

Signature Whole Life

? Questions We Hear Often



Q: Is there a policy fee on the Signature Whole Life? If so, is the policy fee commissionable?

A: There is an annual \$60 policy fee. Policies issued within Band 4 are not charged a policy fee. The policy fee is non-commissionable. Note: the policy fee is based on the selected modal factors.

Q: What are the rate bands on the Signature Whole Life?

A: The bands are as follows:

- Band 1: \$ 10,000 to \$ 99,999
- Band 2: \$ 100,000 to \$ 249,999
- Band 3: \$ 250,000 to \$ 999,999
- Band 4: \$ 1,000,000 +

Q: What are the modal factors?

- A:**
- Semi-annual 0.515
 - Quarterly 0.265
 - Special Monthly (EFT) 0.0864

Q: What are the issue ages? (age nearest)

- A:**
- 0–80 (non-nicotine)
 - 18–75 (nicotine)

Q: When does the Signature Whole Life contract become an endowment contract?

A: The Signature Whole Life uses the 2017 CSO Mortality Tables. Using this mortality table, the Signature Whole Life endows at age 121. This means if the policy is in force at age 121 the face amount of the policy will be paid to the owner. Additionally, premium payments may be required up to age 121.

Q: What dividend options are available on the Signature Whole Life?

- A:**
- **Cash:** The amount of any dividends is paid to the owner.
 - **Premium Reduction:** The amount of any dividends payable is applied as a credit to the next scheduled premium, thereby reducing the amount due. In the event the dividend is more than the scheduled premium, the excess will be applied to the secondary dividend option selected by the owner. If the owner does not elect a secondary dividend option, the default will be paid-up additions. The premium option period is limited to policies on an annual direct billing schedule.

- **Dividend Accumulation:** The amount of any dividends payable is left on deposit with the company and accumulates interest at the declared dividend accumulation interest rate. Interest is credited on each policy anniversary. The owner may request a withdrawal up to the total amount of accumulated dividends and any credited interest. The amount of accumulated dividends and any credited interest will be paid in addition to either the: (1) cash value (if the policy is fully surrendered), (2) death benefit (upon the insured's death), or (3) face amount at policy maturity.
- **Paid-Up Additions:** The amount of any dividends payable is used to purchase additional paid-up insurance. The additional paid-up insurance is payable in addition to the death benefit, upon a full surrender of the policy in addition to the cash value, or at policy maturity. The owner may request a withdrawal (surrender) of the cash value of any paid-up additions purchased under this dividend option.

Q: What riders are available?

- A:**
- Accelerated Benefit Riders
 - Disability Waiver of Premium
 - Children's Term Rider
 - Guaranteed Insurance Option Rider
 - Paid-up Additions Rider
 - Signature Term Rider

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. There is no additional premium required for these benefits. However, the accelerated payment will be less than the requested death benefit because it is reduced by an administrative fee of up to \$500 and an actuarial discount that is primarily dependent on the insured's life expectancy at the time of the election. Outstanding policy loans will reduce the amount of the accelerated benefit payment. All riders may not be available in all states. Chronic is not available in California on permanent policies with term riders. Please see Benefits and Rider Guide 10695 for complete details. Critical is not available in New York.

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 25th birthday, or the policy anniversary immediately following the insured's 65th birthday, whichever occurs first. There is an additional cost for this rider, determined by the number of units issued. 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. Please see Benefits and Rider Guide 10695 for complete details.

Q: Can you explain Guaranteed Insurance Option Rider?

A: The Guaranteed Insurance Option Rider gives the owner the right to obtain additional coverage without evidence of insurability, on future option dates. Additionally, coverage may be obtained without evidence of insurability on a spouse or child on Alternate Option Dates. Issue ages are 0–38. Minimum amount is \$10,000 and the maximum is \$50,000. There is an additional cost for this rider. This rider can only be applied for at the time of issue; it cannot be added after issue of the policy. Please see Riders and Benefits Guide 10695 for complete details.

Q: Can you explain the Paid-Up Additions Rider?

A: Allows you to purchase paid-up participating whole life insurance as either:

- **Single Purchase Payment:** Under this option, a single purchase payment is made at the time of application. If the single purchase payment option is the only option selected, additional purchase payments are not permitted.
- **Scheduled Purchase Payments for a Specified Duration:** Under this option, scheduled purchase payments are made for the specified amount and duration indicated at the time of application. The specified duration cannot extend beyond the insured's attained age 85. The first scheduled purchase payment is payable in addition to the Initial Premium for the Policy. Each subsequent scheduled purchase payment is payable in addition to the premium for the policy. Payments can only be made at the same frequency as the premiums for the policy. Please see Benefits and Rider Guide 10695 for complete details.

Q: Can you explain the ANICO Signature Term Rider?

