



NEW YORK LIFE

AD121 CUSTOM WHOLE LIFE

AGENTS MANUAL

TABLE OF CONTENTS

AVAILABILITY	3
AVAILABILITY OF RIDERS	4
PREMIUMS	4
PREMIUM RATE INFORMATION.....	4
LIFE INSURANCE BENEFIT.....	5
GUARANTEED CASH VALUE	5
DIVIDENDS	6
POLICY LOANS	6
PERIODIC PAYMENT OPTIONS AND MODES.....	6
OPTIONS UPON LAPSE.....	7
MATURITY	7
PRELIMINARY TERM INSURANCE.....	8
PREMIUM OFFSET PROPOSAL.....	8
RIDERS	10

AVAILABILITY

The New York Life Custom Whole Life Policy is a fixed premium Whole Life Policy that can help clients and their loved ones achieve financial security. With a Whole Life Policy from New York Life, individuals can have the ability to prepare for retirement, pay for college, and better manage life's unexpected expenses.

Please visit the *Info Central Whole Life Resource Page* for additional information not contained in this manual.

Issue Ages	0 - 70	
Maturity Age	Age 121	
Endowment Age	Age 100	
Face Amounts	Issue Ages:	Minimum:
	0-17	\$50,000
	18+	\$25,000 ¹
Premium Band Bands	Band 1: Up to \$99,999 Band 2: \$100,000 & Over	
Policy Fees	\$100 on Annual mode (all Face Amounts)	
Rate Basis	Male, Female, & Unisex (where required by law)	
Dividend Options	Paid-Up Additions, Premium Payment, Dividend Accumulation, and Cash	
Cash Value Accessibility	<p>Accessed during lifetime of client through loans or surrendering any paid-up additional insurance. Maximum loan value from a policy's cash value through policy loans, generally on a tax-free basis.</p> <p>Cash value is received on an annual or monthly basis through checks or automatic deposits to bank accounts. Loans or surrenders reduce cash and death benefit by outstanding loan amount and accrued loan interest.</p>	
Loan Interest Rate	<p>Variable Loan Interest Rate set by New York Life Quarterly Rate.</p> <p>Minimum VLIR: 4.0%</p>	
Underwriting Classes	<p>Select Preferred (minimum base plan face amount \$100,000), Preferred (minimum base plan face amount \$100,000), Preferred II (minimum base plan face amount \$100,000), Nonsmoker, Select Standard, Standard, Juvenile, Special classes 2-13 (Non Smoker and Standard)</p>	
Premium Payment Modes²	<p>Annual, Semi-Annual, Quarterly³, Monthly⁴, NYL-A-Plan, Government Allotment</p> <p>Autopay available for all modes except NYL-A-Plan & Gov't Allot.</p>	
Premium Payment Period	<p>Minimum: 5 years</p> <p>Cannot extend beyond attained age 75</p>	

¹ The face amount can go below \$25,000 for ages 18+, but never below \$10,000, if the base plan annual premium (riders are not included) is at least \$480 or \$40monthly). The exception is Washington State, where the minimum cannot go below \$25,000.

² If a client selects a Premium Payment Mode that is not Annual, they will pay higher total premiums at the end of each year.

³ Available only with Managing Partner's approval unless Autopay is selected.

⁴ Monthly mode is only available after issue unless Autopay is selected.

AVAILABILITY OF RIDERS

Rider:	Issue Age:
Accidental Death Benefit (ADB)	0-65
Child's Protection Benefit (CPB)	Insured 0-14 ¹ Applicant 18-55
Chronic Care Rider (CCR)	18-70 ^{3,4}
Disability Waiver of Premium (WP)	0-59 ²
Dividend Option Term (DOT)	0-70 ³
Extended Pay Period (EPP)	0-70
Insurance Exchange (IER)	0-70
Living Benefits Rider (LBR)	0-70
Option to Purchase Paid-up Additions (OPP)	0-70
Payer's Protection Benefit (PPB)	Insured 15-90 Payer 18-59
Policy Purchase Option (PPO)	0-43
Spouse's Paid-up Insurance Purchase Option (SPPO)	0-70 ⁵
Disability Waiver of Premium on Billable OPP	0-59 ²
5-Year Level Term (LT 5)	0-75 ³
Yearly Renewable Term (YRT)	18-75 ³

¹These ages refer to the age of Insured under the *Custom Whole Life* policy.

