

# Term Life SafeGuard

This product provides limited benefits.

This coverage provides a Term Life insurance policy with an optional Critical Illness Benefit that pays cash benefits for a qualifying critical illness. Term Life SafeGuard is not major medical or comprehensive health insurance and does not provide the mandated coverage necessary to avoid a penalty under the Affordable Care Act.



Golden Rule Insurance Company is the underwriter and administrator of these plans.

Life Insurance Policy Forms LVLTL1-GRI, -42 and Accelerated Death Benefit Rider (Critical Illness Benefit) SA-S-1715-GRI, -42, and state variations



43938C2-G-1217 (includes: 43938-G-0816, 43938i-G-1217, Life Buyer's Guide)

# Why Choose Us?

---

## **Strength & Experience**

UnitedHealthcare provides approximately 30 million Americans access to health care.\* Golden Rule Insurance Company, a UnitedHealthcare company, is the underwriter and administrator of plans featured in this brochure. We have been serving the specific needs of individuals and families buying their own coverage for over 70 years.

## **Highly Rated**

Golden Rule Insurance Company (GRIC) is rated “A” (Excellent) by A.M. Best (06/30/16). This worldwide independent organization examines insurance companies and other businesses, and publishes its opinion about them. This rating is an indication of our financial strength and stability.

## **Our Goal: Your Satisfaction**

We understand the importance of your time and concern for the value of your health care dollars. Our goal for every customer is an insurance plan at a price that fits his or her needs and budget.

\* UnitedHealth Group Annual Form 10-K for year ended 12/31/15.

This is an outline only and is not intended to serve as a legal interpretation of benefits. Reasonable effort has been made to have this outline represent the intent of contract language. However, the contract language stands alone and the complete terms of the coverage will be determined by the policy. State specific differences may apply. This brochure must be used in conjunction with the Term Life SafeGuard State Variations Insert 43938i-G.

# Term Life SafeGuard

Have you considered what you would do if you or a loved one became seriously ill? Bills are the last thing you want to worry about when you or a family member is sick. Medical treatments today provide for better care, but they have never been more expensive. Individuals and families alike often experience financial hardship because of the many expenses their insurance does not cover. If an illness results in death, the financial burden on top of the loss of a loved one can often be devastating.

## Term Life SafeGuard

A Term Life Benefit insurance plan with an optional Critical Illness Benefit designed to pay you cash benefits upon diagnosis of a qualifying illness or death.

### About This Plan

Our Term Life SafeGuard plan is designed to offer budget-friendly life insurance coverage for a selected number of years to help your loved ones in the event of your death.

With the optional Critical Illness Benefit, in the event of a serious illness, a cash benefit can be paid out to help with expenses like:

- Time away from work
- Household expenses (mortgage, utility bills, groceries)
- Child care
- Transportation and lodging to seek treatment

### Critical Illness Can Affect Anyone

Did you know?

- In the U.S., slightly more than 1 in 3 women and slightly less than 1 in 2 men develop cancer in their lifetimes.\*
- Every 40 seconds someone in the U.S. has a stroke.\*\*

\* American Cancer Society, "Cancer Facts & Figures," – 2015 Update.

\*\* American Heart Association, "Heart Disease and Stroke Statistics – 2015 Update."



Be Better Prepared for the Future

Can you afford a major illness? Will your family be okay financially in the event of your death? Term Life coverage can be that rainy day fund. You hope you never need it, but are glad you have it, if the time comes.

Term Life SafeGuard with Optional Critical Illness Benefits Example

30-year-old female, non-smoker	Term Life Benefit Amount	Critical Illness Maximum Lifetime Benefit Amount	Term Life Policy Term	Monthly Premium
	She selects \$50,000	She selects \$25,000.	She selects 10 years.	\$22.34*
<ul style="list-style-type: none"><li>• The insured is diagnosed with life-threatening cancer more than 90 days after the coverage effective date.</li><li>• Her Critical Illness Maximum Lifetime Benefit pays at 100%, so she receives \$25,000.</li><li>• Her Critical Illness payment reduces the Term Life benefit from \$50,000 to \$25,000.</li></ul>				
Following the life-threatening cancer diagnosis	New Term Life Benefit Amount	Critical Illness Maximum Lifetime Benefit Amount	Term Life Policy Term	Monthly Premium
	\$25,000	\$0 – Already paid out.	Remainder of 10 years.	\$7.50

\* Hypothetical 30-year-old female, non-smoker in ZIP Code 54313.



## How Term Life SafeGuard Works

**For the Term Life Policy:** You select a term (years of coverage) and benefit amount in case of death.

**If you choose to purchase the optional Critical Illness Benefit:**

- The Maximum Lifetime Benefit Amount is available if you're diagnosed with a qualifying critical illness, see the second table.
- A 30-day waiting period applies for a qualifying diagnosis to be eligible for the Critical Illness Benefit.
- Receive a one-time benefit for a qualifying illness. Total benefits paid cannot exceed 100% of the Maximum Lifetime Benefit Amount.
- Any Critical Illness Benefit payment will be subtracted from the Term Life insurance benefit amount resulting in a lower monthly premium.

**First, choose a policy term:**

**Term Life Policy<sup>1</sup>**

10-year (issue ages 18-59)

OR

20-year (issue ages 18-49)

**Then, choose a benefit level:**

<b>Term Life Benefit Amount</b>	\$30,000	OR	\$25,000 or \$50,000	OR	\$50,000 or \$100,000	OR	\$75,000 or \$150,000	OR	\$100,000 or \$200,000
<b>Critical Illness Maximum Lifetime Benefit Amount (Optional)</b>	\$15,000		\$25,000		\$50,000		\$75,000		\$100,000

### Critical Illness Benefit (Optional)

<b>Illness Diagnosed (as defined in the policy)</b> 30-day waiting period applies except as noted below.	<b>Percentage of Critical Illness Maximum Lifetime Benefit Amount to be Paid</b>
Carcinoma in Situ	25%
Coma	100%
Coronary Artery Bypass Graft	25%
Heart Attack or Stroke	100%
Life-threatening Cancer – Diagnosis more than 90 days after Effective Date	100%
Life-threatening Cancer – Diagnosis after the waiting period within the first 90 days of coverage	10%
Loss of Hearing, Speech, or Vision	100%
Major Organ Transplant	100%
Paralysis	100%
Renal (kidney) Failure	100%
Terminal Illness	100%

Tax-Advantaged Benefits<sup>2</sup> – cash may be used for out-of-pocket medical costs, bills, travel for treatment, and more.

<sup>1</sup> Renewal of Term Life Policy: At the end of the initial policy term, the policy can be renewed annually (at higher premium rates) until the insured's 75th birthday.

<sup>2</sup> Consult your tax advisor; restrictions may apply.

# Term Life Insurance Plan Provisions

Each policy has a term life policy fee of \$20 per year and it is billed monthly or quarterly.

## Death Benefit

We will pay the Term Life Benefit (less any Critical Illness Benefit paid) to the designated beneficiary at the time of your death. Written proof of death must be furnished to us within 90 days from the insured's date of death or as soon as reasonably possible.

## Assignment

You may assign your policy while you are alive.

