

Product Specification: TruStage Simplified Issue Term Life

Version 3.2, 9/6/2016

MVF-1 Product Release 06/2016

MVF-2 Product Release 09/2016

MVF-3 Product Release 12/2016

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Product Summary

<p>MVF Summaries</p> <p>Back to Top</p>	<p>This definition applies to the ultimate product vision in totality. However, the product will be built using a "Minimum Viable Functionality" (MVF) approach.</p> <p>MVF's - A newer concept with this product is Minimum Viable Functionality (MVF). There will be multiple MVF's building to final delivery of the ultimate SI Term product at the end of 2016. The MVFs are designed around the three channels that will be distributing this product.</p> <p>MVF 1 is the Web. That channel is the fastest path to build a product that can be sold to consumers. The goal is to learn about building a product on a new fulfillment system (TPP) and introduce the SI Term product in a less risky way than a full-fledged launch. This approach delivers a functional product sooner and allows a degree of real-world testing of systems and functionality with minimal adverse exposure. Deliverables for MVF 1 are highlighted in yellow.</p> <p>MVF 2 is Consumer Sales. The associated functionality needed to satisfy that channel will be completed after MVF 1 is completed. In addition, if there are lessons learned from MVF 1 (bugs, etc), they will be addressed as part of MVF 2. Deliverables for MVF 2 are highlighted in green.</p> <p>MVF 3 is Direct Write.</p> <p style="text-align: right;">SME: Chuck Sutton, Product Management</p>
<p>Product Definition</p> <p>Back to Top</p>	<p>Ultimate Product Vision and Value:</p> <p>This will be a simple term product that gives young families easy access to affordable term life coverage. It will be functionally similar to the UT80-EZ product but having face amounts available up to \$100,000. This means that unlike lower face amounts which primarily cover final burial costs, SI Term will offer protection to cover additional expenses such as a child's education or home mortgage payments. The higher face amounts can also provide income replacement over a critical period following the unexpected death of the insured.</p> <p>Product Description:</p> <p>Individual Term Life Insurance, attained-age premiums with 5-year premium bands, level death benefit to age 80. The full-featured product will be eligible for conversion to whole life coverage. For MVF 1, at least, underwriting will be simplified issue (SI), meaning that acceptance is based on how a person answers two medical questions. Ultimately, an Rx database check will be used to evaluate risks. Additional database checks and/or risk scores may be utilized, but those would occur after MVF 3, if at all.</p>

SME: Scott Graffius, Product Management

Marketing[Back to Top](#)**Marketed Benefits**

- With this product we will differentiate from our competitors through the total customer experience.
- The customer experience must be simple, quick and convenient throughout the entire life of the product: from application to contract to service and claims.
- SI Term will offer affordable protection beyond final expenses, covering things like income replacement, a child's education or home mortgage payments.
- The 5-year banded premium schedule for this product makes it an easier financial commitment to start the coverage.

Marketing Constraints

Issue ages 25 – 69 and face amounts \$5,000 – \$100,000

Target Customer

The SI Term life product will be available to consumers both within and outside of the credit union market. Our target customers are between the ages of 30 and 55. These hardworking families have loved ones to protect and things to invest for. With many life events in front of them, we have the opportunity to engage them proactively to address their current financial needs with this product. In addition, we can continue to provide protection as their life circumstances may change.

Unique Features

- Simple, quick and convenient to apply
- Higher amounts of term coverage than UT80 EZ are available
- No medical exam required
- SI Term is the most affordable way to get started with life insurance

SME: Carrie Lory, Commercialization

Product Identification[Back to Top](#)**Marketing Name:**

TruStage Term Life Insurance

Internal Name:

Simplified Issue Term Life Insurance (SI Term)

System Product ID's:

LifePro and TPP Product Information	Description	Product ID	Product Notes	Company Code
Note: LifePro and TPP will use the same Prod ID's.	Term Life Base Policy	IST8016		51
	Accidental Death Benefit Rider	IST80ADB16		51
	Accelerated Benefit Option	ACCELDBR	Available after issue. (Prod ID not on TPP)	51
Corporate Product Hierarchy – Insurance Product Code	Term Life Base Policy	2016 SITERM80		
	Accidental Death Benefit Rider	2016 SITERM80 ADB		
CONSUMER SALES	Insurance Product Display Name (on Salesforce.com)	SITERM		
Corporate Product Hierarchy – Program Product Code	Applies to TrueComp compensation system for Consumer Sales Reps	SITERM		
CUCM	TruStage Simple Issue Term	SIT		
FACTS	FACTS Product Name	TruStage Simplified Issue Term Life		

SME: Scott Broten, IT

Filing Identification[Back to Top](#)

State of Domicile: Iowa

Form Numbers: This form number information is as of initial product rollout. It is recommended you access the FACTS [Product Report](#) for current form number information.

