

# THE POWER OF CHOICE

Our Benefit Distribution Agreement (BDA), available on Advantage Elite Select Term Life Insurance policies, offers you more flexibility at no additional cost. It provides your beneficiaries a guaranteed income stream<sup>1</sup>, where you designate all or a portion of the **total benefit amount** to be received as **installment payments**. **The income stream will provide your family the steady income they need to cover things like college tuition or housing payments if you died unexpectedly.**

## Benefits of the BDA

In addition to providing a steady income stream for your family upon your death, the BDA offers:

- Lower premium payments<sup>2</sup>
- Increased total benefit amount<sup>2</sup>

## GLOSSARY

**Total benefit amount**  
Total of the lump-sum payment (if applicable), plus installment payments. The total benefit amount will exceed the face amount.<sup>2</sup>

**Installment payment**  
The portion of the total benefit amount that is paid out over a chosen period of time (10, 20 or 30 years).



<sup>1</sup> If you die while your policy is in force.

<sup>2</sup> The beneficiary of the policy will not be able to change the installment portion of the death benefit after the death of the insured. A portion of the benefit that is paid out in installments will be taxable as income. This taxable portion represents the amount of the benefit that exceeds the policy's face amount. Not all scenarios will result in lower premium payments.

The Benefit Distribution Agreement installment payment could be payable for a period up to 30 years. The factor rate used in the calculation of the installment payment is set at the time of policy issue.

This agreement will not be reinsured. This agreement cannot be added at conversion or exchange. There is no additional compensation paid due to inclusion of this agreement on the policy and there is no impact to a policy's target premium.

Products and Agreements may not be available in all states or may exist under different names in various states.

# How the BDA works

## Potentially lower premium payments

The BDA allows for lower premium payments. You determine your family's coverage needs, add the BDA to your policy, and receive the coverage you want at a lower cost. The following is a hypothetical example of how the BDA has the potential to lower your premium payment:

George is a 40-year-old male with a Preferred Non-Tobacco underwriting rating. He needs \$1,000,000 of life insurance coverage for 20 years.

	With a 20-year term policy, George would receive:	With the BDA and 100% of the benefit designated as annual installments for 30 years, he would receive:
Face amount	\$1,000,000	\$600,000
Annual premium	\$965	\$629
Annual installment benefit	N/A	\$33,333.33 x 30 years
Total benefit amount	\$1,000,000	1,000,000 <sup>3</sup>

With the BDA, George saves \$336 annually – over 34% annual savings.

## Increased total death benefit amount

You have a set budget to spend annually on life insurance. By adding the BDA to your term policy, the total benefit amount paid to your beneficiaries will exceed the policy's face amount – at no additional cost. The following is a hypothetical example of how the BDA increases your total benefit to beneficiaries:

George is a 40-year-old male with a Preferred Non-Tobacco underwriting rating. He has budgeted \$965 annually for 20 years of term life coverage.

	With a 20-year term policy, George would receive:	With the BDA and 100% of the benefit designated as annual installments for 30 years, he would receive:
Face amount	\$1,000,000	\$1,000,000
Annual premium	\$965	\$965
Annual installment benefit	N/A	\$55,555.55 x 30 years
Total benefit amount	\$1,000,000	\$1,666,667 <sup>3</sup>

With the BDA, George increases the total death benefit by \$666,667<sup>3</sup>.

<sup>3</sup> The amount exceeding the original face amount will be taxable as income.

TO LEARN MORE about the Benefit Distribution Agreement and how you can use it to get more life on your terms, contact your financial advisor today.