Definition of “Rider”: A rider is something you can add to the policy that can increases the benefits, offer additional rights or restrict benefits. Riders that add benefits require a separate premium and may require evidence of insurability if added after the policy was issued.

(Revised 6/10/19)
Rider - A rider is a change or modification to the policy that can increases the benefits, offer additional rights, or restrict benefits. Riders that add benefits require a separate premium and may require evidence of insurability if added after the policy was issued. If you to take out loan or partially withdraw any cash value, the benefits and values of riders will be affected.

(BC & BB version 7/22/19)
What is a “Rider” to a Life Insurance Policy? An insurance rider changes the base policy. For example, many life insurance riders add benefits or options for the policyholder. There’s usually an extra premium for riders that add coverage or benefits or give the policyholder options not in the base policy. Some riders that you buy after the policy was issued may require evidence of insurability (link / pop up for “evidence of insurability”).

Different insurers may offer different riders. Some riders are available only for some types of life insurance. This online guide generally describes common riders, but you should get the details — eligibility, coverage, benefits, restrictions, initial cost, future costs — for the specific rider you’re considering and be sure the rider makes sense for you.

[Note: Applies to All Types of Policies [Is this true?]]

Note to the drafting group: Each definition should indicate what types of life insurance for which the definition or description is applicable. The applicable insurance types is not part of the consumer disclosure, but serves two purposes. First, to make sure the working group is on the same page regarding which rider definitions go with which types of insurance. Second, when the NAIC starts to build the online tool, it will be necessary to associated definitions and descriptions with specific types of insurance – term, whole, universal, variable, variable universal, indexed, endowment.

Guaranteed Insurability Rider (Renewal Provision): This rider lets you buy additional coverage at a later point in life or allow you to renew a policy, such as a term life policy, without medical underwriting or evidence of insurability. This rider is appealing to younger adults who will want to change their insured amount as life events occur.

(Revised 6/10/19) Guaranteed Insurability Rider – This rider lets you buy additional coverage at a later point in life, or allows you to renew a policy, such as when a term life policy ends, or increase your whole life benefit amounts, without medical underwriting or evidence of insurability. This rider allows changes to be made to the insured amount as life events occur.

(BC & BB version 7/22/19)
Guaranteed Insurability or Guaranteed Renewal Rider: Term life insurance (link / pop up to “term life insurance”) is designed to remain in force (link / pop up to “in force”) for a set number of years – the term of the policy. A guaranteed insurability or guaranteed renewal rider lets you extend the term of the coverage or increase the amount of coverage after you bought the policy. In some cases, this rider will let you extend the coverage beyond the original term without new medical underwriting or new evidence of insurability.

[Note: Applies to Term Life Insurance only]
**Accidental Death**: If your death is a result of an accident, as defined in the policy, the rider allows you to collect additional benefits on top of the face amount or death. Some riders will also pay for accidental dismemberment, loss of an arm for example. This payment is in addition to the death benefit under the policy.

*(BC & BB version 7/22/19)*

**Accidental Death and Dismemberment Rider**: When you buy life insurance, the death benefit (or face amount) of the policy is the amount the insurance company will pay your beneficiary if you die. With an accidental death rider, the insurance company will pay more than the death benefit. If you’re considering this rider, be sure to learn the insurer’s definition of accidental death. What types of accidental deaths would be eligible for the increased benefit payment? You also should keep in mind that very few (less than 5%) insured deaths are accidental.

The accidental dismemberment rider, sometimes combined with accidental death coverage, pays you a benefit if you lose an arm, hand, finger, leg, foot, or eye due to an accident. As with the accidental death rider, be sure you know before you buy the rider what body parts are covered and what type of accidents qualify for benefits.

*[Note: Applies to ??? Types]*

**Waiver of Premium**: If you become disabled or unable to work due to illness or injury, you don’t have to pay your premium. The policy remains in effect and once back at work or earning an income, you must start paying the premiums again.

*(Revised 6/10/19)*

**Waiver of Premium** - If you become disabled or unable to work due to illness or injury for an extended period of time, you don’t have to pay your premium. The policy remains in effect and once back at work or earning an income, you must start paying the premiums again.

*(BC & BB version 7/22/19)*

**Waiver of Premium Rider**: With this rider, if you become disabled or unable to work due to illness or injury, you don’t have to pay your premium until you return to work or start earning an income again. Once you return to work or start earning an income again, you must start paying the premium again. Be sure you know what types of disabilities or illnesses are eligible for a waiver of premium rider before you buy.