	Policy Form	Application	ADB Rider Form	ADB Rider App	Accelerated Benefit Option Endorsement*
Compact	ICC16-A10a-039	ICC16-A10f-039	ICC12-A10ad-ADB	ICC12-A10fd-ADB	Use non-compact form 1668 or state variation
Non-Compact					

SME: Kari Hamrick, Rate and Form Compliance

Product Distribution[Back to Top](#)**Distribution Channels**

This product will be sold through direct write, in the Consumer Sales call center, [and online at TruStage.com](#). The product will not be sold through face-to-face representatives.

SME: Scott Graffius, Product Management

Product Details

Advanced Premium Back to Top	<p>Advanced premium deposits are not allowed.</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Ilyya Golanek, Product Actuarial</p>
Benefits Back to Top	<p>Benefits provided by the policy</p> <ul style="list-style-type: none"> Level death benefit to age 80 The product will not have any cash values There are no dividends as this is a non-participating product <p style="text-align: right;">SME: Scott Graffius, Product Management</p>
Billing Back to Top	<p>Available Billing Methods Initial bill of ACH or Credit Card. Subsequent billing by ACH, Credit card or Direct Bill (by request only).</p> <p>Modal Factors Customers will have payment frequency options of Monthly, Quarterly, Semiannual or Annual. There will not be a discount or surcharge based on payment frequency.</p> <p>Default Billing Method Electronic payment (ACH) will be the initial billing method on the application.</p> <p style="text-align: right;">SME: Les Haskin, Service Administration</p>
Cash Values Back to Top	<p>This plan has no cash value.</p> <p style="text-align: right;">SME: Ilyya Golanek, Product Actuarial</p>
Conversions Back to Top	<p>The insured may elect to convert all or part of the amount of coverage in force under the policy provided:</p> <ul style="list-style-type: none"> Insured can convert any time after the policy is in force, as long as the insured's written request is made on or before the final conversion date shown on his or her policy schedule; (administered as 31 days following the final conversion date) and The company is currently offering a conversion whole life product and <ul style="list-style-type: none"> The insured's final conversion date is the policy anniversary on or next following his or her 80th birthday. <p style="text-align: right;">SME: Les Haskin, Service Administration Ilyya Golanek, Product Actuarial Scott Graffius, Product Management</p>
Death Proceed Calculation Back to Top	<p>Death proceeds will equal the face amount of the policy; plus any premium paid beyond the date of death; minus any premium due.</p> <p>Death Proceeds if death is the result of suicide during the first two contract years. If the insured dies by suicide within two years of the policy issue date or reinstatement date, the death proceeds payable will be limited to the premiums paid (including any rider premiums), reduced by any indebtedness.</p> <p><u>State Variations</u></p> <p>Interest on Death Proceeds <u>Requirements for Compact States:</u> Interest rate: The rate applied to funds left on deposit in effect at the time of death. If no rate is established for funds left on deposit, then the 2 year Treasury Constant Maturity Rate as published by the Federal Reserve in effect at the time of death.</p> <p>Time Period: Interest shall accrue from the date of the death to the date payment is made.</p> <p>Additional interest may be due if, once deemed payable, a claim is not paid within a reasonable time period as specified by regulations, (such as 31 days). See contract and state regulations for additional details.</p> <p><u>Requirements for Other States:</u> CUNA Mutual Group will pay interest on death benefit proceeds. The required time period for which interest is due and the rate of interest may vary by state and change from time to time.</p> <p>Additional interest may be due if, once deemed payable, a claim is not paid within a reasonable time period as specified by regulations, (such as 31 days).</p> <p>Contestability Period Claims filed within two years of the issue date or reinstatement date, or within two years of a change requiring underwriting are contestable. The contest must be based on statements that are material to the risk or change that was accepted.</p> <p><u>State Variations</u> New York: 2-year contestability is always measured from the issue date (not the reinstatement date).</p>

