



# The five types of life insurance

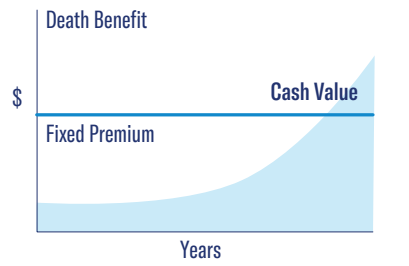
## Compare your options —

Here is a quick review of the five major types of life insurance policies.



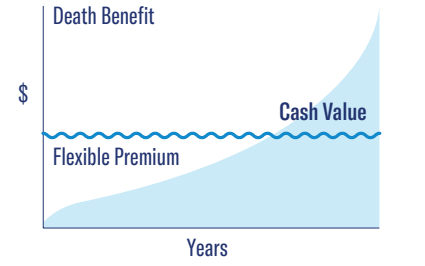
### 1 Level Term Insurance<sup>1</sup>

- Fixed death benefit
- Level premium<sup>2</sup>
- No cash value
- Pure protection



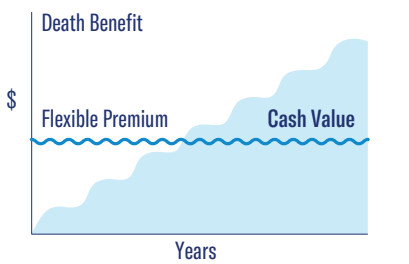
### 2 Traditional Whole Life

- Fixed or increasing death benefit
- Fixed premium
- Protection and cash value



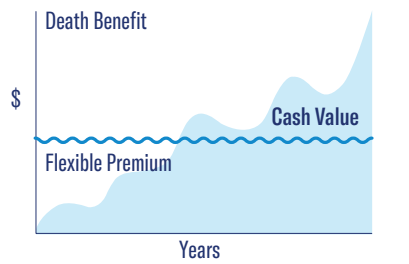
### 3 Universal Life

- Flexible or fixed death benefit
- Flexible premiums
- Growth of cash value based on declared interest rate
- Protection and cash value



### 4 Indexed Universal Life

- Flexible or fixed death benefit
- Flexible premiums
- Growth of cash value based on index-linked interest rates subject to a growth cap and a floor
- Protection and cash value



### 5 Variable Universal Life

- Flexible or fixed death benefit
- Flexible premiums
- Growth or decline of cash value based on performance of market-based investment options<sup>3</sup>
- Protection and cash value

A life insurance policy is a contractual agreement in which premiums are paid to an insurance company that, for the specified premiums, will provide a benefit to a named beneficiary upon proof of the insured's death. Certain life insurance policies allow for premium payment amounts above the cost of insurance to collect in a cash value account. Amounts in a variable universal life policy's cash value are invested in a variety of variable investment portfolios, which are subject to fluctuation in value and market risk, including loss of principal. Life insurance policies have exclusions, limitations, and terms for keeping them in force.

Fees and charges associated with life insurance include cost of insurance charges, surrender charges, administrative fees and charges for optional benefits. Variable universal life insurance is also subject to investment management fees and mortality and expense risk charges. Please contact a financial professional for costs and complete details.

Death benefits and premiums are subject to certain parameters within the policy.

<sup>1</sup> Excludes term policies that offer a return of premium benefit.

<sup>2</sup> When the level premium period ends, premium amount will increase.

<sup>3</sup> The cash value of a variable universal life insurance policy is not guaranteed and may be worth more or less than total of premiums paid if surrendered or withdrawn. Variable universal life insurance may go down in value.

# The features of life insurance

Types of Life Insurance	General Description	Cash Value Crediting Method	Access to Cash Value
Level Term Insurance	<ul style="list-style-type: none"> <li>• Generally has a low initial cost.</li> <li>• Does not build cash value.</li> <li>• At older ages, coverage generally becomes less affordable.</li> </ul>	<ul style="list-style-type: none"> <li>• Does not build cash value.</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Traditional Whole Life	<ul style="list-style-type: none"> <li>• Guaranteed fixed premium for as long as the policy stays in force.</li> <li>• Offers guaranteed minimum cash value.</li> <li>• Non-guaranteed dividends provide potential for greater cash value.</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed rate of return and non-guaranteed dividends.</li> </ul>	<ul style="list-style-type: none"> <li>• Through policy loans or by surrender of any dividend additions.<sup>4,5</sup></li> </ul>
Universal Life	<ul style="list-style-type: none"> <li>• Flexibility to change amount and timing of premiums.</li> <li>• Ability to build cash value.</li> </ul>	<ul style="list-style-type: none"> <li>• Current interest crediting rate.</li> </ul>	<ul style="list-style-type: none"> <li>• Through policy loans or withdrawals.<sup>4</sup></li> </ul>
Indexed Universal Life	<ul style="list-style-type: none"> <li>• Flexibility to change amount and timing of premiums.</li> <li>• Ability to build cash value through index-linked interest options.</li> </ul>	<ul style="list-style-type: none"> <li>• The interest rate credited for the indexed options is linked to the return of a selected index, subject to the Growth Cap Rate and Participation Rate for each option.</li> </ul>	<ul style="list-style-type: none"> <li>• Through policy loans or withdrawals.<sup>4</sup></li> </ul>
Variable Universal Life	<ul style="list-style-type: none"> <li>• May provide optional guaranteed coverage for a limited number of years.</li> </ul>	<ul style="list-style-type: none"> <li>• Variable rate of return if premiums are allocated to available investment options.</li> <li>• Fixed rate of return may be offered if there is a guaranteed interest option.</li> </ul>	<ul style="list-style-type: none"> <li>• Through policy loans or withdrawals.<sup>4</sup></li> </ul>