## Beneficiary

You can name any person or persons, other than your employer, as a beneficiary. You can change the beneficiary at any time, subject to the terms of your policy and the laws of your state.

## Renewal Provision

At the end of the policy term (10 years or 20 years), you may continue coverage until your 75th birthday on a year-by-year basis. Evidence of insurability is not required, however your premium rates will increase each year.

## Term Life Insurance Exclusions and Limitations

We will not pay a death benefit caused by any of the following:

- Suicide, while sane or insane, within 2 years from the effective date.
- The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
- Any act of declared or undeclared war.
- The insured taking part in a riot.
- The insured's commission of a felony, whether or not charged.
- Participating or instructing in (while being paid to do so): horseback riding, racing or speed testing any non-motorized vehicle/conveyance, skiing, rodeo sports, or rock or mountain climbing.
- Participating, demonstrating, instructing, guiding, or accompanying others in: sports (semi- or professional or intercollegiate not including intramural sports), parachute jumping, hang gliding, skydiving, bungee jumping, racing or speed testing any motorized vehicle/conveyance, or scuba/skin diving (60 or more feet in depth).
- Operating, riding in, or descending from any type of non-commercial aircraft if the insured is a pilot, officer, or member of the crew of such aircraft or is giving or receiving any kind of training or instructions or otherwise has any duties that require him or her to be aboard the aircraft.



# Critical Illness Benefit Provisions

This product provides limited benefits. Term Life SafeGuard is not major medical or comprehensive health insurance and does not provide the mandated coverage necessary to avoid a penalty under the Affordable Care Act.

## Benefits

Benefits received may affect your eligibility for Medicaid or other government benefits. Benefits received may be taxable. You should contact a tax advisor.

**Amount payable:** We will pay a percentage of the Critical Illness Maximum Lifetime Benefit amount based on the type of covered critical illness first diagnosed, after the 30-day waiting period has been satisfied.

## Waiting Period

First diagnosis must be made after 30 days of continuous coverage to be eligible for benefits.

**Important:** Benefits are paid upon first diagnosis, as a one-time payment, not paid based on actual expenses incurred. You will find complete coverage details in the policy.

## Illness Diagnosis Requirements

We reserve the right to have any critical illness or terminal illness diagnosis reviewed by a doctor of our choice, at our expense.

## Maximum Lifetime Benefit Amount

The percentage of the Maximum Lifetime Benefit amount payable depends on the type of critical illness or terminal illness as shown on page 5.

Total benefits payable under the rider for an insured will not exceed the Critical Illness Maximum Lifetime Benefit Amount chosen. Any Critical Illness benefit(s) paid will reduce the face amount of the Term Life insurance policy by the amount of the benefit(s) paid.

## Critical Illness Benefit Exclusions

The rider does not provide benefits for diagnosis of a critical illness or terminal illness for an insured for, due to, or resulting from:

- An illness for which an insured's date of diagnosis occurs before satisfaction of an insured's waiting period.
- Diagnosis of a critical illness or terminal illness while the Critical Illness Benefit is not in force.
- Suicide or intentionally self-inflicted injury or illness while sane or insane if committed within 2 years from the effective date.
- Driving a motorized vehicle or operating any machinery while legally intoxicated or under the influence of drugs, unless taken as prescribed by a doctor and there is no recommendation by a pharmacist, doctor, or instructions on the prescription label warning against driving while under the influence of that drug.
- Voluntarily taking any sedative or drug, or inhalation of any gas, unless taken or inhaled as your doctor prescribes or administers it.
- Committing or attempting to commit a civil or criminal battery, felony or misdemeanor.
- Service in the armed forces of any country, including non-military units supporting such forces.
- Engaging in an illegal occupation.
- Participating in a riot, rebellion, or insurrection. Participating means you are taking an active part in common with others. Riot means any use or threat to use force or violence by three or more persons without authority of law.
- Mental and/or physical manifestations of symptoms due to an underlying mental disorder defined in the most current version of the Diagnostic and Statistical Manual of Mental Disorders.
- Injury or illness caused by an act of declared or undeclared war.

# Term Life SafeGuard Provisions

This brochure is only a general outline of the coverage provisions. It is not an insurance contract, nor part of the insurance policy. You will find complete coverage details in the policy. The purchase of this plan is not contingent upon purchasing or having any individual or group health insurance coverage.

**Please note:** This product provides limited benefits. It is not Major Medical or Comprehensive Health insurance, and does not provide the mandated coverage necessary to avoid penalty under the Affordable Care Act.

## Eligibility

All applicants must be between 18-49 years of age for the 20-year term life policy or between 18-59 years of age for the 10-year term life policy. You remain eligible for coverage until your 75th birthday.

## Misstatement of Age, Gender, or Tobacco Use

If your age, gender, or use of tobacco has been misstated on the application for coverage under the policy, benefits will be adjusted based on the relationship of premium paid to the premium that should have been paid, based on the correct age, gender, or tobacco status.

If age was misstated on the application and we would not have issued coverage, we will refund the premium paid and coverage would be void from the effective date.

## Premium Change

Premiums will change after the initial term. The age of a covered person and type and level of coverage are the factors that could be used to determine your premium rate. We will notify you in writing at least 30 days in advance of a premium change.

## Proof of Loss

We must receive written proof of a critical illness diagnosis within 90 days or as soon as possible.

## Termination

All insurance will cease on termination of the policy.

The policy will terminate on the earliest of:

- A. The insured's 75th birthday;
- B. Nonpayment of premiums when due, subject to the Grace Period Provision in the policy;
- C. The date we receive a written request from you to terminate the policy, or any later date stated in your request;
- D. The date when the total face amount is payable as either a death benefit or an accelerated death benefit; or
- E. The date of your death.

We will refund any premium paid and not earned due to policy termination.

## Underwriting

Plans are subject to health underwriting. If you provide incorrect or incomplete information on your insurance application, your coverage may be voided or claims denied.



## HEALTH PLAN NOTICES OF PRIVACY PRACTICES MEDICAL INFORMATION PRIVACY NOTICE

(Effective January 1, 2016)

We (including our affiliates listed at the end of this notice) are required by law to protect the privacy of your health information. We are also required to send you this notice, which explains how we may use information about you and when we can give out or “disclose” that information to others. You also have rights regarding your health information that are described in this notice. We are required by law to abide by the terms of this notice.

The terms “information” or “health information” in this notice include any information we maintain that reasonably can be used to identify you and that relates to your physical or mental health condition, the provision of health care to you, or the payment for such health care. We will comply with the requirements of applicable privacy laws related to notifying you in the event of a breach of your health information.

We have the right to change our privacy practices and the terms of this notice. If we make a material change to our privacy practices, we will provide to you in our next annual distribution, either a revised notice or information about the material change or how to obtain a revised notice. We will provide this information either by direct mail or electronically in accordance with applicable law. In all cases, we will post the revised notice on our websites, such as [www.uhone.com](http://www.uhone.com), [www.myuhone.com](http://www.myuhone.com), [www.myallsavers.com](http://www.myallsavers.com), or [www.myallsaversmember.com](http://www.myallsaversmember.com). We reserve the right to make any revised or changed notice effective for information we already have and for information that we receive in the future.

