



1.1 American Home Life - Level

Issue Ages: 50-85 (Nearest Age)

Min. Face Amount: \$1,000

Max. Face Amount:

Ages 50-75 (Nearest Age) Max \$35,000

Ages 76-80 (Nearest Age) Max \$15,000

Ages 81-85 (Nearest Age) Max \$7,500

Death Benefit: Immediate 100% Death Benefit

Riders:

ADB: 50-74 (Nearest Age): Terminates at 80

NHR: 50-85; No Termination

ABR: 50-85; No Termination

1.2 American Home Life - Graded

Issue Ages: 50-80 (Nearest Age)

Min. Face Amount: \$1,000

Max. Face Amount:

Ages 50-75 (Nearest Age) Max: \$10,000

Ages 76-80 (Nearest Age) Max: \$5,000

Death Benefit:

50% Year 1, 75% Year 2, 100% Year 3+

*Exception: Male, Smoker Year 1 50%, Year 2+ 100%

**100% Benefit if Accidental Death In Year 1 & 2

Riders:

ADB: Not Available

NHR: 50-75; No Termination

ABR: 50-75; No Termination

1.3 American Home Life - Description of Product

Application Process: The application has 2 sets of questions. The 1st set, questions 1-5, are “knock-out” questions. If the client answers any of questions 1-5 “Yes,” do not apply. The 2nd set of questions, questions 6-9, will determine if the client is level, graded, or decline. If the applicant answers 0 questions in the second set (and the first set) “Yes,” the applicant will be eligible for the level plan. If the applicant answers all questions “No” in the knockout section, but either 1 or 2 questions “Yes” in the second set (questions 6-9), the client will be eligible for a graded plan. If the applicant answers more than 2 questions “Yes” in the second section, they do not qualify for either product. Please take note that the answers to the health questions only make the client “eligible” for coverage. The client must also fit within the Height & Weight Chart. It should be known that the Height & Weight Chart is unisex and very liberal so it will rarely come into play. The chart below helps to clarify how applicants qualify for each plan.

Telephone Interview: The telephone interview is a valuable piece of the underwriting equation which helps to ensure each applicant is classified appropriately UP FRONT. We have strived to remove as much unnecessary questioning as possible in order to provide the most expedient phone interview as possible, while still maintaining the original intent of gathering and verifying applicant's' health information. The ideal phone interview will last approximately 5-7 minutes, provide you with an approval or decline and will ultimately give you the CERTAINTY OF OUTCOME of knowing you have a ‘done deal’ when you leave the home. You will also receive a policy # at the conclusion of the phone interview, if the application is approved.

Premium: Over 95% of GuideStar plans in force at AHL are currently paying by monthly bank draft. This method has proven not only at AHL but throughout the industry to be the most effective payment mode for keeping the business on the books. However, clients do also have the option to pay quarterly, semi-annually, or annually. Simply indicate on the first page of the application how the client prefers to pay (highlighted below). Please note that if the client selects a payment mode other than monthly, we will direct bill the owner of the policy at the address listed (not automatically draft their account). If your client does want us to draft on a mode other than monthly, you need to indicate this on the remarks section of the application.

Commission Payment Frequency Options: AHL has the ability to pay commissions Daily, Weekly, Bi-Monthly, or Monthly.

Advances: AHL allows agents to be paid as earned, 50% advance, or up to 75% Advance. 75% Advance is the most common choice. After the policy clears the advance (the 9th month), the agent is paid on the policy on an as earned basis for the remainder of the life of the policy. AHL does not withhold any commissions to cover future cancellations or lapses.

Cancellations: AHL defines a cancellation as a policy stops paying within the first 3 months. When a cancellation occurs, AHL's default process is to refund the premiums to the client, and collect the entirety of the advance from future commissions (both renewals and new business commissions) until the balance of the debit is repaid. If the agent wishes to repay the balance of the debit over time, he or she can request a debit balance reimbursement form and we can collect a percentage of future renewal and commissions until the debit balance is repaid. Once the debit balance is repaid, commission payments will automatically resume as normal.

Lapses: AHL defines a lapse as a policy which stops paying any time after the 3rd month for any reason with the exception of death. In the event the policy lapses after the 3rd month, but before the policy clears the advance commission (usually the 9th month assuming 75% advance), no premiums are refunded to the policyholder, and the balance of the advance is charged back. In other words, AHL will collect 100% of renewals and new commission until the balance of the outstanding debit balance is collected. If the agent wishes to repay the balance of the debit over time, he or she can request a debit balance reimbursement form and we can collect a percentage of future renewal and commissions until the debit balance is repaid. Once the debit balance is repaid, commission payments will automatically resume as normal.