



PRODUCER/BROKER GUIDE



**West Coast Life  
Insurance Company**

A PROTECTIVE COMPANY

WCLAG.1492 (04.10)

WCL  
**SECURE**

|  |                   |                  |
|--|-------------------|------------------|
| Not a Deposit                                | No Bank Guarantee | Not FDIC Insured |
| Not Insured By Any Federal Government Agency |                   |                  |



# Meeting Your Clients' Needs

Your clients' financial situations and personal goals are unique to them. Helping your clients select the right policy is essential in meeting their particular needs, and developing a long-term client-advisor relationship.

**WCL Secure-T** offers your clients an affordably priced universal life insurance policy which can provide a guaranteed death benefit for level-premium periods of 10, 15, 20, 25 or 30 years.

Positioned primarily for clients who are looking for an affordable universal life insurance product as an alternative to term life insurance, **WCL Secure-T** can work in a variety of sales applications to help solve both personal and business financial planning needs.

## Personal Planning

- Supporting dependent family members
- Providing income for basic living expenses
- Maintaining mortgage payments
- Funding college tuition
- Providing retirement income for your spouse
- Paying estate or inheritance taxes

## Business Planning

- Planning for business continuation
- Funding a buy-sell agreement
- Covering a key employee

## Guaranteed Initial Level Premium Period

Initial level-premium periods are offered for 10, 15, 20, 25 and 30 years with premiums comparable to term insurance. The guaranteed period can be extended beyond the initial level-premium period up to the lifetime of the insured. Your clients will be required to pay higher premiums to extend the guaranteed period.

## Lapse Protection Flexibility

The built-in lapse protection, automatically included on each policy, can guarantee death benefit coverage up to the lifetime of the insured based on the premiums paid and the formulas described in the Lapse Protection Endorsement. As long as the Lapse Protection Account value equals or exceeds policy debt then the policy is guaranteed not to lapse.

The Lapse Protection Account is established and used for the sole purpose of determining whether lapse protection applies to the policy. Although there is a calculated value associated with the Lapse Protection Account, it has no cash value and is not available to your clients for any purpose.

If your clients do not want lifetime lapse protection, they can select a shorter lapse protection period. The lapse protection premiums will vary according to the issue age, gender, length of lapse protection, face amount, payment mode and underwriting class.

## Premium Payments

A planned premium pattern similar to term insurance can be chosen, and other premium patterns can also provide lapse protection coverage. Premium payments can be increased, decreased, or skipped, depending on such factors as the amount of premium paid into the policy and policy disbursements (*loans or withdrawals*). Premium payment amounts and schedules are left to the policyholder's discretion, subject to required minimums and maximums, if applicable. Any premium changes will impact the projected duration of the lapse protection. If policy changes are made, premium payments generally can be adjusted to maintain the lapse protection.

## Death Benefit

The death benefit amount may be adjusted, within plan limits, without having to buy a new, separate policy. Your clients may decrease the face amount subject to minimums and charges. Keep in mind any changes to the face amount will have an impact on the lapse protection and any applicable charges resulting from a face decrease may cause the policy to lose lapse protection.

## IRS Definition of Life Insurance

**WCL Secure-T** uses the Cash Value Accumulation Test (CVAT) to determine whether the product qualifies as life insurance under IRS guidelines.

## Optional Benefits and Riders

**WCL Secure-T** offers a variety of optional benefits and riders. Since every family or business situation is unique, your client may want to consider these additional benefits and riders to help fill any gaps. Please see the *Secure-T Facts-At-A-Glance* for more detailed information.

# WCL Secure-T | Policy Overview

## Product Specifications

### Product Design

Universal life insurance policy with term-like premiums and a guaranteed death benefit for the initial level-premium period selected.