⁶ There is a separate charge for this rider if Children's Insurance, Policy Purchase Option, Dividend Option Term, Level Term 5 and/or Yearly Convertible Term riders are included with the policy. WP can be issued through age 64 if a Whole Life policy is issued because of a term conversion. The WP rider is not available in Maryland and Montana until age 5.

³ Riders are only available with a premium solve. Not available with a face-solve, aka Will-Buy

⁴Called Chronic Illness Rider (CIR) in California

⁵Rider Insured's Policy Purchase Option is offered in New York

*Further information for each of these riders is given in the [Riders Section](#).

PREMIUMS

Custom Whole Life allows clients to choose when they want the policy to be fully paid-up. The Premium Paying Period can never be less than 5 years or extend beyond age 75.

*Regardless of the length of the premium-paying period, no additional base plan premium payments are required once a client's paid-up date is reached.

For Example: A 30 year old client can select a 5-Pay Option or Pay Premiums up to a specific age not exceeding 75.

The SHORTER the Premium-Paying Period, the higher the premium will be.

PREMIUM RATE INFORMATION

Low Band:	Face Amounts of \$50,000 - \$99,999
High Band:	Face Amounts of \$100,000 and over

Nonsmoker, Select Standard & Standard:	Available at all amounts for adults ages 18 and over
Select Preferred, Preferred & Preferred II Risk Rates:	Available at minimum base plan face amount \$100,000 and over at ages 18 and over
Policy Fees:	\$100.00 (Not banded, single fee for all face amounts)

**Premium rates are based on the Proposed Insured's age nearer birthday (i.e., the birthday within 6 months of the policy date). If the policy date is more than 6 months after the Insured's most recent birthday, the issue age is the Insured's age on the next birthday. Age "0" means 6 months of age and younger.*

To determine the Semiannual, Quarterly, Monthly rates for a policy multiply the annual rate per \$1,000 for the policy (and separately for each rider included in the policy) by the appropriate **modalization factor**, and take the result to the nearer cent.

The Modalization Factors:

Semiannual	.520
Quarterly	.263
Monthly	.088

Policy Fees:

Policy fees are not banded by Face amount.

Mode:	Policy Fee:
Annual	\$100.00
Semiannual	\$56.00
Quarterly	\$28.50
Monthly, NYL-A-Plan, & Gov't Allot.	\$10.00

LIFE INSURANCE BENEFIT

The New York Life Custom Whole Life Policy provides for payment of life insurance benefit to the beneficiary promptly upon receiving proof of the Insured's death. This benefit will include the face amount of the policy and any other benefits provided by riders or dividends which are payable because of the Insured's death. In determining the benefit, the amount of any unpaid loan and loan interest due is deducted.

For additional details on the payment of the Life Insurance Benefit, including Suicide Exclusion, Contestability Period, Grace Period, interest calculation please see the annotated policy form available on Info Central.

GUARANTEED CASH VALUE

New York Life uses a **3.00% guaranteed cash value interest rate** to determine the policy values, along with an expense assumption and the 2017 CSO Mortality table. This interest rate does not represent the earnings on the cash value, nor is it equivalent to an internal rate of return on the policy.

DIVIDENDS

While the Whole Life Policy is in effect, except as extended insurance, it is eligible for dividends. However, it is not expected that a dividend will be payable on a given policy before the end of the second anniversary. If none of the dividend options listed below are in effect when a dividend becomes payable, it will automatically be applied as a **Paid-up Addition**.

Dividend Options:

1. **Paid-up Additions:** Increase coverage by using dividends to purchase additional, paid-up life insurance.
2. **Dividend Accumulations:** Leave dividends on deposit with New York Life to earn taxable interest.
3. **Premium Payment:** Use dividends to pay part or all (if sufficient) of the policy premium.
4. **Cash:** Receive any dividends paid in the form of a check.

**The Paid-Up Additions dividend option is the recommended dividend option for CWL.*

POLICY LOANS

The Variable Loan Interest Rate may increase or decrease over time. New York Life sets the loan interest rate quarterly.

On a policy anniversary, a premium due date, or during the grace period, the maximum loan value will equal:

Total Cash Value - Current Loans - Loan Interest

At any other time, the maximum loan value is the amount which, with interest, will equal the maximum loan value on the next anniversary or on the next premium due date, if earlier.