*[Note: Applies to ??? Types]*

**Disability Income Benefit Rider**: You collect a regular payment from the insurance company if you become totally disabled and cannot work. The rider will tell you the amount of payment you will receive while totally disabled and the number of payments available.

*(Revised 6/10/19)*

**Disability Income Benefit Rider** - You collect a regular payment from the insurance company if you meet the company’s definition of disabled and cannot work. The rider will tell you the amount you will receive while disabled and the number of payments available.

*(BC & BB version 7/22/19)*

**Disability Income Benefit Rider** – With this rider, you can receive regular payments if you meet the life insurance company’s definition of disabled and can’t work. The amount you’ll receive and the number of payments depends on the terms of the rider.

*[Note: Applies to ??? Types]*
**Accelerated Death**: This rider lets you collect from your death benefit before death if you become terminally ill with a short life expectancy, such as one year. For instance, if someone diagnosed with cancer with a life expectancy of 6 months can request payment of a portion of the death benefit even though still alive. Any payments made under this acceleration rider will reduce the final death benefit payment.

Revised (6/10/19)
**Accelerated Death Benefit Rider** - This rider lets you collect from your death benefit before death if you become terminally ill with a short life expectancy, such as one year. For instance, someone diagnosed with cancer with a life expectancy of 6 months can request payment of a portion of the death benefit even though still alive. Any payments made under this type of rider will reduce the final death benefit payment.

(BC & BB version 7/22/19)
**Accelerated Death Benefit Rider** – With this rider, you can receive payments from your death benefit before your death if you become terminally ill and have a short life expectancy, such as one year. For instance, someone diagnosed with cancer with a life expectancy of 6 months could ask to be paid part of the death benefit even though they’re still alive. Any part of the death benefit paid to you reduces the policy’s final death benefit.

**Term Conversion Rider**: This rider allows you to convert your term insurance into permanent insurance without medical underwriting. There is usually a deadline to convert from term to permanent insurance.

(Revised 6/10/19)
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(BC & BB version 7/22/19)
**Term Conversion Rider** - This rider lets you convert your term insurance into permanent insurance without medical underwriting. Be sure to learn when and how you can convert your policy. There may be eligibility criteria and time frames or deadlines to convert your policy.

*BC Comment: “eligibility criteria or deadlines” is still too complicated*

**Long Term Care Rider**: This rider is a variation of an accelerated death rider in that it pays you a lump sum or periodic payments if you require long term care. There may be a cap on how much of the death benefit you can use. The death benefit is reduced by the amount paid for long term care.

(Revised 6/10/19)
**Long Term Care Rider** - This rider is a variation of an accelerated death rider in that it pays you a lump sum or periodic payments if you qualify for long term care. There may be a cap on how much of the death benefit you can use. The death benefit is reduced by the amount paid for long term care and other associated costs.
Long-Term Care Rider: This rider, like the accelerated death benefit rider (link or pop up to accelerated death benefit rider), pays a benefit before you die if you meet the eligibility requirements for long-term care. Be sure to learn what’s required to be eligible for benefits. Usually you must be unable to do a certain number of activities of daily living or be cognitively impaired. Ask what type of benefit the rider provides. It could be a single payment or a set of monthly payments. Also ask if there’s a cap on how much of the death benefit you can use. Any part of the death benefit you use for long-term care will reduce the policy’s final death benefit.

BC Comment: From NAIC’s LTC Shopper’s Guide -- The company may pay benefits in one of two ways. One way is a reimbursement based on your long-term care expenses. Or, the company may pay a set amount each month (an indemnity benefit). The amount is either set in the rider or the owner chooses it. In either case, there may be minimum and maximum amounts paid each month based on the policy benefit.

[Note: Applies to ??? Types]

Return of Premium: This rider allows you to collect the premiums you paid if you live to the end of the policy term. You pay a higher premium for this option.

(Revised 6/10/19) Return of Premium Rider - This rider allows you to collect the premiums (minus any loans or withdrawals) you paid if you live to the end of the policy term.

Return of Premium Rider - This rider lets you collect the premiums (minus any loans (link or pop up to loans)) or withdrawals (link or pop up to withdrawals) you paid if you live to the end of the policy term. Before you buy this rider, compare the extra premium you’ll pay for the rider to the amount of premium that might be returned to you.

