

PRODUCT PROFILE

SecureLife

Universal Life Cash Value (UL CV)



Royal Neighbors SecureLife UL CV offers clients the ultimate in flexibility when securing life insurance with features to build cash accumulation for use during their lifetime. When properly funded, the accumulated cash value will be available on a tax-free basis¹ for retirement income, college savings, or unexpected financial needs. A portion of the premiums clients pay, along with the interest that grows with time, may accumulate cash so they can save, borrow, or withdraw at a later date.

Clients have the ability to change premium payments to alter the cash value, death benefit payout, or length of their coverage. Choosing to increase the amount of premium payments can optimize the account value for their unique needs. The cost of the insurance will increase each year based on the client's age.

FINANCIAL NEEDS MET BY THE PRODUCT:

- Income replacement
- Financial foundation
- Mortgage protection
- Cash accumulation for college, retirement, or emergency savings
- Protect a child's insurability

PRODUCT FEATURES	BENEFITS FOR YOU
Rolling target commission	Commissions will be paid on a "rolling" target basis through the second certificate year. First-year commission is paid through the earlier of the end of the second certificate year or when Target Premium is satisfied.
PRODUCT FEATURES	BENEFITS FOR YOUR CLIENTS
Cash value accumulation	When properly funded, cash value can be accessed on a tax-free basis ¹ for future college expenses, unexpected emergencies, retirement income, or other needs
Loans available immediately ²	Provides access to cash value at a competitive interest rate
Preferred loans starting in year 11 ²	Provides access to a portion of the cash value at 0% net interest
Flexible premiums	Owner can either increase or decrease premiums (subject to limitations); may impact future funding requirements
Adjustable death benefit	Owner can either increase or decrease the stated death benefit without Royal Neighbors issuing a new certificate (subject to limitations)

¹ If overfunded, this certificate becomes a Modified Endowment Contract (MEC) and any loans or withdrawals may be taxable. Consult a tax advisor.

² See Loans section on page 3 for details.





ISSUE AGES (age last birthday)

- 0–85 for Non-Tobacco risk classes
- 16–75 for Tobacco risk classes

FACE AMOUNTS

- Minimum \$50,000 (\$250,000 for preferred and super preferred)
- Maximum is subject to underwriting
- Maximum Accidental Death Benefit Rider \$300,000
- Increases of at least \$10,000 in the face amount are allowed at any time subject to underwriting requirements
- After the first year, the face amount can be decreased (subject to contract limitations)

VALUES

- Cash value equals account value – less surrender charges
- Cash surrender value equals cash value – less existing debt and liens
- Account value equals accumulation value of premiums reduced by specific charges including the cost of insurance and expenses plus interest, at no less than the guaranteed minimum interest rate

MODE OF PAYMENT

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

PREMIUM BANDS BY FACE AMOUNT:

- Band 1: \$50,000 to \$99,999
- Band 2: \$100,000 to \$249,999
- Band 3: \$250,000+

UNDERWRITING CLASSES BY FACE AMOUNT & AGE:

Ages 0 to 17

\$50,000 and up

Standard Non-Tobacco

Ages 18 to 85

\$50,000 to \$249,999

\$250,000 and up

Standard Non-Tobacco
Standard Tobacco

Super Preferred Non-Tobacco
Preferred Non-Tobacco
Standard Non-Tobacco
Preferred Tobacco
Standard Tobacco

NON-MED LIMITS

- Ages 18–50: face amounts \$50,000 to \$249,999
- Ages 51–85: exams start at \$50,000

Substandard rating classes are available through table 10 for this product. For more information and underwriting guidelines refer to the Field Underwriting Guide Form 2980-B.

PREMIUMS

- Premiums are flexible—they may increase, decrease, stop, and restart within certain limits
- Premiums must be paid with some frequency and in an amount that will maintain an account value less any loans sufficient to cover the monthly deduction
- Royal Neighbors will accept any premium as long as it is within the guideline premium limits
- Target premiums are based on attained age only (Royal Neighbors uses target premiums to calculate commissions)
- Commissions will be paid on a “rolling” target basis through the second certificate year; Target Commission is paid through the earlier of the end of the second certificate year or when Target Premium is satisfied

INTEREST CREDITING RATE

- Rate is based on current portfolio rate, but can never be less than the minimum guaranteed interest crediting rate of 3%



HELP CLIENTS GROW CASH VALUE TO PURSUE LIFE GOALS

SURRENDER CHARGES

- SecureLife UL CV has a surrender charge through the first 15 years
- If the owner increases the certificate face amount, Royal Neighbors imposes a new surrender charge schedule for the increase and continues the original surrender charge for the original face
- A schedule of surrender charges is found on page 3A of the certificate

MATURITY

- Age 121, cash value is payable to owner upon maturity

MONTHLY DEDUCTIONS

Royal Neighbors deducts:

- Cost of insurance for the certificate
- Cost of insurance for additional rider, if any
- Substandard extra mortality charges, if any
- The expense charge

Monthly deductions are withdrawn from the account value on the first day of each month.

