

# CUSTOMIZED FlexUL2<sup>SM</sup> UNISEX

**Customized FlexUL2<sup>SM</sup> Unisex** is a flexible premium adjustable life insurance policy with unisex rates designed to provide life insurance protection for qualified plan participants and their beneficiaries. Employers often seek to attract top talent using innovative strategies and employee benefits beyond cash compensation. The right qualified retirement plan can be a key component of that strategy. Qualified plans with enhanced survivor benefits often may be an important part of a total compensation package and help to attract and reward the talented employees needed to make a business thrive.

Many qualified plans require flexibility for plan contributions. Customized FlexUL2 Unisex brings universal life premium flexibility to life insurance in qualified plans. Customized FlexUL2 Unisex may also be used in certain non-qualified employer-sponsored plans.

## KEY FEATURES:

### Premiums

- Flexible premiums can be increased, decreased, and even stopped then restarted.
- Premium flexibility depends in part on having sufficient accumulated value to maintain the life insurance protection.
- The initial minimum premium is the five year no lapse guaranteed premium.
- Premium modes for billing: Annual, Semiannual, Quarterly, EFT Monthly, and List Bill Monthly.

### Death Benefit Options

- A – “Level” (Specified Amount)
- B – “Increasing” (Specified Amount Plus Accumulated Value)
- C – “Return of Premium” (Specified Amount Plus Cumulative Premiums Paid Less Partial Surrenders)

### Life Insurance Qualification

- Guideline Premium Test
- Cash Value Accumulation Test

### Guaranteed Cash Value Interest Rate

- 3.0% is the minimum interest rate.
- The interest rate credited to unloaned amounts are declared from time to time.

## At-A-Glance

### Surrender Charges

- Charges apply for 20 years after issue and after any increase in specified amount.

### Mortality

- Guarantees based on the 2017 CSO Mortality Table.

### Percent of Premium Load

- Guaranteed not to exceed 8% of premium paid.
- Current (Non-Guaranteed) 6% of premium paid.

### Policy Fees

- Guaranteed to be no more than \$15/month.
- Current (Non-guaranteed) rate set at \$10/month.

### Policy Load (Guaranteed)

- A monthly per-unit charge applies for the first 10 policy years (and 10 years following an increase in specified amount). The amount of the charge varies by issue age and premium classification.

### Riders/Benefits<sup>††</sup>

- Attained Age Exchange Rider<sup>\*</sup>
- Chronic Illness Benefit Rider<sup>\*†</sup>
- Terminal Illness Options Accelerated Benefit Rider<sup>\*</sup>
- Waiver of Monthly Deduction Amount

*\*There are no separate premium charges to add these riders, and there are no monthly deduction charges.*

*†For the Chronic Illness Benefit Rider, eligibility requirements apply.*

*††Rider availability varies by state.*

*Issue ages 18-85 (age nearest birthday), for all premium classes, Minimum specified amount \$100,000 for preferred classes and \$25,000 for standard classes. Special classes (Table 2-16) considered.*

### Policy Loans

- Available anytime the policy has a loan value.
- The policy loan interest rate remains fixed by the policy duration.

### Policy Loan Interest Rate and Net Cost of Borrowing

Policy Year	Interest Rate Charged on Borrowed Funds	Interest Rate Credited to Borrowed Funds	Net Cost of Borrowing
1-10	5.00%	3.00%	2.00%
11-20	4.25%	3.00%	1.25%
21-30	4.00%	3.00%	1.00%
31 and later	3.00%	3.00%	0.00%

## Underwriting Programs for Tax-Qualified Retirement Plans

Security Mutual offers two underwriting programs that may be used when including life insurance in a qualified plan. For details on the "Easy Issue" program, please refer to 0014903, and for details regarding the Conditional Guaranteed Issue Life (CGIL) insurance program, refer to Field Bulletin 0014978.

