

# Ameritas Growth and Growth 10-Pay Whole Life Insurance

## Product Guide

Closed Dec. 31, 2021

<b>Issue Dates</b>	This version was sold with issue dates prior to Jan. 1, 2022.
<b>Issue Ages (Age nearest birthday)</b>	18-75: Preferred Plus Nontobacco 18-80: Preferred Nontobacco, Select Nontobacco, Preferred Tobacco 18-85: Standard Tobacco 0-85: Standard Nontobacco No maturity age.
<b>Minimum Specified Amount</b>	\$25,000: Standard Tobacco, Standard Nontobacco, Rated \$100,000: All other classes
<b>Dividend Options</b>	<ul style="list-style-type: none"><li>• Purchase Paid Up Additions (default)</li><li>• Cash</li><li>• Reduce Premiums (except monthly billing)</li><li>• Accumulate with Interest</li><li>• Purchase Participating One-Year Term Insurance</li><li>• Reduce Outstanding Loan</li></ul>
<b>Premiums Payable Age (Based on issue age nearest birthday)</b>	Premiums are level, guaranteed and payable every year through attained age 100 for Ameritas Growth Whole Life or 10 years for Ameritas Growth 10 Pay Whole Life.
<b>Annual Policy Fee</b>	\$0
<b>Guaranteed Contract Rate</b>	A 4% guaranteed contract rate is used in the demonstration of compliance with the guaranteed cash values as required by the Standard Nonforfeiture Law of Life Insurance and does not represent an accumulation rate or earned rate for the cash value.
<b>Fixed Loans</b>	Loan portion of the account value will be credited with interest at the current rate of 5% (5% max). <b>Dividends are impacted by presence of loan.</b>
<b>Flexible Paid Up Rider (FPUR)</b>	<b>Cost:</b> 5% current load up to 150% of the annual base policy premium. 8% current load above 150% of the annual base policy premium. <b>FPUR funding range:</b> 70-120% of scheduled FPUR premium. <b>Maximum FPUR premium:</b> In year one, 10 times the annual base premium plus annual policy fee. Thereafter, four times the annual base premium. Refer to rider section for more details.

<b>Riders &amp; Endorsements</b>	<ul style="list-style-type: none"> <li>• <b>Accidental Death Benefit:</b> Pays additional benefit if death is accidental.</li> <li>• <b>Care4Life Accelerated Death Benefit:</b> Provides a guaranteed amount upon one of the qualifying critical, chronic or terminal illness triggers. California and New York have rider variations. Refer to rider section for more details. Accelerated Benefit for Terminal Illness is available when Care4Life is not. The Care4Life riders are not a long-term care product.</li> <li>• <b>Children’s Insurance:</b> Provides \$25,000 of convertible insurance for insured’s children.</li> <li>• <b>Flexible Paid Up:</b> Allows the purchase of additional paid-up insurance.</li> <li>• <b>Guaranteed Insurability:</b> Allows an additional insurance policy to be purchased at certain option dates, without evidence of insurability.</li> <li>• <b>Level Term:</b> Provides insurance coverage for 10, 15, 20, or 30 years at term insurance rates.</li> <li>• <b>Waiver of Premium:</b> Credits a specified amount of premium to the policy if the insured is disabled.</li> </ul>
<b>Discounts</b>	Association and Employee discounts available.
<b>State Availability</b>	Available in all states except Wisconsin.

## Dividends

Dividends are paid when the company experiences favorable results with respect to interest, mortality and expenses. A single dividend reflects experience on both the base policy and participating riders. Any such dividends are paid starting at the end of the second policy year. A pro-rata dividend is not paid if a policy is surrendered or lapsed but is paid upon the death of the insured for in force policies. Dividends are not guaranteed.

### Dividend options

Policy owners may choose one of the following options for their dividend payments:

- Paid-up additional insurance (This is the default selection).
- Cash.
- Reduce premium if the premium payment mode is annual, semiannual or quarterly.
- Accumulate interest. Rate is guaranteed to be one percent or more.
- Purchase Participating One-Year Term Insurance.
- Reduce outstanding loans.

### Dividend calculation

Dividends are calculated based on the face amount, the reserves and net amount at risk of the entire policy and/or paid-up riders. Supplementary benefits and substandard ratings will not affect the dividends paid. There will be direct recognition of loans where applicable.

