



Excel Essential

Universal Life Insurance

Agent Guide



at a glance

Specified Amounts	\$50,000 Standard Nontobacco and Standard Tobacco \$100,000 Preferred Plus Nontobacco, Preferred Nontobacco, Select Nontobacco and Preferred Tobacco No maximum face amount
Issue Ages and Rate Classifications age nearest	0-85 Standard Nontobacco 18-75 Preferred Plus Nontobacco 18-80 Preferred Nontobacco, Select Nontobacco, Preferred Tobacco 18-85 Standard Tobacco Age nearest
Monthly Deductions	<ul style="list-style-type: none">• Current Mortality Charges: Select COI scale to age 121 and no charges after age 121• Guaranteed Mortality Charges: 2001 CSO Mortality Charges with appropriate rate class selection• Specified Amount Charge Per \$1,000 Banding: Low Band \$249,999 and lower; High Band \$250,000 and higher• Policy Fee: \$7 per month (current and guaranteed)• Premium Load: 5% of all premiums (current) and 7% of all premiums (guaranteed)
Maturity Date	No set maturity date; the policy continues in force as long as the cash surrender value remains equal to or greater than \$1. There are no policy charges or premiums after age 121
Surrender Charge	Per \$1,000 of specified amount for 19 years. Varies by issue age, rate classification and duration. Charge is invoked when the policy is surrendered. No pro rata charge for surrenders that are less than the cash surrender value.
Interest Rate	Portfolio interest crediting method provides interest rate stability. Interest is credited to the Account Value on a daily basis. The interest rate is reviewed and can change each month. The guaranteed interest rate is 3%.
Death Benefit	Guaranteed 15-year minimum death benefit if minimum no-lapse premium is paid. The death benefit Option A (level) is the specified amount of insurance. The net amount at risk decreases as the Account Value increases. The cost of insurance rate is only applied to the difference between the specified amount and the Account Value.

A valuable feature of an Excel Essential UL insurance policy is the ease with which the amount of coverage can be changed. When a change is made, a supplementary policy schedule page is processed indicating the new specified amount. Changes can be made any time after the first policy year. Unscheduled increases may be requested any time prior to age 80 and may require proof of insurability. Scheduled increases provided by the Scheduled Increase Rider do not require proof of insurability.

additional policy information

Planned Periodic Premiums	<p>Policyowners can choose to pay level premium payments on a quarterly, semi-annual or annual basis at the time of application. We can also arrange for them to pay these premiums on a monthly basis under a pre-authorized custom payment arrangement. Premium payments are flexible. Policyowners can also make unscheduled premium payments at any time until age 121. If a policyowner decides to change the amount or frequency of Planned Periodic Premiums, written notice to the Service Center is required.</p>
Minimum No-Lapse Premium	<p>The Minimum No-Lapse Premium is the amount required to keep the policy in force during the Minimum No-Lapse Period. If the Minimum No-Lapse Premium is paid during the first 15 years (or an equivalent amount is paid over a shorter time), the policy is guaranteed to remain in force, regardless of the Cash Surrender Value.</p> <p>Money anticipated on a 1035 exchange cannot be used to satisfy the Minimum No-Lapse Premium requirement. Money sufficient to meet the Minimum No-Lapse Premium requirement must accompany the application and must continue to be paid until the 1035 is received.</p>
Minimum No-Lapse Period	<p>The Minimum No-Lapse Period allows a policy to remain in force during the first 15 years after issue, regardless of the Cash Surrender Value, if the cumulative premiums paid to date—less any partial cash withdrawals or policy debt—equal or exceed the minimum monthly premium multiplied by the number of policy months since the policy date.</p>
Lapse and Grace Period	<p>If the policyholder does not give notice of termination to the company and further premiums are not paid, insurance on the primary insured and that provided by riders remains in force for as long as there is sufficient cash surrender value from which to deduct insurance costs and expenses.</p> <p>Starting on the monthly date when the cash surrender value is less than the monthly deduction for the policy month to follow, a grace period of 61 days is given for the payment of enough premium to cover the monthly deduction. If the premium is not paid within the grace period, all insurance stops. If the insured dies during the grace period, the death benefit is paid but reduced by the past due monthly deductions.</p> <p>During the first ten years only, the policy will remain in force and will not begin the grace period if the sum of the premiums paid to date—less any withdrawals, loans and loan interest—equals or exceeds the minimum monthly premium multiplied by the number of policy months since the date of issue.</p>
Reinstatement	<p>If the policy terminates without value, it can be reinstated with evidence of insurability. At reinstatement, charges for the grace period and current month will be deducted from the account value, and underwriting is required. Policies cannot be reinstated after 5 years past the termination date.</p>
Partial Withdrawals	<p>Policyowners may make partial withdrawals at any time by submitting written notice to the Service Center. The minimum partial withdrawal amount is \$100. Each partial withdrawal will be deducted from the cash surrender value of the policy. The death benefit will be reduced by the amount of the partial withdrawal, but cannot be reduced to less than \$25,000.</p>

