

# Signature Guaranteed Universal Life

## ? Questions We Hear Often



**Q: What is the minimum face amount?**

**A:** The minimum face amount is \$25,000.

**Q: What are the issue ages?**

**A:** 18–80 for non-nicotine and 18–75 for nicotine. Age nearest.

**Q: Does Signature GUL have a unisex option?**

**A:** No, Signature GUL offers sex distinct rates only (not available in Montana).

**Q: How long is the surrender charge period?**

**A:** The Signature GUL has a 10-year surrender charge period.

**Q: When does the Signature GUL mature?**

**A:** The policy matures on the policy anniversary following the insured's attained age of 121. That means that premium payments may be required up to age 121 to keep the policy in force and the surrender value will be paid to the owner at that time.

**Q: What are the bands on the Signature GUL?**

**A:** The bands are as follows:

- Band 1: \$ 25,000 to \$ 99,999
- Band 2: \$ 100,000 to \$ 249,999
- Band 3: \$ 250,000 to \$ 499,999
- Band 4: \$ 500,000 to \$ 999,999
- Band 5: \$ 1 million +

**Q: What premium modes and methods are available on the Signature GUL?**

**A:** The premium modes available on the Signature GUL include: annual, semi-annual, quarterly, monthly EFT/PAC, and biweekly. Salary savings and government allotment are also available.

**Q: What underwriting classes are available on the Signature GUL?**

**A:** Standard classes available at all face amounts:

- Standard non-nicotine user
- Standard nicotine user
- Substandard non-nicotine user
- Substandard nicotine user

Preferred classes available at face amounts \$250,000+:

- Preferred Plus non-nicotine user
- Preferred non-nicotine user
- Preferred nicotine user
- Standard Plus non-nicotine user

**Q: What is the Minimum Guaranteed Interest Rate on Signature GUL?**

**A:** 1.5% credited to the accumulation value.

**Q: What definition of life insurance test does Signature GUL use?**

**A:** Signature GUL uses the Cash Value Accumulation Test (CVAT).

**Q: Can you explain the late payment forgiveness feature?**

**A:** The late payment forgiveness allows premiums to be paid up to one full month beyond the monthly deduction billing date without negatively affecting the lapse date. This feature prevents the projected lapse date from decreasing due to late payments here and there.

## Guaranteed Death Benefit

**Q: Can you explain the death benefit option?**

**A:** The only death benefit option on Signature GUL is Option A (Level) specified amount only.

**Q: Can you explain the guaranteed death benefit?**

**A:** As long as the premiums are paid as scheduled and policy loans or partial withdrawals are not taken, Signature GUL provides a guaranteed death benefit to a specified age (between ages 95 and 121), chosen at issue. Coverage beyond the chosen guaranteed length will require premium payments significantly higher than the level planned premium.

**Q: How does the 10-Year Minimum Premium Guarantee work?**

**A:** For the first 10 years, the policy will not lapse as long as all premiums are paid as scheduled. Taking policy loans or withdrawals can cause the policy to lapse unless additional payments are made.

**Q: Can you explain the No Lapse Guarantee?**

**A:** At the end of the 10-year minimum premium period, the policy's No Lapse Guarantee will kick in. Except for policies with loans, as long as the No Lapse Guarantee account value is positive, the policy will not lapse. The account value has no impact on the accumulation value or surrender value of the policy. The account value is not accessible to the owner or any other party to the policy. The No Lapse Guarantee may not be reinstated.

The No Lapse Guarantee account is a non-accessible account used to determine if the policy's guaranteed elements can be maintained in the event the policy's surrender value is no longer sufficient to pay monthly deductions after the 10-year minimum premium period. It will begin to accumulate on the policy's issue date, but will not be utilized in determining a policy's lapse date until the 10-year minimum premium period has ended.

**Q: Is there a grace period?**

**A:** A policy scheduled to lapse is provided a grace period of 61-days. Coverage provided by the policy and any riders and/or supplemental benefits remain in force during a grace period. If the insured dies while a policy is within the grace period, the death benefit is payable but is reduced by the amount of any monthly deductions due and/or any policy debt.

A notice that a policy has entered the grace period will be mailed to the owner's last known address and any designated third party, secondary addressee, and/or assignee at least 31 days prior to the end of the grace period. The notice will advise the owner of the reason for impending lapse and the amount due to prevent lapse.

If the amount due to prevent lapse is not paid by the end of the grace period, the policy and any attached riders and/or supplemental benefits will terminate.

**Q: What riders are available on the Signature GUL?**

- A:**
- Guaranteed Cash-Out Rider
  - Disability Waiver of Stipulated Premium Rider (Not available in all states. Please see contract for details.)
  - Children's Term Rider
  - Accelerated Benefit Riders

**Q: Can you explain the Guaranteed Cash-Out Rider?**

**A:** The Guaranteed Cash-Out Rider gives clients the option to surrender their policy in exchange for the option to receive a full or partial return of premiums paid. A policy can be cashed-out during the 60-day period following the 15th, 20th, or 25th policy anniversary.

