

2020 TruStage® Advantage Whole Life

Product Summary

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Product Definition

Product Vision and Value:

This product meets the life insurance needs of consumers by providing non-participating whole life coverage using simplified underwriting. It will allow consumers flexibility by allowing a wide range of face amounts and issue age ranges while using non-invasive underwriting.

Product Description:

The product has premiums, death benefits, and cash values that are guaranteed at the time coverage is issued. Premiums are level and payable to maturity at age 121. The product also builds cash value over time with the cash value equaling the death benefit at maturity, (age 121).

Product Summary:

Issue Ages	18-85
Face Amounts	\$5,000 - \$100,000
Underwriting Criteria	<ul style="list-style-type: none"> • 7 medical questions • Real-time database checks • Prior coverage/prior application search • No medical exam/PHI
Riders	None currently available
Termination/Maturity	Age 121
Premium Description	Premiums are guaranteed and level for the life of the contract. Annual premiums per unit vary by age, face amount, gender, and tobacco use.
Underwriting Class	Standard Tobacco & Standard Non-Tobacco

Product Details

Advanced Premium:

Advanced premium deposits are not allowed.

Benefits:

- Death Benefits
- Guaranteed Level Benefits
- Cash values are guaranteed at issue and accumulate over time, equaling the face amount at maturity (age 121)
- There are no mutual company ownership dividends paid to policyholders of this product

Billing and Payments:

Payment options offered on Application:

- Checking/Savings auto-deductions (ACH)
- Credit / debit card
- Direct Bill
- Not \$1.00 Deviated

Initial Bill and Subsequent Billing Options:

- ACH/PAC
- Credit/Debit Card – (State exceptions exist) – We accept Visa, Mastercard, Discover

Modal Factors

Customers have the option to pay their premiums monthly, quarterly, semi-annually or annually. Working to keep the customer experience as simple as possible, there are no modal factors for TAWL. Everyone pays the same price (regardless of their payment method or frequency). The annual payment is precisely equal to 4 quarterly payments or 12 monthly payments. There is no discount for annual payment.

Pick a day for draft

ACH/PAC payments can select any day between the 1st and 26th day of each month. Credit card payments can select the 1st, 5th, 10th, 15th, 20th or 25th day of the month. Payment processing can take up to three business days.

Payor

The payor of the policy can be an individual other than the insured (with no restrictions on the relationship of the insured). However, the payor must be present during the sales/service call to authorize the payment from their account or card.

Cash Values:

The product will have cash values. The cash values are guaranteed at issue and increase over time and equal the face amount at maturity (Age 121).

Customer Onboarding:

This information applies to the customer onboarding process and includes change requests they may have after policy issue.

Policy Holder Servicing Topics

Customer Care Contact Number: 888.787.8243

Fax Number: 608.236.8030

Customer care assists customers with a large variety of requests including:

- Beneficiary Change – can also be changed online at TruStage.com/myaccount
- Cancellation

- Collateral Assignments
- Make a payment or change billing – can also be changed online at TruStage.com/myaccount
- Duplicate Policy Request
- Face Amount Decrease (after Free Look)
- Name Change
- Reinstatement

Claim Payment Processing Time: Most claims processed same day

Face Increase: Not Available

Internal Replacement: Customer must complete a CMG surrender form which will be sent automatically if “replacement” is checked on the new application

Policy Holder Mailing Address: PO Box 61, Waverly, IA 50677-0061

Refund: Refund of premium provided as of the day the surrender form is received, processed as part of the cancellation process

Website to create online account: TruStage.com/myaccount

Death Proceeds Calculation:

Death proceeds will equal the face amount of the policy, plus any premiums paid beyond the date of death, minus any premium due, minus any indebtedness, plus any interest due on death proceeds as identified by form and state requirements.

Death by suicide during the first two contract years will result in a reduced death benefit equal to premiums paid minus any indebtedness. Some states may also require interest on death proceeds as identified in the form.

Dividends:

There are no mutual company ownership dividends paid to policyholders of this product

Electronic Signature:

Not available for this product.

