



## What is it



- It is a new tool that will allow you to sell life insurance policies with the right to increase future insured values without evidence of insurability.
- It applies only to new insurance applications.
- It has no cost.

## What should I know



- Applicant should submit his life insurance application for the initial face amount of coverage paying the corresponding minimum/target premium.
- The application must be submitted with the new form **Guaranteed Issue Form** indicating:
  - The initial amount of insurance
  - The amount of guaranteed increase within the established limits for each product.
- Applicant must comply with insurability requirements for the total amount of life insurance requested.
- The policy will be issued with a document that guarantees the right to increase insured values without evidence of insurability.

## How to proceed once the policy has been issued



- Insured may exercise his right to increase his coverage within the next two (2) anniversaries using the **Customer Service Form**.
- Increments proceed by paying the minimum/target premium corresponding to the insurance increase using attained age at time of increment.
- Minimum increments of \$50,000 up to the cap established for each product.
- The right to increase is eliminated if policy lapses.



## What are the parameters of issue/increment



The plan applies to the following products and within the following limits:

Product	Minimum Issue	Maximum Increment <small>Without Evidence of Insurability</small>
Best Indexed 100	\$100,000	\$249,999
Best Indexed 250	\$250,000	\$500,000
Nova II	\$100,000	\$250,000
Uniterm II	\$250,000	\$500,000
Uniplus	\$50,000	\$250,000

## What are the accumulation values



- Accumulation values will be reflected in the Annual Policy Statement based on the premium amounts received and costs associated with the total amount of life insurance in force on each anniversary.
- Current interest crediting methods for each product will apply.

## How would the BMI agent benefit



- In times of economic contraction, agents have a new tool that allows them to design a progressive sales plan customized for each client.
- Agents can utilize the new tool to close sales today earning 'first year' commissions in the following two (2) anniversaries.
- This tool brings the writing agent closer to his client on every anniversary; inducing to better persistency and avoiding lapses.
- Current first year and renewal commission tables for each product will apply.
- Writing agent earns first year commissions up to target premiums on the increased life insurance portion and simultaneously earns renewal commission on the renewed portion.



## Example I



### **Peter with 40 years of age buys a BEST INDEXED 100 policy for \$100,000**

- He pays the target premium.
- He submits requirements of insurability for \$250,000.
- The policy is issued for \$100,000 in August 2020.

#### FIRST ANNIVERSARY (AUGUST 2021)

- He decides to increase his insurance value without evidence of insurability for the maximum allowable of \$150,000.
- He submits along with his renewal payment a Customer Service Form requesting the increase.
- He pays the corresponding target premium (attained age - 41) on the increment of \$150,000
- Beginning the anniversary date his total insurance coverage is \$250,000.

#### SECOND ANNIVERSARY (AUGUST 2022)

- Peter cannot make further increments without evidence of insurability - has already used the maximum allowable amount (\$250,000).
- He receives the Annual Policy Statement reflecting \$250,000 in life insurance coverage and the corresponding Accumulated Values.



## Example II



### Paul with 50 years of age buys a BEST INDEXED 250 policy for \$250,000

- He pays the minimum premium.
- He submits requirements of insurability for \$500,000.
- The policy is issued for \$250,000 in September 2020.

#### FIRST ANNIVERSARY (SEPTEMBER 2021)

- His financial situation does not allow him to request an increase.
- He continues with his current in force policy (\$250,000).
- His Annual Policy Statement will reflect \$250,000 in coverage and the corresponding Accumulated Values.

#### SECOND ANNIVERSARY (SEPTEMBER 2022)

- Paul's financial situation has improved and he decides to increase his life insurance value without evidence of insurability by \$200,000.
- He submits along with his renewal payment a Customer Service Form requesting the increase.
- He pays the minimum premium corresponding to his current insurance coverage (\$250,000) and additionally pays the target premium (attained age - 52) for the \$200,000 of increment.
- Beginning the anniversary date his total insurance coverage is \$450,000.
- His future Annual Policy Statements will reflect \$450,000 in life insurance coverage and the corresponding accumulated values.