- Added to the policy for no additional premium for issue ages 18–70.
- Substandard policies rated tables 1–4 only qualify for the cash-out option in the 15th policy anniversary. The Guaranteed Cash-Out Rider is not available on substandard policies rated table 5 or above.
- The amount of the cash-out benefit will depend on the option period and the death benefit of the policy. At each option period, the guaranteed cash-out value will be the lesser of:
  - A specified percentage of premiums paid, or
  - The benefit maximum, which is a percentage of the death benefit.

For death benefits between \$25,000–\$249,999

15th year	20th year	25th year
<b>50% of premiums returned</b>	<b>100% of premiums returned</b>	<b>100% of premiums returned</b>
Maximum cash-out benefit is 45% of the death benefit	Maximum cash-out benefit is 45% of the death benefit	Maximum cash-out benefit is 45% of the death benefit

For death benefits \$250,000 and over:

15th year	20th year	25th year
<b>65% of premiums returned</b>	<b>100% of premiums returned</b>	<b>100% of premiums returned</b>
Maximum cash-out benefit is 65% of the death benefit	Maximum cash-out benefit is 65% of the death benefit	Maximum cash-out benefit is 65% of the death benefit

- Payment of the policy's annual minimum premium is required to keep the rider in force. In any given year if the annual minimum premium is not satisfied, you will be notified and have 60 days to make the payment. If the required payment is not paid, the rider will terminate and will not be eligible for reinstatement.
- The cash-out benefit will be reduced by any loans or withdrawals.

**Q: Can you explain the Children's Term Rider?**

**A:** The Children's Term Rider provides level term insurance on each insured child to the insured child's attained age of 25, or the policy anniversary immediately following the insured's attained age of 65 or 30 years after rider effective date, whichever occurs first.

- There is an additional cost for this rider, determined by the number of units applied for.
- The rider minimum is one unit of \$1,000, with a maximum of 25 units (\$25,000) per family.
- The issue ages for an insured child are 15 days through 18 years, and for the insured on the base policy ages 18–55.
- The rider can be added at the time the policy is issued or after issue.

**Q: Can you explain the Disability Waiver of Stipulated Premium Rider?**

**A:** The Disability Waiver of Stipulated Premium Rider will credit the amount shown on the data page of the issued policy as the "stipulated premium" to the policy's accumulation value on a monthly basis (not available in all states).

- This rider may not be issued on Substandard policies rated above table 2.
- This rider is designed to continue premium payments at the planned level in the event of disability.
- Since it does not waive monthly deductions, this rider will not prevent a policy from lapsing; however, additional premiums may be paid while the insured is on disability.
- The stipulated premium to be credited will be equal to the planned premium except it cannot be greater than the guideline premium.
- The stipulated premium cannot be changed after issue.
- The rider can only be added at the time of issue.
- There is an additional cost for this rider.
- The issue ages on this rider are 18–55.
- The rider expires at age 65.

**Q: Can you explain the Accelerated Benefit Riders?**

**A:** These benefits will provide the potential to receive a discounted full or partial death benefit upon diagnosis of 1) terminal illness, 2) chronic illness, or 3) critical illness. The riders are offered at no additional premium. However, the accelerated payment will be less than the requested death benefit because it will be reduced by an actuarial discount and an administrative fee of up to \$500. The amount of the actuarial discount is primarily dependent on American National's determination of the insured's life expectancy at the time of election.

**Q: How does a partial accelerated benefit affect the policy's guarantee?**

**A:** In the event of a partial ABR acceleration, the premium required to keep the policy to the specified age will decrease proportionately. For example, if the policy is reduced by 50%, the amount of the premium required to get to the specified age will also decrease by 50%.

**Q: How does a partial accelerated benefit affect the Guaranteed Cash-Out Rider?**

**A:** The value of premiums that have already been paid will not be reduced after acceleration. Since a partial acceleration decreases the face amount of the policy, the cash-out benefit maximum will be lower than before the acceleration.

**Q: Can ANICO Signature Term be converted to Signature GUL?**

**A:** Yes, ANICO Signature Term can be converted to Signature GUL. Conversion credit is available during the first five years of the term policy. Your client can receive credit for the annual term premium in the year of conversion. Conversion is subject to term policy provisions. Please see the ANICO Signature Term conversion policy for more information.

**Q: Are increases allowed?**

**A:** No, increases in the policy's specified amount are not permitted.

**Q: Are decreases allowed?**

**A:** Yes, decreases are permitted but must be submitted in writing. Any decrease can not make the outstanding death benefit less than \$25,000. A decrease does not void the No Lapse Guarantee, however, if there is a decrease during the first 10 years, a pro-rata surrender charge will apply. If the pro-rata surrender charge is greater than the accumulation value, the client will be required to pay the pro-rata surrender charge out of pocket in order to decrease the face amount on their policy.

**Q: Are policy loans available on the Signature GUL?**

**A:** Policy loans are available beginning in the first policy year and are subject to a \$250 minimum (not applicable in Florida or New York) and a maximum not to exceed the surrender value. When a policy loan is taken, the accumulation value is not reduced by the amount of the loan.

