

Just the facts about New York Life...

# Spouse's Paid-Up Insurance Purchase Option Rider

**Purpose** Automatically gives your spouse or domestic partner, as beneficiary of your life insurance policy, the ability to purchase a new, single premium, paid-up whole life insurance policy after your death without evidence of insurability. With your beneficiary's insurability guaranteed, the ability to purchase additional life insurance can help provide a financial legacy to his or her beneficiaries and help them meet potential estate and inheritance taxes.

**Products featuring rider** Whole Life; Custom Whole Life; Employee's Whole Life; Yearly Convertible Term; Million Plus Level Term 10; Level Premium Convertible Term; 10–20 Year Level Premium; New York Life Universal Life; New York Life Advantage Universal Life; New York Life Protection Up to Age 90; New York Life Advantage Protection Up to Age 90; New York Life Custom Universal Life Guarantee; NYLIAC Asset Preserver®; NYLIAC Instant Legacy®; and New York Life Variable Universal Life Accumulator II.

**Key features** **The Spouse's Paid-Up Insurance Purchase Option (SPPO)**

- Is automatically included with your policy at no additional cost.
- Gives the surviving spouse the option to purchase a paid-up whole life insurance policy within 90 days of the insured's death without providing proof of insurability.
- Enables a married couple to defer the decision about buying additional life insurance coverage on one spouse.
- Can be an effective estate conservation tool by helping to protect beneficiaries and providing funds to help pay estate taxes after both individuals die.
- Includes a special provision that pays the assumed SPPO benefits when both the insured and beneficiary die within 30 days of one another.

**How does SPPO work?** As your policy's beneficiary, your spouse has the option to purchase a New York Life single premium, paid-up life insurance policy on his or her own life within 90 days of your death. This option is guaranteed and not dependent on your spouse's health, thus no evidence of insurability is required.

- **Single premium**—Your spouse can use the proceeds from your life insurance policy's death benefit to make just one premium payment for his or her own life insurance policy.
- **Paid-Up**—This one upfront premium payment ensures that the spouse's policy is "paid-up" and that no other premium payments are required.



**How does  
SPPO work?  
(continued)**

- **Cost**—The premium is based on the spouse's gender and age on the date the new life insurance takes effect, as well as the requested face amount.<sup>1</sup>
- **Face amount**—Can be equal to or less than the face amount of the original policy up to a maximum of \$5 million (plus any additional coverage from certain policy riders or available dividends).<sup>2</sup> The new policy is not eligible for any riders.
- **Cash value and loans**—The spouse's new policy will accumulate tax-deferred cash value, which can be borrowed against, if needed.<sup>3</sup>

**EXAMPLE: \$1 million, Whole Life Insurance Policy  
Death of the Insured**

**Scenario 1—No SPPO.  
The Insured's Spouse Chooses  
Not to Exercise the SPPO Rider.**

The insured's spouse receives \$1 million, generally both income tax and estate tax free, and uses the proceeds to cover income needs and first death expenses.

@ Death of the surviving spouse, children receive the balance of any unspent proceeds from the insured's policy. Any remaining unspent proceeds may be subject to estate taxes once they pass to the estate of the surviving spouse.

**Scenario 2—SPPO Exercised.  
The Insured's Spouse Chooses  
to Exercise the SPPO Rider.**

The insured's spouse uses part of the original policy proceeds to purchase a new \$1 million paid-up life insurance policy within 90 days of the insured's death. (The required premium will depend on the surviving spouse's age and gender.) The spouse now has a paid-up \$1 million life insurance policy for his or for her own protection, as well as the balance of the original proceeds that were not used to purchase the paid-up policy.\*\*

@ Death of the surviving spouse, children receive \$1 million in life insurance proceeds from the spouse's paid-up life insurance policy. The proceeds may be subject to estate taxes depending upon the size of the estate.  
  
