



DON BOOZER & ASSOCIATES

P: 800-543-0886 F: 940-315-8434

Email: NewBusiness@DonBoozer.com

TeleLife® Application Transmittal

Agent Information

Agent Name:

Appointment #:

Agent Phone:

Email:

Required Forms

- Pre-Application
- Replacement
- Pre-Authorized Withdrawal
- Application Supplement Part 1
- Full Illustration, (UL only)
- Checklist provided to client**

✦ **Signature Requirements:** Agent signature required on all forms [applicants signature optional at time of sale] Include any State Required forms contained in packet. Note: all forms provided may not be applicable

General Compliance

- Insured & Owner personal information complete & correct
- Indicate Death Benefit, Plan of Insurance, Rate Class & Premium Quoted
- Mark the 3 Agent Attestation Questions on the bottom of the pre-app. Print Agent Name, Agent code, Sign and Date
- Obtain Owner's signature if other than proposed insured
- ✦ **Do Not Order the Exam.** TeleLife will order upon completion of the interview

Premium Source

- ◆ Pre-Authorized Withdrawal [PAW] of premium – Include a completed PAW form [PL-104]
- ◆ Indicate Initial and Future draft dates
- ✦ **Binding Coverage** – options are bank draft [PAW] or credit card. [Credit card information will be collected during the phone interview]

Special Instructions



Applicant's Checklist

Thank you for using TeleLife to apply for life insurance. A Protective Life representative will contact you soon to complete your application by phone.

During the phone interview, you will be asked some routine questions [name, address, employer, income, etc.] along with several questions about your medical history. To complete the phone interview as quickly as possible, please have the following information available:

Personal Information

- ◆ Social Security and Driver's License number
- ◆ Other existing or pending life insurance policies, including company name coverage amounts, and policy numbers if available
- ◆ Type of Visa, Visa number and expiration date, if you are not a U.S. Citizen
- ◆ Payment information for initial or recurring premium payment(s) [checking, savings, or credit card account information,] if applicable.

Medical Information

- ◆ Name, address and phone number of your doctor(s) and hospital(s)
- ◆ Current treatment you receive by any doctor or hospital; including your medications, dosages, and reasons
- ◆ Reasons for past treatment, with date(s)
- ◆ Additional tests you have been advised to take and elective exam(s) or procedure(s) that have been scheduled.

PROCESSING CENTER CONTACT INFORMATION

Phone Interview number: 1-888-800-6608

Hours of Operation M-F 7:00am – 8:00pm CT
Saturday 9:00am -2pm CT

Policy Number

APPLICATION FOR INDIVIDUAL LIFE INSURANCE

Proposed Primary Insured Proposed Other Insured

Name Last First MI Male Female

Street

City State Zip

Social Security Number Occupation

Birthplace Birthdate Driver's License #

Home Phone () Cell Phone () Business Phone ()

Where do you wish to be reached for additional information?
 Home Work Cell Best times: a.m. p.m.

Annual Income Net Worth

Initial Death Benefit \$

Plan of Insurance:

Riders: WP ADB CTR Other: _____
 Indicate Amount for Riders: \$ _____

Mode of Premium Payment: Annual SA Qtrly PAC
 Rate Class Quoted: _____ Premium Quoted: _____

Amount remitted with this application, in exchange for this Company receipt: \$

Owner, if other than proposed insured Owner's Address

Relationship to Proposed Insured Social Security or Tax ID #

Primary Beneficiary (name, relationship and percentage)

Contingent Beneficiary (name, relationship and percentage)

Will this policy replace or change any existing life insurance or annuity in force? Yes No

Does the applicant have existing life insurance policies or annuity contracts other than group insurance in force? Yes No
 If yes, list below:

Company Names	Face Amount	Year Issued	To Be Replaced?
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

Do you have an application pending in another company? Yes No

Have you ever had any life or health insurance declined, postponed or offered other than as applied for? Yes No

Is Proposed Insured a U.S. Citizen? Yes No

Has Proposed Insured used tobacco in any form in the past 12 months? Yes No 36 months? Yes No 60 months? Yes No

Special Request:

Any person who knowingly with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties according to state law.

