

# Now Available on ADDvantage<sup>®</sup> Term: Critical, Chronic, and Terminal Illness Endorsements

North American is pleased to announce the addition of the accelerated death benefit endorsements for critical, chronic, and terminal illness on the ADDvantage<sup>®</sup> Term product, effective September 24, 2018.

These endorsements will be included at policy issue for **no additional premium**<sup>1</sup> on all ADDvantage Term policies, subject to eligibility requirements. These valuable benefits are now added with no change to the premium rates. North American is one of the few carriers to offer these benefits on competitively priced term insurance.

## Accelerated Death Benefit Endorsement (ADBE) Highlights

- The maximum that can be accelerated is \$2 million (lifetime maximum for critical, chronic, and terminal illness combined per policy).
- Limits on terminal illness have increased to 90% or \$1 million.
- Qualifying chronic illnesses do not need to be permanent.

## ADDvantage Term Highlights

- NEW Accelerated death benefit endorsement for critical, chronic, and terminal illnesses included at no extra cost, subject to eligibility requirements
- Offers 10, 15, 20 and 30-year level premium guarantee periods, depending on issue age<sup>2</sup>
- Guaranteed convertibility<sup>3</sup>
- Competitive premiums and commissions
- WriteAway<sup>®</sup> Accelerated Underwriting available

## ADBE Election

For critical illness, the minimum accelerated amount is the lesser of 10% of the face amount on the election date or \$100,000. The maximum per election is 90% of the face amount on the election date, up to \$1 million.

For chronic illness, the minimum accelerated amount per election, except the final election, is 5% of the face amount on the initial election date, or \$50,000, whichever is less. The maximum per election is 24% of the face amount on the initial election date or \$480,000, whichever is less. One election is available every 12 months. The face amount on the initial election date is used to determine the maximum accelerated death benefit and the residual death benefit. The residual death benefit is the greater of 5% of the policy face amount on the initial election date or \$10,000. The residual death benefit only applies to accelerated death benefits for chronic illness.



Our evaluation of the insured's health at the time of claim may be based upon several sources including our underwriting manual, published survival rates from medical data, reinsurer review, medical records, and any other underwriting techniques we may be using at the time of election when determining the payout.

### Upcoming Webinar

- [September 24 at 10 a.m. CDT – Living Benefits on ADDvantage Term](#)

### Availability

Starting **September 24, 2018**, ADDvantage Term illustrations ran via North American's Web-based Illustrations will include the new Accelerated Death Benefit Endorsement. It will also be available on the SimpleSubmit® e-app. ADDvantage Term with the new Accelerated Death Benefit Endorsement will not be added to North American's desktop software, NACIS.

The new endorsements on ADDvantage Term are available in all states EXCEPT California and Florida.

### Current Pending Business

Existing applications signed on or after August 13, 2018 that are currently being processed in New Business or Policy Change but have not yet released are eligible to receive ADBE for Term Life. Please note, the policy must go paid on or after September 24, 2018 to be eligible.

- If a policy is released from New Business on or after September 24, 2018, the policy will include ADBE, subject to eligibility requirements. However, if the policy was issued prior to September 24, 2018, the endorsement form and disclosures will not print with the policy. They will be sent to the policyowner at a later date.
- If a policy is pending (not yet issued or placed in force) on or after September 24, 2018, the policy will receive ADBE for Term Life, subject to eligibility requirements. The endorsement form and disclosures will print with the policy.
- If the policy is released from New Business prior to September 24, 2018, the ADBE can be added through the normal internal policy exchange guidelines if approved through underwriting.
- **NEW JERSEY:** Applications must be started (with a new kit) and signed on or after September 24, 2018 to receive the new ADBE for Term Life. Applications that are signed prior to September 24, 2018 in New Jersey will be required to submit a new application in order to obtain the new ADBE.

### More Information

To learn more about the enhancements to ADDvantage Term, please contact Sales Development at 800-800-3656 Ext. 10411 or [SalesSupport@nacolah.com](mailto:SalesSupport@nacolah.com).



1. The face amount will be reduced by the face amount of the death benefit accelerated. Since benefits are paid prior to death, a discount will be applied to the death benefit accelerated. As a result, the actual amount received will be less than the face amount accelerated. An administrative fee applies for any accelerated death benefit election.
2. Premiums are guaranteed to remain level for the initial 10, 15, 20, or 30 year period. After the premium guarantee period, premiums will increase annually but will never exceed the Guaranteed Annual Renewal Premium.
3. Guaranteed convertible to an individual permanent life insurance policy then available from North American for Conversion, subject to the terms of the policy.

When a term policy is converted to a permanent policy within the first five policy years, we may add the chronic and/or critical benefit without any additional underwriting requirements as long as the policy meets the qualifications listed in the eligibility section of each benefit. **This conversion privilege is current company practice and not a guaranteed feature or benefit.** For converted policies beyond the fifth policy year, the insured can submit evidence of insurability to apply for both the chronic and critical illness accelerated benefit. A change in health will not affect base policy rates; only the availability of the accelerated death benefit endorsement. When a term policy is converted on or after policy year six, we can add an accelerated death benefit endorsement if the insured fully completes the required policy conversion form, and the new policy meets the qualifications listed in the eligibility section for each benefit. The agent must provide an accelerated death benefit disclosure form to the owner at time of application for conversion. The agent must return a signed and dated copy to North American along with the conversion application form in the states of MA and VA.

ADDvantage Term (policy form series LS174) and Accelerated Death Benefit Endorsement for Critical, Chronic, and Terminal Illness for Term Life (form series LS508), are issued by North American, Administrative Office, One Sammons Plaza, Sioux Falls, SD 57193. Products, features, riders, endorsements, or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.