Loan interest accrues daily at a fixed rate of 4.50% in arrears. Loan interest is due on the first to occur of the following:

- The policy anniversary.
- The date the policy loan is paid in full.
- Termination of the policy, whether due to surrender or lapse.

Any loan interest not paid when due is added to the amount of the outstanding loan and becomes known as policy debt. The existence of policy loans does not affect the No Lapse Guarantee account value; however, the No Lapse Guarantee will not prevent the policy from lapsing when the specified age policy debt exceeds the surrender value. The owner may repay all or a part of a policy loan at any time while the policy is in force. A minimum loan repayment amount of \$15 will apply.

**Q: Are partial surrenders available on the Signature GUL?**

**A:** Partial surrenders of the policy's surrender value are permitted at any time as long as there is adequate surrender value. The minimum amount permitted for a partial surrender is \$250. The maximum amount permitted for a partial surrender cannot exceed the surrender value minus an amount sufficient to cover monthly deductions for two months. The specified amount remaining after a partial surrender may not be less than \$25,000.

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**Q: Is a full surrender available on the Signature GUL?**

**A:** The owner may surrender the policy for the surrender value at any time by sending a written request. A 10-year surrender charge schedule applies. The surrender charge is expressed as a rate per thousand which will decline 10% each policy year until it reaches \$0 at the beginning of the 11<sup>th</sup> policy year. Upon a full surrender, the policy will terminate. A policy that has been fully surrendered is not eligible for reinstatement.

**Q: Can Signature GUL be reinstated?**

**A:** Reinstatement of a policy is allowed within three years from the date of termination when the reason for termination was due to expiration of the grace period. In order to reinstate a policy, the owner must send written request to American National and meet all of the following conditions:

- The request for reinstatement must be submitted within three years from the date the policy terminated.
- The owner must complete and return an application for reinstatement.
- Reason for termination of the policy must be given, whether due to surrender or lapse.
- The owner must complete and return any required proof to demonstrate that the insured remains insurable at the same rate class in effect on the date of termination.
- An insured not meeting the qualifications to be reinstated at the same rate class is not eligible for reinstatement.
- Payment of the reinstatement premium must be paid.
- Any policy debt must be restored or repaid.

**The following will not be reinstated:**

- Guarantee Cash-Out Rider that was in force on the date of termination
- The No Lapse Guarantee
- The 10-Year minimum premium feature

**Q: What information will be included in the client's annual report?**

**A:** Your client will receive a detailed annual report showing:

- The estimated policy lapse date in the event of non-payment,
- The beginning accumulation value,
- Premiums paid,
- Expense charges,
- Cost of insurance deducted,
- Interest credited,
- Any loans taken during the contract year, and
- The ending balance.

Policy Form Series: SGUL18; GCOR15; ULBW20; ULCTR14; (Forms may vary by state).

Neither American National nor its agents give tax or legal advice. Clients should contact their attorney or tax advisor on their specific situation.

Accelerated Benefit Rider Notice:

Policy Form Series: ABR14-TM; ABR14-CH; ABR14-CT. **Forms will vary by state and may not be available in all states.** Refer to rider forms for a complete list of illnesses and definitions. Some states may limit the definition of terminal illness to conditions that are expected to result in death within 12 months. Chronic Illness is not available in California on term products or permanent products with term riders. The riders are offered at no additional premium. However, the accelerated payment will be less than the requested death benefit because it will be reduced by an actuarial discount and an administrative fee of up to \$500. The amount of the actuarial discount is primarily dependent on American National's determination of the insured's life expectancy at the time of election. Outstanding policy loans will reduce the amount of the benefit payment. The accelerated death benefit is an unrestricted cash payment. The Chronic and Terminal Illness riders are intended to receive favorable tax treatment under 101(g) of the IRC. Receipt of a benefit could be a taxable event. You should consult a tax advisor regarding the tax status of any benefit paid under these riders. Receipt of accelerated benefits may affect your eligibility for Medicaid, supplemental security income, or other governmental benefits or entitlements. Before accelerating any benefit you should consult an advisor to determine the impact on your eligibility. Accelerated Benefit Riders are not replacements for Long-Term Care Insurance. **This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide long-term care insurance subject to California long-term care insurance law. The policy or certificate is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement policy.** Accelerated benefit riders ("ABR") and long-term care insurance ("LTCL") provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living and may be used for any purpose. LTCL provides reimbursement for necessary care received due to a prolonged illness or disability. Coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker. The benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Benefits under some ABRs and all LTCL are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired. California: See form 10741-CM for a more detailed comparison of benefits provided by an ABR and LTCL.

Policy Form Series: SGUL18; (Forms may vary by state). American National Insurance Company, headquartered in Galveston, Texas is licensed to conduct business in all states except New York. Business is conducted in New York by American National Life Insurance Company of New York, headquartered in Glenmont, New York. Each company has financial responsibility for only the products and services it issues.

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