[Note: Applies to ??? Types]

Critical Illness Rider: This rider pays a lump sum to you if you are diagnosed with a critical illness listed in the rider.

Critical Illness Rider: This rider pays a lump sum if you’re diagnosed with a critical illness listed in the rider.

BB Question: How is this different from other riders? Can it be combined with one of the other rider descriptions? If not, the description should distinguish it from similar riders.

[Note: Applies to ??? Types]
**Child Protection Rider**: Allows the parent to add term life coverage on their child. This allows a parent to cover a dependent child through a rider on their policy.

(BC & BB version 7/22/19)

**Child Protection Rider**: This rider lets the parent add a child to their term life policy.

*Bb Question: How much insurance would the child have?*

*Jrc question – I think the rewrite changes the meaning in the original definition.*

*[Note: Applies to ??? Types]*

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Author: Sarah Neil (RI)

**Dividend**: A dividend is a portion of the insurance company’s profits that are paid to policyholders who have participating policies as if you were an investor or stockholder. Participating policies are usually a whole life policy that pays dividends, however be sure to inquire with the insurance company and/or agent, to find out which of their policies participate. The policyholder is offered several choices of what to do with the dividends when they are paid. Some options that may be available are as follows:

**Paid-Up Additions**: You can use the dividend to purchase an additional amount of insurance that will be added to the overall death benefit each year as well as increase the cash value. The cash value and dividends grow income tax-deferred.

**Cash Payment**: You can have the annual dividends paid in cash. A paper check is usually mailed directly to you.

**Dividend Accumulation**: You can place dividends into an interest-bearing account that earns a specified interest rate set by the insurance company. Keep in mind that any interest earned is taxable to you annually.

**Reduction of premium**: You can use the dividend to pay the premium directly, which helps reduce your out-of-pocket cost each year.

**Reduction of Loan**: If you have an outstanding loan, or you’re thinking about applying for one, you can use the dividend to reduce the overall loan principal.

**Reduction of Loan Interest**: Similar to the Reduction of Loan option, you can also use the dividend to reduce the loan interest that is due each year, usually on the policy anniversary, to help lower your out-of-pocket cost.

(Revised 6/10/19)

**Dividend**: Some types of insurance companies offer a dividend which is a payment by the insurance company to the policyholder. A dividend is a portion of the insurance company’s profits that are paid to policyholders who have participating policies as if you were an investor or stockholder. Participating policies are usually whole life policies that pay dividends, however, be sure to inquire with the insurance company and/or agent, to find out which of their policies participate. The policyholder is offered several choices of what to do with the dividends when they are paid. Some options that may be available are as follows:

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**Reduction of Loan Interest** - Similar to the Reduction of Loan option, you can also use the dividend to reduce the loan interest that is due each year, usually on the policy anniversary, to help lower your out-of-pocket cost.

This is a brief overview of dividend options that may available under your policy. Be sure to talk to your insurance company and/or agent, though, to find out what options may be available to you.

(BC & BB version 7/22/19)

**Dividend**: A dividend is a part of the insurance company’s profits paid to policyholders who have participating policies. This is similar to a company payment if you’re an investor or stockholder. Participating policies usually are whole life policies. Ask the insurance company and/or agent to learn which of their policies participate. You’ll have several choices about how to use the dividends paid to you. Some of those options are:

Note: Applies to ??? Types

**Paid-Up Additions** - You can use the dividend to increase the death benefit. This also will increase the policy’s cash value. The cash value and dividends grow income tax-deferred.

**Cash Payment** - The annual dividends can be paid in cash. A paper check usually is mailed directly to you.

**Dividend Accumulation** - You can put dividends in an interest-bearing account that earns a fixed interest rate the insurance company sets. Any interest you earn is taxable.

**Reduction of premium** - You can use the dividend to pay the premium directly, which reduces your out-of-pocket cost each year.

**Reduction of Loan** - If you have an outstanding loan on your life insurance policy, or you’re thinking about applying for one, you can use the dividend to reduce the amount you owe.

**Reduction of Loan Interest** - You also can use the dividend to reduce the loan interest that’s due each year, usually on the policy anniversary, to lower your out-of-pocket cost.

This is a brief overview of dividend options that may available to you. Be sure to talk to your insurance company and/or agent, though, to find out what options may be available to you.

(7/22/19 Revision by Sarah Neil)

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Policyholder is offered several choices of what to do with the dividends when they are paid. Some options that may be available are as follows:

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This is a brief overview of dividend options that may available under your policy. Be sure to talk to your insurance company and/or agent, though, to find out what options may be available to you.