Authorization To Obtain And Disclose Information: I (we) hereby authorize: any licensed physician or medical practitioner; hospital, clinic, and insurance companies; and the Medical Information Bureau to give Protective Life Insurance Company, its affiliates, or their reinsurers or the Medical Information Bureau, my medical information. I (we) understand the information obtained by use of this Authorization will be used by the Company to determine eligibility for insurance. **This authorization excludes the results for HIV if the applicant has not developed symptoms of the disease AIDS. Such test results shall not be discovered or published. Nothing in this caveat will prohibit this authorization from including that the applicant has AIDS.** This authorization is valid for two years from the date this form is signed. An exact copy of this authorization is as valid as the original. I (we) have read all the questions and answers in the application. All responses are true and complete to the best of my (our) knowledge and belief. I (we) have received the notification about the Federal Fair Credit Reporting Act and the Medical Information Bureau. No coverage will be in effect until: a full application has been signed by the proposed insured; and a policy has been issued; and the full first premium has been received by the company; and any amendments are signed. Any coverage will be subject to the terms and conditions of the policy. I (we) understand that I (we) have the right to revoke the authorization by writing to Protective Life Insurance at P.O. Box 2606; Birmingham, Alabama 35283-2606. If this authorization is revoked, this would result in the file being closed and no coverage provided. The failure to sign the authorization statement may impair the ability of a regulated insurance agency to evaluate claims or process applications and may be a basis for denying an application or claim for benefits. I (we) know that I or my authorized representative may request and receive a copy of the authorization.

Signed at: (city and state) _____ Signature of Proposed Insured (if age 18 or over) _____
Date signed: (month/day/year) _____ Signature of Owner/Applicant, if other than Proposed Insured _____

Agent: To the best of your knowledge will this policy replace or change any existing life insurance or annuity policy(ies)? Yes No
(If "Yes," complete any required replacement forms.)
Has the Owner been provided an illustration which conforms to this application? Yes No
If "no," agent hereby certifies that no illustration was used in connection with the solicitation of the policy applied for.
Is there any third party other than the proposed insured that will obtain any ownership rights on any policy issued as a result of this application? Yes No

Print Agent's Name/Social Security Number or Agent Code _____ Agent's Signature _____ Date _____
Agent's Telephone Number _____ Agent's Email Address _____



Protective Life Insurance Company
P.O. Box 830619
Birmingham, AL 35283-0619

SUPPLEMENT TO LIFE INSURANCE APPLICATION APPLICATION SUPPLEMENT - PART I

The statements and answers to the questions listed below shall become a part of the attached application; shall be subject to the terms of the attached application; and shall become a part of any policy based on this application.

Print Name of Proposed Insured(s):

- For any policy to be issued as a result of this application:
(1) Will anyone other than the Insured, his or her family, or employer/business partner pay any portion of the initial or future premiums or obtain any right, title or interest in this policy?
(2) Will any portion of the initial or future premiums be borrowed, loaned or otherwise financed?
(3) Will a trust, including family trust, own this policy?
(4) Is the Proposed Insured age 65 or older AND total coverage applied for across all Protective companies \$1,000,000 or more?

SIGNATURES

I (We) have read or have had read to me (us) the completed Supplement before signing below. All statements and answers in the Supplement are correctly recorded and are full, complete and true to the best of my (our) knowledge and belief. I (We) understand that the information being provided in this Supplement is being relied upon in considering the application for life insurance and is subject to the applicable Fraud Statement as provided in the Application for Life Insurance.

Signed in (State) this day of (Month) (Year)

Signature(s) of Proposed Insured(s):
Signature(s) of Owner(s)/Trustee(s):
Signature of Witness:

PRODUCER CERTIFICATION

By signing below, I hereby certify that to the best of my knowledge and belief, the information provided herein is complete, accurate, and correct and that the life insurance being applied for conforms to the Company's guidelines.

