

# The power of choice

Our Benefit Distribution Agreement (BDA), available on Advantage Elite Select Term Life Insurance policies, offers you more flexibility at no additional cost. It provides your beneficiaries a guaranteed income stream,<sup>1</sup> where you designate all or a portion of the **total benefit amount** to be received as **installment payments**. The income stream can provide your family the steady income they need to help to cover things like college tuition or housing payments if you die unexpectedly.

### Benefits of the BDA

In addition to providing a steady income stream for your family upon your death, the BDA may:

- Lower your policy premiums<sup>2</sup>
- Increase your policy's total benefit amount<sup>2</sup>

## How the BDA works

### Potentially lower premium payments

The BDA allows for lower premium payments. You determine your family's coverage needs, add the BDA to your policy, and receive the coverage you want at a lower cost. The following hypothetical example shows how the BDA has the potential to lower your premium payment:

George is a **40-year-old male** with a **Preferred Non-Tobacco** underwriting rating. He needs **\$1,000,000** of life insurance coverage for **20 years**.

	<b>George's policy with a 20-year term:</b>	<b>George's policy with the BDA and 100% of the benefit designated as annual installments for 30 years:</b>
Face amount	\$1 million	\$600,000
Annual premium	\$815	\$519
Annual installment benefit	N/A	\$33,333.33 x 30 years
Total benefit amount	\$1 million	\$1 million <sup>5</sup>

**With the BDA, George saves \$296 annually – over 36% annual savings.**

### GLOSSARY

#### Total benefit amount

Total of the lump-sum payment (if applicable), plus installment payments. The total benefit amount will exceed the face amount.<sup>2</sup>

#### Installment payment

The portion of the total benefit amount that is paid out over a chosen period of time (10, 20 or 30 years).

## Increased total death benefit amount

You have a set budget to spend annually on life insurance. By adding the BDA to your term policy, the total benefit amount paid to your beneficiaries will exceed the policy's face amount – at no additional cost. The following hypothetical example shows how the BDA increases your total benefit to beneficiaries:

George is a **40-year-old male** with a **Preferred Non-Tobacco** underwriting rating. He has budgeted **\$815 annually** for 20 years of term life coverage.

	<b>George's policy with a 20-year term:</b>	<b>George's policy with the BDA and 100% of the benefit designated as annual installments for 30 years:</b>
<b>Face amount</b>	\$1 million	\$1 million
<b>Annual premium</b>	\$815	\$815
<b>Annual installment benefit</b>	N/A	\$55,555.57 x 30 Years
<b>Total benefit amount</b>	\$1 million	\$1,666,667 <sup>3</sup>

**With the BDA, George increases the total death benefit by \$666,667.<sup>3</sup>**

1. If you die while your policy is in force. If owner/insured are different, the death benefit will be paid upon death of the insured.
2. The beneficiary of the policy will not be able to change the installment portion of the death benefit after the death of the insured. A portion of the benefit that is paid out in installments will be taxable as income. This taxable portion represents the amount of the benefit that exceeds the policy's face amount. Not all scenarios will result in lower premium payments.
3. The amount exceeding the original face amount will be taxable as income.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain charges, such as Cost of Insurance Charge, Cost Extra Charge, and Additional Agreements Charge (which we refer to as mortality charges), and Premium Charge, Monthly Policy Charge, Policy Issue Charge, Transaction Charge, and Surrender Charge (which we refer to as expense charges). These policies may contain restrictions, such as surrender periods.

Guarantees are based on the claims paying ability of the issuing company.

Total benefit amount is the total of the lump-sum payment plus installment payments. Total benefit amount will exceed the face amount of the policy, and the amount exceeding the face amount will be taxable as income. Not all scenarios will result in lower premium payments.

The beneficiary of the policy will not be able to change the installment portion of the death benefit after the death of the insured. A portion of the benefit that is paid out in installments will be taxable as income. This taxable portion represents the amount of the benefit that exceeds the policy's face amount.

The Benefit Distribution Agreement installment payment could be payable for a period up to 30 years. The factor rate used in the calculation of the installment payment is set at the time of policy issue.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

These are general marketing materials and, accordingly, should not be viewed as a recommendation that any particular product or feature is appropriate or suitable for any particular individual. These materials are based on hypothetical scenarios and are not designed for any particular individual or group of individuals (for example, any demographic group by age or occupation). It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are looking for investment advice or recommendations, you should contact your financial professional.