## Guaranteed level premium

Premiums are level, guaranteed and payable every year through attained age 100 for Ameritas Growth Whole Life or 10 years for Ameritas Growth 10 Pay Whole Life. Regardless of the company’s investment, expense or mortality experience, premiums are guaranteed never to increase during the insured’s lifetime.

## Discounts

### Association discount

This discount reduces the modal factors and policy fees by 4% in all years for members of approved associations. Not available in all states and prior home office approval is required.

### Employee discount

This discount reduces the modal factors and policy fees by 4% in all years if you are an Ameritas associate (full-time employee, full-time contracted licensed agent, agency employee employed and paid by Ameritas, spouse, children under 25 or living in household, grandchildren and retirees). Payor must be the Ameritas associate.

## Policy loans

Loans can be taken at any time except during the policy grace period. However, during the first policy year, they are only available on policies with the Flexible Paid-Up Rider. There is no preferred loan provision.

Loan repayments can be made at any time. When submitting loan repayments, policy owners must indicate that the funds are repayment of loan principal otherwise funds will be assumed to be premium. Interest accrues daily and becomes a part of the loan balance. Interest payments are due on each policy anniversary. If interest is not paid when due, it is added to the loan balance and will bear interest at the rate charged on the loan.

### Impact on death benefit and dividends

Policy loans impact the policy's death benefit and dividend earnings. The policy's death benefit will be reduced by any outstanding loan payoff amount. The impact to dividend earnings depends on the loan interest rate and the total amount of the cash value that has been borrowed.

### Fixed loan

The Loan portion of the account value will be charged with interest at the current rate of 5.0% (5.0% max).

### Automatic Premium Loan

If this option is selected, any premium not paid before the end of the grace period will be paid by charging it as a loan against the policy (as long as there is sufficient net loan value). This option will not pay the premium for the Flexible Paid-Up rider. It can be selected at any time unless there is premium currently in default.

## Surrenders and lapses

### Policy lapse

If a premium is not paid by the end of the grace period (31 days) and the Automatic Premium Loan does not apply, the policy will lapse. If the policy lapses and cash surrender value is available, it is used to continue the policy either as extended term insurance or reduced paid-up insurance. These lapse benefits or non-forfeiture options are covered in more detail below.

### Extended Term Insurance

The policy's cash surrender value is applied as a net single premium based on the attained age of the insured to purchase paid-up term insurance for a limited time. The amount of extended term insurance provided as a lapse benefit equals the face amount of the base policy (excluding the term rider), plus any paid-up additions, plus any dividend accumulation, minus the amount of any loans or loan interest. This option is the default option on standard policies. Policy loans are not available if the policy is in-force as extended term insurance.

## Reduced Paid-Up (RPU)

The policy's net cash surrender value is applied as a single premium to purchase paid up whole life insurance at the attained age of the insured for a reduced amount. The amount of the RPU insurance provided is based on the due date of the unpaid premium and the net single premium for the insured's gender and then current age (based on 2017 CSO Mortality tables and 4% interest), adjusted for any loan or dividend transaction on or after that date. This option is the default option on rated policies. When the RPU option has been elected:

- The policy can be surrendered for its cash value.
- Policy loans are available at the same rates as were available on the base policy.
- The RPU policy is entitled to receive dividends if declared.
- The base policy can be reinstated.
- The only payment accepted is a loan repayment.

Adverse tax consequences can occur when the RPU option is elected. Policy owners should be advised to seek competent legal and/or tax counsel before exercising this option. This can also cause a policy to become a modified endowment contract (MEC).

## Reinstatement

Within five years of the lapse date, provided the insured is living, the policy may be reinstated subject to proof of insurability, payment of all overdue premiums with interest, and reinstatement of any loan balance or lien balance as of the lapse date.

## Grace period

The grace period is 31 days. Insurance continues during the grace period; however, if the insured dies during the grace period, premium due will be subtracted from the death benefit.

## Election of paid-up policy (or mature as endowment)

The policy owner may request the policy to be endorsed as paid-up whenever the cash value equals or exceeds the net single premium for a paid-up policy. Similarly, the owner may request payment of the amount of insurance in force whenever the cash value equals that amount. Income tax consequences should be considered.