LOANS

Traditional Loans

- Certificateowners may borrow against the cash surrender value of the certificate
- Loans will bear an interest rate of 7% per annum with interest payable at the end of each certificate year; a 3% rate is credited in arrears to the loan balance, creating a net 4% cost for certificateowners

Preferred Loans

- Beginning in the 11th year, preferred loans are available for up to 100% of the cash surrender value, not to exceed 50% of the cash value; 3% annual interest is charged in arrears and the 3% rate is credited in arrears to the loan balance, creating a net zero cost loan.
- Loans in excess of 50% of the cash value will be treated as traditional loans.

DEATH BENEFIT OPTIONS

- Option A (Level) = Face amount
- Option B (Increasing) = Face amount plus account value
- After the first certificate year an owner may change the death benefit type by written request (not more often than once each year)
- Royal Neighbors does not allow a change from Option A (Level) to Option B (Increasing) if it results in a reduction of the face amount below \$50,000
- Royal Neighbors requires evidence of insurability for a change from Option B to Option A



ROYAL NEIGHBORS OF AMERICA



RIDERS AVAILABLE

(Riders may not be available in all states or may have certain restrictions)

Riders

- Accelerated Living Benefit
- Guaranteed Insurability (ages 16–45)
- Accidental Death Benefit (ages 16–55)
- Flexible Premium Deferred Annuity (ages 16–55)
- Child (ages 16–55 for base insured)

Accelerated Living Benefit – Form series 1766

- Must be elected at time of application
- No additional premium for the rider (in states where rider is approved)
- Qualifying Events – terminal condition/permanent nursing home confinement
- One-time benefit up to 75% of the face amount can be accelerated (minimum \$5,000, maximum \$250,000)
- An accelerated payment creates an interest-bearing lien on the certificate
- Rider terminates at death of insured or termination/expiration of the certificate to which the rider is attached

Guaranteed Insurability – Form series 2083

- Available only at issue
- Guarantees the insured the right to purchase additional insurance at specified future option dates without evidence of insurability
- Additional purchases are allowed when insured reaches age: 25, 28, 31, 34, 37, 40, 45, 50, 55, 60
- Additional purchases are allowed when the following occurs: marriage, civil union, birth/adoption of a child, purchase of a primary residence (purchase of insurance for life event cancels next scheduled purchase option date)
- Minimum amount for any increase is the minimum amount allowed by Royal Neighbors on any permanent plan being offered
- Maximum increase for any one event or age is the lesser of the initial certificate face amount or \$25,000
- Lifetime maximum for additional purchases is \$100,000
- Rider expires at earlier of attained age 65 or after \$100,000 of additional insurance has been purchased

Accidental Death Benefit – Form series 2082

- Available only at issue
- Minimum additional death benefit is \$50,000; maximum additional death benefit is \$300,000
- Provides a benefit prior to the first anniversary date after the insured's 65th birthday

Flexible Premium Deferred Annuity – Form series 2085

- Available only at issue
- Non-qualified money only
- Offers a convenient way to save for retirement on a tax-deferred basis
- Allows individuals the flexibility to vary the amount and frequency of payments to their deferred annuity
- Minimum premium \$50 per month with Pre-Authorized Collection Plan
- Separate surrender charges apply

Child – Form series 112090

- \$5,000 death benefit for each legal child of the insured of the certificate. When the base insured dies, this rider is converted to a \$5,000 paid-up policy in the name of each insured child.
- Available to issue at any time after the purchase of the certificate and before the maximum issue age.
- An insured child is any child, stepchild, or legally adopted child of the insured who is at least 15 days of age, and who is not yet 18 years old. In addition, an insured child includes any child who is enrolled in an accredited educational institution and has not reached 25 years of age.
- If rider is added after the issue date of the certificate, an insured child also includes stepchildren and any child born to insured or legally adopted by insured before the child's 18th birthday, and the child is at least 15 days of age.



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Visit www.royalneighbors.org to learn more.

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