<sup>4</sup> Policy loans accrue interest. Loans and withdrawals will reduce the policy's cash value and death benefit, may trigger tax consequences and will increase the chances that the policy will lapse.

<sup>5</sup> Dividends are not guaranteed.

## Premium Flexibility

## Death Benefit Flexibility

## Appropriate for Owners Who:

- No. Specified premiums must be paid when due.

- No death benefit increases or decreases.

- Have a temporary life insurance need.

- Some. Any available dividends may be used to reduce or possibly to ultimately eliminate out-of-pocket annual premiums.<sup>5</sup>

- Can use any dividends to purchase additional coverage and can change dividend option from year to year.<sup>5</sup>
- Generally can't increase or decrease amount of coverage, although coverage can be increased over time if dividend additions are elected as dividend options and dividends are paid.

- Have a long-term life insurance need.
- Desire a minimum guaranteed cash value and a guaranteed level of premiums and do not mind paying a relatively high premium for the guarantees.

- Yes. Premium payments may be increased (to potentially build more cash value), reduced or even skipped.<sup>7</sup>

- Individuals may increase or decrease coverage.<sup>6,7</sup>
- Underwriting is generally required for coverage increases.
- Death benefit option may be changed between level and variable.

- Have a long-term life insurance need.
- Desire premium payment flexibility.

- Yes. Premium payments may be increased (to potentially build more cash value), reduced or even skipped.<sup>7</sup>
- Premium allocation to different investment options may be made.

- Individuals may increase or decrease coverage.<sup>6,7</sup>
- Underwriting is generally required for coverage increases.
- Death benefit option may be changed between level and variable.

- Have a long-term life insurance need.
- Desire premium payment flexibility.
- Desire cash value accumulation with a strong focus on equity-linked options and full downside protection.
- Investment flexibility, as transfers can be made between index-linked interest options.

- Yes. Premium payments may be increased (to potentially build more cash value), reduced or even skipped.<sup>6</sup>
- Premium allocation to different investment options may be made.

- Individuals may increase or decrease coverage.<sup>7</sup>
- Underwriting is generally required for coverage increases.
- Death benefit option may be changed between level and variable.

- Have a long-term life insurance need.
- Desire premium payment flexibility.
- Desire upside potential and can withstand potential downside exposure.
- Are comfortable with making investment decisions and in selecting the variable investments options.
- Understand that variable life insurance has upside potential that may exceed the cash value generated by the other life insurance products, as well as understand that there is the potential for loss of principal invested.
- Investment flexibility, as transfers can be made between variable investment options.

<sup>6</sup> Premium amounts must be in accordance with IRS code, as well as be enough to cover monthly deductions.

<sup>7</sup> Face amount decreases may result in a pro rata surrender charge. Face amount increases are subject to additional underwriting.

Loans and withdrawals reduce the policy's cash value and death benefit, may cause certain policy benefits or riders to become unavailable, and increase the chance the policy may lapse. If the policy lapses, is surrendered or becomes a Modified Endowment Contract (MEC), the loan balance at such time would generally be viewed as distributed and taxable under the general rules for distribution of policy cash values. Under current federal tax rules, you generally may take federal income tax-free withdrawals up to your basis (total premiums paid) in the policy or loans from a life insurance policy that is not a MEC. Certain exceptions may apply for partial withdrawals during the policy's first 15 years.

If the policy is a MEC, all distributions (withdrawals or loans) are taxed as ordinary income to the extent of gain in the policy, and may also be subject to an additional 10% premature distribution penalty prior to age 59½, unless certain exceptions are applicable. Loans and partial withdrawals will decrease the death benefits and cash value of your life insurance policy and may be subject to policy limitations and income tax.

## For more information, please contact your life insurance professional today.

All guarantees are based on the claims-paying ability of the issuing life insurance company. Guarantees do not apply to the variable investment options in a variable universal life policy.

This brochure highlights some key features and benefits of the products. It should not be considered tax or legal advice. For more details on specific policies, including rates and policy charges, please obtain an illustration or term quote from your financial professional/licensed insurance agent.

**Variable universal life products are sold by prospectus; please consider the charges, risks, expenses and investment objectives of variable universal life products carefully before investing. For a prospectus containing this and other information, please contact your financial professional. Read it carefully before you invest or send money.**

There are fees and charges associated with variable life insurance that may not be applicable to whole life or universal life insurance policies. Surrender charges may be applicable to whole, universal and variable universal life insurance policies.

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