Signed at: (City and State) Date

X Producer Signature Producer Name (Print)

- Term
- UL
- VUL

PROTECTIVE LIFE INSURANCE COMPANY
P.O. Box 830619, Birmingham, AL 35283-0619

CONDITIONAL RECEIPT AGREEMENT

This agreement provides only a limited amount of insurance, for a limited period of time, and then only if all the terms and conditions of this agreement are met. No Agent of Protective Life Insurance Company (the Company) can alter or waive any of the provisions of this Agreement. No life insurance is provided under the terms of this document in the event of the death of the proposed insured(s) by suicide. In the event of suicide, while sane or insane, the Company's sole liability will be the return of any money received.

Initial Payment Method Received: Pre-Authorized Funds Withdrawal

An application for life insurance on each person proposed for insurance is being made today to the Company. This conditional payment is received under and is subject to the exact conditions set out below, all of which are a part of this Agreement.

DO NOT MAKE CHECKS PAYABLE TO THE AGENT OR LEAVE THE PAYEE BLANK. CASH, MONEY ORDERS AND CASHIER'S CHECKS WILL NOT BE ACCEPTED. ALL PREMIUM CHECKS MUST BE MADE PAYABLE TO PROTECTIVE LIFE INSURANCE COMPANY.

NOTE: Premium may not be collected (1) where the face amount applied for plus any in force life insurance and accidental death benefits (including those applied for) on the Proposed Insured (s) with the Company and its affiliates exceeds \$1,000,000; OR (2) on Proposed Insured(s) under 15 days of age or over age 80; OR (3) for cases in which the Proposed Insured(s) intends to leave the United States within the next 60 days. Any premium received under (1), (2) or (3) of this note will be refunded.

CONDITIONS UNDER WHICH INSURANCE MAY BECOME EFFECTIVE PRIOR TO POLICY DELIVERY

Unless each and every condition below has been fulfilled exactly, no insurance will become effective prior to policy delivery to the Owner:

- (A) on the Effective Date the Proposed Insured(s) is (are) insurable exactly as applied for under the Company's published underwriting rules for the plan, amount and premium rate class applied for;
- (B) the amount paid with the application and shown above is equal to the first full modal premium for the plan, amount and premium rate class applied for; and
- (C) the Proposed Insured(s) has/have completed all examinations and/or tests requested by the Company.

EFFECTIVE DATE OF COVERAGE

Insurance issued based on the application will take effect on the latest of:

- (A) the date of the application;
- (B) the date requested in the application; or
- (C) the date of the last of any medical examinations or tests required under the rules and practices of the Company.

AMOUNT OF COVERAGE - \$1,000,000 MAXIMUM (per Proposed Insured)

The total amount of insurance on Proposed Insured(s) which may become effective prior to delivery of the policy to the Owner **shall not exceed \$1,000,000** with the Company and its affiliates. This amount includes other life insurance and accidental death benefits on such Proposed Insured(s) currently in force and applied for with the Company and its affiliates.

TERMINATION AND REFUND OF PREMIUM

There shall be no insurance coverage under this Agreement and this Agreement shall be void if:

- (A) premium payment is
 - (1) by Pre-Authorized Funds Withdrawal, and the deduction is not honored by the financial institution.
 - (2) by Check, and the deduction is not honored by the financial institution.
- (B) if the application to which this Agreement was attached is not approved as applied for by the Company within ninety days from its date, the Company's only liability in such event(s) will be to return any money received.

NOTICE TO APPLICANT: You should retain a copy of this Agreement. The Original will be retained by Protective Life Insurance Company.

By my signature I am attesting that I understand the terms and conditions of the Conditional Receipt Agreement. I am also authorizing the Company to withdraw the amount of \$_____ from my account to pay the initial premium for the application on (Name of Proposed Insured)

Date: _____ Agent Signature: _____

Date: _____ Owner Signature: _____

ALL MONIES WILL BE DRAFTED/DEPOSITED IMMEDIATELY UPON RECEIPT OF THIS FORM.



P. O. Box 830619
Birmingham, AL 35283-0619

PRE-AUTHORIZED WITHDRAWAL AGREEMENT
FOR DRAFTING OF PREMIUM PAYMENTS

The person paying the premium on the life insurance policy listed below must sign this agreement.