## Termination

Policies may be terminated at any time by sending written notice to the company. The cash surrender value may be withdrawn or elected to provide extended term insurance or reduced paid-up insurance. The amount that the company will refund is the cash value of the policy including riders, plus the cash value of any paid-up additions, plus any dividend accumulations, plus any due and unpaid dividends, minus any policy loan and/or lien balance as of the date of the surrender.

## Riders

### ► Accelerated Benefit for Terminal Illness (available if Care4Life is not available)

**Design:** Provides a guaranteed amount upon diagnosis of a terminal illness. When terminally ill, as much as 75% of the eligible amount, up to \$1,000,000 may be advanced.

**Issue Ages:** 0-85.

**Cost:** None.

**Available After Issue:** Yes.

**Termination:** The rider will terminate at the earliest of the date the owner provides written notice to terminate the rider or the policy lapses.

**Reinstatement:** The rider may be reinstated upon reinstatement of the policy.

**Discounts Available:** None.

## ▶ Accidental Death Benefit

**Design:** Pays an additional death benefit to the beneficiary in the event of the insured's death resulting from accidental bodily injury occurring within 180 days of the injury. The policy owner selects the amount of the additional death benefit when the rider is issued.

**Issue Ages:** 0 to 65. Rider remains on the policy to age 70.

**Cost:** Based on the insured's age and gender. Costs are level, payable to age 70 and are shown on the policy schedule.

**Substandard Rating:** The rider may be added to a policy that is rated Table A to P or with flat extras between \$0-\$99.99.

**Minimum Amount of Rider Coverage:** \$25,000.

**Maximum Amount of Rider Coverage:**

- Age 0 – 20: \$50,000
- Age 21 – 25: \$100,000
- Age 26 – 55: \$150,000
- Age 56 – 65: \$100,000
- Maximum for all policies: \$250,000

**Available After Issue:** Yes.

**Termination:** Rider terminates when the policy terminates or lapses (including exercising extended term or reduced paid-up options) or the anniversary nearest the insured's 70th birthday; or the date written notice is received requesting termination of this rider.

**Reinstatement:** The rider can be reinstated within five years of lapse with evidence of insurability and payment of all overdue premiums and interest.

**Discounts Available:** Association and Employee.

## ▶ Care4Life Accelerated Death Benefit

**Design:** provides an accelerated death benefit if the insured faces a serious medical hardship such as a critical, chronic or terminal illness. The Care4Life riders are not a long-term care product.

Qualifying Event	Benefit Amount
Critical Illness	Up to 25% of the eligible amount with a maximum of \$250,000
Chronic Illness	Up to 50% of eligible amount with a maximum of \$1 million
Terminal Illness	Up to 75% of eligible amount with a maximum of \$1 million

**Eligible Amount:** Amount of insurance on base policy plus any paid-up insurance and paid up additions at the time of the first accelerated benefit request.

**Minimum Face Amount:** \$25,000.

**Issue Ages: 0-85.** In California, the critical illness portion of the rider is available to insureds up to age 64 who have comprehensive health benefits from a health insurance policy, HMO or employer plan.

**Elimination and Waiting Periods:** No elimination period for critical and terminal illness. Chronic illness requires an elimination period of 90 days for a chronic illness. In New York, benefits will be paid retroactively for the 90-day elimination period. No waiting period for critical, chronic or terminal illness.

**Substandard Rating:** This rider may be added to a policy where the table rating does not exceed Table D and where the flat extra rating does not exceed \$5 per thousand. For policies with table ratings greater than Table D or flat extras greater than \$5 per thousand, terminal illness coverage may be available. If there is a combination of table rating and flat extra(s), underwriters may decline to issue this rider based upon their discretion.

**Payment Frequency:** Accelerated death benefits will be paid in a lump sum for critical illness and terminal illness. If the maximum chronic illness accelerated death benefit amount payable does not exceed the per diem limitation declared for that year by the Internal Revenue Service, then the amount payable will be in a single sum. If the maximum amount payable under a chronic illness qualifying event exceeds the per diem limitation declared for that year by the Internal Revenue Service, then the amount payable will be paid in periodic installments.

