

F.A.Q.

Frequently Asked Questions



Signature Performance

INDEXED UNIVERSAL LIFE

What is Indexed Universal Life Insurance?

Indexed Universal Life (IUL) allows the owner to allocate cash value amounts to either a fixed account or an equity index account. IUL policies offers a life insurance death benefit and tax-deferred cash accumulation that can be used to supplement retirement.

What issue ages are available?

0–85 Insured

What is the minimum face amount?

The minimum face amount is \$25,000

When does the Signature Performance IUL mature?

It matures on the policy anniversary following the Insured's attained age of 121. That means 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.

What underwriting classes are available on the Signature Performance IUL?

Standard classes available at all face amounts:

- Standard non-nicotine user (juveniles ages 0–15 will only be available Tables 1–4)
- Standard nicotine user (ages 18+)
- Substandard non-nicotine user
- Substandard nicotine user (ages 18+)

- Preferred classes available at ages 18+ to face amounts \$250,000:
- Preferred Plus non-nicotine user
- Preferred non-nicotine user
- Standard Plus non-nicotine user
- Preferred nicotine user

What premium modes and methods are available on the Signature Performance IUL?

Annual, semi-annual, quarterly, monthly EFT/PAC. Salary savings and government allotment are allowed. Monthly direct is not allowed on the Signature Performance IUL.

What is the No Lapse Guarantee Premium?

The No Lapse Guaranteed Premium guarantees death benefit coverage for 15 years assuming that the total premium paid less any policy loans and partial withdrawals exceeds the cumulative No Lapse Guaranteed Premium for each of those years. Even if a policy has a negative surrender value, the policy will not lapse. If there is a negative surrender value on the anniversary of policy year 16 the policy will immediately be in grace.

What death benefit options are available?

- Option A (Level): specified amount only
- Option B (Increasing): specified amount plus the accumulation value

- Option C (Return of Premium): specified amount plus the sum of all premiums paid, excluding premiums paid by any disability waiver, less any partial surrenders

When can the death benefit options be changed?

- Option A to Option B: Can be requested any time before the anniversary of the issue date following the Insured's attained age of 85.
- Option B to Option A: Can be requested after the issue date.
- Option C to Option A: Can be requested after the issue date.
- Option C to Option B: Not permitted at any time.
- Option C: Death Benefit Option C may only be selected at policy issue. Changing to Option C is not permitted.

Can you explain the Interest Crediting Methods on the Signature Performance IUL?

S&P 500® – Multiplier Plus: The change in the S&P 500®, Participation Rate, Floor and the Cap are used in determining the Base Interest Crediting Rate. The Base Interest Crediting Rate is multiplied by the Multiplier Factor. This value will be your Index Rate Credited. Indexed interest is paid at the end of the Segment Term. Interest is credited based on the growth of the S&P 500® over one year. A fee is charged for this option.

S&P 500® – Multiplier: The change in the S&P 500®, Participation Rate, Floor and the Cap are used in determining the Base Interest Crediting Rate. The Base Interest Crediting Rate is multiplied by the Multiplier Factor. This value will be your Index Rate Credited. Indexed interest is paid at the end of the Segment Term. A fee is charged for this option.

S&P 500® – Uncapped: The change in the S&P 500®, Participation Rate and Floor are used in determining the Base Interest Crediting Rate. The Interest Rate Credited is the Base Interest Crediting Rate less the Index Spread and the result shall be no less than the Floor. Indexed interest is paid at the end of the Segment Term.

S&P 500® – Value Cap: The change in the S&P 500®, Participation Rate, Floor and the Cap are used in determining the Base Interest Crediting Rate. This Base Interest Crediting Rate is the Benchmark Crediting Rate for this product. Indexed interest is paid at the end of the Segment Term.

S&P MARC 5% – Low Volatility: The crediting rate in this uncapped strategy is determined based on the annual change in the S&P MARC 5% index and multiplied by a declared participation rate. The S&P MARC 5% Index is a derivative of the more well-known S&P 500® Index that is rebalanced daily to manage market volatility. There is not a cap on the crediting rate in this strategy, and yet, the rate will never be less than the floor.

Nasdaq-100® – Growth Cap: The change in the Nasdaq-100®, Participation Rate, Floor and the Cap are used in determining the Base Interest Crediting Rate. This Base Interest Crediting Rate is the Benchmark Crediting Rate for this product. Indexed interest is paid at the end of the Segment Term.

Fixed Account: The fixed account will earn interest at a rate periodically determined by the company. Interest is calculated using a compound method assuming a 365-day year.

What riders are available on the Signature Performance IUL?

- Disability Waiver of Minimum Premium or Monthly Deductions Rider
- Disability Waiver of Stipulated Premium Rider
- Children's Term Rider
- Guaranteed Increase Option Rider
- Overloan Protection Benefit Rider
- Accelerated Benefit Riders (Not all riders are available in all states.)

Can you explain the Disability Waiver of Minimum Premium rider?

The Disability Waiver of Premium rider will waive the minimum premium, or the monthly deductions, if greater, due after "Total Disability" begins and while it continues. American National must receive sufficient proof to confirm that the insured is totally disabled and that "Total Disability" has existed for at least six consecutive months, before any premiums will be waived. (Not available in all states.)