Full Cash Surrenders	The policyowner will receive the cash surrender value if he or she chooses to make a full surrender. The cash surrender value is the account value minus the surrender charge minus any policy debt.
Policy Loans	<p>The cash surrender value may be borrowed any time except during the grace period. There is no minimum loan amount. The maximum loan amount is the cash surrender value, minus loan interest to the next annual date, minus the sum of the next three monthly deductions. The maximum loan interest rate is 4.0% during policy years 1- 5, and 3.5% after the fifth policy year. The loaned portion of the account value will be credited with interest at the guaranteed rate of 3.0%.</p> <p>A loan may be repaid in full or in part at any time before the insured's death or surrender of the policy. If the insured dies with a loan outstanding, the amount of the policy loan and loan interest will be deducted from death proceeds.</p>
Terminations	The policy can be terminated at any time by giving written notice to the company. The cash surrender value will be paid to the policyholder.

policy riders

Accelerated Benefit (form AABR01 FABRO1NY)	<p>This is an accelerated death benefit rider available in states where approved and the Care4Life Rider or Terminal Illness Acceleration Rider is not approved. New and existing policyowners can add this rider, which enables them to receive an advance of up to 50 percent of the policy's death benefit (up to \$500,000) if they become terminally ill.</p> <p>Advanced payment plus accrued interest (maximum 4%) are treated as a lien against death proceeds; the balance of the death benefit (less the advanced payment and accrued interest) is paid out to the beneficiary upon the insured's death. To exercise, insured must have a life expectancy of less than 12 months, certified by a physician. This option is not a long-term care policy. Benefits may be taxable, and may affect Medicaid eligibility. A policyowner should be advised to seek competent legal or tax counsel before exercising this benefit.</p> <p>There is no additional charge for this rider.</p>
Accidental Death Benefit (form AADB01 FADBUL)	<p>The policyowner may select an amount to be paid (in addition to the policy death benefit) in the event of death of the insured under the base policy resulting from accidental bodily injury occurring within 120 days of the injury and prior to the annual date nearest the insured's 70th birthday. If death results from the insured's travel as a fare-paying passenger on a public conveyance operated by a licensed common carrier for passenger service, the rider benefit is doubled.</p> <p>Rider amount cannot exceed base specified amount or the following limits \$50,000 for ages 0-20; \$100,000 for ages 21-25; \$150,000 for ages 26-55 and \$100,000 for ages 56-65. Maximum from all companies is \$250,000.</p> <p>There are certain conditions under which the rider is not payable. These include suicide, self-inflicted injury, and acts of declared or undeclared war. (Please refer to the rider itself for a complete listing of risks not assumed.)</p> <p>The rider will terminate when the policy terminates or on the first Monthly Date after the policyowner gives written notice or on the annual date nearest the insured's 70th birthday.</p> <p>The monthly charges for this rider are based on the insured's attained age, sex and underwriting classification.</p>

Care4Life
(form DBAR 6-13, in
New York forms CRIAR
3-15 NY, CHIAR 3-15
NY, TIAR 3-15 NY)

Available in approved
states on policies
issued after March 31,
2015 and in New York
on policies issued after
October 25, 2015

Provides accelerated death benefit if the insured faces serious medical hardships such as a critical, chronic or terminal illness. The eligible amount is the specified amount at the time of the first accelerated benefit request, and will be reduced by any subsequent partial surrenders. The advanced payment plus a \$150 administrative fee plus accrued interest (maximum 8%) is treated as a lien against death benefit proceeds; the balance of the death benefit (less the lien) is paid to the beneficiary upon the insured's death.

In the event of a critical illness up to 25% of the eligible amount with a maximum of \$125,000 can be accelerated as a one-time payment if insured experiences open heart surgery, angioplasty or myocardial infarction, life threatening cancer, stroke, major transplant or end-stage renal failure. One claim maximum. In New York, up to 25% of the eligible amount with a maximum of \$50,000 can be accelerated. Also in New York, this option cannot be exercised if the policy is a modified endowment contract at the time of the acceleration request.

