Gerber Life Insurance

Gerber Life Insurance College Plan

Help Families When College Costs Test Them

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Overview

- Individual endowment insurance policy
- Timed to pay out when college costs are due
- Guaranteed money at the end of each policy's term

Common Scenario

- Parents or grandparents who want to pay for a child's college costs
- Death not required for policy payout

What Is an Individual Endowment Insurance Policy?

Why Should Your Clients Consider Purchasing the Gerber Life Insurance College Plan?

1

Death Benefit **Protection**

[1] Policy will remain in force, premiums are guaranteed not to increase, and the death benefit and cash value accumulation are guaranteed as long as payments are made on time and within the grace period specified in the policy. The cash value accumulation at maturity as well as the death benefit will be reduced by any outstanding policy loans. The policy loan interest rate is 8%.

2

Guaranteed Payout, Either One Time or Each College Year[1]

[1] Policy will remain in force, premiums are guaranteed not to increase, and the death benefit and cash value accumulation are guaranteed as long as payments are made on time and within the grace period specified in the policy. The cash value accumulation at maturity as well as the death benefit will be reduced by any outstanding policy loans. The policy loan interest rate is 8%.

3

Guaranteed Returns[1]

[1] Policy will remain in force, premiums are guaranteed not to increase, and the death benefit and cash value accumulation are guaranteed as long as payments are made on time and within the grace period specified in the policy. The cash value accumulation at maturity as well as the death benefit will be reduced by any outstanding policy loans. The policy loan interest rate is 8%.

Why Sell Gerber Life?

Product Specs

Let’s Dig Down

State Availability

All states.

Issue Ages

18–60, inclusive.

Underwriting

- No medical exam is necessary in most cases.
- Coverage is dependent on answers to health questions.
  - A medical exam may be necessary for applicants age 51 and older who apply for more than $100,000 of coverage.
  - Standard and substandard classes are available.
  - Smoker class not available.

Face Amount

$10,000 to $150,000 per policy, cumulative maximum of $500,000 for all policies per insured through policy layering.

Maturity

Policy will mature in years 10 to 20 (including any year in between), depending on maturity selected by the insured.

Cash Value

Fixed and guaranteed.[1]

Death Benefit

- Full face amount, less any outstanding loan balance and interest due, will be paid as a lump sum to beneficiary if the death occurs before the policy matures.
- The death benefit is federal income tax free.[1]

Tax Implications

- Policy generates taxable income as the cash value grows. Gerber Life will issue a Form 1099 each year that there is taxable income.
- However, the death benefit is federal income tax free.[1]

Insurance Age

Age of proposed person at his or her last birthday.

Payment Modes/Options

Options:

- Pay to maturity: monthly, quarterly, bi-monthly, semiannually and annually.

Modes:

- Automated clearing house (ACH), which is the technical term for an electronic bank-to-bank payment.
- Up to 8% discount on ACH payments.
- Clients can also pay by check or credit card (Mastercard® or Visa).

Grace Period

- Any payment that is postmarked by the United States Postal Service within 31 days starting on the premium due date (60 days in CA) will be accepted.
- At the end of the grace period, the Automatic Premium Loan Provision (APL) will take effect only if the APL option was elected.

Free Look

30-day free look period beginning three days after policy is mailed.

What Is It?

Permits clients to purchase four additional endowment policies[2] (one each consecutive year — with total cumulative face amount for all policies not to exceed $500,000 per insured).

- Layering policies provides a guaranteed accumulation for each year that college expenses are due.[1]
- Your clients pay the same premium for each new policy as long as they purchase one policy each consecutive year and the specifications stay the same as the originally issued policy.

2 The additional Policy Rider ICC09 IE-AP entitles an individual to purchase four additional policies for a total of up to five policies. Your clients' premiums will stay the same for each new policy as long as they purchase one policy each consecutive year and the specifications stay the same as the originally issued policy.

Requirements

- Insured must be the same person for all policies.
- Additional policies must be for the same or smaller face amount as the original policy.
- Additional policies must have the same duration as the original policy.

Eligibility

To exercise the rider, the original policy must be in force and all premiums due have been paid.