PLUS the balance of any unspent proceeds from the original whole life's policy, if any.\*\*

**Additional  
benefit**

Your SPPO rider has what is known as a simultaneous death provision. If your beneficiary dies at the same time as you or within 30 days after your death, and New York Life is notified in writing, New York Life will pay both the original life insurance policy's benefit, plus the assumed paid-up death benefit for the beneficiary's policy. The additional benefit for the spouse's policy will equal the highest amount of death benefit coverage available, minus the premium payment. If both the insured and the insured's beneficiary have the SPPO rider on separate New York Life qualifying policies and die simultaneously, both of their policies will activate the automatic maximum paid-up benefit for a second policy in addition to the original benefits.

<sup>1</sup> The new paid-up policy will be issued without evidence of insurability. Depending on the insured's health, premiums may be lower for a fully underwritten policy.

<sup>2</sup> This amount does not include accidental death benefits.

<sup>3</sup> Policy loans and withdrawals will reduce the policy's cash value and death benefit. Policy loans accrue interest

\*This is an example using a \$1 million whole life insurance policy, assuming that the insured's spouse is the sole beneficiary of the original policy and that the children of the insured and the insured's spouse will be the only beneficiaries of the spouse's policy.

\*\*This assumes that the single premium of the spouse's paid-up life insurance policy was less than the amount of the death benefit from the insured's policy.

**Third-party election**

If a third party, such as a trust, is the owner and beneficiary of the original policy, the third party has the right to purchase the paid-up life insurance policy on the life of the surviving spouse if it proves “insurable interest” and gets the consent of the spouse. This often occurs when an irrevocable life insurance trust is both the owner and beneficiary of the policy as part of a couple’s estate conservation strategy. However, the simultaneous death provision does not apply when a third party owns the policy.

**A tailored solution**

Life is about change, and your policy’s Spouse’s Paid-Up Insurance Purchase Option enables your beneficiary to adapt future insurance needs to that change. Whether you want to leave a financial legacy to loved ones or help them offset potential estate taxes, the SPPO rider is a convenient way to help ensure that their life insurance needs are met if you are no longer here to provide for them yourself. Talk to your New York Life agent today to learn more about this important protection.

Variable Universal Life is a type of permanent insurance that provides a death benefit in exchange for flexible premiums. Mortality and expense risk charges, cost of insurance, a per thousand face amount charge, monthly contract charges, fund fees, and any applicable surrender charges apply. Riders are available with purchase of a policy.

*If this material is used in conjunction with a solicitation of New York Life Variable Universal Life Accumulator II, it must be preceded or accompanied by the appropriate product and fund prospectuses. Investors are asked to consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The product and underlying fund prospectuses contain this and other information. Please read the prospectuses carefully before investing.*

Riders are available in approved jurisdictions with purchase of an approved product. See the product fact sheet for more information.

In most jurisdictions, the product form numbers are: Whole Life and Custom Whole Life (ICC18217-50P 4/18); Yearly Convertible Term (ICC18218-135); Million Plus Level Term 10 and Level Premium Convertible Term (ICC18218-60); Universal Life (ICC19-319-51P); Advantage Universal Life (ICC19-319-51NP); Survivorship Universal Life (ICC19-319-180P); Advantage Survivorship Universal Life (ICC19-319-180NP); Protection Up to Age 90 (ICC19-319-51P); Advantage Protection Up to Age 90 (ICC19-319-51NP); Custom Universal Life Guarantee (ICC18-318-54P); Variable Universal Life Accumulator II (ICC17-317-30). The rider form number for NYLIC issued policies is ICC17-217-375; for NYLIAC issued policies is ICC19-319-51P. State variations apply.

Universal Life and Variable Universal Life products are issued by New York Life Insurance and Annuity Corporation (A Delaware Corporation), and distributed by NYLIFE Distributors LLC, Member FINRA/SIPC. For variable universal life, securities offered by properly licensed registered representatives through NYLIFE Securities LLC (Member FINRA/SIPC), A Licensed Insurance Agency. NYLIAC, NYLIFE Distributors, and NYLIFE Securities are wholly owned subsidiaries of New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010.

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