In the event of a chronic illness where the insured is unable to perform two of the six activities of daily living (dressing, toileting, transferring, continence, eating, bathing) for 90 days or is diagnosed with a severe cognitive impairment up to 50% of the eligible amount up to \$1 million can be advanced. Choose from annual payments up to HIPAA limits or monthly 2% installments paid over 50 months or monthly 1% installments paid over 100 months. The chronic illness payment option is elected at the time of the first chronic illness acceleration request and may not be changed. Certification of the chronic illness is required every 12 months to receive benefit payments.

In the event of a terminal illness receive up to 75% of eligible amount with a maximum of \$1 million as one-time payment if the insured has a life expectancy of 12 months or less. One claim maximum. A \$150 administrative fee will be added to the lien.

The maximum lifetime accelerated benefit payments on the insured across all policies may not exceed 75% of the eligible amount with a maximum of \$1 million.

After the Care4Life rider is exercised, the remaining death benefit will be reduced by the lien. In New York and Pennsylvania, this may cause the policy to eventually be paid in full. In other approved states, a residual death benefit of at least 10% of the eligible amount up to \$100,000, reduced by any loans and partial surrenders, will be paid as a death benefit upon the death of the insured.

This rider is subject to underwriting and is not available on policies issued with a table rating greater than Table B or a temporary or permanent flat extra. The rider is not available on facultative cases and is not available to foreign nationals.

If the insured does not qualify for the Care4Life rider or lives in a state that has not approved it, the Accelerated Benefit Rider for Terminal Illness or Terminal Illness Acceleration rider may be available to provide an advance of the policy's death benefit if the insured is diagnosed with a terminal illness.

There is no elimination period for a critical and terminal illness. The definition of a chronic illness requires an elimination period of 90 days for a chronic illness. There is no waiting period for a critical, chronic or terminal illness. In New York, benefits will be paid retroactively for the 90 day elimination period.

There is no additional cost for the rider until an accelerated benefit is paid. Cost of insurance and monthly charges continue to be assessed after an accelerated benefit has been paid. The policy owner must continue to pay the minimum amount to keep the base policy and all riders in force. No policy changes are permitted after an accelerated benefit has been paid.

Rider expires at age 110.

Children's Insurance
(form ACIR01 FCIR)

Provides \$25,000 of coverage for the insured's children named on the application or added to the policy if born after the date of the application. If child is adopted, the date of the adoption must be before the child's 18th birthday. Does not insure any child less than 15 days old or after the anniversary date nearest the child's 25th birthday.

Policyowner may convert the insurance on each insured child to at least \$25,000 of permanent insurance without evidence of insurability with a written application. Conversion must occur no later than 31 days after the insured child's 25th birthday. New policy face amount may not exceed rider benefit amount on the date of conversion when conversion occurs before the insured child's 25th birthday. If conversion occurs on or after the insured child's 25th birthday, the new policy's face amount may not exceed five times the rider benefit amount on the date of conversion.

This rider can be issued only when the parent/insured is Age 18 – 55 and the child is age 15 days – 18 years.

The rider will terminate when the policy terminates for any reason other than the death of the primary insured or on the first Monthly Date after the policyowner gives written notice or on the anniversary nearest the insured's 65th birthday. If the primary insured dies, the rider remains in force until the youngest child covered by the rider reaches age 25.

The monthly cost for this rider is \$0.48 per \$1,000.

Insurance Exchange
(form AIER01 FIER)

Allows the policy to be exchanged for a new policy on the life of a substitute insured with evidence of insurability on the new insured. This is typically used in business situations. With the company's consent, riders may be attached to the new policy.

The policy date for the new policy will be the monthly date following the date of the exchange. The specified amount of the new policy may be no greater than that of the original policy. The account value of the original policy and any policy debt will transfer to the new policy.

The rider will terminate when the policy terminates or on the anniversary nearest the insured's 65th birthday

There is no additional charge for this rider.

Scheduled Increase
(form ASIR01 FSIR)

Automatically increases the amount of insurance each year by the benefit amount specified by the policyowner at issue. The amount of increase can be specified in increments of 1 – 10%. Benefits increase each year up to and including the annual date nearest the insured's 65th birthday, subject to a limit for total increases of two times the initial face amount.