**[Note: Applies to ??? Types]**

Author: Susanne Bassmann (Prudential)
7/8/19 Will Revise with Birny Birnbaum and Brenda Cude

**WHAT IS AN ADJUSTABLE “GUARANTEE AGAINST LAPSE,” OR “NO-LAPSE GUARANTEE,” AND HOW DOES IT WORK?**

A guarantee against lapse ensures that your death benefit is secure no matter what happens with policy features outside of your control, such as the policy’s interest-crediting rates or rate of return, charges, or cash value. You can often choose how long the guarantee will last; some policies offer guarantees for your lifetime.

**How it works**

When you purchase a policy with this feature, you’ll be told the minimum premium amount you need to pay to keep this guarantee in effect. Generally, the greater your premium payments, the longer the guarantee will last. The length of the guarantee period may also change depending on:

- the dollar amount of the premiums you pay.
- how timely your premium payments are received.
- when and how often you pay premiums.
- whether you take any policy loans or withdrawals.

**What you should know**

Changing any of the factors above could reduce the length of the guarantee or even end it. If this happens and the policy values are not high enough to support the policy, the policy could lapse. If the policy lapses within the first few years, you may have to pay surrender charges. If you’ve taken loans or withdrawals, taxes may also be due, depending on how much you borrowed or withdrew. If the policy lapses and is reinstated, it may be reinstated without the guarantee against lapse being in force.
If you pay only the amount needed to secure a guarantee that is less than a lifetime guarantee, you may need to pay additional premiums once the guarantee period ends to keep the policy in effect. Also, by paying only the premium required for the No-Lapse Guarantee, you may miss out on the potential to build tax-deferred cash value.

All guarantees are based on the issuing company’s ability to pay claims and, in a variable life policy, do not apply to any underlying investment options.

[Note: Applies to ??? Types]

Author: Susanne Bassmann (Prudential)
(7/8/19 Will Revise with Birny Birnbaum and Brenda Cude)

DEATH BENEFIT OPTIONS
You can determine how the death benefit your beneficiary receives will be calculated by choosing a death benefit option. Your choice affects not only the amount your beneficiary will receive but also the cost of your policy. So, to make the best choice for your goals, discuss this with a financial professional.

A policy could offer only one, two, or all three of these options:

Fixed Death Benefit (Also called Type A)
- The death benefit generally remains constant. It is usually equal to the face amount.
- The amount payable at death is generally equal to the face amount minus any outstanding loans.

Variable (Also called Type B)
- The death benefit generally changes in direct relation to the value of your Contract Fund.
- The death benefit proceeds will generally equal the face amount plus the Contract Fund minus any outstanding loans.

Return of Premium (Also called Type C)
- The death benefit generally varies in direct relation to total premiums paid into the policy, minus any withdrawals.

The death benefit proceeds will generally equal the face amount plus the total premiums paid into the policy, minus any loans and withdrawals.

[Note: Applies to ??? Types]

Author: Sarah Neil (RI)

Term Conversion
If you currently have a term policy, there may be an option available under your contract that allows you to convert all or a portion of your face amount to a cash value policy. If you’re thinking of getting insurance coverage that will last longer than the term coverage will, exercising this option can be a great way for you to obtain that coverage without having to apply for a new policy.

One benefit of converting your term policy to a cash value policy is you may not need to go through a medical exam. Companies often use the same underwriting category assigned to you when you first applied for your term policy. However, keep in mind that companies will calculate premiums based on your age when you decide to convert to a cash
value policy, not when you first applied for the term policy, so your premiums will generally be lower the earlier you decide to convert.

Another benefit of conversion is continuing your coverage without disruption. When you apply for a new policy, companies have the right to contest your coverage if you were to pass away within a certain period after issue, usually two years in most states. This term is often referred to as the Incontestability provision in most life insurance policies. With a term conversion, this waiting period does not restart, and you can continue the coverage from one policy to the other.

There are a few things to keep in mind, though, before you decide to convert your term policy. First, companies often limit the amount of time you are eligible to convert your term policy, usually before you reach your 65<sup>th</sup> birthday. Each company is different, though, so be sure to check your policy.

Second, companies typically only allow you to convert riders that were already attached to your term policy. In other words, if you want to add riders to your cash value policy that were not attached to your term policy, you will likely have to apply where underwriting may be necessary. The same is true if you decide to add more coverage to your cash value policy, and the benefits under that rider and/or the additional coverage purchased will be subject to the policy’s Incontestability provision.

