

Universal Life Insurance

Financial flexibility
and protection ...
for whatever the
future brings

Life is always changing,
so you need life insurance that can change with it.

Universal Life Insurance

As time passes, we all face different challenges and opportunities – getting married, buying a home, having children. But with each stage of life, one thing stays the same: the need to protect the life you’re building for you and your loved ones.

Whatever stage of life you’re in, life insurance can help you secure your family’s future. With Colonial Life & Accident Insurance Company’s Universal Life Insurance, you have the flexibility you need to protect the life you’re building – when your needs change, when you set or attain new goals, even when unexpected challenges arise.

The Features of Universal Life Insurance

- **Provides a death benefit (to age 100) that can be paid to your beneficiaries tax-free.**
- **Offers flexible premiums and death benefit amounts.**
You can change your premium payments and/or death benefit amount to adapt to your changing needs and goals with every life stage, subject to IRS and underwriting guidelines.
- **Builds cash value at current credited interest rates.**
Cash value:
 - Is guaranteed to be credited at a minimum guaranteed interest rate of 4 percent.
 - Grows on a tax-deferred basis.
- **Offers two plan options from which to choose:**
 - Option A establishes a basic program of cash value life insurance – offers a level death benefit; builds cash value at current credited interest rates.
 - Option B offers a death benefit that increases as the policy’s cash value increases.
- **Provides access to the policy’s cash value when needed.**
 - You may borrow against your policy’s cash value or take cash withdrawals from the cash value if needed. But keep in mind that loans and withdrawals can reduce the cash value and death benefit and may even cause your policy to terminate.
- **Includes an Accelerated Death Benefit.**
 - Allows you to be advanced up to 75 percent of the death benefit, not to exceed \$150,000, upon diagnosis of a terminal illness of the insured. (State variations exist for this benefit. Please refer to your policy for details.)

The typical married couple would need to double its current coverage to meet the expert recommendation of having enough life insurance to replace income for 7 to 10 years.

- LIMRA, “Facts About Life” Fact Sheet, September 2007

It is important to remember that, as with any universal life policy, your policy’s projected cash value may change over time due to fluctuations in interest rates, changes in the cost of insurance, non-payment of premiums, or certain policy changes. We encourage you to maintain consistent premium payments and repay any outstanding loans in a timely fashion to help avoid an early termination of coverage under your policy.

To provide you with a valuable record of your policy activity, Colonial Life mails you a universal life annual report each year showing what you have paid, how much cash value you have, plus the status of any loans, interest credited, administrative charges and projected termination dates. Be sure to review the universal life annual report carefully.

More than 1 in 3 parents without life insurance say their children's college plans would end if their family's primary wage earner died.

- KRC Research, 2006, national telephone survey of Americans with children under age 18



Life insurance choices for your family

Available at an additional cost

● Your Spouse

- **Universal Life Policy:** Provide your spouse a universal life insurance policy with the same flexible features available to you – whether or not you buy a policy on yourself.
- **Spouse Term Rider:** Add term life insurance for your spouse to your policy.
 - Choose a death benefit from \$5,000 to \$50,000.
 - Choose to convert the term rider later to a cash value life insurance policy – without providing proof of good health – if the rider terminates before the spouse's 70th birthday.

● Your Children

- **Universal Life Policy for Each Eligible Child:**
 - Purchase a policy while children are young because premiums are lower.
 - They can keep the coverage even if health problems develop in the future.
 - Available whether or not you buy a policy on yourself.
 - Opportunity to increase coverage at the child's ages 18, 21 and 24 without providing proof of good health.
- **Children's Term Rider:**
 - Add term life insurance to your policy to cover all your eligible children for one premium.
 - Choose a death benefit from \$1,000 to \$10,000.
 - Choose to convert the term rider later to a cash value life insurance policy – without providing proof of the child's good health – upon your 70th birthday or the child's 25th birthday, whichever comes first.

26 percent of families with dependent children **CAN** cover expenses for only a few months if a primary wage earner dies.

- LIMRA, "Facts About Life"
Fact Sheet, September 2007

Additional Coverage Options

Help meet your individual needs by adding one or more of these optional riders to your universal life policy at an additional cost. Riders have limitations and exclusions that affect benefits payable and that may vary by state. Refer to the rider for your state for complete details.

● Accidental Death Benefit Rider

- Pays an additional benefit if you die as a result of an accidental bodily injury before age 70.
- Benefit doubles if the accidental bodily injury occurs while you are a fare-paying passenger within a public conveyance such as a subway or city bus.
- An additional 25 percent of the accidental death benefit will be paid should the insured die due to an accidental bodily injury sustained while driving or riding in a private passenger vehicle and wearing a seatbelt.