*Visit the Whole Life Series Resource Page for information on the latest loan interest rates.

PERIODIC PAYMENT OPTIONS AND MODES

Custom Whole Life provides clients with the option, once the policy is paid-up, to access the policy values within the policy as a **Periodic Payment Arrangement**.

**Periodic payments are not guaranteed due to the non-guaranteed nature of the policy values funding the payments.*

Periodic Payment Options:	Surrender of Paid-Up Additions to Basis
	Loans Only
	Surrender of Paid-Up Additions to Basis, and then Loans

Payment Modes:	Annual
	Monthly

**Electronic Funds Transfer (EFT) is available for annual and monthly payment mode.*

A Periodic Payment Arrangement, if elected, can be funded by:

1. The cash value from the surrender of any available paid-up insurance purchased by either dividends or the OPP rider, up to the amount of premiums paid
2. Policy loans from the policy's cash surrender value
or
3. A combination of both. Since these policy values include dividends, which are not guaranteed, the periodic payment arrangement funded by these policy values is not guaranteed.

Loans against the policy accrue interest and decrease the total death benefit and total cash value by the amount of outstanding loans and interest.

Surrenders decrease the total death benefit and total cash value.

OPTIONS UPON LAPSE

In most jurisdictions the policy will lapse if premiums are not paid 31 days after the premium due date. States vary on the amount of days before a policy lapses, please reference your policy form for detail.

If the policy lapses, there are three options:

1. Default option is ***Extended Term Insurance (ETI)***, which is a level term insurance option. The Life Insurance Benefit will remain equal to what it was at the time of lapse. A net single premium will be applied to the policy's cash value, net of outstanding loans, to determine the length the term insurance will last. At any point the ETI can be surrendered for the remaining cash value. ETI is not eligible for loans or dividends.
2. ***Reduced Paid-Up (RPU) Insurance*** is a non-forfeiture option entitling the policyholder to permanent life insurance at a reduced face amount with no remaining premiums due. It can build cash and loan value and is eligible to receive future dividends.

The Reduced Paid-up non-forfeiture option will only be available if the resulting face amount is at least \$10,000.

3. The client may choose to surrender their policy for its cash value.

MATURITY

	Whole Life:
Maturity:	After age 100, no further premiums are due. If the policy is still in effect on the policy anniversary when the Insured reaches age 121, the policy matures.
Endowment Age:	Age 100. Guaranteed cash value will equal the policies initial Face Amount. Policy continues to remain inforce.
Dividends:	Continue to be eligible for dividends but are not expected to be paid

Riders:	Any additional coverage provided by riders will terminate at maturity
----------------	---

At this point, when the policy matures the Company will notify the policyowner that he/she has the option to either:

1. Receive the cash surrender value of the policy:

- a) The payout is taxable to the extent of the gain that has taken place in the contract.

2. Leave the policy with the company:

- a) The policy will continue in effect with no further premiums due and be eligible for dividends.
- b) The policyowner continues to have the option to receive the cash surrender value with the payout taxable to the extent of the gain that has taken place in the contract.
- c) The proceeds will be paid to the beneficiary generally income tax-free upon the Insured's death.

PRELIMINARY TERM INSURANCE

Availability:	Custom Whole Life
Policy Fee:	\$5.00 per month

Preliminary Term Insurance is available for a **maximum** period of 12 months prior to the policy date of the basic policy **except for** policies included in NYL-A-Plan and Government Allotment arrangements.

Under Such Arrangements, Preliminary Term Insurance is available for a **minimum** period of 1 month and a **maximum** period of 3 months.

PREMIUM OFFSET PROPOSAL

Premium Offset Proposal (POP):

A Premium Offset Proposal arrangement combines each year's current dividend with the surrender of a portion of the paid-up additional insurance to pay the policy premium. POP is available on policies in which the current dividend values and added anticipated future dividends are sufficient to cover the future scheduled premiums of a policy. However, POP is **not guaranteed**, and there are a variety of circumstances upon which out-of-pocket premium payments may have to resume.

**POP is available on annual mode only.*

Example of POP Arrangement:

- 1. Total policy premium = \$500 annual mode
- 2. The policyowner is able to set up a POP arrangement beginning in year 15 on their policy so that the full \$500 annual premium is paid by surrendering internal policy values.