	SME: Iliya Golanek, Product Actuarial Darren Westendorf, Claims														
Default coverage amount if amount not provided on application Back to Top	<p>When the applicant has not selected a coverage amount, the minimum coverage amount offered in the solicitation (e.g. direct mail kit) is considered to be the amount applied for.</p> <p>The application would be eligible for the Life Applicant Upgrade (LAU) program (i.e. a call center outbound call to offer higher coverage amounts) if/when that program is made available.</p> <p><u>State Variations</u> None</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Kari Hamrick, Rate and Form Filing</p>														
Distribution Expense Allowances Back to Top	<p>DIRECT TO CONSUMER</p> <p>Marketing Expense Allowances The marketing allowances allocated are the same across all distribution channels (direct mail, Consumer Sales, digital/online) and may vary from year-to-year. The allowances, communicated in the form of the Potential Profit Factor (PPF), are established by the Life Pricing Actuarial area at least annually.</p> <p>Standard Credit Union Non-Interest Income Rates Year 1: 10% (multiplied by collected premium) Years 2+: 2% (multiplied by collected premium)</p> <p>Other non-interest income rates may be mutually agreed upon by the credit union and CMFG Life.</p> <p>FACE TO FACE Currently not available for Face to Face distribution</p> <p style="text-align: right;">SME: Iliya Golanek, Product Actuarial</p>														
Dividends Back to Top	<p>This policy is non-participating and dividends are not paid.</p> <p>Dividend Options: Not Applicable Direct Recognition: Not Applicable</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Iliya Golanek, Product Actuarial</p>														
Electronic Signature (E-Sig) Back to Top	<p>The policy can be applied for through the call center using an e-signature. The e-sig functions as a secure email sent to the customer by a Consumer Sales rep (in the event that a voice signature cannot be completed). The electronic signature will also apply to riders that are applied for at the same time the base plan is applied for. Electronic signature is not expected to be available for adding riders after the base policy has been issued. Note that the electronic signature executed by Consumer Sales is different from the online application process and the technical functionality that enables it. See Web section for electronic signature applicable to applications completed electronically.</p> <p><u>State Variations and Exceptions</u> None</p> <p style="text-align: right;">SME: John Gabriel, Product Compliance Kari Hamrick, Rates and Forms Filing Frank Cain, Consumer Sales</p>														
Face Amount Limits Back to Top	<p>NEW BUSINESS ONLY</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Issue Age</th> <th colspan="2">Filed Face Amounts</th> <th colspan="2">Face Amounts Available for Sale</th> </tr> <tr> <th>Minimum Face Amount</th> <th>Maximum Face Amount</th> <th>Minimum Face Amount</th> <th>Maximum Face Amount</th> </tr> </thead> <tbody> <tr> <td>25 – 69 yrs</td> <td>\$5,000</td> <td>\$100,000</td> <td>\$5,000</td> <td>\$100,000</td> </tr> </tbody> </table> <p><u>State Variations</u> None</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Iliya Golanek, Product Actuarial</p>	Issue Age	Filed Face Amounts		Face Amounts Available for Sale		Minimum Face Amount	Maximum Face Amount	Minimum Face Amount	Maximum Face Amount	25 – 69 yrs	\$5,000	\$100,000	\$5,000	\$100,000
Issue Age	Filed Face Amounts		Face Amounts Available for Sale												
	Minimum Face Amount	Maximum Face Amount	Minimum Face Amount	Maximum Face Amount											
25 – 69 yrs	\$5,000	\$100,000	\$5,000	\$100,000											
Gender Back to Top	<p>Standard States Premiums are based on Male or Female</p> <p><u>State Variations</u> Montana is uni-sex (blend 60/40, M/F)</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Iliya Golanek, Product Actuarial</p>														
Guarantees	<p>Guaranteed Premiums and Death Benefits</p> <p>The following policy values are guaranteed at the time the policy is issued:</p>														