Additionally, the variety of insurance policies you can convert to will likely be limited to what the company is offering at the time you decide to convert. Be sure to talk to your insurance company and/or insurance agent to see what product options are available to you if you decide to convert.

(7/22/19 Revision by Sarah Neil)

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Second, companies typically only allow you to convert riders that were already attached to your term policy. In other words, if you want to add riders to your cash value policy that were not attached to your term policy, you will likely have to apply where underwriting may be necessary. The same is true if you decide to add more coverage to your cash value policy, and the benefits under that rider and/or the additional coverage purchased will be subject to the policy’s Incontestability provision.
Additionally, the variety of insurance policies you can convert to will likely be limited to what the company is offering at the time you decide to convert. Be sure to talk to your insurance company and/or insurance agent to see what product options are available to you if you decide to convert.

[Note: Applies to Term Life Insurance]

Author: Mike Chrysler (IL)

Endowment Life Insurance
Endowment Life Insurance differs from most life insurance plans as it can payout when the policyholder is alive. Terms are for a set number of years and policies include an investment component as well as a minimum benefit is guaranteed to a policyholder or a beneficiary. These products are typically used to accumulate money towards a particular financial goal as taxes are only due on any increased value of the policy due to investment performance, not the guaranteed death benefit amount.

Revised 7/22/19 by Mary Mealer (MO)

Endowment Life Insurance
Like other forms of life insurance, Endowment Life Insurance provides payment in the event of death. However, endowment life insurance matures faster than whole life and may pay a lump sum after a specific term or length of time stated in the policy (such as 10, 15 or 20 years). Endowment life insurance allows payment of benefits while the consumer is still alive.

Author: Teresa Winer (GA)

Cash value withdrawals

- Not all policies allow withdrawals.
- If a cash value exists in your policy, you may have the option to access that cash value through a cash value withdrawal or a policy loan (could hyperlink to definition/explanation for policy loans).
- Cash value withdrawals are direct withdrawals that reduce your cash value and generally decrease your death benefit.
- You may be able to withdraw some or all of the cash value in your policy, net of any outstanding policy loan.
- If you withdraw the full amount of your net cash value, you will likely surrender your policy and the policy will no longer exist.
- For example, given a $100,000 death benefit with $20,000 of cash value and no outstanding policy loan, if you withdraw $10,000 of cash value, you will receive $10,000 in cash, and the death benefit will reduce to $90,000 and cash value to $10,000. If your policy imposes a surrender charge on withdrawals, you may receive less than $10,000 in cash.
- Please note, that withdrawing cash value from your policy may have tax consequences, so consult with a tax advisor before requesting a cash value withdrawal.
- Although a cash value withdrawal may seem like a bank withdrawal, it is not the same. There may be limitations on depositing the money back into the policy, your death benefit may be permanently reduced, and/or you may incur a premium charge on any future deposit.

Revised 7/22/19 by Teresa Winer (GA)
(The amount of information in the intro paragraphs below may depend on how much the user has already read and clicked on before arriving to this section.)
Accessing your cash value through withdrawal, surrender and loan provisions
If a cash value exists in your policy, you may have the option to access that cash value through a cash value withdrawal and/or a policy loan (could hyperlink to definition/explanation of withdrawals and policy loans and/or some of the points outlined below).

Some products may only allow full surrenders of the cash value, which will result in the termination of the policy. For those products, policy loans are a means to access a portion of the cash value without terminating the policy. Many policies also have partial withdrawal and/or loan options that will allow you to access a portion of the cash value without surrendering the policy. Some policyholders use a combination of partial withdrawals and loans to meet their needs.

If you have a loan on your policy, the total amount you may be able to withdraw could be limited to your cash surrender value less your outstanding policy loan.

Accessing cash values through surrender, partial withdrawal and/or loans may have tax consequences, for which you may wish to consult with your tax advisor.

(a) Accessing cash values through partial withdrawal
Partial withdrawal means withdrawing only a portion of your available cash value. Not all policies allow partial withdrawals. Cash value withdrawals reduce your cash value by the amount withdrawn and generally decrease your face amount.