Partial Premium Offset Proposal (PPOP):

A Partial Premium Offset Proposal allows the policyowner to select a fixed dollar amount of premium to be

billed to them based on their premium mode. The policyowner elects to pay part of their scheduled premium with out-of-pocket funds, and the balance of their premium would be paid through the available policy values.

With this arrangement, the policyowner's out-of-pocket payments would remain constant, assuming dividends continue to be sufficient to support the PPOP arrangement. If the out-of-pocket premium amount and the added available policy values are not sufficient to pay the entire premium, the policyowner will be billed for the outstanding balance on an annual basis.

**PPOP is not available on policies with a DOT rider.*

This option is attractive when there are not enough internal policy values to pay the full premium. PPOP is available on annual, semi-annual, quarterly, or monthly premium modes.

Availability:	
Annual	Quarterly
Semi-annual	Monthly

Example of PPOP Arrangement:

1. Total Policy Premium = \$500 Annual Mode
2. The policyowner chooses to use a PPOP arrangement beginning in year 15 and selects to pay \$400 out-of-pocket.
3. The remaining \$100 would be paid by surrendering internal policy values.

Net Premium Offset Proposal (NPOP):

A Net Premium Offset Proposal applies all available policy values, generated from the surrender of paid-up additional insurance, toward the scheduled premiums, and bills the policyowner annually for the balance due. Therefore, the policyowner's out-of-pocket premium payments will vary annually and will be based on the available policy values.

The Annual Premium Notice will reflect the current premium as well as the total dividends, if any, applied toward this premium. Unlike PPOP, the premium **must be** on an annual mode. If at any time in the future, dividend values are greater than the scheduled premium, excess dividends are applied according to the dividend option in effect on the policy.

**NPOP is not available on policies with a DOT rider.*

Example of NPOP Arrangement:

1. Total Policy Premium = \$500 Annual Mode
2. The policyowner chooses to use an NPOP arrangement beginning in year 15.
3. In years 15-20, the available policy values paid for \$350 of the annual premium; the policyowner would be billed for \$150.
4. In years 21+, available policy values paid for \$325 of the annual premium; the policyowner would be billed for \$175.

Important Considerations about POP:

Once a POP arrangement is selected, it will stay in force as long as the policy values are **sufficient** to keep the arrangement in effect. Since dividends are not guaranteed and can increase or decrease, there is no guarantee that a POP year illustrated will actually occur. Also, once a POP arrangement is in effect, there is no guarantee that it will continue for the lifetime of the policy. POP arrangements do not make the policy paid-up. If the policy dividends ever fall below the amount necessary to sustain the POP arrangement plan selected, the policyowner will be notified in

advance.

There are many circumstances that could terminate a POP arrangement and require additional out-of-pocket payments.

The Policyowner Could:

1. Take a withdrawal of dividend values
2. Take a policy loan or increase a loan
3. Change their dividend option
4. Add a policy rider or supplementary benefit
5. Increase the amount of their coverage
6. Change the ownership or assign the policy

On the other hand, if New York Life were to take any of the following actions, it could also cause the POP arrangement to terminate.

The Company Could:

1. Decrease the current dividend scale
2. Decrease the interest rate it credits to dividends left on deposit
3. Increase the policy's variable loan interest rate (VLIR), which would increase the amount of loan interest due each year on outstanding loans.

**Keep in mind that both the cash value and death benefit will be reduced as compared to the values accumulated if premium payments were paid out-of-pocket.*

Other Limitations for POP Arrangements:

1. By signing up for a POP arrangement, any previously elected Billable OPP or Autopay OPP arrangements will be terminated. Only lump sum OPP premium payments will be accepted if a POP arrangement is in effect.
2. POP is not available on Pension policies and Whole Life policies that were issued in lieu of Pension policies.

Setting Up a POP Arrangement:

In order to set up a POP arrangement form #19513 must be completed and signed by the policyowner.

RIDERS

Accidental Death Benefit (ADB)

Issue Ages:	Expiry Age:
0-65	70

This rider provides that an Accidental Death Benefit will be paid to the beneficiary upon receiving proof that the Insured's death was caused directly, and apart from any other cause, by accidental bodily injury and that death occurred within one year* after the injury.