- Not available for sub-standard policies.

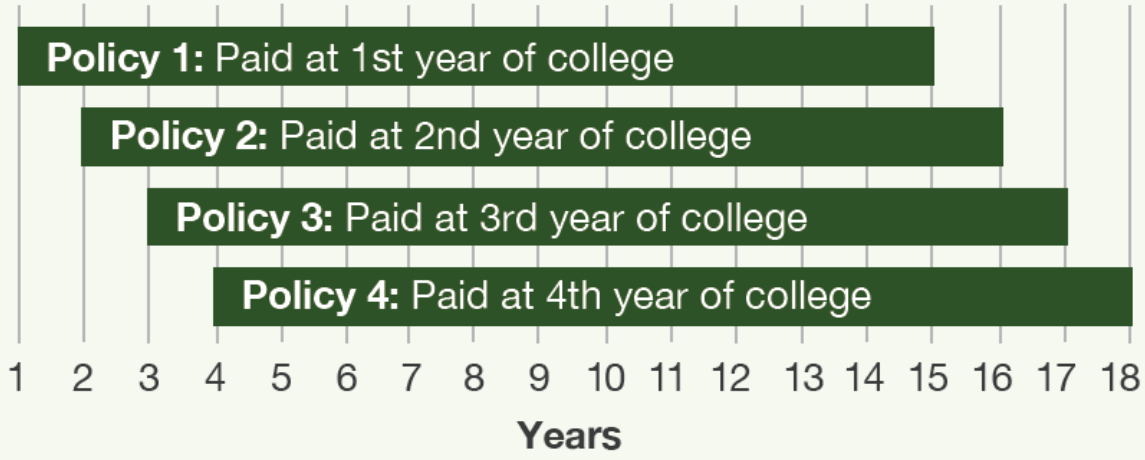
Commissions

Agents who sell additional policies will be paid a first-year commission for each subsequent policy sold.

How Exactly Does **Policy Layering** (the Four-Year Plan) Work?

Policy Layering Example

Face Amount Per Policy: $25,000 | Maturity: 15 Years Per Policy



Policy Terms:

- Annual Premium for Each Policy = **$1,000/policy**
- Total Annual Premium:
  - Equals **$4,000**[1] for 4 policies
  - Declines starting in year 16 after the first policy matures
  - Equals **$0** after 4th policy matures in year 18

Questions?

For future questions, contact the Gerber Life Agent Call Center at 1.800.428.4947.

For product quotes, marketing materials and more, visit the Gerber Life Agent Portal or the Gerber Life Agent Zone app.

Exclusions and Limitations:

The Gerber Life Insurance College Plan is issued in all states. State requirements may vary somewhat. Please refer to the policy for terms, conditions, exclusions and limitations that may apply. Policy will remain in force, premiums are guaranteed not to increase, and the death benefit and cash accumulation are guaranteed as long as payments are made on time and within the Grace Period specified in the policy. Policy loan interest rate is up to 8%. Loans may impact cash value and death benefit.

Coverage and benefit amounts are subject to Gerber Life overinsurance limits. Payment of benefits under the endowment policy is the obligation of, and is guaranteed by, Gerber Life Insurance Company.

Guarantees are based on the claims-paying ability of Gerber Life. No medical exam is necessary in most cases. Coverage is dependent on answers to health questions, and a medical exam may be necessary for applicants age 51 and older who apply for more than $100,000 of coverage. There is a $150,000 maximum face amount per policy and a $500,000 cumulative maximum face amount for all policies per each individual.

Policy Form ICC09-PIE and Policy Form Series PIE-09. In New York: Policy Form PIE-19-NY. Riders: ICC09 IE-AP and RIE-09-AP.

If the Insured dies by suicide within two years from the Issue Date of the policy, or any shorter period as may be required by applicable law in the state where the policy is delivered or issued for delivery, the only amount payable by us will be the premium paid for the policy less any debt against the policy.

Gerber Life will not accept insurance applications for coverage submitted under a Power of Attorney or Guardianship on the proposed insured, except from the permanent legal guardians of children.

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