Face Amount Limits:

Minimum Face Amount: \$5,000

Maximum Face Amount: \$100,000

* Sold in \$1,000 increments

Issue Age	Face Amounts Available for Sale	
	Minimum Face Amount	Maximum Face Amount
18-70	\$5,000	\$100,000
71-75	\$5,000	\$50,000
76-85	\$5,000	\$25,000

Gender:

Standard States

Premiums are based on Gender and Tobacco Use. Unisex rates available in Montana.

Guarantees:

- Premiums and death benefits are guaranteed for the life of the contract
- Guaranteed non-forfeiture benefits (Cash Value and Reduced paid-up values) available for the life of the contract

Nonforfeiture benefits allow the insured to receive full or partial benefits from the life insurance if the policy lapses or the insured wants to cancel the plan. If the insured no longer wants to pay premiums for the policy, they can either opt to surrender it and receive the cash value or use the accumulated cash value to fund reduced paid-up insurance coverage. Reduced paid-up insurance would allow the death benefit to remain in place without being required to pay any future premiums. However, the death benefit is reduced to the amount of cash value the insured had in their original life insurance policy.

Issue Age Limits:

Issue Age Limits: 18-85

Maturity Proceeds:

Proceeds are paid to the insured on the anniversary following the attainment of age 121. The maturity proceeds are equal to the death benefit less any indebtedness.

- Lump sum distribution is the default unless policyholder expressly requests a settlement option
- Notification will be sent to the policyholder 90 days prior to the date of maturity subsequent notifications will be sent until the maturity date

Policy Changes After Issue:

- Automatic Premium Loan (APL) – see [Policy Loan Section](#) for more details
- Face Amount reduction (Partial Surrender)

Face Decreases: Will allow down to the minimum face amount of \$5,000. Cash value will be reduced by prorated amount. Prorated cash surrender value will be used to reduce any indebtedness with any remaining amount being paid to insured.

Increases: Not allowed. Additional coverage can be obtained by applying for an additional policy.

Conversions: Not allowed.

Delayed processing expenses: Some states regulate the deferment of payment of cash surrender requests. In general, delays of payments of more than 10, 20, or 30 days require an insurer to pay interest at a rate specified by the state.

Policy Fee:

The Annual Policy Fee is \$36 which is included in the premium calculation.

Policy Loan:

Policy Loans:

Policy loans are available on the policy. A loan interest rate will be charged on any outstanding loans. Any outstanding loan balance, including accrued interest, will reduce the amount payable upon surrender, death or maturity.

Loan Rate:

The policy loan interest rate is fixed at 8%* and applied in arrears.

*Our policy language allows a loan interest rate that can be different for loans taken at different times as declared by the company; however, we do not currently have systems that support such variation. The contract allows flexibility we are not currently implementing.

State-Specific Variations:

State	Current Interest Rate	Maximum Interest Rate
CT	Fixed at 8%	n/a fixed
FL	Fixed at 6%, but may be lower than 6%	6%

Note: There may be additional state specific limitations and requirements for loan interest rates than those listed above. Analysis of applicable loan interest rate regulations is needed prior to implementing any loan interest rate changes.

Loan Value:

The maximum amount a policy owner may borrow after the first policy anniversary is:

- 100% of cash value as of the next policy anniversary
- MINUS any loan balance
- MINUS loan interest to the next policy anniversary

If the loan balance equals or exceeds the cash value of the policy, we must mail the owner and any assignee a notice of termination in coverage at their last known address on file at our office. The owner will have at least thirty (30) days to pay the default amount shown on the notice. If payment is not received by us, coverage will terminate.

The loan value will be determined as of the loan date. The loan date is the date we process the loan request. We reserve the right to postpone processing the loan for up to 6 months unless it is to be used under the automatic premium loan option.

