

# Mutual of Omaha Life Meeting Take-A-Ways

2<sup>nd</sup> Quarter 2016

## Term Life Answers

- #1 Age Last Birthday Preferred Plus Rates – Males & Females
- The most competitive conversion options in the industry
- Qualifies for Fit Credit Program (Table 2 to Standard, Table 3 to Table 1, Table 4 to Table 2)

## GUL & GUL Plus

- Competitive Age Last Birthday Rates – Males & Females, 45 – 75, Preferred & Standard NT
- Very competitive short pay scenarios (Less than 10-Pay use GUL Plus / 10-Pay or greater, use GUL)
- Guaranteed Refund Option – **SEVEN OPPORTUNITIES** to get half or all your premiums back
- Accelerated Death Benefit for Chronic Illness – Available, regardless of age or risk class; no additional cost to premium; maximum benefit of \$1 Million (\$500,000 in CA) or 80% of the death benefit
- Competitive option for LTC Declines
- Competitive missed premium, catch-up and reduced paid-up scenarios

## GUL Survivor

- Competitive dump-in scenarios
- Only second-to-die UL to include seven return of premium opportunities – June 1, 2016
- Allows uninsured combos up to Uninsured/Table 6 - NO underwriting on uninsured

## Income Advantage IUL

- Tied to the S&P 500® index - 1 year point to point for each bucket
- 3 crediting strategies (3/10/16)
  - Low: 65% participation rate / no cap
  - Mid: 100% participation rate / 11.5% cap
  - High: 140% participation rate / 8.5% cap
- Includes **GUARANTEED REFUND OPTION** from GUL & GUL Plus
- Includes **ACCELERATED DEATH BENEFIT FOR CHRONIC ILLNESS RIDER**
- Competitive maximum distribution options (Index Loans) and cash value at 65 scenarios
- Competitive target premiums with increasing death benefit options (initial 2-year DB option lock)

## Competitive Simplified Issue Portfolio

- NO Blood, NO Urine, NO Paramed Exam
- Term Life Express - \$25,000 - \$300,000 Face Amount
- Guaranteed Universal Life Express - \$25,000 - \$300,000 Face Amount
- Living Promise (Level) - \$2,000 - \$40,000 Face Amount
- Living Promise (Graded) - \$2,000 - \$20,000 Face Amount
  - Level & Graded options qualify for “Know Before You Go” Phone Interview Process
- Children’s Whole Life - \$5,000 - \$30,000 Face Amount (Ages 14 Days to 17 Years)

## Free Business Valuations for Small Business Owners

- Ask clients, “Do you know if your business is an asset or a liability?”

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## Guaranteed Universal Life “What If” Value Add Scenarios

Client Name:	Valued Client – Male - CA	Age Last Birthday:	54	Age Nearest:	55
Risk Class:	Preferred	Life Expectancy:	82		
Death Benefit (DB):	\$2,000,000	Guaranteed to Age:	105		
Premium:	\$22,979.41	Premium Mode:	Annual		
Target:	\$24,720	Illustration Run Date:	04/01/16		

### What if the client no longer needed the policy?

The client, regardless of flat extras (Standard NT or better for ages under 50; Table 4 Tobacco or Nontobacco for ages 50 and up) has **SEVEN CHANCES** to surrender the policy and get half to all of the premiums paid (up to 35% of DB) returned.

Year	Year 15	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
Refund Amount	\$172,346	\$459,588	\$482,568	\$505,547	\$528,526	\$551,506	\$574,485

### What if the client becomes chronically ill?

The client can utilize the Accelerated Death Benefit for Chronic Illness rider that is issued, regardless of age or risk class.

Max Cumulative Benefit	Max Annual Benefit	Current Discount Rate	Additional cost to annual premium
\$500,000	\$500,000	4.5%	\$0

### What would happen to the guarantee if the client missed a premium one year and then resumed the original payment?

GUL is very competitive when it comes to retaining a death benefit guarantee, should a premium payment be missed.