- This rider may not be issued on substandard cases rated above table 2.
- There is an additional cost for this rider.
- The issue ages for this rider are 0–55.
- The rider expires at age 65.

- This rider cannot be combined with any other disability benefit.
- Please see Benefits and Rider Guide 10695 for complete details.

Can you explain the Disability Waiver of Stipulated Premium rider?

The Disability Waiver of Stipulated Premium rider will credit a specific premium amount, as shown on the data page of the issued policy, to the policy's accumulation value. (Not available in all states.)

- There is an additional cost for this rider.
- 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.
- The issue ages on this rider are 18–55.
- The rider expires at age 65.
- This rider cannot be combined with any other disability benefit.
- Please see Benefits and Rider Guide 10695 for complete details.

Can you explain the Children's Term Rider?

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 age 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.

Can you explain the Guaranteed Increase Option Rider?

The Guaranteed Increase Option rider gives the Insured the right to increase the specified face amount on the base policy, without evidence of insurability, on each future Option Date.

- There are two types of Option Dates: Regular Option Date and Special Option Date.
- Issue ages are 0–38.
- Minimum amount is \$10,000 and the maximum is \$25,000.
- There is an additional cost for this rider.
- Please see Benefits and Rider Guide 10695 for complete details.

Can you explain the Overloan Protection Benefit?

The Overloan Protection Benefit is used to keep a policy from lapsing where policy debt is greater than the specified amount and less than 99.9% of accumulation value. There is no charge for this benefit unless or until it is exercised. It is automatically added to the contract. The Overloan Protection Benefit can keep a policy with a large debt from lapsing, assuming the following conditions:

- The Insured is age 75 or older;
- The Policy is in its 16th policy year or later;
- The Policy Debt is less than 99.9% of the accumulation value after the Overloan Benefit charge has been deducted from the accumulation value;
- The Policy Debt must be greater than the Policy's Specified Amount;
- The Policy is not a modified endowment contract. Please see Benefits and Rider Guide 10695 for complete details.

Can you explain the Accelerated Benefit Riders?

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 reduced amount is primarily dependent on American National's determination of the insured's life expectancy at the time of election. A shorter life expectancy will result in a larger benefit offer.

What is a Definition of Life Insurance Test and what are my options on Signature Performance IUL?

The Definition of Life Insurance Test sets a limit on the amount of premium that may be paid into a universal life insurance policy, and still satisfy the definition of life insurance that allows for tax free payment of death benefits and tax deferred growth of accumulation value. Both the Guideline Premium Test (GPT) and the Cash Value Accumulation Test (CVAT) are available on this product.

What is the accumulation value on the Signature Performance IUL?

The sum of the sweep account value, fixed account value, indexed strategies, and the loan collateral account value (if applicable). This amount is subject to surrender charges if accessed in first 15 years.

Are policy loans accepted on 1035 Exchanges for Signature Performance IUL?

Yes, the IUL is the only product where American National will accept a 1035 Exchange with a loan on it. The ratio of the loan to account value cannot exceed 75%. The cash surrender value in the first year of the Signature Performance IUL policy must be enough to collateralize the 1035 loan amount.

What is the minimum premium of the Signature Performance IUL?

The minimum premium is the amount that is required to issue the policy. The minimum premium for the first policy year is equal to the No Lapse Guarantee Premium.

What is the planned periodic premiums of the Signature Performance IUL?

The planned periodic premiums amount for the Signature Performance IUL depends on the frequency and the method of payment selected. The owner of the policy may change the amount, frequency, and method of payment at the time of application, this is subject to the available Premium Methods and Premium Modes. American National will allow changes while the policy is in force and before the policy anniversary prior to the maturity date.

What is the unscheduled additional premium of the Signature Performance IUL?

The unscheduled additional premium on the Signature Performance IUL allows the owner to pay additional premiums at any time while the policy is in force and up until the policy anniversary or following the Insured's attained age of 121.

How does the sweep account work on this the Signature Performance IUL?

When a premium is received, the net premium will be deposited into the Sweep Account. The Sweep Account will have a Sweep Account Minimum associated with it. This value is updated and calculated at the beginning of each policy month and is equal to that month's policy charges multiplied by 12. On any sweep date, any value in the Sweep Account above the Sweep Account Minimum will be swept to the Fixed Accounts using the Policyholder's designated allocation. The designated allocation can only be changed by the Policyholder upon written request.

Each sweep to the Indexed Account creates a unique Indexed Segment. Each Indexed Segment has a term of one year, upon which it matures. Indexed interest is credited to the Indexed Segment on the maturity date. No interest is credited to the Indexed Segment before the maturity date.

Upon maturity of each Indexed Segment, and following the crediting of interest to each matured segment, a check against the Sweep Account Minimum value is made. If the sweep account minimum requirement is not met, the value is transferred to the sweep account. The remaining value, if any, goes directly to the newly created Indexed Segment per the policyholder's allocations.

Does Signature Performance IUL offer a Unisex option?

No.

The Signature Performance IUL policy is not a registered security or stock market investment and does not directly participate in any stock or equity investment or index. When a person buys this policy, the person is not buying an ownership interest in any stock or index. There is not one particular interest crediting strategy that will deliver the most interest under all economic conditions. The S&P 500® is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies used to measure their performance.

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