Automatic Premium Loan (APL):

The automatic premium loan option allows a loan to be made automatically to pay each premium unpaid at the end of the grace period. If the loan value is too small to pay the past due premium (based on current payment mode), we will change payment mode to a more frequent mode, and a loan will be made to pay the past premium due. Insured may select or cancel this option in writing before the due date of any unpaid premium.

- Automatic Premium Loan Processing Note: APL will be 'opt out' in all states.

Premium Description:

Premiums are guaranteed and level for the life of the contract. Annual premiums per unit vary by age, face amount, gender, and tobacco use.

- This product is not designed as a single premium product.

Premium Calculation:

The TAWL product premiums will be based on ALB, which stands for "age of last birthday". This is the traditional method of pricing WL coverage.

Prior Coverage Search:

Prior coverage search will be performed to ensure per life coverage maximum within this product (\$100k) is not exceeded. An insured individual may have multiple TAWL policies if the total coverage does not exceed this per life maximum limit.

Reinstatement Provision:

Reinstatement requires evidence of insurability which will be consistent with the new business underwriting performed at the time reinstatement (administration guideline - if after 70 days), all past due premiums paid plus interest to be determined by us (Current rate is 0.0%; the maximum rate is 6.00%), receipt of a completed reinstatement application (obtained either via written request or by phone), and request is within three years following the last due premium date.

A policy is reinstated without a reinstatement application if the full premium needed to pay the policy to a current date is received within 70 days of the paid to date.

Riders:

No riders are currently available for this product.

Sales Requirements:

Non-Illustrated Products

The product is non-illustrated. No formal illustrations are required, either at time of application or at policy delivery, and non-guaranteed elements cannot be displayed.

Small Face Disclosures:

Small Face Amount Disclosure Requirements

Small face amount disclosures are required in certain states if:

1. The face amount is below state specific minimums, and
2. The cumulative premiums over the term of the contract exceed the face amount,

State Specific Face Amount Guidelines for Small Face Amounts:

- IA, NV, NC, OR, UT: \$15,000 or less
- WV: \$25,000 or less
- WA: less than \$5,000

State Availability:

The product is available for sale in the following states: AL, AK, AZ, AR, CA, CO, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY

STATES CURRENTLY NOT AVAILABLE:

CT – until product becomes available via e-signature or web sales

NY – MEMBERS Life Insurance Company is not licensed in NY so this product will not be available in NY.

Surrender Proceeds:

Surrender Proceeds

The amount payable as surrender proceeds is equal to:

- The cash value of the policy;
- MINUS any outstanding loan balance and outstanding loan interest.

If the surrender date is within 30 days following a policy anniversary the cash value used to determine the net cash value will not be less than the cash value on that policy anniversary. Any premium paid beyond the surrender date will be returned with the net cash value.

Surrender Charges

None

Delayed Processing Expenses:

Some states regulate the deferment of payment of cash surrender requests. In general, delays of payments of more than 10, 20, or 30 days require an insurer to pay interest at a rate specified by the state

Termination/Maturity:

Coverage will end on the earliest of:

1. The date of the insured’s death;
2. The date we receive the owner’s request to terminate the policy;
3. The date the premium grace period ends without a premium payment; or
4. The policy anniversary on or next following the insured’s 121st birthday

Underwriting Criteria:

Underwriting Criteria and Requirements

This product is applied for using automated underwriting with an instant issue decision in most cases by simply asking a few health questions and using real-time database checks. Unlike the traditional underwriting process, TAWL does not require a health interview, medical records, or a paramedical exam.

Classes:	Standard Tobacco & Standard Non-Tobacco
MIB (Medical Information Bureau):	No
Rx Database:	Yes, all amounts
MVR (Motor Vehicle Report):	No
Prior Coverage Search:	Yes
True Risk Life	Not currently in use
Tentative Offers:	No

Other Requirements

No other requirements will be used in the underwriting decision. We will not order PHI, APS, exam with labs, or criminal activity search.

Risk Classifications

This product is issued with Standard Tobacco and Standard Non-Tobacco Rates

Voice Signature:

The policy can be applied for through Distribution Partners using a voice signature.

Voice Signature not available in: CT