*For states with the Interstate Insurance Product Regulation Commission version of the ADB rider, death must occur within 180 days of the injury for the ADB benefit to be payable.

Provides an additional death benefit equal to the face amount of the policy if the insured dies because of an accident prior

to age 70 (\$300,000 maximum per life, except for policies over \$1,000,000 face amount then the maximum is 30% of the death benefit up to \$500,000)).

Child's Protection Benefit (CPB)

Issue Ages:	Expiry Age:
0-14	25

*Ages refer to the age of the base insured.

Provides for premiums to be waived until the policy anniversary closest to the child's 25th birthday, in the event the premium payer (parent or guardian) dies or becomes disabled.

Chronic Care Rider (CCR)

Issue Ages:	Expiry Age:
18-70	NA

The Chronic Care Rider is designed to protect policyholders from the financial hardships of chronic care. The rider provides tax-free acceleration of the death benefit of a life insurance policy based on the insured becoming chronically ill for a minimum of ninety (90) days* (insured cannot perform 2 of 6 activities of daily living or has a severe cognitive impairment). The 6 daily living activities are: Bathing, dressing, eating, toileting, transferring, or continence. By accelerating the death benefit from a WL or CWL policy on a tax-free basis, clients can mitigate the costs associated with chronic care needs.

Only the base face amount will be eligible for acceleration under the CCR. PUAs, OPP, Term Riders, etc. will not be eligible for acceleration.

Available for purchase only at policy issue.

Referred to as Chronic Illness Rider (CIR) in California.

Disability Waiver of Premium (WP)

Issue Ages:	Expiry Age:
0-59	65

With the purchase of this rider, New York Life will waive premiums should the insured become totally disabled, as explained in the policy. This rider is available to insureds of ages 0 through 59. The benefits of this rider depend in part on when disability occurs in relation to age 60.

There is a separate charge for this rider if Policy Purchase Option, Dividend Option Term, Level Term 5 and/or Yearly Convertible Term riders are included with the policy.

WP issued prior to age 59 on Term may be converted through age 64.

Benefit available on Base Insured only.

Premiums will not be waived for a total disability, which begins before the Insured's fifth birthday (State variations apply), or which begins while the rider is not in effect.

If an AD117 or subsequent policy has an active WP claim, all DOT premiums, including DOT premiums after the out-of-pocket period, will be waived.

The rider will terminate automatically on the anniversary when the Insured is age 65. In addition, the rider will no longer be in effect if the policy is terminated, surrendered, lapsed, or continued as extended insurance or paid-up life insurance.

NOTE: If a policy has a WP rider, any other rider attached to that policy for which there is a premium charge must also have WP.

Dividend Option Term (DOT)

Issue Ages:	Expiry Age:
0-70	NA

Combines a decreasing term rider with the paid-up additions dividend option. Each year, the amount of term insurance decreases automatically by the same amount as the increase in permanent insurance provided by the paid-up additions. The remaining term insurance may be convertible to any whole life policy New York Life makes available on an attained age or original age basis.

The Final Date for Conversion per Issue Age is as Followed:

DOT can be converted to a WL, CWL, and new SWP. Both AATCs and OATCs are available. OATCs must be done on a policy anniversary. AATCs are not available for issue ages 66+. Please see table below for variances by issue age.

Issue Ages	AATC	OATC
0-60	10 th Rider Anniversary	10 th Rider Anniversary
61-65	Anniversary at age 70	Anniversary at age 70
66+	Not Available	5 th Rider Anniversary

Insurance Exchange (IE)

Issue Ages:	Expiry Age:
0-70	NA

Provides for the transfer of policy coverage to a successor insured, subject to evidence of good health. There may be a cost to exercise this rider, depending on the policy value adjustments that occur when the insured is changed however, there is no premium charge for this rider at issue and it is automatically included with all policies. Exercising this rider will create a taxable event to the policy owner if there has been a gain in the contract.

5-Year Level Term (LT 5)

Issue Ages:	Expiry Age:
0-75	90

*Issue ages are on the rider insured

The 5-Year Level Term rider (LT5) provides a level term insurance benefit available on the primary insured, on the insured’s spouse, children, parents, and/or business partners. The face amount for a parent can be up to 1/2 of the base plan, to a maximum limit of \$100,000. The face amount for all other insureds can be up to company retention limits and there is a minimum face amount of \$25,000.