I request and authorize Protective Life Insurance Company to draw against the account listed below to pay premiums once a policy has been issued. I understand that no coverage exists until a policy is issued or I receive a Conditional Receipt/Temporary Life Insurance Receipt.

Policy Number: _____ Name of Insured: _____

Name of Bank: _____

Street Address or P. O. Box: _____

City: _____ State: _____ Zip Code: _____

Type of Account: [] Checking [] Savings

Routing Number: _____

Account Number: _____

Premium Frequency: [] *Monthly (*Only available by bank draft) [] Quarterly
[] Semi-Annually [] Annually

[] Draft the initial premium - I understand that authorizing the drafting of the initial premium and providing the account information does not provide any life insurance coverage on myself or any applicant listed on the application for life insurance unless I have signed, dated and met the terms and conditions of the Protective Life Conditional Receipt Agreement/Temporary Life Insurance Receipt.

If the Company receives a Conditional/Temporary Receipt with this form your premium will be drafted immediately and you will be provided with conditional coverage subject to limited terms and conditions.

Variable life insurance premiums will not be deducted unless a policy is issued.

I request future drafts be made on the _____ day of the month. (The draft date must be on or before the policy effective date.) (1st-28th)

Premium Payer - Depositor (Please Print)

Date

Signature

PLEASE INCLUDE A VOIDED CHECK WITH APPLICATION. IF THIS IS TO DRAFT FROM A BROKERAGE ACCOUNT, A VOIDED CHECK IS NOT NECESSARY. DO NOT USE STAPLES.

IMPORTANT NOTICE: REPLACEMENT OF LIFE INSURANCE OR ANNUITIES

This document must be signed by the applicant and the insurance producer/agent, if there is one, and a copy left with the applicant.

You are contemplating the purchase of a life insurance policy or annuity contract. In some cases this purchase may involve discontinuing or changing an existing policy or contract. If so, a replacement is occurring. Financed purchases are also considered replacements.

A replacement occurs when a new life insurance policy or annuity contract is purchased and, in connection with the sale, you discontinue making premium payments on the existing life insurance policy or annuity contract, or an existing life insurance policy or annuity contract is surrendered, forfeited, assigned to the replacing insurer, or otherwise terminated or used in a financed purchase.

A financed purchase occurs when the purchase of a new life insurance policy involves the use of funds obtained by the withdrawal or surrender of or by borrowing some or all of the life insurance policy values, including accumulated dividends, of an existing life insurance policy, to pay all or part of any premium or payment due on the new life insurance policy. A financed purchase is a replacement.

You should carefully consider whether a replacement is in your best interests. You will pay acquisition costs and there may be surrender costs deducted from your life insurance policy or annuity contract. You may be able to make changes to your existing life insurance policy or annuity contract to meet your insurance needs at less cost. A financed purchase will reduce the value of your existing life insurance policy and may reduce the amount paid upon the death of the insured.

We want you to understand the effects of replacements and ask that you answer the following questions and consider the questions on the back of this form.

1. Are you considering discontinuing making premium payments, surrendering, forfeiting, assigning to the insurer, or otherwise terminating your existing life insurance policy or annuity contract? Yes No
2. Are you considering using funds from your existing policies or annuity contracts to pay premiums due on the new life insurance policy or annuity contract? Yes No

If you answered "yes" to either of the above questions, list each existing life insurance policy or annuity contract you are contemplating replacing (include the name of the insurer, the insured or annuitant, and the life insurance policy or annuity contract number if available) and whether each life insurance policy or annuity contract will be replaced or used as a source of financing:

INSURER NAME	ANNUITY CONTRACT OR LIFE INSURANCE POLICY #	INSURED OR ANNUITANT	REPLACED (R) OR FINANCING (F)
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

Make sure you know the facts. Contact your existing company or its insurance producer/agent for information about the old life insurance policy or annuity contract. If you request one, an in-force illustration, life insurance policy summary or available disclosure documents must be sent to you by the existing insurer. Ask for and keep all sales material used by the insurance producer/agent in the sales presentation. Be sure that you make an informed decision.