Back to Top	<ul style="list-style-type: none"> • Five-year attained age premium brackets are guaranteed for the life of the contract • Death benefits are guaranteed to be level for the life of the contract <p style="text-align: right;">SME: Scott Graffius, Product Management Ilyya Golanek, Product Actuarial</p>
<p>Issue Age Limits</p> Back to Top	<p>Issue Age Limits</p> <p>NEW SALES</p> <p>Filing Issue Age Limits: 25 years – 69</p> <p>System Issue Age Limits: 25 years – 69</p> <p>Marketing Issue Age Limits: 25 years – 69 (no restrictions exist regarding marketed ages)</p> <p>State Variations None</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Ilyya Golanek, Product Actuarial</p>
<p>Maturity Proceeds</p> Back to Top	<p>N/A</p> <p style="text-align: right;">SME: Scott Graffius, Product Management</p>
<p>Non-forfeiture Options</p> Back to Top	<p>N/A</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Les Haskin, Service Administration Ilyya Golanek, Product Actuarial</p>
<p>Options Prior to Maturity</p> Back to Top	<p>Term to Whole Life Conversion</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Les Haskin, Service Administration Ilyya Golanek, Product Actuarial</p>
<p>Partial Withdrawals:</p> Back to Top	<p>N/A</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Les Haskin, Service Administration</p>
<p>Policy Changes After Issue</p> Back to Top	<p>Decreases: Face amount decreases will be allowed to the product minimum.</p> <p>Increases: Coverage amount increases to existing contracts will not be allowed. The insured must re-apply. Current coverage need not be terminated.</p> <p>Add Riders: In future state we expect to offer an After Issue Upgrade (AIU) which will increase the amount of total coverage in the form of a rider (see Riders and Endorsements). This feature will not be in scope for MVF1.</p> <p>Changes from Tobacco to Non-Tobacco: N/A</p> <p>Conversions: The insured may elect to convert all or part of the amount of coverage. See conversions section for details.</p> <p>Delayed processing expenses: N/A - no surrender or cash value with this product</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Scott Graffius, Product Management</p>
<p>Policy Fee</p> Back to Top	<p>Annual Policy Fee</p> <p>A flat annual policy fee of \$30 will be applied to each policy to cover administrative expenses. The policy fee is included in the full premium price for quoting and billing purposes, with disclosure in the policy contract. There may be policy fees for riders that are made available for this product.</p> <p style="text-align: right;">SME: Ilyya Golanek, Product Actuarial</p>
<p>Policy Loans</p> Back to Top	<p>N/A</p> <p>Loan Value: N/A</p> <p>Loan Rate: N/A</p> <p style="text-align: right;">SME: Les Haskin, Service Administration Kari Hamrick, Rate and Forms Filing Scott Graffius, Product Management</p>
<p>Premium Description</p> Back to Top	<p>Premium Description</p> <p>This product will have five-year attained age premium brackets. The premiums increase on the anniversary of the issue date immediately following the insured's birthday entry into the next five-year age bracket (ages ending in 0 and 5). Note that the premium scale will be set at time of issue and guaranteed for the life of the policy. Annual premiums per unit vary by age and gender. Tobacco/Non-Tobacco will be treated as one composite group. Backdating will not be available for this product.</p> <p style="text-align: right;">SME: Ilyya Golanek, Product Actuarial</p>