A: The ANICO Signature Term Rider allows you to purchase an amount of additional term insurance on the insured, a family member, or an associate so long as the owner has an insurable interest. The rider can be added for an Annual Renewable Term or 10, 15, 20, or 30 years with a level cost of insurance charge after which the rider coverage will terminate. The rider has a minimum face amount of 25,000 and the maximum face amount cannot be more than four times the amount of the death benefit of the base policy. The issues ages are as follows:

- Annual Renewable Term: 18–65
- 10-Year Level Premium Term Period: 18–70
- 15-Year Level Premium Term Period: 18–65
- 20-Year Level Premium Term Period: 18–60
- 30-Year Level Premium Term Period: 18–50

The rider may be converted prior to the conversion expiry date to a permanent plan of insurance offered for conversion without proof of insurability. Please see Benefits and Rider Guide 10695 for complete details.

Q: What underwriting classes are available?

- A:**
- Preferred Plus (non-nicotine)¹
 - Preferred (non-nicotine & nicotine)¹
 - Standard Plus (non-nicotine)¹
 - Standard (non-nicotine & nicotine)
 - Substandard (tables 1–16 & flat extras)

Q: Are the loans considered direct or non-direct recognition?

A: At this time they are considered non-direct recognition.

Q: Can a Signature Whole Life illustration be created to show a limited pay whole life quote?

A: No, Signature Whole Life is a continuous pay whole life policy. It does have a reduced paid-up feature that can be used. The client must request in writing to use the reduced paid-up feature, it is not automatic. If the client wants more cash value in the policy when they switch to reduced paid-up they can add the Paid-Up Additions Rider to the policy.

Q: Can a Paid Up Additions Rider be added at any time or only at the time of application?

A: The rider can only be purchased at the time of application.

Q: Are partial surrenders permitted?

A: No, partial surrenders are not permitted on Signature Whole Life.

Q: What is the grace period on Signature Whole Life?

A: When a scheduled premium is not paid or the amount of policy debt exceeds the cash value a policy will be provided a grace period of 31 days (61 in CA). 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. If the scheduled premium remains unpaid at the end of the grace period, the policy will activate either the automatic premium loan or one of the nonforfeiture options.

Q: Can you explain the automatic premium loan?

A:

- Signature Whole Life offers an automatic premium loan option that creates a loan against a policy's cash value in order to pay the amount of an overdue scheduled premium at the end of a grace period.
- This option allows for up to a maximum of four consecutive scheduled premiums to be paid out of the policy's cash value. The loan will use the same frequency of payments as the current policy with the exception of monthly and biweekly modes, which will be based on a quarterly frequency.
- If a policy has an existing loan, the amount of any automatic premium loan will be added to the policy debt.
- If the cash value is insufficient to cover the scheduled premiums, one of the nonforfeiture options will be available instead.
- The automatic premium loan can be elected by the owner at the time of application or can be requested in writing by the owner before the expiration of the grace period. It can be revoked by the owner, with a request in writing, at any time.

Q: Can you explain the the nonforfeiture options?

A: After the grace period, the owner will receive a notification and be able to elect any of the following options within 15 days of the notice.

- **Extended Term Insurance** (default option): The owner can choose to retain the policy as Extended Term Insurance. The death benefit of the policy (minus any policy debt) will equal the extended term face amount. The extended term policy will begin on the due date of the unpaid scheduled premium and the term will be the greatest length of time the cash value can purchase a single premium policy based on the insured's attained age, gender, and rate class. Not available for policies with substandard rating. Dividends are not applicable.
- **Reduced Paid-Up Insurance** (default option if the policy has a substandard rating): The owner may choose to retain the policy in force as Reduced Paid-Up Insurance. The death benefit equals the greatest amount of insurance the cash value will purchase as a single premium policy based on the insured's attained age, gender, and rate class. Dividends remain applicable.
- **Cash Surrender:** The owner may surrender the policy for any available cash value.

1) These classes are not available for face amounts of \$249,999 or less for ages 0–65. Please see the Underwriting Guidelines (10182) for additional information.

Accelerated Benefit Rider Notice

Policy Form Series: ABR14-TM; ABR14-CH; ABR14-CT; ABR14-TM(NY); ABR14-CH(NY). **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. The riders are offered at no additional premium. Critical Illness Rider is not available in New York. Chronic Illness Rider is not available in California on term products or products with term riders. 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 benefit 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 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 ("LTCI") 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. LTCI 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 LTCI 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 LTCI.

New York Chronic Illness Rider: This product is a life insurance policy that accelerates the death benefit on account of chronic illness and is not a health insurance policy providing long term care insurance subject to the minimum requirements of New York law, does not qualify for the New York State Long-Term Care Partnership program, and is not a Medicare supplement policy.

Policy Forms Series: PWL16; CTR12M; LPW20; PUAR16; GIR16; PWL16(NY); CTR12M(NY); LPW84(NY); PUAR16(NY); GIR16(NY) ARTR18; ARTR18(NY). (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.

For Agent Use Only; Not for Distribution or Use with Consumers.



AMERICAN NATIONAL INSURANCE COMPANY
AMERICAN NATIONAL LIFE INSURANCE COMPANY OF NEW YORK
888-501-4043 | img.anicoweb.com