiums are paid and the interest rates stay the same.	The rider expires on the anniversary date following the child's 23rd birthday. The expiry date may vary by state.
Two premium options: low or high	One premium for all children
Face amount/death benefit is based on the age of the child at the time of the application and the selected premium option.	Two death benefit options: \$5,000 or \$10,000
Maximum face amount under the Child Universal Life Plan is \$40,000	When the child reaches the expiry date, they have the option of converting the child term rider to a Universal Life policy. They are guaranteed coverage up to 5x the face amount of the Rider. (\$5,000 = \$25,000, \$10,000 = \$50,000)
Benefits cannot be increased	Adult children can apply for a face amount above the guaranteed conversion value. Any amount over the guaranteed amount will require SI underwriting.



Child Plan (TULC)

- Universal Life Insurance Policy
- Eligibility
 - > Under age 19
 - Your natural child, grandchild, stepchild, legally adopted child or child under legal guardianship;
 - > Age 19 through 22* if the child is:
 - Full-time student
 - Dependent upon Policy Owner for support and maintenance
- Children are not automatically covered. An application must be submitted on each child.
- Grandchildren can be covered under the Child Plan.
- The benefit is based on their age and the premium selected.
- Increases and decreases are not allowed under the Child Plan.
- The Policy Owner is not required to change ownership of the policy to the child/grandchild when the minor reaches the age at which they are considered an adult.
- The Policy Owner can continue to be the payor of the policy even if ownership is changed to the child/grandchild.

Children's Term Insurance Rider

- Rider can be included on Employee or Spouse policy
- Eligibility
 - > At 12:01 a.m., on the day after the date of discharge from the hospital through age 22
 - Children between the ages of 19 and 22* must be a full-time student and dependent upon Policy Owner for support and maintenance.
 - > Are children born after the effective date of the rider covered? How are they added to the rider?
 - Children born after the effective date are covered at 12:01 a.m., on the day after the date of discharge from the hospital.

> What is the Conversion Privilege?

- On the anniversary date following the child's 23rd birthday, the child can purchase a Universal Life policy up to 5 times the benefit they had under the rider without underwriting. They can apply for more coverage, however it would be subject to underwriting.
- The expiry date can vary by state.
- If the Insured passes away and there is an active Children's Term Rider on the policy, the Policy Owner or beneficiary would be notified of the conversion privilege in the rider. If the child rider is not converted, the term insurance provided by the rider may be continued without payment of additional premium. Each child is covered to the expiry date listed in the rider. As they reach the expiry date listed in the rider, their coverage will end and they are not eligible to convert the term coverage to a universal life plan.

**We rely on the agent to verify the child is a student and/or dependent during the enrollment. On contestable claims, our claims department will require proof that the child was over the age of 19 and a full time student at an institution whether it be college, trade-school or technical school when they applied for coverage.*

Accelerated Death Benefit Rider (ABR)

The ABR accelerates up to 75% of the death benefit if a doctor determines the insured's life expectancy is 24 months or less.

The Employee or Spouse has the EZ Value Option on their policy and all of the increases have not occurred when they apply for and receive benefits under the ABR. Do the increases end when the ABR benefit is received or will they continue?

The increases will continue but are not available under the ABR. They are added to the remaining face amount/death benefit.

Is there a fee for using the accelerated death benefit?

Yes. A fee of \$200.00 is charged for using this benefit.

How is the fee paid for using the accelerated death benefit?

The fee is deducted from the benefit check.



Home Health & Long Term Care Rider (HH/LTC)

- HH/LTC Rider has a 90 day Elimination Period.
 - > Benefits begin after the Insured has been confined in a Long Term Care or Assisted Living Facility or received Home Health Care or Adult Day Care services for 90 days.
 - > The 90 day Elimination Period does not need to be continuous, however, it must occur within 6 months.
 - > No benefits are payable for confinement or services during this time.
- HH/LTC Rider - During the period that benefits under the rider are paid, we also waive the monthly deduction for the policy and any riders included with the policy.

If the Insured received 12 months of benefits and no longer requires assistance with Activities of Daily Living, what happens to the remaining 13 months of HH/LTC benefits?

The remaining benefits are available for a future benefit period.

If the need for assistance is required within 6 months of the previous claim and is due to the same or related conditions, the claim will continue until a total of 25 months has been paid for all benefit periods combined.

If the new benefit period is due to a new condition or occurs more than 6 months after the first benefit period ends, the new benefit period is subject to a new elimination period of 90 days. Once the new elimination period is met, benefits will continue until a total of 25 months has been paid for all benefit periods combined.

If the Insured is outside of the United States and required Home Health or Long Term Care, are they able to apply for HH/LTC benefits?

Benefits are only payable if the Insured is in the United States or Canada.

How would benefits be calculated if the Policy Owner received the accelerated death benefit and applied for HH/LTC Benefits?