The existing life insurance policy or annuity contract is being replaced because _____.

I certify that the responses herein are, to the best of my knowledge, accurate:

Applicant's Signature	Printed Name	Date
Insurance Producer's/Agent Signature	Printed Name	Date

I do not want this notice read aloud to me _____ (Applicants must initial only if they do not want the notice read aloud.)

A replacement may not be in your best interest, or your decision could be a good one. You should make a careful comparison of the costs and benefits of your existing life insurance policy or annuity contract and the proposed life insurance policy or annuity contract. One way to do this is to ask the company or insurance producer/agent that sold you your existing life insurance policy or annuity contract to provide you with information concerning your existing life insurance policy or annuity contract. This may include an illustration of how your existing life insurance policy or annuity contract is working now and how it would perform in the future based on certain assumptions. Illustrations should not, however, be used as a sole basis to compare policies or annuity contracts. You should discuss the following with your agent to determine whether replacement or financing your purchase makes sense:

PREMIUMS:

Are they affordable?

Could they change?

You're older – are premiums higher for the proposed new life insurance policy?

How long will you have to pay premiums on the new life insurance policy? On the old life insurance policy?

POLICY VALUES:

New policies usually take longer to build cash values and to pay dividends.

Acquisition costs for the old life insurance policy may have been paid; you will incur costs for the new one.

What surrender charges do the policies have?

What expense and sales charges will you pay on the new life insurance policy?

Does the new life insurance policy provide more insurance coverage?

INSURABILITY:

If your health has changed since you bought your old life insurance policy, the new one could cost you more, or you could be turned down.

You may need a medical exam for a new life insurance policy.

(Claims on most new policies for up to the first two years can be denied based on inaccurate statements.)

Suicide limitations may begin anew on the coverage.)

IF YOU ARE KEEPING THE OLD LIFE INSURANCE POLICY AS WELL AS THE NEW LIFE INSURANCE POLICY:

How are premiums for both policies being paid?

How will the premiums on your existing life insurance policy be affected?

Will a loan be deducted from death benefits?

What values from the old life insurance policy are being used to pay premiums?

IF YOU ARE SURRENDERING AN ANNUITY OR INTEREST SENSITIVE LIFE PRODUCT:

Will you pay surrender charges on your old annuity contract?

What are the interest rate guarantees for the new annuity contract?

Have you compared the annuity contract charges or other life insurance policy expenses?

OTHER ISSUES TO CONSIDER FOR ALL TRANSACTIONS:

What are the tax consequences of buying the new life insurance policy?

Is this a tax-free exchange? (See your tax advisor.)

Is there a benefit from favorable "grandfathered" treatment of the old life insurance policy under the Federal Internal Revenue Tax Code?

Will the existing insurer be willing to modify the old life insurance policy?

How does the quality and financial stability of the new company compare with your existing company?

COMPLETE IF SELECTING INCOME PROVIDER UL

Protective Life Insurance Company
P.O. Box 830619 • Birmingham, Alabama 35283-0619

Supplemental Application - Pre-Determined Death Benefit Payout Endorsement

Proposed Insured: _____

1. I wish to elect the Pre-Determined Death Benefit Payout Endorsement.
2. Please indicate the desired Death Benefit Payment Schedule:

Initial Lump Sum (if any): \$ _____

Benefit Installment Mode / Amount / Duration: ___ Annual \$ _____ for _____ Years
(please select either annual or monthly mode) ___ Monthly \$ _____ for _____ Years

For Annual, would you like to specify the date the beneficiary receives benefit? Yes ___ No ___
If Yes, what date? _____ (MM/DD). If no date chosen, beneficiary will receive benefit on the anniversary of the original claim processing date.

For Monthly, would you like to specify the day of the month the beneficiary receives benefit? Yes ___ No ___
If Yes, what day? _____ (1-28). If no day chosen, beneficiary will receive benefit on the day of the month of the original claim processing date.

3. Beneficiary: If multiple beneficiaries named, shares of both the initial lump sum and each installment will be equally divided among the surviving beneficiaries, unless otherwise specified.