As the amount of insurance increases, the deduction from the Account Value increases to cover the increased cost of insurance.

The rider is available to the insured under the base policy up to age 60. It is not available to persons covered under the Term Insurance Rider for Other Insured Persons.

Acceptance of the increase is automatic. A supplemental schedule is mailed to the policyowner for each increase. The policyowner may reject the increase by notifying the company and returning the supplemental schedule within 30 days of the increase date.

The rider will terminate when any increase is rejected or when the specified amount is reduced or when the policy terminates or on the first Monthly Date after the policyowner gives written notice or on the anniversary the insured is insurance age 65.

Term Insurance Rider
for Other Insured
Persons (form ATIR01
FTIR01)

Provides additional insurance protection for up to five other people such as family members, business partners, or other key persons. It does not provide extra coverage to the base insured.

Full underwriting is required for each insured covered under this rider. All rate classes available, including substandard up to Table F. Amount of coverage is \$50,000 for Nontobacco and Tobacco underwriting classes and \$100,000 for Preferred Plus Nontobacco, Preferred Nontobacco, Select Nontobacco or Preferred Tobacco rate classes.

Rider may be converted to permanent coverage prior to the annual date nearest insured's age 75. Minimum specified amount of permanent policy is \$50,000.

The rider will terminate when the base policy terminates or on the first Monthly Date after the policyowner gives written notice or when there is no insured person covered by this rider. Each insured's coverage terminates at death.

The monthly charges for this rider are based on each rider insured's attained age, sex and underwriting classification.

Terminal Illness
Acceleration
(form TIAR)

Provides an advance of up to 50 percent of the policy's eligible amount up to \$500,000 if the insured has less than 12 months to live. The eligible amount is the specified amount at the time of the accelerated benefit request, and will be reduced by any subsequent partial surrenders. The advanced payment plus a \$150 administrative fee plus accrued interest (maximum 8%) is treated as a lien against death benefit proceeds; the balance of the death benefit (less the advanced payment, \$150 administrative fee, and accrued interest) is paid to the beneficiary upon the insured's death.

The accelerated benefit will be paid in a lump sum. There is no additional cost for the rider until an accelerated benefit is paid. Cost of insurance and monthly charges continue to be assessed after an accelerated benefit has been paid. The policy owner must continue to pay the minimum amount to keep the base policy and all riders in force. No policy changes are permitted after an accelerated benefit has been paid.

A residual death benefit of at least 10% of the eligible amount up to \$100,000, reduced by any loans and partial surrenders, will be paid as a death benefit upon the death of the insured.

Rider expires at age 110.

Total Disability Benefit
(form ATDB01
FTDB01)

Pays the monthly benefit amount as premium payment during continued covered disability. The monthly benefit amount is established at issue and, if sufficient, can increase the account value.

Benefits begin on the Monthly Date after the six month waiting period. For disabilities that occur prior to age 60, the benefit will be credited during that disability. For disabilities occurring on or after age 60, but before age 63, the benefit will be credited only toward premium due before age 65 and during disability. For disabilities occurring on or after age 63, but before age 65, the benefit will be credited only during the two year period after that disability begins and while it continues.

As used in this rider, "age 60", "age 63" and "age 65" means the annual date that is nearest the insured's 60th, 63rd and 65th birthdays, respectively.

Total disability is defined as that which results from bodily injury or disease, lasts for at least six months, begins before age 65, and continuously prevents the insured from engaging in "an occupation for pay or profit." After the first 24 months of disability, "an occupation" means any occupation for which the insured is or becomes reasonably suited by education, training or experience. "Occupation for pay or profit" includes being a full-time student or a homemaker, if that was the insured's regular occupation at the time disability began. Total disability also includes the total and irrevocable loss of sight and the use of limbs as provided in the rider.

The benefit amount is selected by the policyowner. The policyowner may choose to pay additional premiums while the insured is disabled. The maximum monthly benefit is 1% of the specified amount.

Notice and proof of the insured's total disability must be given to the company, during the life of the insured, within one year after disability begins and while the insured is totally disabled. Proof of continuance of total disability must be provided as reasonably required.

No benefit is payable on account of intentionally self-inflicted injuries or an act of declared or undeclared war while the insured is a member of the armed forces. If the benefit amount would disqualify the policy as life insurance, or if the policy has been terminated, the benefit will be paid directly to the policyholder.

The rider will terminate when the policy terminates or on the first Monthly Date after the policyowner gives written notice or at age 65 of the insured.