We collect and maintain oral, written and electronic information to administer our business and to provide products, services and information of importance to our customers. We maintain physical, electronic and procedural security safeguards in the handling and maintenance of our enrollees' information, in accordance with applicable state and Federal standards, to protect against risks such as loss, destruction or misuse.

**How We Use or Disclose Information. We must** use and disclose your health information to provide information:

- To you or someone who has the legal right to act for you (your personal representative) in order to administer your rights as described in this notice; and
- To the Secretary of the Department of Health and Human Services, if necessary, to make sure your privacy is protected.

**We have the right to** use and disclose health information for your treatment, to pay for your health care and operate our business. For example, we may use or disclose your health information:

- **For Payment** of premiums due us, to determine your coverage and to process claims for health care services you receive including for subrogation or coordination of other benefits you may have. For example, we may tell a doctor whether you are eligible for coverage and what percentage of the bill may be covered.
- **For Treatment.** We may use or disclose health information to aid in your treatment or the coordination of your care. For example, we may disclose information to your physicians or hospitals to help them provide medical care to you.

- **For Health Care Operations.** We may use or disclose health information as necessary to operate and manage our business activities related to providing and managing your health care coverage. For example, we might conduct or arrange for medical review, legal services, and auditing functions, including fraud and abuse detection or compliance programs.
- **To Provide Information on Health Related Programs or Products** such as alternative medical treatments and programs or about health-related products and services.
- **To Plan Sponsors.** If your coverage is through an employer group health plan, we may share summary health information and enrollment and disenrollment information with the plan sponsor. In addition, we may share other health information with the plan sponsor for plan administration if the plan sponsor agrees to special restrictions on its use and disclosure of the information in accordance with Federal law.
- **For Underwriting Purposes.** We may use or disclose your health information for underwriting purposes; however, we will not use or disclose your genetic information for such purposes.
- **For Reminders.** We may use health information to contact you for appointment reminders with providers who provide medical care to you.

**We may** use or disclose your health information for the following purposes under limited circumstances:

- **As Required by Law.** We may disclose information when required to do so by law.
- **To Persons Involved With Your Care.** We may use or disclose your health information to a person involved in your care, such as a family member, when you are incapacitated or in an emergency, or when you agree or fail to object when given the opportunity. If you are unavailable or unable to object we will use our best judgment to decide if the disclosure is in your best interests. Special restrictions apply regarding when we may disclose health information to family members and others involved in a deceased individual's care. We may disclose health information to any persons involved, prior to the death, in the care or payment for care of a deceased individual, unless we are aware that doing so would be inconsistent with a preference previously expressed by the deceased.
- **For Public Health Activities** such as reporting disease outbreaks.
- **For Reporting Victims of Abuse, Neglect or Domestic Violence** to government authorities, including a social service or protective service agency.
- **For Health Oversight Activities** such as governmental audits and fraud and abuse investigations.
- **For Judicial or Administrative Proceedings** such as in response to a court order, search warrant or subpoena.
- **For Law Enforcement Purposes** such as providing limited information to locate a missing person or report a crime.
- **To Avoid a Serious Threat to Health or Safety** by, for example, disclosing information to public health agencies or law enforcement authorities, or in the event of an emergency or natural disaster.
- **For Specialized Government Functions** such as military and veteran activities, national security and intelligence activities, and the protective services for the President and others.

- **For Workers' Compensation** including disclosures required by state workers' compensation laws that govern job-related injury or illness.
- **For Research Purposes** such as research related to the prevention of disease or disability, if the research study meets Federal privacy law requirements.
- **To Provide Information Regarding Decedents.** We may disclose information to a coroner or medical examiner to identify a deceased person, determine a cause of death, or as authorized by law. We may also disclose information to funeral directors as necessary to carry out their duties.
- **For Organ Procurement Purposes.** We may use or disclose information to entities that handle procurement, banking or transplantation of organs, eyes or tissue to facilitate donation and transplantation.
- **To Correctional Institutions or Law Enforcement Officials** if you are an inmate of a correctional institution or under the custody of a law enforcement official, but only if necessary (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.
- **To Business Associates** that perform functions on our behalf or provide us with services if the information is necessary for such functions or services. Our business associates are required, under contract with us and pursuant to Federal law, to protect the privacy of your information and are not allowed to use or disclose any information other than as specified in our contract and as permitted by Federal law.
- **Additional Restrictions on Use and Disclosure.** Certain Federal and state laws may require special privacy protections that restrict the use and disclosure of certain health information, including highly confidential information about you. "Highly confidential information" may include confidential information under Federal laws governing alcohol and drug abuse information and genetic information as well as state laws that often protect the following types of information: HIV/AIDS; mental health; genetic tests; alcohol and drug abuse; sexually transmitted diseases and reproductive health information; and child or adult abuse or neglect, including sexual assault.

If a use or disclosure of health information described above in this notice is prohibited or materially limited by other laws that apply to us, it is our intent to meet the requirements of the more stringent law.

Except for uses and disclosures described and limited as set forth in this notice, we will use and disclose your health information only with a written authorization from you. This includes, except for limited circumstances allowed by Federal privacy law, not using or disclosing psychotherapy notes about you, selling your health information to others or using or disclosing your health information for certain promotional communications that are prohibited marketing communications under Federal law, without your written authorization. Once you give us authorization to release your health information, we cannot guarantee that the person to whom the information is provided will not disclose the information. You may take back or "revoke" your written authorization, except if we have already acted based on your authorization. To revoke an authorization, call the phone number listed on your health plan ID card.

33638-X-0516 Products are either underwritten or administered by: All Savers Insurance Company, All Savers Life Insurance Company of California, Golden Rule Insurance Company, PacifiCare Life and Health Insurance Company, UnitedHealthcare Insurance Company, and/or UnitedHealthcare Life Insurance Company.

**What Are Your Rights.** The following are your rights with respect to your health information.

- **You have the right to ask to restrict** uses or disclosures of your information for treatment, payment, or health care operations. You also have the right to ask to restrict disclosures to family members or to others who are involved in your health care or payment for your health care. We may also have policies on dependent access that may authorize certain restrictions. **Please note that while we will try to honor your request and will permit requests consistent with our policies, we are not required to agree to any restriction.**
- **You have the right to ask to receive confidential communications** of information in a different manner or at a different place (for example, by sending information to a PO Box instead of your home address). We will accommodate reasonable requests where a disclosure of all or part of your health information otherwise could endanger you. In certain circumstances, we will accept verbal requests to receive confidential communications; however, we may also require you to confirm your request in writing. In addition, any request to modify or cancel a previous confidential communication request must be made in writing. Mail your request to the address listed below.
- **You have the right to see and obtain a copy** of health information that we maintain about you such as claims and case or medical management records. If we maintain your health information electronically, you will have the right to request that we send a copy of your health information in an electronic format to you. You can also request that we provide a copy of your information to a third party that you identify. In some cases you may receive a summary of this health information. You must make a written request to inspect and copy your health information or have it sent to a third party. Mail your request to the address listed below. In certain limited circumstances, we may deny your request to inspect and copy your health information. If we deny your request, you may have the right to have the denial reviewed. We may charge a reasonable fee for any copies.
- **You have the right to ask to amend information** we maintain about you such as claims and case or medical management records, if you believe the health information about you is wrong or incomplete. Your request must be in writing and provide the reasons for the requested amendment. Mail your request to the address listed below. If we deny your request, you may have a statement of your disagreement added to your health information.
- **You have the right to receive an accounting** of certain disclosures of your information made by us during the six years prior to your request. This accounting will not include disclosures of information: (i) for treatment, payment, and health care operations purposes; (ii) to you or pursuant to your authorization; and (iii) to correctional institutions or law enforcement officials; and (iv) other disclosures for which Federal law does not require us to provide an accounting.