<p>Prior Insurance Search</p> <p>Back to Top</p>	<p>In its ultimate state, this product should have a prior insurance search for pending, active, or inactive life insurance pertaining to the same insured.</p> <p>This functionality is not needed for MVF 1. However, in order to minimize risk to the company we will conduct manual checks to ensure that any maximum per life simplified issue rules/limits are enforced.</p> <p style="text-align: right;">SME: Becky Riehm, Underwriting</p>																														
<p>Reinstatement Provision</p> <p>Back to Top</p>	<p>Reinstatement Provision</p> <p>Reinstatement requires signed reinstatement form, evidence of insurability, and payment of one month's past due premium, and is requested within 5 years of the last premium due date.</p> <p style="text-align: right;">SME: Scott Graffius, Product Management Kari Hamrick, Rate and Form Filing</p>																														
<p>Reserves and Non-Forfeiture Calculation</p> <p>Back to Top</p>	<p>Reserve Requirements: Detailed actuarial documentation of reserves and nonforfeiture values may be found in the actuarial product documentation. The mortality tables used in reserve calculations are in the Validation Tool.</p> <p>Statutory Valuation Basis:</p> <table border="1" data-bbox="276 556 1364 640"> <tr> <td>Mortality Table:</td> <td>2001 CSO, Age Last Birthday, Male/Female and Composite Smoker</td> </tr> <tr> <td>Interest Rate:</td> <td>3.5%</td> </tr> <tr> <td>Method:</td> <td>According to Regulation Triple X</td> </tr> </table> <p>Tax Valuation Basis:</p> <table border="1" data-bbox="276 682 1364 766"> <tr> <td>Mortality Table:</td> <td>2001 CSO, Age Last Birthday, Male/Female and Composite Smoker</td> </tr> <tr> <td>Interest Rate:</td> <td>The tax reserve interest rate will be adjusted annually as allowed by valuation law.</td> </tr> <tr> <td>Method:</td> <td>According to Regulation Triple X</td> </tr> </table> <p>Non-Forfeiture: designed to avoid cash values</p> <table border="1" data-bbox="276 808 1364 892"> <tr> <td>Mortality Table:</td> <td>2001 CSO, Age Last Birthday, Male/Female and Composite Smoker</td> </tr> <tr> <td>Interest Rate:</td> <td>4.5%</td> </tr> <tr> <td>Method:</td> <td>Standard Non-Forfeiture Law</td> </tr> </table> <p>Deficiency Reserves Tests for minimum reserves will use the same basis as statutory reserves. Deficiency Reserve not required.</p> <p>Tax Regulation (TAMRA) Compliance Tests: for New Sales and Conversions</p> <table border="1" data-bbox="276 1018 1364 1186"> <tr> <td>Methodology:</td> <td>Cash Value Accumulation Test (CVAT)</td> </tr> <tr> <td>Mortality Table:</td> <td>2001 CSO, Age Last Birthday, Gender Distinct, Smoker Distinct, Ultimate</td> </tr> <tr> <td>Deemed Maturity:</td> <td>Age 120</td> </tr> <tr> <td>Interest Rate:</td> <td>4.5% = Maximum of 4% or highest guaranteed rate in the contract</td> </tr> <tr> <td>Method:</td> <td>Discounted Semi-Continuous</td> </tr> <tr> <td>Expense Allowance:</td> <td>NA</td> </tr> </table> <p style="text-align: right;">SME: Ilyia Golanek, Product Actuarial</p>	Mortality Table:	2001 CSO, Age Last Birthday, Male/Female and Composite Smoker	Interest Rate:	3.5%	Method:	According to Regulation Triple X	Mortality Table:	2001 CSO, Age Last Birthday, Male/Female and Composite Smoker	Interest Rate:	The tax reserve interest rate will be adjusted annually as allowed by valuation law.	Method:	According to Regulation Triple X	Mortality Table:	2001 CSO, Age Last Birthday, Male/Female and Composite Smoker	Interest Rate:	4.5%	Method:	Standard Non-Forfeiture Law	Methodology:	Cash Value Accumulation Test (CVAT)	Mortality Table:	2001 CSO, Age Last Birthday, Gender Distinct, Smoker Distinct, Ultimate	Deemed Maturity:	Age 120	Interest Rate:	4.5% = Maximum of 4% or highest guaranteed rate in the contract	Method:	Discounted Semi-Continuous	Expense Allowance:	NA
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Interest Rate:	4.5% = Maximum of 4% or highest guaranteed rate in the contract																														
Method:	Discounted Semi-Continuous																														
Expense Allowance:	NA																														
<p>Riders and Endorsements</p> <p>Back to Top</p>	<p>Riders:</p> <ul style="list-style-type: none"> • Accidental Death Benefit Rider (ADB): (Implementation TBD) No additional underwriting is required if applied for with the base policy. Additional underwriting is required when the ADB is applied for after the base policy has been inforce. <ul style="list-style-type: none"> ○ Filing Minimum Amount: \$25,000 ○ Filing Maximum Amount: \$200,000 ○ System Amount:\$50,000 ○ Marketing Amount:\$50,000 ○ Issue Ages 18-69 ○ Premium Rates <ul style="list-style-type: none"> ▪ All ages -\$0.96 annual premium per unit ○ Premiums are Guaranteed and based on issue age ○ ADB Coverage Terminates when the base policy terminates • After Issue Upgrade (AIU): (Implementation TBD) This is a rider that allows additional coverage, exactly like the base coverage, to be added to the policy. The per 1,000 insurance rates will be the same as the base coverage, but there may be an additional flat rider fee (added to the \$30 policy fee) included with this rider. <p>Endorsements: None</p> <p style="text-align: right;">SME: Adam Hopkins, Product Management</p>																														
<p>Sales Requirements</p> <p>Back to Top</p>	<p>Illustrated Products</p> <p><u>Sales Illustrations</u> The product is non-illustrated. No formal illustrations are required and non-guaranteed elements cannot be displayed.</p> <p><u>Inforce Illustrations</u></p>																														