This rider is available to insured's up to age 55. The monthly charges for this rider are based on the insured's attained age, sex and underwriting classification.

Waiver of
Monthly Deductions
(form AWMD01
FWMD01)

Pays the monthly insurance and expense charges if the insured is disabled. Benefits begin on the monthly date after the six-month waiting period. For disabilities occurring after age 59, the benefit will cease at the later of age 65 or two years after disability begins.

Total disability is defined as that which results from bodily injury or disease, lasts for at least six months, begins before age 65, and continuously prevents the insured from engaging in "an occupation for pay or profit." After the first 24 months of disability, "an occupation" means any occupation for which the insured is or becomes reasonably suited by education, training or experience."

Occupation for pay or profit” includes being a full-time student or a homemaker, if that was the insured’s regular occupation at the time disability began. Total disability also includes the total and irrevocable loss of sight and the use of limbs as provided in the rider.

The company must receive proof that the insured is totally disabled and that the disability began while the policy was in force and has continued for six months. Notice and proof of the insured’s total disability must be given to the company within one year after disability begins and while the insured is totally disabled. Proof of continuance of total disability must be provided as reasonably required.

No benefit is payable on account of intentionally self-inflicted injuries or an act of declared or undeclared war while the insured is a member of the armed forces. Please refer to the rider itself for a complete listing of risks not assumed.

The rider will terminate when the policy terminates or on the first Monthly Date after the policyowner gives written notice or at age 65 of the insured.

This rider is available to insured’s up to age 55. The monthly charges for this rider are based on the insured’s attained age, sex and underwriting classification.

issuing your business

Application	The application requests the information needed to issue the policy and is the basis upon which a policy is issued. Be sure to use the correct state variation and indicate on the application that the client is applying for an Excel Essential UL policy. All forms necessary for these policies are available on the Document Locator under the Forms and Applications tab. Delays and withholding or reversal of commission can be avoided by giving attention to detail when completing the application. Approximately 60 percent of amendments are due to: unanswered questions, incomplete information about the plan, incomplete information about the amount of insurance and lack of detail regarding consultations with attending physicians.
Risk Amendments	Used when there is no risk to the company until the amendment is signed. For example, risk amendments are needed for rated policies and benefit amounts different from that shown on the application. Commissions may be restricted until the amendment is signed and received in the company. To facilitate this process, please return the amendment through the Secure Messaging System, fax or mail.
Nonrisk Amendments	Used for such things as clarification of beneficiary or date of birth. Commissions will be paid on nonrisk amendments. However, it is important the agent have the amendment: (1) signed at the time of delivery and (2) promptly returned to the company. Remember, signing the amendment completes the contract.
Illustrations	All applications must be accompanied by an illustration signed by the client. The signed illustration must reflect values consistent with those in the policy for which the client has applied. When a signed illustration agreeing to the policy applied for is not available, an unsigned illustration must be submitted with the Policy Illustration Certification UN 0008 (except in NY and MI). This certification does not replace a signed sales illustration. At time of policy delivery, you must present to and have the client sign an illustration consistent with the policy being delivered.

The signed illustration must then be returned to the company within 30 days to complete the underwriting process and to avoid commission being withheld or reversed. This requirement also applies in the case of rated policies. Illustrations should be prepared using the same premium mode as the policy.

Underwriting	A complete set of underwriting guidelines may be requested from the Underwriting Department but this information about deviations from standard ratings may help you.
Rating Classifications	Preferred Plus Nontobacco, Preferred Nontobacco and Select Nontobacco rating classifications are available and based on mortality that is anticipated to be better than standard mortality. To qualify the insured must not only be a standard risk, but must also meet additional selection criteria designed to achieve the improved mortality.
Rated Policies	You will be informed when a policy is approved with a rating and the policy will not be issued until you approve it. You are uniquely equipped, through contact with the prospective owner, to redesign the presentation in light of the rating. The illustration program includes the ability to reflect ratings.
Delivery of the Policy	Policy delivery should take place immediately after you receive the policy.
Delivery Receipt	Delivery receipt is included with each policy. It must be completed and returned to the company. This is important because the delivery receipt establishes the date on which the free-look period begins.
Change of Insurability	A policy should not be delivered if the proposed insured's insurability changes after the date of the application, even if the premium has been collected and a conditional receipt has been given. Hold the policy and immediately contact the underwriter.

