

PRODUCT PROFILE

Simplified Issue Whole Life (SIWL) Graded Death Benefit (GDB)



Many families face unexpected expenses after the death of a loved one due to funeral costs, medical expenses, or possibly credit card bills. Final expense insurance is permanent life insurance coverage designed to help cover these costs when the insured dies, easing the financial burden on loved ones. Preparing financially can help your clients alleviate some of their family's stress in a time when they are grieving.

Plus, as a member of Royal Neighbors of America, the owner of the certificate can enjoy valuable member benefits such as dental, vision, and prescription discounts, retail benefits, free and discounted legal services, and more.

Visit www.royalneighbors.org for more information about our current member benefits.*

FINANCIAL NEEDS MET BY THE PRODUCT:

- Final expense coverage

TARGET MARKET:

- Clients ages 50–85 who are looking for insurance coverage to help loved ones cover the costs of funeral and burial services, outstanding medical bills, and other debts

PRODUCT FEATURE	BENEFIT
Simple yes/no application	No physical exam is required**
Underwritten via telephone interview	Your client's underwriting eligibility can be determined immediately at point of sale
Level, guaranteed premiums	Premium rates will never increase regardless of changes to your client's health

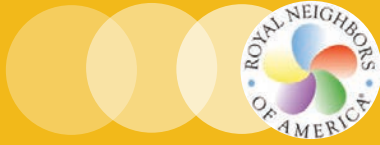
* Member benefits are provided at the discretion of Royal Neighbors of America. They are not part of any insurance or annuity contract and are not guaranteed. They are not available in all states.

** We reserve the right to order a Physician's Statement at our discretion.



ROYAL NEIGHBORS OF AMERICA

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Simplified Issue Whole Life (Form series 1311) and Graded Death Benefit (Form Series 1312)
Not available in all states. Contractual provisions and limitations may vary by state.



Simplified Issue Whole Life (SIWL) Graded Death Benefit (GDB)

ISSUE AGES

- 50–85 (age last birthday)

OWNER/MEMBERSHIP

- As shown in the application
- Owner can be different than the insured (must have an insurable interest in the insured)
- Ownership can be changed after issue through an assignment
- The insured is the member of Royal Neighbors of America



FACE AMOUNTS

SIWL

- \$5,000–\$25,000
- Maximum new SIWL insurance available to an insured is \$25,000, less other existing simplified issue insurance at Royal Neighbors (including Simple Solution, SPWL, Sr. Whole Life, Graded Death Benefit, and products issued through any small face amounts program)

GDB

- \$5,000–\$10,000 allowed at any time subject to underwriting requirements
- Maximum new GDB insurance available to an insured is \$10,000, less other existing simplified issue insurance at Royal Neighbors (including Simple Solution, SPWL, Sr. Whole Life, SIWL, and products issued through any small face amounts program)

FREE-LOOK PERIOD

- 20 days (or longer if required by state)

MODE OF PAYMENT

- Premiums can be paid by monthly, quarterly, semi-annual, or annual Pre-Authorized Collection (PAC). Premiums can also be billed on quarterly, semi-annual, or annual basis.

PREMIUM PERIOD

- Premiums payable for life of insured (or until insured would reach 121 years of age based on 2001 CSO tables)

HEALTH/MEDICAL REQUIREMENTS

- Simplified issue

RISK CLASSES

- Male/Female (premiums quoted for Montana applications must use male rates for both male and female applicants)
- Tobacco/Non-Tobacco
- No Substandard
- No Preferred

DIVIDENDS

- Certificate is participating but no dividends are expected

DEATH BENEFIT

SIWL

- Full face death benefit - Face amount plus any premiums paid after the date of death; if certificate is in grace period, past due premiums through the month of death will be deducted from the face amount before payment is made; any outstanding liens (with accrued interest) and loans (with accrued interest) will also be deducted

GDB

- Death benefit limited for first two years unless death is accidental
 - 30% of face amount in first year
 - 70% of face amount in second year
- Death benefit is 100% if death is accidental – accidental death provision not approved in Arkansas
- If certificate is in grace period, past due premiums through the month of death will be deducted; any outstanding liens (with accrued interest) and loans (with accrued interest) will also be deducted

CERTIFICATE FEE

- \$30 per year (commissionable)

EARLY PLANNING PROTECTS YOUR CLIENTS

Simplified Issue Whole Life / Graded Death Benefit



NONFORFEITURE OPTION

- Participating reduced paid-up insurance
- Non-participating extended term insurance (default)
- Cash surrender

PREMIUMS IN DEFAULT

- Insurance expires at end of grace period unless there is a cash value
- If there is a cash value, the following will happen:
 - Automatic premium loan followed by nonforfeiture option elected; or
 - If automatic premium loan is not in effect, nonforfeiture option chosen by owner

TERMINATION

- Certificate will terminate/mature the earliest of
 - A nonforfeiture option (CS, RPU, ETI) goes into effect (whether chosen or default because of nonpayment of premium)
 - Cash value is transferred (1035) to another product
 - Certificate expires without value when the outstanding loan (including accrued interest) exceeds the cash value, or the outstanding lien (including accrued interest) plus the outstanding loan (including accrued interest) exceed the face amount
 - Insured dies
 - Insured reaches age 121
 - Lapse due to nonpayment of premium

REINSTATEMENT

- Can be reinstated within 3 years from date of non-payment of premium with evidence of insurability
- 6% interest on all past due premiums
- Certificate cannot be reinstated if certificate is surrendered for its cash surrender value

LOANS

- Loans are available up to the cash value
- 8% interest rate in arrears
- Automatic premium loan option is available

AVAILABLE RIDER

Accelerated Living Benefit – Terminal Condition and Permanent Confinement (Form series 1766)

- Rider available age 50–85
- Must be issued at the time of application
- No additional premium for rider (in states where rider is approved)
- Qualifying Events:
 - When the insured has been continuously confined to a nursing home for 90 days and the physician-certified confinement is expected to be permanent;
 - When the insured is diagnosed by a physician as having a terminal condition and has a life expectancy of 12 months or less
- Up to 75% of eligible death benefit can be accelerated (minimum \$5,000, maximum in aggregate of all certificates of \$250,000) as a single payment
- An accelerated benefit payment is subject to an administrative fee and interest; review the rider, form 1766 (with state variations), for complete information and provisions
- Rider not available in all states; contractual provisions may vary by state



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