Year Premium Missed	4	6	12	18	24	30	36
Guaranteed to Age	93	93	95	97	99	101	103

### What if the client wanted to restore the original guarantee after missing a payment?

GUL offers a catch-up provision that can restore all or part of the original guarantee period.

Year Premium Missed	4	6	12	18	24	30	36
Catch-up Premium	\$24,650	\$25,000	\$25,200	\$25,500	\$25,700	\$26,100	\$26,500

### What if the client reduced the face amount and stopped making payments but wanted to keep the original guarantee?

GUL is very competitive when it comes to reducing the death benefit, later in life, and not make any more payments **BUT** still retain the original guarantee

Year final prem. made and face amount is reduced	Year 15	Year 20	Year 25
New Reduced Face Amount	\$1,060,000	\$1,350,000	\$1,560,000
Percent of Original Death Benefit Retained	53%	68%	78%

### What if the client didn't think they would need the full death benefit later in life?

The desired **FACE AMOUNT CAN BE SPLIT** into multiple policies (when the policy is issued) that can maximize the Guaranteed Refund Option at little to no cost (depending on the banding).

	Face Amt	Premium	Guaranteed Refund Option						
			Year 15	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
#1	\$1,000,000	\$11,490	\$86,173	\$229,794	\$241,284	\$252,773	\$264,263	\$275,753	\$287,243
#2	\$1,000,000	\$11,490	\$86,173	\$229,794	\$241,284	\$252,773	\$264,263	\$275,753	\$287,243
<b>Total</b>		<b>\$22,980</b>	<b>\$172,346</b>	<b>\$459,588</b>	<b>\$482,568</b>	<b>\$505,546</b>	<b>\$528,526</b>	<b>\$551,506</b>	<b>\$574,486</b>

The client can then use the refund option amount available in “Policy #2” to **PAY UP** “Policy #1.”

Year Refund Used	Year 15	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
Dump-In from GRO	\$86,173	\$119,000	\$118,000	\$116,000	\$113,000	\$111,000	\$110,000
New Guarantee	Age 88	Age 105	Age 105	Age 105	Age 105	Age 105	Age 105
Remaining DB	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Excess from GRO	\$0	\$110,794	\$123,284	\$136,773	\$151,263	\$164,753	\$177,243
Premium Saved	\$436,620	\$379,170	\$367,680	\$356,190	\$344,700	\$333,210	\$321,720
<b>Total</b>	<b>\$436,620</b>	<b>\$489,964</b>	<b>\$490,964</b>	<b>\$492,963</b>	<b>\$495,963</b>	<b>\$497,963</b>	<b>\$498,963</b>



# > Life Full Throttle

INCOME ADVANTAGE<sup>SM</sup> INDEXED UNIVERSAL LIFE INSURANCE

We're moving full throttle to bring you Income Advantage, our new Indexed Universal Life product.

## THE BASICS

- > Sales Effective Date: March 1, 2016
- > Approved in All States except New York

## CREDITING STRATEGIES (Effective March 1, 2016)

100 percent participation rate with mid-range cap	Higher participation rate with lower cap	Lower participation rate with no cap
100 percent participation with 11.5 percent cap	140 percent participation with 8.5 percent cap	Uncapped with 65 percent participation

> **A fixed account** with a 2 percent guaranteed interest rate is also available. **The current fixed rate is 3.25 percent**

> **Face Amounts:** \$100,000 and up

> **Issue Ages: 0-85** (Age Last Birthday)

- Ages 0-17 – Standard Nontobacco risk only (not available in WA)
- Ages 18-80 – All risks
- Ages 81-85 – Standard Nontobacco and Standard Tobacco risks only

**Note:** For the Unisex policy, issue ages start at 18. In WA, the minimum issue age is 18.

> **Loans:** Standard and Indexed

> **Target Markets**

- Ages 35 and up who want to protect their family and accumulate cash value for college, retirement and other long-term goals