Not Applicable

Non-Illustrated Products

Time of Application Requirements

The product is non-illustrated. No formal illustrations are required and non-guaranteed elements cannot be displayed.

Policy Delivery Requirements

The product is non-illustrated. No formal illustrations are required and non-guaranteed elements cannot be displayed.

SME: John Gabriel, Product Compliance

Settlement Options

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Settlement Options

Settlement options are available upon request. The available options, subject to minimum amount requirements*, are as follows:

Settlement Options stated in the contract

- Installment Option
- Life Income – Options with Guaranteed Period Certain

Other Settlement Options currently available, but not listed in the contract or required

- Interest Option
- Joint and Survivor Life Income

State- Variations:

NY

* The minimum amount that can be applied under a settlement option is the greater of \$2,000, or the amount required to provide a monthly payment of \$25.

SME: Les Haskin, Service Administration
Iliya Golanek, Product Actuarial
Scott Graffius, Product Management

Small Face Disclosures

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Small Face Amount Disclosure Requirements

Small face amount disclosures are required in certain states if

- 1) the face amount is below state specific minimums, and
- 2) the cumulative premiums over the term of the contract exceed the face amount,

State Specific Face Amount Guidelines for Small Face Amounts:

IA, NV, NC, OR, UT	\$15,000 or less
WV	\$25,000 or less
WA	less than \$5,000 (not applicable for SI Term)

See the linked [Small Face Amount Disclosures](#) document for additional details.

SME: John Gabriel, Product Compliance

State Availability

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The product is available for sale in the following states:

In full deployment, SI Term will be sold in all 50 U.S. states (not in Puerto Rico). For MVF1 implementation, the list below applies.

STATES IN SCOPE FOR SI TERM IMPLEMENTATION MVF1:

1. Alabama
2. Arizona
3. Colorado
4. Hawaii
5. Idaho
6. Illinois
7. Iowa
8. Kentucky
9. Louisiana
10. Maryland
11. Massachusetts
12. Michigan
13. Minnesota
14. Mississippi
15. Missouri
16. Nebraska
17. New Hampshire
18. New Jersey
19. New Mexico
20. North Carolina
21. Ohio
22. Oklahoma
23. Pennsylvania

- 24. Rhode Island
- 25. South Carolina
- 26. Tennessee
- 27. Texas
- 28. Utah
- 29. Virginia
- 30. Wisconsin

The list above applies to implementation MVF1 only. For MVF1 we will file a total of 38 states initially, including the full list above along with the additional states listed below.

ADDITIONAL STATES IN SCOPE FOR SI TERM FILING MVF1:

- 31. Alaska
- 32. Arkansas
- 33. Indiana
- 34. Kansas
- 35. Nevada
- 36. Oregon
- 37. West Virginia
- 38. Wyoming

SME: Kari Hamrick, Rate & Forms Filing

Surrender Proceeds

N/A

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SME: Les Haskin, Service Administration
Ilyia Golanek, Product Actuarial

Temporary Insurance Agreement (TIA)

Not available

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SME: Becky Riehm, Underwriting

Termination / Maturity

Coverage will end on the earliest of:

1. The date of the insured's death;
2. The date we receive the owner's request to terminate the policy;
3. The date the premium grace period ends without a premium payment; or
4. The policy anniversary on or next following the insured's 80th birthday

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SME: Les Haskin, Service Administration
Scott Graffius, Product Management

Tobacco Usage

Composite premium rates for non-tobacco and tobacco

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SME: Becky Riehm, Underwriting
Ilyia Golanek, Product Actuarial

Underwriting Criteria

Underwriting Criteria and Requirements

Classes:	Standard (composite Tobacco/Non-Tobacco)
MIB:	No
Rx Database:	Yes all amounts
MVR:	No
Prior Insurance Search:	Yes
Substandard and Tentative Offers:	No
Flat Extra:	No
Table Rating:	No
Tables Applicable:	N/A
Tentative Offers:	No

Reply By Date

The reply by date is 10 weeks from the mail date for direct mail apps and 10 weeks from the offer date for apps sent from a Consumer Sales Rep.