### Issue Ages & Risk Classes

|                       | <b>Secure-T 10</b> | <b>Secure-T 15</b> | <b>Secure-T 20</b> | <b>Secure-T 25</b> | <b>Secure-T 30</b> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Super Preferred       | 18-80              | 18-77              | 18-68              | 18-60              | 18-55              |
| Preferred Non-Tobacco | 18-85              | 18-M76/F77         | 18-68              | 18-60              | 18-55              |
| Standard Non-Tobacco  | 18-85              | 18-M75/F77         | 18-68              | 18-M56/F59         | 18-55              |
| Standard Tobacco      | 18-78              | 18-M70/F74         | 18-M63/F66         | 18-M52/F55         | 18-M43/F47         |

*M = Male    F = Female*

### Minimum Face Amount

\$100,000

### Interest Rates

- Guaranteed annual effective rate is 2.5%
- Current credited rate will be determined periodically by the Company

### Maturity Age

No stated maturity age. Premiums and charges discontinue at attained age 121.

### Minimum Premium Payments

\$120 Annual  
\$60 Semi-annual  
\$50 Quarterly  
\$10 Monthly (PAC)

## Lapse Protection

### Lapse Protection Endorsement

The built-in lapse protection, automatically included on each policy, can guarantee death benefit coverage up to the lifetime of the insured based on the premiums paid and the formulas described in the Lapse Protection Endorsement. As long as the Lapse Protection Account value equals or exceeds policy debt, then the policy is guaranteed not to lapse.

## Policy Changes

### Decrease Coverage

Available after the policy has been in force for at least three years; a partial surrender charge may apply. Please see the **Surrender Charges** section on page 6 for more information on the impact of face decreases to surrender charges.

## Policy Lapses

### Grace Period

Prior to attained age 121, if on a monthly anniversary the cash value less loan balance is insufficient to pay the monthly deduction and the lapse protection is not in effect, the policy will enter the grace period. The policy owner has 61 days to cover the current and past due monthly deductions. The policy will remain in force during the grace period, but if the premium payment is not received by the end of the grace period the policy will lapse.

### Death During Grace Period

If the insured dies during the grace period, the death benefit will be paid. Any proceeds payable will be reduced by the amount of the monthly deduction(s) due on or before the date of the insured's death.

### Catch-Up

If lapse protection is lost, your clients may restore lapse protection by paying additional or higher premiums. The premiums required to restore lapse protection may be significantly higher than the premiums illustrated.

## Cost & Expense Summary

### Premium Expense Charge

10% – applies to all premiums. Charge is discontinued at attained age 121.

### Monthly Administrative Charge

\$5 – applies to all policy years.  
Charge is discontinued at attained age 121.

### Monthly Expense Charge

Per \$1,000 of initial face amount. Varies by age, gender, and underwriting class. Applies to all policy years. Charge is discontinued at attained age 121.

### Withdrawal/Partial Surrender Charge

\$25  
Surrender charges may also apply on a prorata basis to face decreases.

### Full Surrender Charge

Varies by issue age, gender, and underwriting class; years 1 – 19

### Cost of Insurance Charge

Varies by issue age, gender, underwriting class, number of years the policy has been in force, and any applicable ratings. Deducted monthly; charge is discontinued at attained age 121.

## Policy Owner Information

### Annual Report

A personalized report is sent after each policy anniversary. The report shows: the status of the Lapse Protection Account, premium payments, interest credits, cost of insurance charges, expense charges, loans, partial surrenders, surrender value, and policy value.

### The Policy

Including the policy form and all endorsements, will provide information regarding benefits provided, premium payments, charges, determination of values, the Lapse Protection Endorsement, and other provisions and charges.

## Access to Policy Value

### Loan Details

Loans are available after year one. Interest on all policy loans will be compounded. Loans and withdrawals may negatively impact policy performance, the death benefit, and lapse protection.

