

FAQ

Frequently Asked Questions

Get the answers by searching through our FAQs.

▶ Executive Universal Life

Q: What is the minimum face amount?

A: The minimum face amount is \$100,000.

Q: What is the minimum guaranteed interest rate?

A: The minimum guaranteed interest rate is 2.00%.

Q: What premium modes and methods are available on Executive Universal Life?

A: Annual, semi-annual, quarterly, monthly EFT/PAC. Bi-Weekly. Salary savings and government allotments are allowed. Monthly direct payment is not allowed.

Q: When does Executive Universal Life mature?

A: The policy matures on the policy anniversary following the insured's 121st birthday.

Q: How long is the surrender charge period?

A: Executive UL has a 15-year surrender charge period.

Q: What is the No Lapse Guarantee?

A: The policy is guaranteed not to lapse during the first ten years if, during that period, premium payments meet or exceed the amount of the No Lapse Guarantee Requirement. The No Lapse Guarantee Premium is an amount established when the policy is issued. In determining if the No Lapse Guarantee Requirement has been satisfied, any partial withdrawal or debt against the policy will be deducted from the premiums paid to date.

Q: How many Death Benefit Options are available on Executive UL?

A: There are three Death Benefit Options on the Executive UL:

- 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.

Special Notes:

Option C is only available at time of issue. Death benefit change from Option A or Option B over to Option C is not allowed after issue. After issue, Option C can only be changed to Option A.

Q: What are the premium bands on Executive Universal Life?

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 \$ 999,999
- Band 4: \$ 1,000,000 +

Q: What underwriting classes are available on Executive Universal Life?

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 riders are available on Executive UL?

- A:**
- Disability Waiver of Minimum Premium
 - Disability Waiver of Stipulated Premium
 - Children's Term Rider
 - Guaranteed Increase Option Rider
 - Accelerated Benefit Riders
 - Overloan Protection Rider

Q: What is the Disability Waiver of Minimum Premium rider and how does it work?

A: The Disability Waiver of Minimum Premium rider will credit either 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 credited. This rider may not be issued on sub-standard cases rated above table 2. 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.

Q: What is the Disability Waiver of Stipulated Premium rider and how does it work?

A: The Disability Waiver of Stipulated Premium rider will credit a specific premium amount, as shown on the data page of the issued policy. 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.

Q: What is the Children's Term rider and how does it work?

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 applied for. The rider minimum is one unit of \$1,000, with a maximum of twenty-five units (\$25,000) per family. The rider's issue ages are as follows:

- Insured child: 15 days - 18 years
- Insured on the base policy: 18 - 55 years

The rider can be added at the time the policy is issued or after issue. Please see Benefits and Riders Guide (10695) for details.

Q: What is the Guaranteed Increase Option Rider and how does it work?

A: 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 Alternate 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. The rider cannot be added to an Executive UL policy with the Coverage Continuation Rider. This rider can only be applied for at the time of issue; it cannot be added after issue of the policy.

Please see Benefits and Rider Guide 10695 for complete details.

Q: What are the Accelerated Benefit Riders and how do they work?

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 benefit 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.

Q: Can you explain the Overloan Protection Rider.

A: The Overloan Protection Rider is used to keep a policy from lapsing when policy debt is greater than the specified amount and less than 99.9% of accumulation value. There is no charge for this benefit until it is exercised. It is automatically added to the contract.

Accelerated Benefit Rider Notice:

Policy Form Series: ABR14-TM; ABR14-CH; ABR14-CT; (ND & SD Form Series ABR22-TM; ABR22-CH; and ABR22-CT). **Forms will vary by state and may not be available in all states.** Have your agent refer to rider forms for a complete list of illnesses and definitions. FL limits 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. However, the accelerated benefit 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 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. 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 an 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 insured meets 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 the inability to perform activities of daily living or cognitive impairment. 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 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.

Policy Form Series: UL19.

American National Insurance Company, headquartered in Galveston, Texas is licensed to conduct business in all states except New York.

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



AMERICAN NATIONAL INSURANCE COMPANY
888-501-4043 | lad.americannational.com

IMG8242 | 08.23