Example: \$100,000 policy, the Insured is terminally ill and the Policy Owner applies for the ABR (75%). Trustmark pays \$74,800 (\$75,000 less \$200 fee), \$25,000 remains. The Insured now requires benefits under the HH/LTC Rider. The HH/LTC benefit is 4% of the remaining \$25,000 or \$1,000/month for 25 months.

- > If the Insured dies after the HH/LTC benefits have been exhausted and the policy includes the Benefit Restoration Rider, the death benefit is \$25,000.

Benefit Restoration Rider (BRR)

When is the death benefit restored under the Benefit Restoration Rider?

The death benefit is restored every time a claim payment is made under the HH/LTC benefit.

Does the BRR restore benefits paid under the ABR?

No, it does not restore benefits paid under the Accelerated Death Benefit.

Under the ULE LifeEvents plan, if the insured receives HH/LTC benefits prior to age 70, does the Benefit Restoration Rider restore the whole benefit?

The BRR restores the death benefit when HH/LTC benefits are paid.

The death benefit is restored every time a payment is made for HH/LTC. If the Insured has received the maximum benefit and is under the age of 70, the full death benefit is restored.

If the Insured turns 70 while receiving benefits, the death benefit would be reduced to 1/3 of the original face amount. Benefits paid under the HH/LTC Rider would continue to be paid based on the original face amount.



Extension of Benefits Rider (XOB)*

Extension of Benefits extends the HH/LTC benefits for up to an additional 25 months

We will pay the benefit for each month the Insured would be eligible for benefits under the HH/LTC rider for up to an additional 25 months.

This rider expires at the end of any period of 30 days without care/treatment or when 25 months in benefits have been paid. The rider terminates the date the benefits end.

Benefit Restoration and Extension of Benefits Rider (BXR)*

Rider restores the death benefit when HH/LTC benefits have exhausted as well as extends the HH/LTC up to an additional 25 months.

Waiver of Premium (WP)

If the Insured is disabled, when does Trustmark begin waiving the target premium?

Trustmark will begin waiving the target premium once the Insured meets the definition of totally disabled and has remained disabled for more than six months. We would begin waiving the target premium on the 181st day of total disability.

WP - if it starts at age 69.5 when will the waiving of premium end?

The target premium will be waived for two years even though he/she will be older than 70 years old.

Interim Term Endorsement (ITE)

Trustmark's Universal Life coverage is effective on the date of the application when Interim Term coverage is included and as long as the Insured meets the following:

- The proposed insured is eligible for insurance; and
- Premium collection is authorized; and
- Premium is collected by the first scheduled premium collection date or if claim occurs during interim period, the first scheduled premium will be deducted from the benefit check.
- The proposed insured is a risk insurable for insurance.

**The Extension of Benefits Rider (XOB) and the Benefit Restoration and Extension of Benefits Rider (BXR) are not available in all states. Availability of the riders can be found on the State Matrix.*

***EZ Value is currently not available in New York.*

This piece provides general guidelines only; benefits and rules may vary by state or by case. Underwriting conditions may vary, and determine eligibility for the offer of insurance.

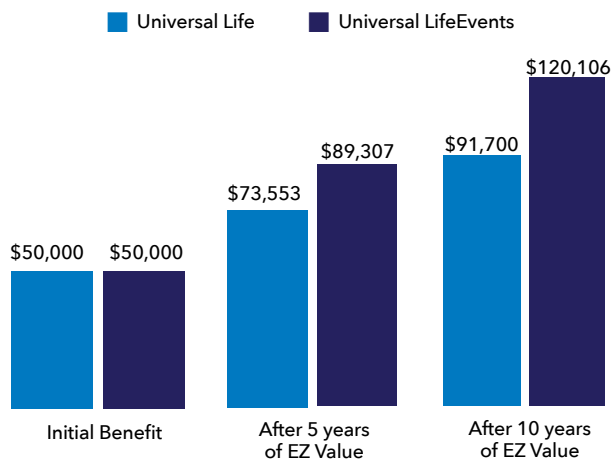
EZ Value Increase Option (EZV)**

- Provides automatic future increase to both living and death benefits without additional underwriting.
- EZV - \$1 per week for 5 years and \$1 per week for 10 years; \$2 per week for 5 years.
- The amount of each yearly benefit increase is determined by the insured's age on the effective date of the increase.
- The client will receive a change file from us about the increase.
- The Policy Owner will be notified in writing, 60-90 days prior to the date of the increase.

Is the EZ Value increase based on the face amount of the policy?

No. The EZ Value Option increases coverage each year by the amount that an additional \$1 or \$2 per week in premium purchases.

35-year old | \$50,000 policy | \$1 increase/wk.



Underwriting

- **Smoker Status**
 - > If an Insured is a smoker at the time of application and stops smoking, can their premium be reduced?
 - Once an Insured has discontinued smoking for 12 months or more, they can call and notify one of our Customer Service Representatives. Their rates will be adjusted to reflect the change.

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We listen.**

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