**Lien:** The advanced payment plus a \$150 administrative fee (guaranteed maximum) plus accrued interest is treated as a lien against death benefit proceeds. The maximum lien interest rate will be the greater of the current yield on ninety-day treasury bills; or the current maximum statutory adjustable policy loan interest rate. **In Florida, the administration fee is \$100 and in California, the administration fee is \$250.**

**Residual Death Benefit:** The advanced payment plus the administrative fee\* plus accrued interest (maximum 8%) is treated as a lien against death benefit proceeds; the balance of the death benefit (less the lien) is paid to the beneficiary upon the insured's death.

After the Care4Life rider is exercised, the death benefit will be reduced by the lien. **In New York and Pennsylvania, there is no residual death benefit therefore this may cause the policy to eventually be paid in full.** In other approved states, a residual death benefit of at least 10% of the eligible amount up to \$100,000, reduced by any loans and partial surrenders, will be paid as a death benefit upon the death of the insured. Any surrender of paid-up additions or election of paid-up status will cause the residual death benefit to be re-determined.

**Multiple Accelerations:** If less than one year has passed since the initial acceleration of an event and the sum of all accelerated death benefits under this rider has not reached the lifetime maximum accelerated death benefit, then additional death benefit may be accelerated under this same event. There can be up to five policy death benefit accelerations (no limit in California). This includes a first-time event, a subsequent acceleration for the same event, and the reoccurrence of a previous event.

**Total Maximum Acceleration:** The maximum lifetime accelerated benefit payments on the insured may not exceed 75% of the eligible amount with a maximum of \$1 million.

**Qualifying Critical Illness:** Cardiac event (first open heart surgery, first angioplasty or first Myocardial Infarction), life threatening cancer, stroke, major transplant, end-stage renal failure. In New York, critical illness may not be exercised if the policy is a Modified Endowment Contract at the time of acceleration request.

**Qualifying Critical Illness in California only:** Invasive/Metastatic Cancer, Stroke, Major Heart Attack, End Stage Renal Failure, Major Organ Transplant, Amyotrophic Lateral Sclerosis (ALS), Blindness Due to Diabetes, Paralysis of Two or More Limbs, Major Burns, Coma, Aplastic Anemia, Benign Brain Tumor, Aortic Aneurysm, Heart Valve Replacement, and Coronary Artery Bypass Graft Surgery.

**Qualifying Chronic Illness:** When the insured is unable to perform (without hands-on assistance) at least two activities of daily living and has been unable to perform them for a period of at least 90 days; or has suffered severe cognitive impairment to the extent that substantial supervision is required to ensure the insured's health and safety. Certification of the chronic illness is required every 12 months.

#### **Activities of Daily Living:**

- 1) **Dressing:** the ability to put on and take off all garments and medically necessary braces or artificial limbs usually worn, and to fasten or unfasten them
- 2) **Toileting:** the ability, with or without the help of adaptive devices, to get to and from or on and off the toilet; and to perform associated personal hygiene;
- 3) **Transferring:** the ability to move in and out of a chair, bed, or wheelchair with or without equipment such as canes, quad canes, walkers, crutches or grab bars or other support devices including mechanical or motorized devices;
- 4) **Continence:** the ability to voluntarily control bowel and bladder function, or, in the event of incontinence, the ability to maintain a reasonable level of personal hygiene including caring for a catheter or colostomy bag;
- 5) **Eating:** the ability to feed oneself by getting food into one's body from a receptacle (such as a plate or cup or table) or by a feeding tube or intravenously; and
- 6) **Bathing:** the ability to wash oneself, with or without the help of adaptive devices, by sponge bath; or in the tub or shower, including the task of getting in and out of the tub or shower.

**Severe Cognitive Impairment:** A diagnosis by a physician who is a certified neurologist of Alzheimer's disease and similar forms of irreversible dementia supported by medical evidence of a loss or deterioration in intellectual capacity that includes short-or long-term memory, orientation to people, places, or time, abstract or deductive reasoning, and judgment as it pertains to safety.

**Qualifying Terminal Illness:** When the insured has been certified by a physician as having an illness or physical condition, which can reasonably be expected to result in death within 12 months. Except in California, only one acceleration is permitted for a terminal illness.

**Termination:** Terminate at age 110, if there is no lien on the policy. If there is a lien on the policy, it will continue until time of death. In New York, the Chronic Illness Acceleration rider terminates upon election of the extended term settlement option but the Critical Illness Acceleration and the Terminal Illness Acceleration riders may continue on the policy if the extended term option is elected, the term period is at least one year and the face amount is at least \$25,000.