Other Requirements

No other requirements will be used in the underwriting decision. We will not order PHI, APS, exam with labs, or criminal activity search.

Risk Classifications

This product is only issued with standard rates.

Reinsurance

There will be no reinsurance for this product.

SME: Becky Riehm, Underwriting

Upgrades at the time of Application (Life Applicant Upgrades)

<p>Upgrades</p> <p>Back to Top</p>	<p>The call center (Consumer Sales) may attempt to contact the applicant to increase their coverage.</p> <p style="text-align: right;">Maximum LAU (Life Applicant Upgrade) amounts are as follows:</p> <ul style="list-style-type: none"> If the original face amount applied for is less than \$50,000 then coverage can be upgraded to a maximum of \$49,999 If the original face amount applied for is more than \$50,000 then coverage can be upgraded to the lesser of: <ol style="list-style-type: none"> the original face amount + \$25,000, or \$99,999 Applications applying for face amounts of \$100,000 are not eligible for upgrade <p><u>State Variations and Exceptions</u> None</p> <p style="text-align: right;">SME: Becky Riehm, Underwriting Scott Graffius, Product Management</p>
<p>Voice Signature (VS)</p> <p>Back to Top</p>	<p>The policy can be applied for through the call center using a voice signature. The voice signature will also apply to riders that are applied for at the same time the base plan is applied for. Voice signature is not available for adding riders after the base policy has been issued.</p> <p><u>State Variations and Exceptions</u> None</p> <p style="text-align: right;">SME: John Gabriel, Product Compliance Kari Hamrick, Rates and Forms Filing Frank Cain, Consumer Sales</p>
<p>Web</p> <p>Back to Top</p>	<p>TruStage.com will contain the following:</p> <ul style="list-style-type: none"> Product information Rate chart Fully functional online application process <p>Servicing functionality includes processes currently available via Digital Service on TruStage.com</p> <p>There is no information on Members Products Website (MPW) or Life Portraits</p> <p style="text-align: right;">SME: Margo Broeren, E-commerce Carrie Lory, Commercialization Scott Graffius, Product Management</p>