- **You have the right to a paper copy of this notice.** You may ask for a copy of this notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy of this notice. In addition, you may obtain a copy of this notice at our websites such as [www.uhone.com](http://www.uhone.com), [www.myuhone.com](http://www.myuhone.com), [www.myallsavers.com](http://www.myallsavers.com), or [www.myallsaversmember.com](http://www.myallsaversmember.com).

**You have the right to be considered a protected person.**

(New Mexico only) A “protected person” is a victim of domestic abuse who also is either: (i) an applicant for insurance with us; (ii) a person who is or may be covered by our insurance; or (iii) someone who has a claim for benefits under our insurance.

**Exercising Your Rights**

- **Contacting your Health Plan.** If you have any questions about this notice or want to exercise any of your rights, please call the toll-free phone number on your ID card.
- **Filing a Complaint.** If you believe your privacy rights have been violated, you may file a complaint with us at the address listed below.
- **Submitting a Written Request.** Mail to us your written requests to exercise any of your rights, including modifying or cancelling a confidential communication, requesting copies of your records, or requesting amendments to your record at the following address:
  - Privacy Office, 7440 Woodland Drive, Indianapolis, IN 46278-1719
- **You may also notify the Secretary of the U.S. Department of Health and Human Services of your complaint.** We will not take any action against you for filing a complaint.

**Fair Credit Reporting Act Notice.** In some cases, we may ask a consumer-reporting agency to compile a consumer report, including potentially an investigative consumer report, about you. If we request an investigative consumer report, we will notify you promptly with the name and address of the agency that will furnish the report. You may request in writing to be interviewed as part of the investigation. The agency may retain a copy of the report. The agency may disclose it to other persons as allowed by the Federal Fair Credit Reporting Act.

We may disclose information solely about our transactions or experiences with you to our affiliates.

**MIB.** In conjunction with our membership in MIB, Inc., formerly known as Medical Information Bureau (MIB), we or our reinsurers may make a report of your personal information to MIB. MIB is a not-for-profit organization of life and health insurance companies that operates an information exchange on behalf of its members. If you submit an application or claim for benefits to another MIB member company for life or health insurance coverage, the MIB, upon request, will supply such company with information regarding you that it has in its file.

If you question the accuracy of information in the MIB's file, you may seek a correction in accordance with the procedures set forth in the Federal Fair Credit Reporting Act. Contact MIB at:

MIB, Inc., 50 Braintree Hill Park Ste. 400, Braintree, MA 02184-8734, 1-866-692-6901, [www.mib.com](http://www.mib.com).

**FINANCIAL INFORMATION PRIVACY NOTICE**

**(Effective January 1, 2016)**

We (including our affiliates listed at the end of this notice) are committed to maintaining the confidentiality of your personal financial information. For the purposes of this notice, “personal financial information” means information, other than health information, about an insured or an applicant for coverage that identifies the individual, is not generally publicly available and is collected from the individual or is obtained in connection with providing coverage to the individual.

**Information We Collect.** Depending upon the product or service you have with us, we may collect personal financial information about you from the following sources:

- Information we receive from you on applications or other forms, such as name, address, age, medical information and Social Security number;
- Information about your transactions with us, our affiliates or others, such as premium payment and claims history; and
- Information from a consumer reporting agency.

**Disclosure of Information.** We do not disclose personal financial information about our insureds or former insureds to any third party, except as required or permitted by law. For example, in the course of our general business practices, we may, as permitted by law, disclose any of the personal financial information that we collect about you, without your authorization, to the following types of institutions:

- To our corporate affiliates, which include financial service providers, such as other insurers, and non-financial companies, such as data processors;
- To nonaffiliated companies for our everyday business purposes, such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations; and
- To nonaffiliated companies that perform services for us, including sending promotional communications on our behalf.

**We restrict access to personal** financial information about you to employees, affiliates and service providers who are involved in administering your health care coverage or providing services to you. We maintain physical, electronic and procedural safeguards that comply with Federal standards to guard your personal financial information.

**Confidentiality and Security.** We maintain physical, electronic and procedural safeguards, in accordance with applicable state and Federal standards, to protect your personal financial information against risks such as loss, destruction or misuse. These measures include computer safeguards, secured files and buildings, and restrictions on who may access your personal financial information.

**Questions About this Notice.** If you have any questions about this notice, please **call the toll-free phone number on your ID card.**

The Notice of Privacy Practices, effective January 1, 2016, is provided on behalf of All Savers Insurance Company; All Savers Life Insurance Company of California; Golden Rule Insurance Company; PacifiCare Life and Health Insurance Company; UnitedHealthcare Insurance Company; and UnitedHealthcare Life Insurance Company.

To obtain an authorization to release your personal information to another party, please go to the appropriate website listed in this Notice.



**TO BE COMPLETED BY PRODUCER ONLY IF PERSONALLY COLLECTING INITIAL PREMIUM PAYMENT.**

Conditional Receipt for: \_\_\_\_\_  
Proposed Insured: \_\_\_\_\_  
Amount Received: \_\_\_\_\_

Date of Receipt: \_\_\_\_\_  
Signature of Secretary: Richard C. Sullivan  
Signature of Agent/Broker: \_\_\_\_\_

**THIS FORM LIMITS OUR LIABILITY. NO INSURANCE WILL BECOME EFFECTIVE UNLESS ALL THREE CONDITIONS PRIOR TO COVERAGE ARE MET. NO PERSON IS AUTHORIZED TO ALTER OR WAIVE ANY OF THE FOLLOWING CONDITIONS. YOUR CANCELLED CHECK WILL BE YOUR RECEIPT.**

This conditional receipt does not create any temporary or interim insurance and does not provide any coverage except as expressly provided in the Conditions Prior to Coverage.

**Conditions Prior to Coverage**

**(Applicable with or without the Conditional Receipt)**

Subject to the limitations shown below, insurance will become effective if the following conditions are met:

1. The application is completed in full and is unconditionally accepted and approved by Golden Rule Insurance Company.
2. The first full premium, according to the mode of premium payment chosen, has been paid on or prior to the effective date, and any check is honored on first presentation for payment.
3. The policy is: (a) issued by Golden Rule Insurance Company exactly as applied for within 45 days from date of application; (b) delivered to the proposed insured; and (c) accepted by the proposed insured.

**If you sign the Authorization for Electronic Funds Transfer (EFT) in the application, please keep this copy for your records.**

I (we) hereby authorize Golden Rule Insurance Company to initiate debit entries to the account indicated below. I also authorize the named financial institution to debit the same to such account. I agree this authorization will remain in effect until you actually receive written notification of its termination from me.