**Reinstatement:** May be reinstated upon reinstatement of the policy.

**Discounts Available:** None.

## ▶ Children's Insurance

**Design:** Provides \$25,000 of coverage for the insured's children. All of the insured's qualified children are included on one rider.

**Limitation:** Children must be named on the application, born after the date of the application or adopted after the date of the application and before the child's 18th birthday. This rider does not insure children younger than 15 days or older than 25.

**Base Insured Issue Ages (parent):** 18 to 55.

**Issue Ages (child):** 15 days to 18 years.

**Underwriting:** Medical questions will be required for each child. The underwriter may exclude one or more of the children who are included on the application. Upon customer notification, children born or adopted after the policy is activated will be added without additional underwriting review.

**Substandard Rating:** The rider may be added to a policy that is rated Table A to H or with flat extras between \$1 and \$25 per thousand.

**Cost:** \$144 annually.

**Conversion Privilege:** Prior to the child's age 25, allows owner to convert the insurance on each insured child to up to \$25,000 of permanent insurance without evidence of insurability. Within 31 days after the insured child's 25th birthday, rider coverage can be converted to up to \$125,000 of permanent insurance. Conversion can only occur if no premium is in default. Conversion must take place no later than 31 days after the child's 25th birthday. The policy date of the new policy will be the date of conversion.

**Available After Issue:** Yes, with evidence of insurability for covered children.

**Termination:** The rider will terminate when the policy terminates or lapses (including exercising extended term or reduced paid-up options) for any reason other than the death of the primary insured or on the anniversary nearest the insured's 70th birthday; or the date written notice is received requesting termination of this rider. If the insured dies, the rider remains in force until the youngest child covered by the rider reaches age 25 unless the death of the insured occurs by suicide within two years of the rider issue date.

**Reinstatement:** This rider may be reinstated within five years after the rider terminates. The rider may be put back in force by written notice if 1) the policy is reinstated; 2) evidence of insurability is provided for each insured child; and 3) all overdue premiums with interest are paid.

**Discounts Available:** None.

## ► Flexible Paid-Up Rider (FPUR)

**Design:** Provides additional death benefit protection and quickly builds the policy's cash value by allowing clients to choose when they want to purchase paid-up insurance. After year one, clients can pay more or less than their scheduled premium and even skip premiums if necessary.

**Limitations:** In year one, the total Flexible Paid-Up rider premium received cannot be more than 10 times the base policy annualized premium.

**Minimum Flexible Paid-Up Rider Premium:** 70% of Flexible Paid-Up rider scheduled premium.

**Maximum Flexible Paid-Up Rider Premium:** 10 times the standard base premium plus the policy fee (year one). After year one, four times the standard base premium plus the policy fee. Premium received in the first year cannot exceed \$500,000 without prior approval. The maximum Flexible Paid-Up rider premium is 120% of Flexible Paid-Up rider scheduled premium.

**Unscheduled Flexible Paid-Up Rider Premiums:** May skip scheduled Flexible Paid-Up rider premium two times in any three-year period. May make unscheduled Flexible Paid-Up rider premiums at any time as long as the total annual premium for Flexible Paid-Up rider does not exceed 120% of Flexible Paid-Up rider scheduled premium. If less than 70% of the Flexible Paid-Up rider scheduled premium is paid for three consecutive years, the Flexible Paid-Up rider scheduled premium is adjusted to the largest amount paid in the last three years.

**Cost:** Each payment is subject to an expense charge. Current charge up to 150% annual base policy premium is 5%. Current charge above 150% annual base policy premium is 8%. Charges are guaranteed at time of issue. Maximum charge allowed is 10%.

**Issue Ages:** 0-95 (not available on policies rated above Table D).

**Minimum Base Policy Face:** \$25,000.

**Maximum Scheduled Insurance:** Four times base standard premium plus policy fee (subject to underwriting approval).

**Available After Issue:** No.

**Termination:** This rider will terminate at the earliest of when any premium for the policy is due and unpaid beyond the end of the premium's grace period, when the policy terminates or lapses (including exercising extended term or reduced paid-up options), on the expiration date shown on the policy schedule for this rider; or when premiums for this rider are not paid for the number of years shown on the policy schedule as being able to be skipped or reduced plus one.

**Reinstatement:** This rider can be reinstated only with consent. Repayment of premium for FPUR is optional. The insured must go through underwriting and all missed base premiums must be paid.