● Additional Coverage Term Rider

- Add 20-year level term coverage of up to 100 percent of your policy's death benefit.
- Choose to convert the additional coverage term rider to any new or existing cash value life insurance plan – without providing proof of good health – if the universal life policy terminates or the additional coverage term rider terminates.
- Premiums remain level for the duration of the rider.

● Guaranteed Purchase Option Rider

- Increase your universal life coverage without providing proof of good health.
- Increase your coverage under your universal life policy at the second, fifth and eighth policy years or when specified life events occur.
- Premium determined by your age at the time of the increase and amount of insurance you choose.

● Waiver of Monthly Deductions Rider

- Waives all monthly deductions (cost of insurance for your universal life policy and any riders) if you become totally disabled before age 65 and you satisfy the six-month (180 days in MO) elimination period.
- Premiums waived by this provision don't have to be repaid.
- Your policy's cash value remains intact and continues earning interest.

Your Universal Life Benefits Outline

Name-Primary _____ Age _____ Tobacco / Nontobacco
 Name-Spouse _____ Age _____ Tobacco / Nontobacco
 Name-Juvenile _____ Age _____ Tobacco / Nontobacco*

	Primary	Spouse	Juvenile*
	<input type="radio"/> Option A	<input type="radio"/> Option A	<input type="radio"/> Option A
	<input type="radio"/> Option B	<input type="radio"/> Option B	<input type="radio"/> Option B
Initial Death Benefit	\$ _____	\$ _____	\$ _____
Cash Value at Age 65 Based on Guaranteed Rate of 4%	\$ _____	\$ _____	\$ _____
Death Benefit at Age 65 Based on Guaranteed Rate of 4%	\$ _____	\$ _____	\$ _____

**Only applies to full-time dependent students aged 18-24 who are issued an adult policy*

Your Universal Life Premiums

Policy Premium	<input type="radio"/> Weekly	\$ _____	\$ _____	\$ _____
	<input type="radio"/> Monthly			
Spouse Term Rider		\$ _____	\$ _____	
\$ _____ Death Benefit				
Children's Term Rider		\$ _____	\$ _____	
\$ _____ Death Benefit				
Accidental Death Benefit Rider		\$ _____	\$ _____	\$ _____
Additional Coverage Term Rider		\$ _____	\$ _____	\$ _____
\$ _____ Death Benefit				
Guaranteed Purchase Option Rider		\$ _____	\$ _____	\$ _____
Waiver of Monthly Deductions Rider		\$ _____	\$ _____	\$ _____
TOTAL PREMIUM		\$ _____	\$ _____	\$ _____

This worksheet assumes that illustrated interest and cost of insurance rates remain unchanged. Current interest rates may be changed by the company on a monthly basis. Current cost of insurance rates is lower than or equal to the maximum cost of insurance rates for your current age. We cannot change your rates due to a deterioration of your health. Any rate change must be made on everyone your age in your state.

This brochure is applicable to policy forms ICC07-UL1000 / UL1000 and rider forms ICC07-R-UL-ACDTH / R-UL-ACDTH, ICC07-R-UL-ACR / R-UL-ACR, ICC07-R-UL-CTR / R-UL-CTR, ICC08-R-UL-GPO / R-UL-GPO, ICC07-R-UL-STR / R-UL-STR, ICC07-R-UL-WOMD / R-UL-WOMD and applicable state versions.

Exclusions and Limitations

If the insured commits suicide within two years (one year in Missouri and North Dakota) from the coverage effective date or the date of reinstatement (not applicable in Louisiana), whether he is sane or insane, we will not pay the death benefit. We will terminate this policy and return the premiums paid minus any loans, loan interest and withdrawals to you. We will not pay any increases in death benefits if the insured commits suicide, whether he is sane or insane, within two years (one year in Missouri and North Dakota) from the coverage effective date of the increase. Our only obligation will be to refund the premiums paid for the increase in the event of suicide. You will receive a policy summary or illustration (whichever is applicable in your state) when your policy is issued. This policy has exclusions, reductions of benefits and terms under which the policy may be continued in force or discontinued. For costs and complete details of the coverage, call or write your insurance agent or the company.



Colonial Life
 1200 Colonial Life Boulevard
 Columbia, South Carolina 29210
 coloniallife.com

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Colonial Life products are underwritten by Colonial Life & Accident Insurance Company, for which Colonial Life is the marketing brand.

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