



PRODUCT PROFILE

# SIMPLIFIED ISSUE WHOLE LIFE (SIWL) & GRADED DEATH BENEFIT (GDB)

SIWL Form Series 211311 • GDB, Form Series 211312

For Agent Use Only



Many families face unexpected expenses after the death of a loved one due to funeral costs, medical expenses, or possibly credit card bills. **Final Expense Insurance** is permanent life insurance coverage designed to help cover these costs when the insured dies, easing the financial burden on loved ones.<sup>#1</sup> Preparing financially can help your clients alleviate some of their family’s stress in a time when they are grieving.

### Financial needs met by the product:

- Final Expense Coverage

### Target market:

- Clients ages 60–80 who are looking for insurance coverage to help loved ones cover the costs of funeral, outstanding medical bills, and other debts

Product Features	Benefits
Simple yes/no application	No physical exam is required <sup>#2</sup>
Underwritten via telephone interview	Your client’s underwriting eligibility can be determined immediately at point of sale
Level, guaranteed premiums	Premium rates will never increase regardless of changes to your client’s health

<sup>#1</sup> This is not a funeral or burial contract and does not specifically cover funeral goods and services. The death benefit is paid to the designated beneficiary(s) who may use the proceeds for any purpose. This life insurance does not guarantee that the proceeds will be sufficient to pay for any particular goods or services, nor that those goods or services will be provided by any particular provider.

<sup>#2</sup> We reserve the right to order a Physician’s Statement at our discretion.

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Royal Neighbors of America (NAIC #57657) is an Illinois corporation and is licensed in all states and the District of Columbia, except for AL, AK, HI, LA, MA, NH, NY. Not all products are available in all states. Contractual provisions and limitations may vary by state.

**Simplified Issue Whole Life, Form Series 211311 and Graded Death Benefit, Form Series 211312**

230 16th Street  
Rock Island, Illinois 61201  
(800) 770-4561, Option 1, Option 5  
[agent.royalneighbors.org](http://agent.royalneighbors.org)





### Issue Ages (age last birthday)

- 50-80 (SIWL)
- 50-80 (GDB, only available in Connecticut, Florida, and North Dakota)

### Owner/Membership

- As shown in the application
- Owner can be different than the insured (must have an insurable interest in the insured)
- Ownership can be changed after issue through an assignment
- The insured is a beneficial member of Royal Neighbors of America

### Face Amounts

#### SIWL

- \$7,000–\$30,000
- Maximum new SIWL Insurance available to an insured is \$30,000, less other existing **Simplified Issue Insurance** at Royal Neighbors (including Simple Solution, SPWL, Sr. Whole Life, Graded Death Benefit, and products issued through any small face amounts program)

#### GDB

- \$7,000–\$10,000 allowed at any time subject to underwriting requirements
- Maximum new GDB insurance available to an insured is \$10,000, less other existing **Simplified Issue Insurance** at Royal Neighbors (including Simple Solution, SPWL, Sr. Whole Life, SIWL, and products issued through any small face amounts program)

### Free-look period

- 20 days (or longer if required by state)

### Mode of payment

- Premiums can be paid by monthly, quarterly, semi-annual, or annual Electronic Funds Transfer (EFT). Premiums can also be billed on quarterly, semi-annual, or annual basis.

### Premium period

- Premiums payable for life of insured (or until insured would reach 121 years of age based on 2017 CSO tables)

### Health/medical requirements

- Simplified Issue
- Point-of-sale underwriting/decisioning

### Risk classes

- Female/Male (premiums quoted for Montana applications must use male rates for both female and male applicants)
- Tobacco/Non-Tobacco
- No Substandard
- No Preferred

### Dividends

- Certificate is participating but no dividends are expected

### Death benefit

#### SIWL

- If certificate is in grace period, past due premiums through the month of death will be deducted from the face amount before payment is made; any outstanding liens (with accrued interest) and loans (with accrued interest) will also be deducted

#### GDB

- Death benefit limited for first two years unless death is accidental
  - 30% of face amount in first year
  - 70% of face amount in second year
- Death benefit is 100% if death is accidental – accidental death provision not approved in Arkansas
- If certificate is in grace period, past due premiums through the month of death will be deducted; any outstanding liens (with accrued interest) and loans (with accrued interest) will also be deducted

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## Premiums in Default

- Insurance expires at end of grace period unless there is a cash value
- If there is a cash value, the following will happen:
  - Automatic premium loan followed by nonforfeiture option elected; or
  - If automatic premium loan is not in effect, nonforfeiture option chosen by Owner

## Loans

- Owners may borrow against the cash value of the certificate<sup>#3</sup>
- Loans are available up to the cash value
- 8% interest rate in arrears; 6% in Montana
- Automatic premium loan option is available

## Termination

- Certificate will terminate/mature the earliest of:
  - A nonforfeiture option (CS, RPU, ETI) goes into effect (whether chosen or default, because of nonpayment of premium)
  - Cash value is transferred (1035) to another product
  - Certificate expires without value when the outstanding loan (including accrued interest) exceeds the cash value, or the outstanding lien (including accrued interest) plus the outstanding loan (including accrued interest) exceed the face amount
  - Insured dies
  - Insured reaches age 121
  - Lapse due to nonpayment of premium



<sup>#3</sup> Loans taken against a certificate can have adverse effects if not managed properly. An outstanding loan could potentially terminate the certificate if the principal, plus accrued interest, equals or exceeds the cash value of the certificate. Outstanding loan balances will be charged interest at the rate stated in the certificate. Accrued interest on the loan is payable at the end of each certificate year. Certificate loans, including any accrued interest, must be repaid in cash or from the certificate values upon termination of the certificate or the death of the insured. Repayment of loans from certificate values (other than death proceeds) can potentially trigger a tax liability. Owners should consult with their tax advisor about the potential impact of any loan.

## Certificate fee

- \$30 per year (commissionable)

## Nonforfeiture Option

- Participating reduced paid-up insurance
- Non-participating extended term insurance (default)
- Cash surrender

## Reinstatement

- Can be reinstated within three years from date of non-payment of premium with evidence of insurability
- 6% interest on all past due premiums
- Certificate cannot be reinstated if certificate is surrendered for its cash surrender value

## Available Rider

### Accelerated Living Benefit – Terminal Condition and Permanent Confinement (Form Series 1766)

- Rider available age 50–80
- Must be issued at the time of application
- No additional premium for rider (in states where rider is approved)
- Qualifying Events:
  - When the insured has been continuously confined to a nursing home for 90 days, and the physician-certified confinement is expected to be permanent
  - When the insured is diagnosed by a physician as having a terminal condition, and has a life expectancy of 12 months or less
- Available on face amount of \$7,000 or more
- Up to 75% of eligible death benefit can be accelerated (minimum \$7,000, maximum in aggregate of all certificates of \$250,000) as a single payment
- An accelerated benefit payment is subject to an administrative fee and interest; review the rider, Form 1766 (with state variations), for complete information and provisions
- Rider not available in all states; contractual provisions may vary by state

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