> **Use with clients interested in:**

- Retirement income
- College funding
- Mortgage repayment

> **No-Cost Riders**

- Guaranteed Refund Option (GRO). When the policy has been in force for 15 years, the insured has seven 60-day windows in which they can surrender their policy and receive back their premiums. At the end of policy year 15, they can receive back 50 percent of their premiums and up to 100 percent at the end of years 20, 21, 22, 23, 24 and 25
- Accelerated Death Benefit for Chronic Illness. Provides benefits if at some time during the life of the policy the insured is unable to perform two of six Activities of Daily Living for 90 consecutive days or if he/she experiences a severe cognitive impairment
- Accelerated Death Benefit for Terminal Illness. If the insured is diagnosed with a terminal illness with a life expectancy of 12 months or less, this benefit allows them early access to a portion of their death benefit. The idea is to provide comfort to the insured and their family during a difficult time
- Lapse Guard Rider. Prevents over-funded policies from lapsing when level disbursements have been taken for an extended period of time in retirement



### Cheat Sheet for Illustrating Max Funded/NonMEC Distribution Scenario

**SCENARIO:** Male, 45 (Age Last Birthday), Preferred Nontobacco wanting to deposit \$1,000 monthly for 20 years at an illustrated rate of 6%, then receiving the maximum level disbursements from indexed loans for 20 years after. The death benefit will be “increasing” for the first 20 years then change to “level” for the duration of the policy.

When running this scenario, pay close attention to the tabs below. Please see the full illustration for more details.

#### “Solve For” Tab

Solve For	Face Solve
Face Solve Option	Solve for CV
Premium Amount	01 to 20 - 1000 21 to 75 - 0
Year/@Age to Pay Premium	
Cash Value Goal Amount	0
Year/@Age to Attain CV Goal	Max

In the “Solve For” tab, select **“Face Solve.”** You will need to run a **“Solve for CV”** Face Solve Option as opposed to the “Max Funded Premium” Option that is used by other illustration tools.

You will also want to make sure the **Cash Value Goal Amount** is set to “0”. The zero allows our over loan rider, Lapse Guard<sup>SM</sup>, to kick in at the most opportune time.

If you select “No Solves” in the “Solve For” drop down menu, the **Cash Value Goal Amount** fields show up in the “Disbursements” tab.

#### “Disbursements” Tab

Disbursements	Yes
Disbursement Amount	02 to 20 - 0 21 to 40 - Solve for Max Level Disbursement 41 to 75 - 0
Disbursement Option	Loan
Loan Type	Index
Index Loan Interest Rate	Current
Tax Basis	0
Disb. Cash Value Goal Amount	
Disb. Year/@Age to attain CV Goal	

After selecting **“Yes”** in the Disbursements tab, click **“More”** to adjust the disbursement amounts for years **02-20**, **21-40** and **41-75**

Select **“Loan”** as the Disbursement Option and **“Index”** as the loan type. The current interest rate for the loan will default automatically.

Index Loans will maximize the distribution amount.

#### “Index Strategy” Tab

Illus. Rate	Current
Fixed Account	Current
One-Year 100% Participation Account	6
One Year High Participation Account	Current
One Year Uncapped Account	Current

The illustrated rate will always default to the current rate. Simply select the word “Current” in the appropriate Crediting Strategy and type in **“6”** to change the rate to 6%.

#### “Policy Options” Tab

Death Benefit Option	01 to 20 - Increasing 21 to 75 - Level
Premium Mode	BSP
Prevent MEC	Yes

Select “More” next to the Death Benefit Option dropdown and adjust the death benefit options for years **01-20** and **21-75**.

The Premium Mode is changed to **“BSP”** which is how Mutual of Omaha designates “Monthly” premium payments.

Please note that “Prevent MEC” is defaulted to **“YES.”**