## ► Guaranteed Insurability

**Design:** Allows policyholder to purchase additional insurance policy at certain option dates without submitting proof of insurability.

**Range of Face Increase:** \$25,000-\$50,000.

**Option Date:** the policy anniversary dates nearest the insured's 22nd, 25th, 28th, 31st, 34th, 37th and 40th birthdays. The option period for an option date begins 60 days before and ends 31 days after that date. Alternate dates may be substituted for the regularly scheduled option dates in the event of the insured's marriage, or the birth or legal adoption of a child. An alternate option period begins on the date of the insured's marriage or birth or legal adoption of a child and ends 91 days after that date. When an alternate date is exercised, it replaces the next option date.

**Issue Ages:** 0-37. 16-37 for Ameritas Growth 10 Pay.

**Substandard Rating:** Not available for rated policies.

**Cost:** The rates for the new policy will be based on the insured's rate class as of the original policy date, and the issue age as applicable at the time option date.

**Available After Issue:** Yes.



**Termination:** The rider will terminate when the policy terminates or lapses (including exercising extended term or reduced paid-up options) if the face amount of the policy is reduced to less than \$25,000; at the end of the option period for the last regular option date; or the date written notice is received requesting termination of this rider. For Ameritas Growth 10 Pay Whole Life, the rider will terminate after the last option date available in the 10-year premium paying period. For example a 20-year-old would be able to elect an option at ages 22, 25 and 28, but, would not be able to elect the option again at age 31 because the policy will have become paid-up at age 30. Therefore, the rider should terminate after the option is elected at age 28.

**Reinstatement:** Allowed within five years of lapse with evidence of insurability and payment of all overdue premiums and interest.

**Discounts Available:** Association and Employee.

## ► Level Term

**Design:** Allows policy owner to purchase additional coverage for the base insured for 10, 15, 20, or 30 years at term insurance rates, which are lower than whole life base coverage. For Ameritas Growth 10 Pay, only the 10 year term is available.

**Face Amount Banding for the Level Term Rider:** The premiums will be based on banded specified amounts. There will be four total bands:

<b>Band 1</b>	\$50,000-\$249,999
<b>Band 2</b>	\$250,000-\$499,999
<b>Band 3</b>	\$500,000-\$999,999
<b>Band 4</b>	\$1,000,000+

**Minimum Face Amount of Additional Term Coverage:** \$100,000 if purchased at issue; \$50,000 in force policies with decreases

**Maximum Face Amount of Additional Term Coverage:** \$99,999,999. No restrictions on the ratio of term rider coverage and base insurance coverage.

**Minimum Issue Ages:** 18. Age nearest birthday for all states.

**Maximum Issue Ages:** Level term period and issue ages shown below. Issue ages may vary by state and risk classes.

<b>Level Term Period</b>	<b>Issue Ages</b>
10 Year	18-80
15 Year	18-75
20 Year	18-70
30 Year	18-45

**Cost:** Level premiums for initial term followed by annual renewable term scale. There is no policy fee.

**Convertible:** May be converted without evidence of insurability to any permanent plan of insurance made available by us for such purpose at the time of conversion in the same risk class and for an amount not greater than provided by this rider, but not less than the minimum amount at which the desired policy form is regularly issued. The policy schedule page will list the conversion period for this rider.

**Renewable:** To earlier of end of premium paying period of base policy or attained age 100. Not renewable for Ameritas Growth 10 Pay.

**Available After Issue:** No.

**Termination:** The rider will terminate when the policy terminates or lapses (including exercising extended term or reduced paid-up options), when this rider is converted to a new policy, on the expiration date shown on the policy schedule for this rider; or the date written notice is received requesting termination of this rider.

**Reinstatement:** Allowed within five years of lapse with evidence of insurability and payment of all overdue premiums and interest.

**Discounts:** Employee, no Association.

## ► Waiver of Premium

**Design:** Credits a specified amount of premium on the base policy and all riders except the flexible paid-up insurance rider, after the insured is totally disabled for six months. For disabilities that occur before age 60, premium will be waived during the entire disability. For disabilities that occur on or after age 60, but before age 65, premium will be paid while the disability continues but only up to the policy anniversary nearest the insured's 65th birthday.