053F-G-0816

**Notice to applicant regarding replacement of accident and sickness insurance**

1. You may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of or addition to your present plan. You should be certain that you understand all the relevant factors involved in replacing or adding to your present coverage.
2. We recommend that you not terminate your present plan until you receive written confirmation that your coverage has been approved by Golden Rule Insurance Company.

**Authorization to Obtain and Disclose Health Information**

I authorize Golden Rule Insurance Company's (GRIC) New Business and Medical History Review departments to obtain health information that they need to underwrite or verify my application for insurance. Any health care provider, pharmacy benefit manager, consumer-reporting agency, MIB, Inc., formerly known as Medical Information Bureau (MIB), or insurance company having any information as to a diagnosis, the treatment, or prognosis of any physical or mental conditions about my family or me is authorized to give it to GRIC's New Business and Medical History Review departments. This includes information related to substance use or abuse.

I understand any existing or future requests I have made or may make to restrict my protected health information do not and will not apply to this authorization, unless I revoke this authorization.

GRIC may release this information about my family or me to the MIB or any member company for the purposes described in GRIC's Notice of Privacy Practices.

I (we) have received GRIC's Notice of Privacy Practices. This authorization shall remain valid for 30 months from the date below.

I (we) understand the following:

- A photocopy of this authorization is as valid as the original;
- I (we) or my (our) authorized representative may obtain a copy of this authorization by writing to GRIC;
- I (we) may request revocation of this authorization as described in GRIC's Notice of Privacy Practices;
- GRIC may condition enrollment in its health plan or eligibility for benefits on my (our) refusal to sign this authorization;
- The information that is used or disclosed in accordance with this authorization may be redisclosed by the receiving entity and may no longer be protected by federal or state privacy laws regulating health insurers.

I have retained a copy of this authorization.  
052F-G-0816

**Failure to include all material medical information or correct information regarding the tobacco use of any applicant may cause the Company to deny a future claim and to void your coverage as though it has never been in force. After you have completed the application and before you sign it, reread it carefully. Be certain that all information has been properly recorded.**

**Keep this document. It has important information.**



## Term Life SafeGuard State Variations

Please see below for state availability and applicable state-specific Term Life benefits, exclusions, and limitations, as well as the Critical Illness benefits and exclusions. This insert must be used with the Term Life SafeGuard brochure (43938-G).

### Alabama

- No critical illness benefits are payable for loss of hearing, speech, or vision.
- Misstatement of Tobacco Use does not apply.
- The following Term Life Insurance Exclusions and Limitations do not apply:
  - Driving while intoxicated, or under the influence of illegal narcotics or a controlled substance.
  - Taking part in a riot.
  - The insured's commission of a felony, whether or not charged.
- The following Critical Illness Benefit Exclusions do not apply:
  - Driving a motorized vehicle or operating any machinery while illegally intoxicated or under the influence of drugs.
  - Voluntarily taking any sedative or drug or inhalation of any gas.
  - Committing or attempting to commit a civil or criminal battery, felony or misdemeanor.
  - Participating in a riot, rebellion, or insurrection.
  - Mental and/or physical manifestations of symptoms due to an underlying mental disorder.

### Alaska

- We will notify you in writing at least 45 days in advance of a premium change.
- The following Term Life Insurance Exclusions and Limitations do not apply:
  - Driving while intoxicated, or under the influence of illegal narcotics or a controlled substance.
  - Taking part in a riot.

### Arizona

There are no state variations.

### Arkansas

There are no state variations.

### Connecticut

- The optional Critical Illness Benefit is not available.
- The Term Life Insurance Exclusions and Limitations regarding driving while intoxicated or under the influence of illegal narcotics or a controlled substance is replaced with: "Loss caused by the voluntary use of any controlled substance as defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970, as now or hereafter amended unless as prescribed by the insured's doctor."
- The following Term Life Insurance Exclusions and Limitations do not apply:
  - Any act of declared or undeclared war.
  - The insured's commission of a felony, whether or not charged.

- Participating or instructing in (while being paid to do so): horseback riding, racing or speed testing any non-motorized vehicle/conveyance, skiing, rodeo sports, or rock or mountain climbing.
- Participating, demonstrating, instructing, guiding, or accompanying others in: sports (semi- or professional or intercollegiate not including intramural sports), parachute jumping, hang gliding, skydiving, bungee jumping, racing or speed testing any motorized vehicle/conveyance, or scuba/skin diving (60 or more feet in depth).

### Delaware

There are no state variations.

### District of Columbia

No critical illness benefits are payable for loss of hearing, speech, or vision.

### Florida

- The optional Critical Illness Benefit is not available.
- If, within 2 years from the date of issue, it is determined that the insured's age was misstated on the application and we would not have issued coverage, we will refund the premium paid and coverage would be void from the effective date.
- If, within 2 years from the date of issue, it is determined that the insured's tobacco use has been misstated on the application for coverage under the policy, benefits will be adjusted based on the relationship of premium paid to the premium that should have been paid, based on the correct tobacco status.

### Georgia

There are no state variations.

### Illinois

- Misstatement of Gender or Tobacco Use does not apply.
- The Term Life Benefit must be double the Critical Illness Benefit.
- The following Term Life Insurance Exclusions and Limitations do not apply:
  - The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
  - The insured taking part in a riot.
  - The insured's commission of a felony, whether or not charged.
  - Participating or instructing in (while being paid to do so): horseback riding, racing or speed testing any non-motorized vehicle/conveyance, skiing, rodeo sports, or rock or mountain climbing.
  - Participating, demonstrating, instructing, guiding, or accompanying others in: sports (semi- or professional or intercollegiate not including intramural sports), parachute jumping, hang gliding, skydiving, bungee jumping, racing or speed testing any motorized vehicle/conveyance, or scuba/skin diving (60 or more feet in depth).

## Term Life SafeGuard State Variations, continued

### Illinois, continued

- In the Term Life Insurance Exclusion and Limitation for any act of declared or undeclared war, “relating to the insured’s naval or military service in time of war” is added.
- The Critical Illness Benefit 30-day waiting period does not apply to accidents.
- The following Critical Illness Benefit Exclusions do not apply:
  - Reaction to taking an over-the-counter medication (taken as directed).
  - Committing or attempting to commit a civil or criminal battery or misdemeanor.
  - Engaging in illegal occupation.
  - Mental and/or physical manifestations of symptoms due to an underlying mental disorder.
- The Critical Illness Benefit Exclusion for “Driving a motorized vehicle or operating any machinery while legally intoxicated or under the influence of drugs” does not apply is replaced with: “Being legally intoxicated from alcohol, as defined by applicable state law in the state in which the illness or injury first manifests or occurs, or while under the influence of drugs unless taken as prescribed by a physician and provided there is no warning against driving while under the influence of that drug as recommended by a pharmacist, a physician or indicated on the prescription drug label instructions.”
- Consumer complaint notice: This notice is to advise you that should any complaints arise regarding this insurance, you may contact: Golden Rule Insurance Company, 7440 Woodland Drive, Indianapolis, IN 46278-1719 or Illinois Department of Insurance, Consumer Division, 320 West Washington Street, Springfield, IL 62767-0001.