Primary	Relationship	% of Initial Lump Sum (if any)	% of Benefit Installment Amount
Contingent	Relationship	% of Initial Lump Sum (if any)	% of Benefit Installment Amount

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding a company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Signed at: _____
(City/State)

Signature of Proposed Insured

Date

Signature of Owner

Date

Signature of Agent

Date



Protective Life and Annuity Insurance Company
Protective Life Insurance Company
P.O. Box 830619
Birmingham, AL 35283-0619

ELECTRONIC POLICY DELIVERY ELECTION FORM

Protective Life offers Electronic Policy Delivery (EPD), the option to receive your policy in an electronic printable format instead of paper. The policy will be electronically sent to you by email and stored on our secure Customer Service website, www.myaccount.protective.com, which is available 24 hours a day.

How Electronic Policy Delivery will work for you:

- The EPD process is quick, easy and safe.
- You can save, print, and review your policy online 24 hours a day, 7 days a week.
- Your policy will be safely stored on our secure website for convenient easy access.
- You can make your initial payment online by bank draft or credit card.

How to sign up for Electronic Policy Delivery:

1. Provide your email address below.
2. Return this form with your application for life insurance.

By providing my email address, I am requesting my policy to be delivered through Electronic Policy Delivery.

Email Address for Proposed Insured

Email Address for Owner
(If the owner is other than the proposed insured)

LIFE INSURANCE BUYER'S GUIDE

This guide can show you how to save money when you shop for life insurance. It helps you to:

- * Decide how much life insurance you should buy,
- * Decide what kind of life insurance policy you need, and
- * Compare the cost of similar life insurance policies.

Prepared by the
Maine Bureau of Insurance

Reprinted by
Protective Life Insurance Company
December, 1999

THIS GUIDE DOES NOT ENDORSE ANY COMPANY OR POLICY.

BUYING LIFE INSURANCE

When you buy life insurance, you want a policy which fits your needs without costing too much.

First, decide how much you need - and for how long - and what you can afford to pay. Keep in mind the major reason you buy life insurance is to cover the financial effects of unexpected or untimely death. Life insurance can also be one of many ways you plan for the future.

Next, learn what kinds of policies will meet your needs and pick the one that best suits you.

Then, choose the combination of policy premium and benefits that emphasizes protection in case of early death, or benefits in case of long life, or a combination of both.

A good life insurance producer, consultant, or company will be able and willing to help you with each of these shopping steps.

If you are going to make a good choice when you buy life insurance, you need to understand which kinds are available. If one kind does not seem to fit your needs, ask about the other kinds which are described in this guide. If you feel that you need more information than is given here, you may want to check with a life insurance producer, consultant, or company or books on life insurance in your public library.

WHAT ABOUT THE POLICY YOU HAVE NOW

If you are thinking about dropping a life insurance policy, here are some things you should consider:

- * If you decide to replace your policy, don't cancel your old policy until you have received the new one. You then have a minimum period to review your new policy and decide if it is what you wanted.
- * It may be costly to replace a policy. Much of what you paid in the early years of the policy you have now, paid for the company's cost of selling and issuing the policy. You may pay this type of cost again if you buy a new policy.
- * Ask your tax advisor if dropping your policy could affect your income taxes.
- * If you are older or your health has changed, premiums for the new policy will often be higher. You will not be able to buy a new policy if you are not insurable.
- * You may have valuable rights and benefits in the policy you now have that are not in the new one.
- * If the policy you have now no longer meets your needs, you may not have to replace it. You might be able to change your policy or add to it to get the coverage or benefits you now want.

- * At least in the beginning, a policy may pay no benefits for some causes of death covered in the policy you have now.

In all cases, if you are thinking of buying a new policy, check with the agent or company that issued you the one you have now. When you bought your old policy, you may have seen an illustration of the benefits of your policy. Before replacing your policy, ask your agent or company for an updated illustration. Check to see how the policy has performed and what you might expect in the future, based on the amounts the company is paying now.