**Issue Ages:** 0-55.

**Cost:** Based on the insured's attained age, sex and underwriting classification. Premiums must be paid in full until the claim for waiver of premium is approved.

**Written Notice and Proof of Claim:** Notice and proof of the insured's total disability must be provided during the life of the insured, within one year after disability begins and while the insured is totally disabled. Proof of continuance of total disability must be provided as reasonably required.

**Definition of Total Disability:** The insured is considered to be totally disabled if during the first 24 months of total disability, the insured is unable to perform any of the substantial and material duties of his or her occupation for wage or profit, due to sickness or accidental bodily injury. Being a homemaker or student is considered engaging in work for wage or profit; and, after the first 24 months of total disability, the insured is unable to perform any of the substantial and material duties of his or her occupation for wage or profit, or any other occupation for which he or she becomes reasonably suited by education, training or experience, due to sickness or accidental bodily injury. Being a homemaker or student is considered engaging in work for wage or profit. Total disability is also the total and permanent loss, by the insured, of the sight of both eyes; hearing of both ears; speech; the use of both hands; the use of both feet; or the use of one hand and one foot.

**Available After Issue:** Yes.

**Termination:** Upon policy termination (including exercising extended term or reduced paid-up options) or on the first monthly date after the policy owner gives written notice or at age 65 of the insured.

**Reinstatement:** The rider may be reinstated upon reinstatement of the policy.

**Discounts Available:** Association and Employee.

## Income tax considerations

### Death benefit proceeds

Generally, life insurance death proceeds are free of federal income tax.

### Surrenders

When a policy is surrendered, the gain (usually the difference between the cash value and premiums as reduced by dividends) is subject to income tax.

When values are removed from an in-force policy through surrenders of paid-up insurance, surrenders of dividend additions, reductions in the face amount of the base policy and the like, such distributions may be subject to income tax to the extent of the gain involved. The rules for determining any applicable tax are complex and depend on how long the policy has been in force. The principal exception to these statements occurs if a policy dividend is paid annually in cash. Dividends paid out annually are not subject to income tax until they exceed the premiums paid. A policy owner should be advised to seek competent legal or tax counsel.

## **Dividends**

Dividends paid out annually are not subject to income tax until they exceed the premiums paid.

## **Policy loans**

Generally, money received from policy loans is not subject to income taxes unless the policy is a modified endowment contract.

## **Modified endowment contract**

A modified endowment contract (MEC) is a life insurance policy which fails the seven-pay premium test. A policy fails the seven-pay test if, at any time during the first seven years, the amount paid into the policy exceeds the sum of the seven-pay annual premiums. If the policy as illustrated is a modified endowment contract (MEC) within the first seven years, a signed Policyholder Acknowledgment form UN3495D or UN3495D NY is required to be signed and dated by the policy owner prior to issue. The test period starts at issue and lasts seven years; a new test period starts whenever the life policy incurs a material change. Once a policy becomes a MEC it will always remain a MEC.

Under a MEC, distributions (including policy loans and dividends) are included in taxable income up to the amount of gain in the contract. Any gain is deemed to be distributed before the investment in the contract. Gain is the difference between the cash value and the policy owner's investment in the contract. Investment in the contract equals the premiums paid less any prior distribution received tax-free.

In addition, there is a 10% IRS tax penalty applied to the amount of any pre-death distribution from a MEC that is includable in gross income. There are three exceptions to this additional tax: 1) The taxpayer is at least age 59½; 2) the taxpayer has become disabled or 3) the distribution is part of a series of substantially equal periodic payments, such as an annuity, over the lifetime of the taxpayer.

The information presented here is not intended as tax or other legal advice. For application of this information to your client's specific situation, your client should consult an attorney.



Ameritas Life Insurance Corp.  
Ameritas Life Insurance Corp. of New York

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

The Care4Life riders are not a long-term care product.

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Withdrawals and loans will reduce available death benefit and policy value. Withdrawals beyond basis may be taxable income. Excessive and unpaid loans will reduce death benefits and policy value and may cause the policy to lapse. If a policy lapses, unpaid loans are treated as distributions for tax purposes.

Ameritas Growth Whole Life (form 3018) is issued by Ameritas Life Insurance Corp. In New York, Ameritas Growth Whole Life (form 5018) is issued by Ameritas Life Insurance Corp. of New York. Policy and riders may vary and may not be available in all states.

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