Appendix

<p>Appendix 1: Premium Calculation and Sample Rates</p> <p>Back to Top</p>	<p>Monthly premium payments by age and coverage amount (including the \$30.00 annual policy fee):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="8" style="text-align: center;">Males</th> </tr> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">5,000</th> <th style="text-align: center;">10,000</th> <th style="text-align: center;">15,000</th> <th style="text-align: center;">25,000</th> <th style="text-align: center;">50,000</th> <th style="text-align: center;">75,000</th> <th style="text-align: center;">100,000</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">25-29</td><td style="text-align: center;">4.50</td><td style="text-align: center;">6.50</td><td style="text-align: center;">8.50</td><td style="text-align: center;">12.50</td><td style="text-align: center;">22.50</td><td style="text-align: center;">32.50</td><td style="text-align: center;">42.50</td></tr> <tr><td style="text-align: center;">30-34</td><td style="text-align: center;">4.50</td><td style="text-align: center;">6.50</td><td style="text-align: center;">8.50</td><td style="text-align: center;">12.50</td><td style="text-align: center;">22.50</td><td style="text-align: center;">32.50</td><td style="text-align: center;">42.50</td></tr> <tr><td style="text-align: center;">35-39</td><td style="text-align: center;">4.70</td><td style="text-align: center;">6.90</td><td style="text-align: center;">9.10</td><td style="text-align: center;">13.50</td><td style="text-align: center;">24.50</td><td style="text-align: center;">35.50</td><td style="text-align: center;">46.50</td></tr> <tr><td style="text-align: center;">40-44</td><td style="text-align: center;">5.65</td><td style="text-align: center;">8.80</td><td style="text-align: center;">11.95</td><td style="text-align: center;">18.25</td><td style="text-align: center;">34.00</td><td style="text-align: center;">49.75</td><td style="text-align: center;">65.50</td></tr> <tr><td style="text-align: center;">45-49</td><td style="text-align: center;">6.70</td><td style="text-align: center;">10.90</td><td style="text-align: center;">15.10</td><td style="text-align: center;">23.50</td><td style="text-align: center;">44.50</td><td style="text-align: center;">65.50</td><td style="text-align: center;">86.50</td></tr> <tr><td style="text-align: center;">50-54</td><td style="text-align: center;">8.10</td><td style="text-align: center;">13.70</td><td style="text-align: center;">19.30</td><td style="text-align: center;">30.50</td><td style="text-align: center;">58.50</td><td style="text-align: center;">86.50</td><td style="text-align: center;">114.50</td></tr> <tr><td style="text-align: center;">55-59</td><td style="text-align: center;">10.90</td><td style="text-align: center;">19.30</td><td style="text-align: center;">27.70</td><td style="text-align: center;">44.50</td><td style="text-align: center;">86.50</td><td style="text-align: center;">128.50</td><td style="text-align: center;">170.50</td></tr> <tr><td style="text-align: center;">60-64</td><td style="text-align: center;">15.65</td><td style="text-align: center;">28.80</td><td style="text-align: center;">41.95</td><td style="text-align: center;">68.25</td><td style="text-align: center;">134.00</td><td style="text-align: center;">199.75</td><td style="text-align: center;">265.50</td></tr> <tr><td style="text-align: center;">65-69</td><td style="text-align: center;">22.60</td><td style="text-align: center;">42.70</td><td style="text-align: center;">62.80</td><td style="text-align: center;">103.00</td><td style="text-align: center;">203.50</td><td style="text-align: center;">304.00</td><td style="text-align: center;">404.50</td></tr> <tr><td style="text-align: center;">70-74</td><td style="text-align: center;">34.15</td><td style="text-align: center;">65.80</td><td style="text-align: center;">97.45</td><td style="text-align: center;">160.75</td><td style="text-align: center;">319.00</td><td style="text-align: center;">477.25</td><td style="text-align: center;">635.50</td></tr> <tr><td style="text-align: center;">75-79</td><td style="text-align: center;">54.45</td><td style="text-align: center;">106.40</td><td style="text-align: center;">158.35</td><td style="text-align: center;">262.25</td><td style="text-align: center;">522.00</td><td style="text-align: center;">781.75</td><td style="text-align: center;">1041.50</td></tr> </tbody> </table> <table border="1" style="width: 100%; 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65-69	15.15	27.80	40.45	65.75	129.00	192.25	255.50
70-74	22.00	41.50	61.00	100.00	197.50	295.00	392.50
75-79	33.10	63.70	94.30	155.50	308.50	461.50	614.50

SME: Ilyia Golanek, Product Actuarial

Appendix 2 – LifePRO and General Ledger Account Information

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	LifePRO Account	General Ledger Account
First Year Premium	411112	400401
Renewal Premium	411212	400601
Death Claim Benefit	511094	701000
Death Claim Interest	821117	775000
ABO Benefit	511163	707600
ABO Misc Interest	761120	463800
ABO Admin Fee	761146	461450
ADB Rider Claim	511347	706100

SME: Lisa Herfel, Corp. Accounting

Appendix 3 – Validation Tools

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Values Calculators

[Link to SI Term Validation Tool 04-12-2016](#)

SME: Ilyia Golanek, Product Actuarial

Version History:

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Version #	Revision Date	Approved By	Summary of Changes
1.0	12/17/15		SDG: Built SI Term product definition.
2.0	01/04/16		CES: Added some clarifying language and highlighting of MVF 1 and MVF 2.
2.1	01/15/16		SDG: Clarified some language following the cross-functional spec review and initial requirements.
3.0	02/15/16	All SME's	SDG: Final revisions and approval for MVF1.
3.1	03/09/16		SDG: Corrected account numbers in Appendix 2 and added link to the Validation tool.
3.2	9/6/2016		KJH: remove ADB rider info and Accelerated Benefit Option Endorsement info from the Filing Identification section, except for initial rollout info.