HOW MUCH DO YOU NEED

Here are some questions to ask yourself:

- * How much of the family income do I provide? If I were to die early, how would my survivors, especially my children, get by? Does anyone else depend on me financially, such as a parent, grandparent, brother or sister?
- * Do I have children for whom I'd like to set aside money to finish their education in the event of my death?
- * How will my family pay final expenses and repay debts after my death?
- * Do I have family members or organizations to whom I would like to leave money?
- * Will there be estate taxes to pay after my death?
- * How will inflation affect future needs?

As you figure out what you have to meet these needs, count the life insurance you have now, including any group insurance where you work or veteran's insurance. Don't forget Social Security and pension plan survivor's benefits. Add other assets you have: savings, investments, real estate and personal property. Which assets would your family sell or cash in to pay expenses after your death?

CHOOSING THE RIGHT KIND

All life insurance policies agree to pay an amount of money if you die. But all policies are not the same. There are two basic kinds of life insurance.

1. Term insurance
2. Cash Value Life Insurance

Term Insurance

Term insurance is death protection for a "term" of one or more years. Death benefits will be paid only if you die within that term of years. Term insurance generally provides the largest immediate death protection for your premium dollar.

Some term insurance policies are "renewable" for one or more additional terms even if your health has changed. Each time you renew the policy for a new term premiums will be higher. You should check the premiums at older ages and the length of time the policy can be continued.

Some term insurance policies are also "convertible." This means that before the end of the conversion period, you may trade the term policy for a cash value policy even if you are not in good health. Premiums for the new policy will be higher than you have been paying for the term insurance.

Cash Value Life Insurance

Cash Value Life Insurance is a type of insurance where the premiums charged are higher at the beginning than they would be for the same amount of term insurance. The part of the premium that is not used for the cost of insurance is invested by the company and builds up a cash value that may be used in a variety of ways. You may borrow against a policy's cash value by taking a policy loan. If you don't pay back the loan and the interest on it, the amount you owe will be subtracted from the benefits when you die, or from the cash value if you stop paying premiums and take out the remaining cash value. You can also use your cash value to keep insurance protection for a limited time or to buy a reduced amount without having to pay more premiums. You also can use the cash value to increase your income in retirement or to help pay for needs such as a child's tuition without canceling-the policy. However, to build up this cash value, you must pay higher premiums in the earlier years of the policy. Cash value life insurance may be one of several types: whole life, universal life and variable life are all types of cash value insurance.

Whole Life Insurance gives death protection for as long as you live. The most common type is called "straight life" or "ordinary life" insurance, for which you pay the same premiums for as long as you live. These premiums can be several times higher than you would pay initially for the same amount of term insurance. But they are smaller than the premiums you would eventually pay if you were to keep renewing a term insurance policy until your later years.

Some whole life policies let you pay premiums for a shorter period such as 20 years, or until age 65. Premiums for those policies are higher than for ordinary life insurance since the premium payments are squeezed into a shorter period.

Universal Life Insurance is a kind of flexible policy that lets you vary your premium payments. You can also adjust the face amount of your coverage. Increases may require proof that you qualify for the new death benefit. The premiums you pay (less expense charges) go into a policy account that earns interest. Charges are deducted from the account. If your yearly premium payment plus the interest your account earns is less than the charges, your account value will become lower. If it keeps dropping, eventually your coverage will end. To prevent that, you may need to start making premium payments, or increase your premium payments, or lower your death benefits. Even if there is enough in your account to pay the premiums, continuing to pay premiums yourself means that you build up more cash value.

Variable Life Insurance is a kind of insurance where the death benefits and cash values depend on the investment performance of one or more separate accounts, which may be invested in mutual funds or other investments allowed under the policy. Be sure to get the prospectus from the company when buying this kind of policy and **STUDY IT CAREFULLY**. You will have higher death benefits and cash value if the underlying investments do well. Your benefits and cash value will be lower or may disappear if the investments you chose didn't do as well as you expected. You may pay an extra premium for a guaranteed death benefit.

