



Transamerica Occidental Life Insurance Company
Universal Life Insurance Program
Frequently Asked Questions

Q. What is Universal Life?

A. Universal Life Insurance provides death benefit protection and builds cash values, while offering flexibility to meet your changing needs. Cash value accumulations are tax-deferred under current federal income tax laws and earn a competitive rate of interest.

Q. How does Universal Life Insurance compare with traditional Whole life Insurance?

A. Universal Life gives you the security of “traditional” life insurance coverage with the added advantage of flexibility. You can choose to change the face amount, or increase or decrease the premium amount.

Q. Am I required to enroll in Universal Life Insurance?

A. No. Coverage is being offered on a voluntary basis.

Q. What are the eligibility requirements?

A. To be eligible, you must be actively working and a member of the AFT.

Q. Is coverage available to my spouse and children?

A. Yes. If you, your spouse and dependents meet the eligibility guidelines, you can purchase coverage for them. Your spouse and eligible dependent children may even be insured if you do not purchase a policy on your own life.

Q. Will my present group insurance be affected if I enroll in the Universal Life Insurance program?

A. The program is intended to supplement – not replace – your current insurance by providing “permanent” life insurance coverage.

Q. Will my coverage be affected as I get older?

A. No. Because my coverage is “permanent” life insurance, the face amount will remain the same for the life of the policy unless you decide to make changes to it.



Q. You have described the Universal Life Insurance as “permanent”; what does that mean?

A. Universal Life (UL) is generally described as “permanent” to distinguish it from term Life Insurance. Term Life typically provides life insurance protection for a specified term, while UL is designed to help provide life-long or permanent protection, as long as premiums are paid

Q. How do I pay for the policy?

A. Convenient, systematic premium payment methods including bank draft, credit card, direct bill and payroll deduction, where available.

Q. Do I have to answer any medical questions?

A. Most applicants will qualify to answer only a few eligibility questions.

Q. How much does the universal Life Insurance cost?

A. Your premium will depend on your age and how much insurance coverage you apply for. However, Universal Life is priced competitively, with premiums starting as low as \$4.00 per week.

Q. What if I change jobs, do I lose this insurance coverage?

A. No. You are covered as long as the premiums are paid, no matter who your employer may be.

Q. Can I borrow against the cash value of my Universal life Insurance policy?

A. Yes. As long as your policy has earned sufficient cash value, you may borrow from it for any reason at a modest interest rate.

Q. Can the Insurer cancel my coverage?

A. No. Coverage cannot be canceled as long as the necessary premium payments are made on schedule, or sufficient cash surrender value exists (from which premiums can be paid).



Q. What are the Living Benefits included in this policy?

- A. The following Living Benefits allow the withdrawal of face amounts (death benefits) during an AFT member's lifetime:**

Long Term Care Benefit

The contract owner may elect to receive an advance of 4% of the death benefit monthly for up to 50 months if the insured is confined to a licensed Nursing or Assisted Living Facility. An advance of 2% of the death benefit monthly for up to 100 months is available to an insured who received Home Health Care or Adult Day Care Services.

The Long Term Care Benefit is intended to pay for certain long term care or home health care treatment for the insured, subject to a 60 day elimination period. (The elimination period is the number of days at the start of each stay at a Long Term Care Facility needed to qualify for benefits.)

Example (age 40): Total Coverage \$100,000 ~ Long Term Care Benefit (50 months) = \$4,000 Monthly

Terminal Illness Benefit

If the insured is diagnosed and certified by a physician as having a terminal illness while covered under this rider, the contract owner can receive up to 50% of the death benefit, or \$100,000, whichever is less. Generally, a terminal illness is one which – in the best medical judgment of a physician – will result in the death of the insured within 12 months.

Example (age 40): Total Coverage \$100,000 ~ Accelerated Death Benefit = \$50,000

Waiver of Premium Benefit

This rider pays the premium when the insured member becomes totally disabled. After a six month waiting period, benefits are payable retroactively for as long as the member's disability lasts. Only insured members ages 16-55 are eligible for the waiver provisions. The member's disability must begin after age 16 and prior to age 60 to qualify for waiver of premium.

Layoff Benefit

The Company will waive the total monthly deductions of the certificate if the contract owner is placed on layoff status by his/her employer. The first premium must be paid before this rider becomes effective. Subject to this requirement, the Company will waive the total monthly deduction beginning the first day of the first month after the contract owner is placed on layoff status by his/her employer. Generally, where this benefit is approved, the insured employee must be employed on a permanent, full-time basis and be out of work as a result of being involuntarily terminated-by the employer. The layoff must be due to: a reduction in work force due to economic conditions; a decrease in employer production; or, the employer's reorganization causing a discontinuation of the insured employee's job or a resulting change in job aptitude or skills requirements. The number of eligible layoffs is limited to three in any one year, with a maximum of six months or waiver during any one year. This waiver applies through the Insured's age 60.

Example (age 40): Total Coverage \$100,000 ~ Layoff Benefit (6 months)

Guaranteed Option to Increase

This optional benefit provides the opportunity to automatically add additional coverage without providing evidence of insurability. Coverage increases occur each year for the first five contract years between ages 16 and 65 (first three contract years for spouses between ages 16 and 60). Each year the death benefit will increase equal to the amount of insurance that you can purchase for an additional \$1 per week at your attained age on the contract anniversary date. At anytime in the future, the insured may refuse the increase and the rider will be terminated.