### Loan Interest

5% in arrears for all policy years

### Surrender Charges

- Full surrender may be made after the policy has been in force for at least one year.
- There is a declining surrender charge in the first 19 years of the policy.
- On a face decrease resulting from an elected decrease or the result of a partial surrender, a partial surrender charge will be deducted from the policy value. It is calculated as follows:
  1. Calculate the total full-surrender charge *(net of any prior partial surrender charges)*.
  2. Divide the face amount reduction amount by the total policy face amount prior to decrease.
  3. The partial surrender charge is equal to the result of step two times the result of step one.
- After a face decrease, future surrender charges will be reduced proportionately by the amount of surrender charges already deducted.

### Partial Surrender/ Withdrawals

Any surrender less than full surrender is considered a partial surrender.

- May reduce the face amount and affect policy accumulation
- Cannot reduce the face amount below minimum face amount
- Will have a negative impact on the duration of the lapse protection
- Taxation may occur upon lapse or surrender
- A \$25 fee will be charged for each partial surrender

### Terminal Illness/ Accelerated Death Benefit (*Form #962096200 / 002096200*)

This benefit allows the early payment of a portion of the death benefit if the insured has a qualifying terminal illness and meets certain terms and conditions within this benefit. While there is no cost or premium charge for this benefit, the death benefit will be reduced by the amount of benefit paid plus accumulated interest. This endorsement is not available in all states. State variations may apply. Please review the endorsement for complete terms, conditions, and limitations.

## Frequently Asked Questions

### **Is Anti-Money Laundering (AML) Training certification required to sell the Secure-T product?**

Yes. Because Secure-T is a universal life product, any independent agent not affiliated with a Broker/Dealer must complete LIMRA's U.S. Anti-Money Laundering Training Program. This industry-wide training program allows producers to complete core training just once, and documentation is sent to every carrier they represent.

### **What does "lapse protection" mean?**

Lapse Protection guarantees that the policy will remain in force for a specified period of time up to the lifetime of the insured. The lapse protection premiums will vary according to the issue age, gender, face amount, length of lapse protection, and underwriting class of the proposed insured. Loans, partial surrenders, policy changes, or delinquent premiums may affect the length of the lapse protection and may cause loss of the lapse protection provision.

### **What happens at the end of the initial level-premium period?**

At the end of the selected level-premium period, the policy will lapse, or higher premiums may be paid to extend the death benefit coverage. If no riders are included, the default option for coverage extension will be a level premium to guarantee coverage to age 121.

### **Can the policy owner change the initial level-premium period after the policy is in-force?**

No. Once the Secure-T policy is in-force, the level-premium period may not be changed. However, death benefit coverage may be extended by paying higher premiums.

### **Can my clients decrease the face amount and still have lapse protection?**

Yes. However, decreases to the face amount may result in a change of premium that will be required to keep the lapse protection guarantee.

### **Are riders covered in the lapse protection guarantee?**

Yes. Riders will not expire if the policy is in force under the lapse protection provision (*except where the rider would otherwise expire under its termination provisions*).

### **At what age does the policy mature?**

There is no stated maturity age. The policy continues until surrender or a death benefit is paid. There are zero costs at attained age 121. No further premiums are required at attained age 121 and thereafter.

### **Is an illustration required ?**

No. A signed illustration is not required for the Secure-T product.

## Your Next Steps

- Introduce this product to your clients who may be interested in low-cost, term-like premiums with the flexibility features of a universal life product.
- Use the consumer-approved marketing materials in the **WCL Secure-T** sales kit with your clients.



**Secure-T**, policy form WC-U17 and state variations thereof, is a universal life insurance policy issued by West Coast Life Insurance Company, 2801 Highway 280 South, Birmingham, AL 35223. Product features and availability may vary by state. Consult policy for benefits, riders, limitations, and exclusions. Subject to underwriting. Up to a two-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. In Montana, unisex rates apply.

The tax treatment of life insurance is subject to change. Neither West Coast Life nor its representatives offer legal or tax advice. Please consult with your legal or tax advisor regarding your individual situation before making any tax-related decisions.

All payments and all guarantees are subject to the claims paying ability of West Coast Life Insurance Company.

|  |                   |                  |
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INSURANCE MARKETPLACE  
STANDARDS ASSOCIATION