## Attained Age Exchange Rider

A plan participant with a life insurance benefit under a qualified plan generally loses the life insurance benefit at retirement or separation from service. The Attained Age Exchange Rider allows the policyowner to exchange a life insurance policy for a new policy outside the qualified plan under specific conditions. The exchange can occur provided: (a) the insured retires or otherwise terminates employment with the employer shown on the application for the policy; or (b) the insured has attained age 55 and the policy has been in force for at least ten years from its policy date; or (c) if the policy is owned by a qualified plan and the plan has terminated. The exchange requires the surrender of the Customized FlexUL2 Unisex policy with the surrender proceeds paid to the policyowner. IRC Section 1035 income tax treatment does not apply to this exchange. The new policy on the life of the insured will be issued without requiring any evidence of insurability at the time of the exchange. The new policy may be any single life policy form available at the time of the exchange except for term insurance or for a policy providing for accelerated benefits for long term care or chronic illness. The amount of insurance must meet the minimum issue requirement for the new policy. The maximum amount of insurance available for exchange must be no greater than the amount of insurance provided by the exchanged policy less its cash surrender value. The new policy will be issued based on the insured's age at the time of the exchange and in the same premium class or the most comparable premium class then available. If the exchanged policy includes a waiver of premium or a waiver of monthly deductions rider benefit, then the new policy may also include that benefit subject to age requirements. Refer to the rider for additional information and requirements. There is no premium charged for this rider. (Rider Form Nos: MK-3013 Rev 2/14 in NY; ICC14-MK3013; Series MK-3013).

## Terminal Illness Options Accelerated Benefit Rider

This rider makes cash available to the policyowner if the insured is diagnosed with a terminal illness and has a life expectancy of 12 months or less. The maximum benefit available is typically equal to 75 percent of the life insurance proceeds payable at death (less a discount) up to \$500,000 per insured life. If this rider is exercised, the policy will remain in force, but death benefits, cash values and loan values will be reduced proportionately. The maximum benefits vary by state. The Company will reduce the amount requested to reflect the loss of interest as benefits are paid prior to death.

An administrative charge of \$250 may also be deducted from the amount requested upon electing this rider. ***(It is important to note that the receipt of benefits under this rider may be taxable and may affect your clients' eligibility for public assistance programs.)*** This rider is available for issue ages 0-85. The charge for this benefit is included in the policy's base premium. (Rider Form Nos. IO-9370-TIR500-NY; ICC16-IO9370-TIR500; IO-9370-TIR500-CA-A; Series IO-9337, IO-9370.)

## Waiver of Monthly Deduction Amount

This rider provides the option to protect the policyowner and beneficiaries in the event of the insured's total disability. Should total disability occur prior to age 60 and last for six months or more in NY, DE, FL, ND, SD, USVI and prior to age 65 in all other states, all monthly deductions for the cost of insurance, any riders and administrative charges will be waived, allowing the policy to remain in force. This benefit is available for issue ages 0-55. There is an additional monthly deduction for this rider. (Rider Form Nos. IO-4107-A-NF-NY Rev. 5/17; ICC17-IO4107-A; Series IO-4107-A, IO-4107-A-NF-CA Rev. 5/17; IO-4107-A-NF.)

## Chronic Illness Accelerated Death Benefit Rider (CIBR)

This rider provides valuable access to death benefit proceeds should the insured face an unexpected chronic illness. Chronic illnesses often come with high expenses for treatment, medication and care. A person with a chronic illness may no longer be able to provide the same amount of income—or any income—to his or her family. The Chronic Illness Benefit Rider permits the policyowner to access the funds needed to help cover any needs during the insured's lifetime. **The Chronic Illness Benefit Rider is not, and should not be marketed as, long-term care insurance. This product is a life insurance policy and rider that accelerates the death benefit on account of chronic illness. It is not a health insurance policy or rider providing long-term care insurance subject to the minimum requirements of applicable law. It does not qualify for the New York State Long-Term Care Partnership program or similar programs in other jurisdictions and is not a Medicare supplement policy or rider.** There is no separate premium charge to add this rider and there are no monthly deduction charges. Eligibility requirements apply. This rider is available only at original policy issuance. Refer to the applicable Chronic Illness Benefit Rider flyer on SecurityLink for further details and state variations.

Payment under the Chronic Illness Benefit Rider is intended to qualify for favorable tax treatment under Section 101(g) of the Internal Revenue Code. Payment made under this rider, however, may be taxable depending upon specific facts and circumstances. Accordingly, the policyowner should consult with his or her tax advisor to determine the tax consequences before requesting the payment of an accelerated benefit under the rider. Receipt of accelerated death benefits may affect eligibility for public assistance program. **This rider is not available in California.** (Rider Form Nos. IO-9334-NY-A; ICC12-IO9334; Series IO-9334.)

Policy form numbers, product features and benefits and availability may vary by State. Refer to the policy for benefits, riders, limitations, exclusions and terms for keeping the policy in force.

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Policy Forms Nos. 2118-U-A-NY; ICC21-2118-U-A; 2118-U-A-CA; Series 2118-U-A