client communication and rights

Annual Report	We will send the policyowner an annual report shortly after each policy anniversary. The report shows the current account value, any surrender charges, amount of interest credited, premiums paid, loans, expense charges and costs of insurance deducted since the prior report.
Free Look Period	If policyowner is not satisfied with a policy, it may be canceled during the free-look period, which expires 20 days after the policyowner receives the policy. Depending on the issue state, if the policy is a replacement, the free-look period may expire in 30 days. If the policyowner cancels the policy, any premiums paid minus any partial withdrawals will be refunded within 10 calendar days. The policyowner must return the policy to the company or its representative, and the policy will be deemed void from the beginning.
Suitability Guidelines	You must have reasonable grounds for believing that this product is suitable for you client based on the facts disclosed by your client about the client's investments, other insurance products, financial situation and needs. You shall make reasonable efforts to obtain information concerning: (1) the client's financial status, (2) the client's tax status, (3) the client's investment objectives and (4) such other information used or considered to be reasonable by an agent in making recommendations to the client.

income tax considerations

Generally, when properly structured, life insurance death proceeds are free of federal income tax. When a policy is surrendered, the gain (usually the difference between the cash value and the premiums) is subject to income tax. When policy values are annuitized, the gain is spread over the annuity period. Under current tax law, annual increases in the cash surrender value of life insurance policies are not considered taxable income until they are distributed.

In order for these tax benefits to be available, the policy must qualify as life insurance under the law. If the policy passes the Cash Value Accumulation Test (CVAT), the policy qualifies as a life insurance contract. The CVAT places no tax law limit on the amount of premium that can be paid. The CVAT method ensures that a minimum amount is “at risk” between the death benefit and the Account Value.

To comply with these guidelines, the company reserves the right to limit the maximum initial premium it accepts and to require that the death benefit amount at least equal the required percentage as applied to the policy's account value. The company also reserves the right not to accept subsequent premiums in excess of the maximum premium limitation or which will cause risk amounts to increase due to the minimum death benefit percentage.

When values are removed from an in force policy through partial withdrawals, reductions in the specified amount may result. Potentially, distributions may be subject to income tax to the extent of the gain involved (especially on a fully funded policy within the first seven policy years). The rules for determining any applicable tax are complex and depend on how long the policy has been in force.

Certain sales illustrations call for surrenders of policy values at various times. A partial withdrawal may involve the possibility that some portion of the surrender is subject to tax. While this possibility usually is a minor consideration in these illustrations, it should not be ignored. The product software is designed to give the agent a warning if the proposed withdrawals would result in taxation. A policyholder should be advised to seek competent legal or tax counsel.

A Modified Endowment Contract (MEC) is a life insurance policy issued on or after June 22, 1988, which fails the seven-pay premium test. The test period starts at issue and lasts seven years; a new test period starts whenever the life policy incurs a material change. A policy can also be a MEC if the policy was issued on or before June 20, 1988, if it has had a material change (i.e. increased or exchanged) and fails the seven-pay test, within seven years after the date of the change. Once a policy becomes a MEC it will always remain a MEC.

Under a MEC, distributions are included in taxable income up to the amount of gain in the contract. Any gain is deemed to be distributed before the investment in the contract. Gain is the difference between the cash surrender value before reduction by any surrender charge and the policyowner's investment in the contract. Investment in the contract basically equals the premiums paid less any prior distribution received tax-free. Policy loans from a MEC would also be considered a taxable distribution unlike a policy which is not a MEC.

In addition, there is a 10% IRS tax penalty applied to the amount of any pre-death distribution from a MEC that is includable in gross income. There are three exceptions to this additional tax: 1) The taxpayer is at least age 59½; the taxpayer has become disabled or 3) the distribution is part of a series of substantially equal periodic payments, such as an annuity, over the lifetime of the taxpayer.

Section 7702A(b) defines the seven-pay test as follows: “A contract fails to meet the seven-pay test of this subsection if the accumulated amount paid under the contract at any time during the first seven contract years exceeds the sum of the net level premiums which would have been paid on or before such time if the contract provided for paid-up future benefits after the payment of seven level annual premiums.”

The information presented here is not intended as tax or other legal advice. For application of this information to your client's specific situation, your client should consult an attorney.



In approved states, Excel Essential universal life insurance (form 3005) is issued by Ameritas Life Insurance Corp. In New York, Excel Essential universal life insurance (form 5005) is issued by Ameritas Life Insurance Corp. of New York. Policy and riders may vary and may not be available in all states.

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