### Indiana

*Life-threatening Cancer* diagnosis after the Critical Illness Benefit 30-day waiting period will be paid at 100% of the Critical Illness Maximum Lifetime Benefit.

### Iowa

Written proof of death must be furnished within one year of the insured’s death or as soon as reasonably possible.

### Kentucky

The Critical Illness Benefit Exclusions do not apply and are replaced with the following:

- Diagnosis of a critical illness or terminal illness while the Critical Illness Benefit is not in force.
- Any exclusion outlined in the Term Life Insurance Exclusions and Limitations listed in the brochure.

### Michigan

The following Term Life Insurance Exclusions and Limitations do not apply:

- The insured driving while intoxicated or under the influence of illegal narcotics or controlled substances.

- The insured taking part in a riot.
- The insured’s commission of a felony, whether or not charged.
- Participating or instructing in (while being paid to do so): horseback riding, racing or speed testing any non-motorized vehicle/conveyance, skiing, rodeo sports, or rock or mountain climbing.
- Participating, demonstrating, instructing, guiding, or accompanying others in: sports (semi- or professional or intercollegiate not including intramural sports), parachute jumping, hang gliding, skydiving, bungee jumping, racing or speed testing any motorized vehicle/conveyance, or scuba/skin diving (60 or more feet in depth).
- Operating, riding in, or descending from any non-commercial aircraft if the insured is the pilot, officer, member of the crew of such aircraft or is giving or receiving any kind of training or instructions or otherwise has duties that require him or her to be aboard the aircraft.

### Mississippi

No critical illness benefits are payable for loss of vision.

### Missouri

- The Term Life Insurance Exclusion and Limitation for “Suicide” is replaced with: “Suicide, while sane or insane, within one year from the effective date.”
- The Critical Illness Benefit Exclusion for “Suicide” is replaced with: “Suicide or intentionally self-inflicted injury or illness while sane or insane if committed within one year from the effective date.”

### Nebraska

In addition to the Term Life Insurance Exclusions and Limitations listed in the brochure, racing or speed racing is changed to be “organized” racing or speed testing.

### Nevada

- The following Term Life Insurance Exclusion and Limitation does not apply: The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
- The following Critical Illness Benefit Exclusions do not apply:
  - Driving a motorized vehicle or operating any machinery while legally intoxicated from alcohol or under the influence of drugs.
  - Voluntarily taking any sedative or drug, or inhalation of any gas, unless taken or inhaled as your doctor prescribes or administers it.
  - Mental and/or physical manifestations of symptoms due to an underlying mental disorder.

### North Carolina

- We will notify you in writing at least 45 days in advance of any change in premium.
- Proof of loss for a critical illness diagnosis is changed to 180 days or as soon as reasonably possible.



## Term Life SafeGuard State Variations, continued

### Ohio

- The following Term Life Insurance Exclusions and Limitations do not apply:
  - The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
  - The insured taking part in a riot.
  - The insured's commission of a felony, whether or not charged.
  - Participating or instructing in (while being paid to do so): horseback riding, racing or speed testing any non-motorized vehicle/conveyance, skiing, rodeo sports, or rock or mountain climbing.
- In the Term Life Insurance Exclusions and Limitations for participating, demonstrating, instructing, guiding, or accompanying others, "sports (semi- or professional or intercollegiate not including intramural sports), racing or speed testing any motorized vehicle/conveyance, and scuba/skin diving (60 or more feet in depth)" do not apply.
- The following Term Life Insurance Exclusion is added: we will not pay a death benefit caused by service in the armed forces of any country, including non-military units supporting such forces.
- The Critical Illness Benefit 30-day waiting period is eliminated.
- *Life-threatening Cancer* diagnosis will be paid at 100% of the Critical Illness Maximum Lifetime Benefit.
- The Critical Illness Benefit Exclusions do not apply and are replaced with the following:
  - Diagnosis of a critical illness or terminal illness while the Critical Illness Benefit is not in force.
  - Any exclusion outlined in the Term Life Insurance Exclusions and Limitations listed in the brochure.

### Oklahoma

- The following Term Life Insurance Exclusions and Limitations do not apply:
  - The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
  - The insured taking part in a riot.
  - The insured's commission of a felony, whether or not charged.
  - Participating or instructing in (while being paid to do so): horseback riding, racing or speed testing any non-motorized vehicle/conveyance, skiing, rodeo sports, or rock or mountain climbing.
  - Participating, demonstrating, instructing, guiding, or accompanying others in: sports (semi- or professional or intercollegiate not including intramural sports), bungee jumping, racing or speed testing any motorized vehicle/conveyance, or scuba/skin diving (60 or more feet in depth).

- The Term Life Insurance Exclusion and Limitation for "any act of declared or undeclared war" does not apply and is replaced with: "Any act of declared or undeclared war while serving in the military or naval service, or any auxiliary unit, of the United States, including but not limited to: (a) Service as a member of a Regular or Reserve component of the U.S. Army, Air Force, Navy, Coast Guard, or Marine Corps; (b) Service as a commissioned officer of the Public Health Service or National Oceanic and Atmospheric Administration; or (c) Military or naval service in an auxiliary military organization, including but not limited to the Coast Guard Auxiliary, the temporary Coast Guard Reserve, the Civilian Auxiliary to the Military Police or the Civil Air Patrol."
- In the Term Life Insurance Exclusion and Limitation regarding aircraft, "descending from" does not apply. The reference to a non-commercial aircraft can be motorized or non-motorized.
- The Critical Illness Benefit Exclusion does not apply: Driving a motorized vehicle or operating any machinery while legally intoxicated from alcohol.
- The Critical Illness Benefit Exclusion and Limitation for "Injury or illness caused by any act of declared or undeclared war" does not apply and is replaced with "Injury or illness caused by any act of declared or undeclared war while serving in the military or naval service, or any auxiliary unit, of the United States, including but not limited to: (a) Service as a member of a Regular or Reserve component of the U.S. Army, Air Force, Navy, Coast Guard, or Marine Corps; (b) Service as a commissioned officer of the Public Health Service or National Oceanic and Atmospheric Administration; or (c) Military or naval service in an auxiliary military organization, including but not limited to the Coast Guard Auxiliary, the temporary Coast Guard Reserve, the Civilian Auxiliary to the Military Police or the Civil Air Patrol."

### Pennsylvania

- The optional Critical Illness Benefit is not available.
- If your age or gender has been misstated, the amount payable will be the amount that the premium would have purchased at the correct age or gender.
- If your use of tobacco has been misstated on your application, the amount payable may be adjusted during the first two years to the amount the premium would have purchased at the correct tobacco status.
- The Term Life Insurance Exclusions and Limitations do not apply and are replaced with "Suicide Exclusion: We will not pay a death benefit caused by suicide or attempted suicide, while sane or insane, within two years from the effective date. Premiums are returned if suicide occurs within the first 2 years of effective date."

### South Carolina

There are no state variations.