Note:
- Cash value withdrawals may have a permanent impact on your policy benefits and values.
- Some policies may allow you to make cash value deposits in the future, with limitations.
- Some policies may charge you a fee or surrender charge for a partial withdrawal.
- Although a cash value withdrawal may seem like a bank withdrawal, it is not the same. There may be:
  (i) fees assessed when you withdraw,
  (ii) limitations on adding money back into the policy,
  (iii) a permanent reduction your death benefit, and/or
  (iv) additional fees may be charged when making deposits.

(b) Taking a loan against cash value
Policy loans are a means of accessing a portion of the cash value of the policy. The cash value is considered collateral against which a loan can be taken. Terms for the loan are detailed in the contract. Most policies have a maximum amount of outstanding loan balance which can be taken. Interest on policy loans may be paid as accrued or allowed to increase the outstanding policy loan balance, if there is enough remaining net cash value to cover the additional interest.

Outstanding loan balances can be repaid in part or whole without penalty or additional charges at any time. The portion of cash value loaned may earn interest credits, which might be used to reduce or offset the loan interest due. Upon death, any outstanding loan balances will be repaid by reducing the death benefit by the amount of the outstanding balance.

If the loaned balance exceeds the total cash value, the loan interest might need to be paid to prevent the policy from terminating.

Note:
- Policy loans accrue interest, which might:
  (i) reduce the cash value available to you,
  (ii) reduce the death benefit, and/or
(iii) cause a surrender or lapse of the policy if the loan balance (loan plus interest charged) exceeds the remaining cash value of the policy.

- Interest on policy loans may be paid when accrued or allowed to increase the outstanding policy loan balance, if there is enough remaining cash value to cover the additional interest.
- Policy loans may be repaid in part or whole.

For examples of partial withdrawal vs. a policy loan, given a $100,000 death benefit with $20,000 of cash value and no outstanding policy loan:

(a) If you access $10,000 of cash value through partial withdrawal, you will receive $10,000 in cash less any fees and/or partial surrender charges and the death benefit may be reduced to $90,000.

(b) Alternatively, if you access $10,000 through a policy loan, your total cash value will remain at $20,000, made up of $10,000 of your loan balance and $10,000 of unloaned cash value. Your total death benefit will remain at $100,000, but would be reduced to $90,000 should death occur before the loan is paid back.

There may be tax advantages to taking a policy loan instead of a withdrawal. Consult a tax advisor to understand the benefits and consequences before accessing your policy cash value.

(Note: The insurer has a right to defer granting of a loan, other than for the payment of any premium due to insurer, for six months after application is made. That may apply for any distribution, full surrender, partial withdrawal, and loans, depending on state law. Variable products are different, where Securities rules apply. This might be covered in another section that covers solvency risk, state guarantee funds, liquidity, &/or financial strength, if it is desired.)

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Author Mary Mealer (MO)
7-22-19 Terms for Glossary

Please note: any definitions previously provided in our work product will be hyperlinked back to that definition if used anywhere else. (for instance, “Rider” definition will be a hyperlink.)

Beneficiary: the person(s) named to receive the proceeds or death benefit from your policy.

Dividend: a sum of money paid regularly by an insurance company to its shareholders. The payment is from company profits.

Evidence of Insurability: required when applying for coverage or additional coverage. This is an application process in which you provide information on your health conditions. The company will review the health condition information to determine whether they will issue coverage.

Guarantee issued: a policy of insurance is offered to an eligible applicant without regard to health status.

Guaranteed renewable: the company must continue coverage on the policy as long as premiums are paid.

Lapse: when you fail to make premium payments, your coverage will not be active. For policies that generate cash value, it also means the cash surrender value is used up.

Loan: for policies that generate a cash value, is cash available from your policy that you can use. When you use this cash value, you are taking a loan out and must repay the loan, otherwise the loan and interest are deducted from your death benefit upon death.
**Maturity Date:** the date the policy reaches the end of its term. For term life, it is the end of the coverage period of insurance. For permanent insurance it is the maximum age the policy will insure you. Once you reach this age, the policy will pay the proceeds even if still alive.

**Nonparticipating Policy:** does not receive dividends or sums of money paid by the company from profits.

**Participating policy:** receives dividends or sums of money paid by the company from profits.

**Premium:** the amount of money you must pay to keep your policy in force.

**Surrender:** cancelling or stopping your coverage before the policy maturity date or an insured event occurs.

**Totally disabled:** an individual is unable to work in their normal job due to illness or injury.

**Waiver of premium:** the insurance company will not require the insured to pay a premium to keep the policy active under certain conditions.