Proceeds of this rider are payable to the beneficiary upon receiving proof that a person named as Covered Insured died while his or her coverage under this rider was in effect.

Rider premiums are guaranteed not to increase in the first five years; beginning in year six, premiums will increase annually but not above the maximum guaranteed amount as outlined in the illustration.

Conversions

Attained age and Original Age Term Conversions are available for the LCT5 rider. Conversion credits are available. The Owner can convert all or part of a LCT5 rider without furnishing evidence of insurability. Any Conversions to Universal Life and Variable Universal Life products are available only for the first five years.

The Final Date for Conversion per Issue Age is as Followed

Issue Ages:	Final Conversion Date:
0-65	10 th policy anniversary
66-70	Policy anniversary at age 75
71-75	5 th policy anniversary

Rider will terminate when the CWL is paid-up.

Living Benefits Rider (LBR)

Issue Ages:	Expiry Age:
0-70	NA

Maximum Accelerated Benefit Amount: \$500,000 per policy limit

Availability: May only be elected in the event of a terminal illness. Not available on a life insurance policy in a tax qualified plan.

Benefits: This rider provides the policy owner with option to accelerate the policy's Life Insurance Benefit in the event of terminal illness. The policyowner may elect to accelerate the full death benefit amount or any percentage of the death benefit, known as a partial acceleration.

The Living Benefits Rider is also known as the Accelerated Benefits Rider.

Option to Purchase Paid-up Additions (OPP)

Issue Ages:	Expiry Age:
0-70	NA

An economical way to increase your death benefit protection and build more cash value. OPP premiums are used to purchase additional, paid-up life insurance that has cash value and loan value and is eligible for dividends. OPP premiums are subject to an expense charge at the time of payment.

Payer's Protection Benefit (PPB)

Issue Ages:	Expiry Age:
15-70	NA

Waives premiums if the covered premium payer (who is not the insured) becomes totally disabled, as explained in the policy.

Policy Purchase Option (PPO)

Issue Ages:	Expiry Age:
0-43	46

Guarantees the option to purchase additional insurance at certain ages and special life events, without having to provide evidence of insurability.

Spouse's Paid-up Insurance Purchase Option (SPPO)

Issue Ages:	Expiry Age:
0-70	90

At the time of the insured's death, gives the spouse/beneficiary the right to purchase a new single premium paid-up life insurance policy on his/her life without having to provide evidence of insurability.

The SPPO rider is automatically included, without charge, in most policies issued after May 13th, 2005.

In NY, SPPO is called Rider Insured's Paid-Up Insurance Purchase Option (RPPO). RPPO is available on life policies issued on or after April 27, 2007.

Disability Waiver of Premium on Billable OPP

Issue Ages:	Expiry Age:
0-59	NA

Only available on AD98 and subsequent *Whole Life (WL)*, *Custom Whole Life (CWL)* and *Modified Premium Whole Life (MPWL) Plans*. If the base policy contains a Disability Waiver of Premium Rider (WP) and contains a Billable OPP arrangement, the policy will automatically have Waiver of Premium on Billable OPP.

Yearly Renewable Term (YRT)

Issue Ages:	Expiry Age:
18-75	90

Provides additional, low-cost term coverage on the primary insured, insured's spouse, children, parents, and/or business partners with premiums that increase annually and are guaranteed for the first 10 years. The conversion privilege is generally available until the later of 10 years or the policy anniversary at age 55 to upgrade to cash value-building permanent or long-term insurance. Any conversions to Universal Life and Variable Universal Life products are available only for the first five policy years.

Conversions

The YRT rider allows the owner to upgrade all or part of the rider coverage into one of our many permanent cash-value-building life insurance policies without furnishing evidence of insurability. A conversion can be made on either an attained age (AATC) or original age (OATC) basis.

The Final Date for Conversion

Issue Ages:	AATC:	OATC:
18-45	Policy anniversary at age 55	10 th policy anniversary
46-65	10 th policy anniversary	10 th policy anniversary
66-70	Policy anniversary at age 75	Policy anniversary at age 75
71-75	5 th policy anniversary	5 th policy anniversary

YCT rider will terminate when the CWL becomes paid-up.