## Term Life SafeGuard State Variations, continued

### South Dakota

- Misstatement of Tobacco Use does not apply.
- The following Term Life Insurance Exclusion and Limitation does not apply: The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
- In the Term Life Insurance Exclusion and Limitation for the insured's commission of a felony, "whether or not charged" does not apply.
- The Term Life Insurance Exclusions and Limitations for avocations (sports) do not apply and are replaced with: "The insured's occupation in any of the following": horseback riding, racing or speed testing any non-motorized vehicle/conveyance, skiing, rodeo sports, or rock or mountain climbing, sports (semi- or professional or intercollegiate not including intramural sports), parachute jumping, hang gliding, skydiving, bungee jumping, racing or speed testing any motorized vehicle/conveyance, or scuba/skin diving (60 or more feet in depth).
- The following Critical Illness Benefit Exclusions do not apply:
  - Critical illness or terminal illness due to or resulting from driving a motorized vehicle or operating any machinery while intoxicated from alcohol or under the influence of drugs.
  - Voluntarily taking sedative or drug.
  - Engaging in illegal occupation.
- The Critical Illness Benefit Exclusion for "Committing or attempting to commit a civil or criminal battery, felony, or misdemeanor" does not apply and is replaced with: "Committing a civil or criminal battery or felony."

### Tennessee

- The following Term Life Insurance Exclusions and Limitations do not apply:
  - The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
  - The insured taking part in a riot.
  - The insured's commission of a felony, whether or not charged.
- In the Term Life Insurance Exclusion and Limitation for any act of declared or undeclared war, "relating to the insured's naval or military service in time of war" is added.
- The Term Life Insurance Exclusions and Limitations for avocations (sports) do not apply and are replaced with: we will not pay a death benefit caused within 2 years from the effective date if paid to participate, instruct, demonstrate, or accompanying others in: parachute jumping, hang gliding, skydiving, bungee jumping, racing or speed testing any motorized or non-motorized vehicle conveyance, scuba/skin diving (when diving 60 or more feet in depth), rodeo sports, horseback riding, rock or mountain climbing, or skiing.

### Texas

- The following Term Life Insurance Exclusions and Limitations do not apply:
  - The insured driving while intoxicated or under the influence of illegal narcotics or controlled substance as defined by applicable state law in the state in which the death occurred.
  - Any act of declared or undeclared war.
  - The insured taking part in a riot.
  - The insured's commission of a felony, whether or not charged.
  - The Term Life Insurance Exclusions and Limitations on avocations (sports) do not apply and are replaced with: Participating, instructing, demonstrating, or guiding, others in a professional (paid to participate or instruct) manner in any of the following: professional or semi-professional sports, parachute jumping; hang gliding, skydiving, racing or speed testing any motorized vehicle or conveyance, scuba/skin diving (when diving 60 or more feet in depth), rodeo sports; horseback riding, rock or mountain climbings, skiing, or bungee jumping.
- The Critical Illness Benefit 30-day waiting period does not apply to terminal illness.
- The following Critical Illness Benefit Exclusion does not apply: Injury or illness caused by an act of declared or undeclared war.
- Important notice: You may call our toll-free telephone number for information or to make a complaint at 1-800-657-8205 or fax us at 1-801-478-5463. You may also write us: Attn: Grievance Administrator, PO Box 31371, Salt Lake City, UT 84131-0371. You may contact the Texas Department of Insurance to obtain information on companies, coverage, rights or complaints at 1-800-252-3439 or write them at: Texas Department of Insurance, PO Box 149104, Austin, TX 78714-9104, FAX: 1-512-475-1771, Web: <http://tdi.texas.gov> Email: [consumerprotection@tdi.texas.gov](mailto:consumerprotection@tdi.texas.gov)
- Premium or Claim Disputes: Should you have a dispute concerning your premium or about a claim you should contact Golden Rule Insurance Company first. If the dispute is not resolved you may contact the Texas Department of Insurance.

### West Virginia

There are no state variations.

### Wisconsin

We will notify you in writing at least 60 days in advance of any change in premium.





# *Life Insurance Buyer's Guide*



*Prepared by the National Association of Insurance Commissioners*

The National Association of Insurance Commissioners is an association of state insurance regulatory officials. This association helps the various insurance departments to coordinate insurance laws for the benefit of all consumers.

This guide does not endorse any company or policy.

This guide can help you when you shop for life insurance. It discusses how to:

- Find a Policy That Meets Your Needs and Fits Your Budget
- Decide How Much Insurance You Need
- Make Informed Decisions When You Buy a Policy

## Important Things to Consider



1. Review your own insurance needs and circumstances. Choose the kind of policy that has benefits that most closely fit your needs. Ask an agent or company to help you.

2. Be sure that you can handle premium payments. Can you afford the initial premium? If the premium increases later and you still need insurance, can you still afford it?

3. Don't sign an insurance application until you review it carefully to be sure all the answers are complete and accurate.

4. Don't buy life insurance unless you intend to stick with your plan. It may be very costly if you quit during the early years of the policy.

5. Don't drop one policy and buy another without a thorough study of the new policy and the one you have now. Replacing your insurance **may be costly**.

6. Read your policy carefully. Ask your agent or company about anything that is not clear to you.

7. Review your life insurance program with your agent or company every few years to keep up with changes in your income and your needs.

## Buying Life Insurance

When you buy life insurance, you want coverage that fits your needs.

First, decide how much you need—and for how long—and what you can afford to pay. Keep in mind the major reason you buy life insurance is to cover the financial effects of unexpected or untimely death. Life insurance also can be one of many ways you plan for the future.

Next, learn what kinds of policies will meet your needs and pick the one that best suits you.

Then, choose the combination of policy premium and benefits that emphasizes protection in case of early death, or benefits in case of long life, or a combination of both.



It makes good sense to ask a life insurance agent or company to help you. An agent can help you review your insurance needs and give you information about the available policies. If one kind of policy doesn't seem to fit your needs, ask about others.

This guide provides only basic information. You can get more facts from a life insurance agent or company or from your public library.

## **What About the Policy You Have Now?**

If you are thinking about dropping a life insurance policy, here are some things you should consider:

- If you decide to replace your policy, don't cancel your old policy until you have received the new one. You then have a minimum period to review your new policy and decide if it is what you wanted.
- It may be costly to replace a policy. Much of what you paid in the early years of the policy you have now, paid for the company's cost of selling and issuing the policy. You may pay this type of cost again if you buy a new policy.
- Ask your tax advisor if dropping your policy could affect your income taxes.
- If you are older or your health has changed, premiums for the new policy will often be higher. You will not be able to buy a new policy if you are not insurable.
- You may have valuable rights and benefits in the policy you now have that are not in the new one.
- If the policy you have now no longer meets your needs, you may not have to replace it. You might be able to change your policy or add to it to get the coverage or benefits you now want.
- At least in the beginning, a policy may pay no benefits for some causes of death covered in the policy you have now.

In all cases, if you are thinking of buying a new policy, check with the agent or company that issued you the one you have now. When you bought your old policy, you may have seen an illustration of the benefits of your policy. Before replacing your policy, ask your agent or company for an updated illustration. Check to see how the policy has performed and what you might expect in the future, based on the amounts the company is paying now.

## **How Much Do You Need?**

Here are some questions to ask yourself:

- How much of the family income do I provide? If I were to die early, how would my survivors, especially my children, get by? Does anyone else depend on me financially, such as a parent, grandparent, brother or sister?