FINDING A GOOD VALUE IN LIFE INSURANCE

After you have decided which kind of life insurance is best for you, compare similar policies from different companies to find which one is likely to give you the best value for your money. A simple comparison of the premiums is not enough. There are other things to consider. For example:

- * Do premiums or benefits vary from year to year?
- * How much do the benefits build up in the policy?
- * What part of the premiums or benefits is not guaranteed?
- * What is the effect of interest on money paid and received at different times on the policy?

Once you have decided which type of policy to buy, you should compare similar policies from several companies. Life insurance agents or companies should give you either a life insurance illustration, a cost comparison index, or both. Life insurance illustrations and cost comparison indexes are described below.

Remember that no one company offers the lowest cost at all ages for all kinds and amounts of insurance. You should also consider other factors:

- * How quickly does the cash value grow? Some policies have low cash values in the early years that build quickly later on. Other policies have a more level cash value build-up. A year-by-year display of values and benefits can be very helpful. (The producer or company will give you a policy summary or an illustration that will show benefits and premiums for selected years.)
- * Are there special policy features that particularly suit your needs?
- * How are nonguaranteed values calculated? For example, interest rates are important in determining policy returns. In some companies increases reflect the average interest earnings on all of that company's policies regardless of when issued. In others, the return for policies issued in a recent year, or a group of years, reflects the interest earnings on that group of policies; in this case, amounts paid are likely to change more rapidly when interest rates change.

LIFE INSURANCE ILLUSTRATIONS

You may be thinking of buying a policy where cash values, death benefits, dividends or premiums may vary based on events or situations the company does not guarantee (such as interest rates). If so, you may get an illustration from the producer or company that helps explain how the policy works. The illustration will show how the benefits that are not guaranteed will change as interest rates and other factors change. The illustration will show you what the company guarantees. It will also show you what **could** happen in the future. Remember that nobody knows what will happen in the future. You should be ready to adjust your financial plans if the cash value doesn't increase as quickly as shown in the illustration. You will be asked to sign a statement that says you understand that some of the numbers in the illustration are not guaranteed.

COST COMPARISON INDEXES

If you are provided cost comparison indexes, there will be two types:

Life Insurance Surrender Cost Index. This index is useful if you consider the level of the cash values to be of primary importance to you. It helps you compare costs if at some future point in time, such as 10 or 20 years, you were to surrender the policy and take its cash value.

Life Insurance Net Payment Cost Index. This index is useful if your main concern is the benefits that are to be paid at your death and if the level of cash values is of secondary importance to you. It helps you compare costs at some future point in time, such as 10 or 20 years, if you continue paying premiums on your policy and do not take its cash value.

How Do I Use Cost Indexes?

The most important thing to remember when using cost indexes is that a policy with a small index number is generally a better buy than a comparable policy with a larger index number. The following rules are also important:

- * Cost comparisons should only be made between similar plans of life insurance. Similar plans are those which provide essentially the same basic benefits and require premium payments for approximately the same period of time. The closer policies are to being identical, the more reliable the cost comparison will be.
- * Cost comparison indexes reflect only guaranteed benefits and premiums. If the policy has non-guaranteed elements such as dividends, the actual cost may turn out to be less than what the index reflects.
- * Compare index numbers only for the kind of policy, for your age and for the amount you intend to buy. Since no one company offers the lowest cost for all amounts of insurance, it is important that you get the indexes for the actual policy, age and amount which you intend to buy. Just because one company's policy is a good buy for a particular age and amount, you should not assume that all of that company's policies are equally good buys.
- * Small differences in index numbers could be offset by other policy features, or differences in the quality of service you may expect from the company or its agent. Therefore, when you find small differences in cost indexes, your choice should be based on something other than cost.
- * In any event, you will need other information on which to base your purchase decision. Be sure you can afford the premiums, and that you understand its cash values, dividends and death benefits. You should also make a judgment on how well the life insurance company or agent will provide service in the future to you as a policyholder.
- * These life insurance cost indexes apply to new policies and should not be used to determine whether you should drop a policy you have already owned for a while, in favor of a new one. If such a replacement is suggested, you should ask for information from the company which issued the old policy before you take action.