- Do I have children for whom I'd like to set aside money to finish their education in the event of my death?
- How will my family pay final expenses and repay debts after my death?
- Do I have family members or organizations to whom I would like to leave money?
- Will there be estate taxes to pay after my death?
- How will inflation affect future needs?

As you figure out what you have to meet these needs, count the life insurance you have now, including any group insurance where you work or veteran's insurance. Don't forget Social Security and pension plan survivor's benefits. Add other assets you have: savings, investments, real estate and personal property. Which assets would your family sell or cash in to pay expenses after your death?

## What is the Right Kind of Life Insurance?

All policies are not the same. Some give coverage for your lifetime and others cover you for a specific number of years. Some build up **cash values** and others do not. Some policies combine different kinds of insurance, and others let you change from one kind of insurance to another. Some policies may offer other benefits while you are still living. Your choice should be based on your needs and what you can afford.

There are two basic types of life insurance: **term insurance** and **cash value insurance**. Term insurance generally has lower premiums in the early years, but does not build up cash values that you can use in the future. You may combine cash value life insurance with term insurance for the period of your greatest need for life insurance to replace income.

**Term Insurance** covers you for a term of one or more years. It pays a death benefit only if you die in that term. Term insurance generally offers the largest insurance protection for your premium dollar. It generally does not build up cash value.

You can renew most term insurance policies for one or more terms even if your health has changed. Each time you renew the policy for a new term, premiums may be higher. Ask what the premiums will be if you continue to renew the policy. Also ask if you will lose the right to renew the policy at some age. For a higher premium, some companies will give you the right to keep the policy in force for a guaranteed period at the same price each year. At the end of that time you may need to pass a physical examination to continue coverage, and premiums may increase.



What is the Right Kind of Life Insurance?

You may be able to trade many term insurance policies for a cash value policy during a conversion period—even if you are not in good health. Premiums for the new policy will be higher than you have been paying for the term insurance.

**Cash Value Life Insurance** is a type of insurance where the premiums charged are higher at the beginning than they would be for the same amount of term insurance. The part of the premium that is not used for the cost of insurance is invested by the company and builds up a cash value that may be used in a variety of ways. You may borrow against a policy's cash value by taking a policy loan. If you don't pay back the loan and the interest on it, the amount you owe will be subtracted from the benefits when you die, or from the cash value if you stop paying premiums and take out the remaining cash value. You can also use your cash value to keep insurance protection for a limited time or to buy a reduced amount without having to pay more premiums. You also can use the cash value to increase your income in retirement or to help pay for needs such as a child's tuition without canceling the policy. However, to build up this cash value, you must pay higher premiums in the earlier years of the policy. Cash value life insurance may be one of several types; whole life, universal life and variable life are all types of cash value insurance.

**Whole Life Insurance** covers you for as long as you live if your premiums are paid. You generally pay the same amount in premiums for as long as you live. When you first take out the policy, premiums can be several times higher than you would pay initially for the same amount of term insurance. But they are smaller than the premiums you would eventually pay if you were to keep renewing a term policy until your later years.

Some whole life policies let you pay premiums for a shorter period such as 20 years, or until age 65. Premiums for these policies are higher since the premium payments are made during a shorter period.

**Universal Life Insurance** is a kind of flexible policy that lets you vary your premium payments. You can also adjust the face amount of your coverage. Increases may require proof that you qualify for the new death benefit. The premiums you pay (less expense charges) go into a policy account that earns interest. Charges are deducted from the account. If your yearly premium payment plus the interest your account earns is less than the charges, your account value will become lower. If it keeps dropping, eventually your coverage will end. To prevent that, you may need to start making premium payments, or increase your premium payments, or lower your death benefits. Even if there is enough in your account to pay the premiums, continuing to pay premiums yourself means that you build up more cash value.

**Variable Life Insurance** is a kind of insurance where the death benefits and cash values depend on the investment performance of one or more separate accounts, which may be invested in mutual funds or other investments allowed under the policy. Be sure to get the prospectus from the company when buying this kind of policy and **STUDY IT CAREFULLY**. You will have higher death benefits and cash value if the underlying investments do well. Your benefits and cash value will be lower or may disappear if the investments you chose didn't do as well as you expected. You may pay an extra premium for a guaranteed death benefit.

# Life Insurance Illustrations

You may be thinking of buying a policy where cash values, death benefits, dividends or premiums may vary based on events or situations the company does not guarantee (such as interest rates). If so, you may get an illustration from the agent or company that helps explain how the policy works. The illustration will show how the benefits that are not guaranteed will change as interest rates and other factors change. The illustration will show you what the company guarantees. It will also show you what *could* happen in the future. Remember that nobody knows what will happen in the future. You should be ready to adjust your financial plans if the cash value doesn't increase as quickly as shown in the illustration. You will be asked to sign a statement that says you understand that some of the numbers in the illustration are not guaranteed.

## Finding a Good Value in Life Insurance

After you have decided which kind of life insurance is best for you, compare similar policies from different companies to find which one is likely to give you the best value for your money. A simple comparison of the premiums is not enough. There are other things to consider. For example:

- Do premiums or benefits vary from year to year?
- How much do the benefits build up in the policy?
- What part of the premiums or benefits is not guaranteed?
- What is the effect of interest on money paid and received at different times on the policy?



Remember that no one company offers the lowest cost at all ages for all kinds and amounts of insurance. You should also consider other factors:

- How quickly does the cash value grow? Some policies have low cash values in the early years that build quickly later on. Other policies have a more level cash value build-up. A year-by-year display of values and benefits can be very helpful. (The agent or company will give you a policy summary or an illustration that will show benefits and premiums for selected years.)
- Are there special policy features that particularly suit your needs?
- How are nonguaranteed values calculated? For example, interest rates are important in determining policy returns. In some companies increases reflect the average interest earnings on all of that company's policies regardless of when issued. In others, the return for policies issued in a recent year, or a group of years, reflects the interest earnings on that group of policies; in this case, amounts paid are likely to change more rapidly when interest rates change.

## Notes

This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

## Notes

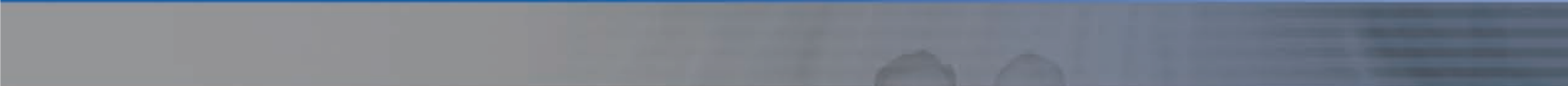
This image shows a full page of blank handwriting practice paper. It features evenly spaced, horizontal blue lines across the entire surface, providing a guide for letter height and placement. There are no margins, text, or other markings on the page.

## Notes

This image shows a full page of blank handwriting practice paper. It features approximately 28 evenly spaced horizontal blue lines across the entire page, providing a guide for letter height and placement. The lines are consistent in color and thickness throughout.







National Association of Insurance Commissioners  
2301 McGee St  
Suite 800  
Kansas City, MO 64108-2604  
(816) 842-3600

© 1997, 2007 National Association of Insurance  
Commissioners

