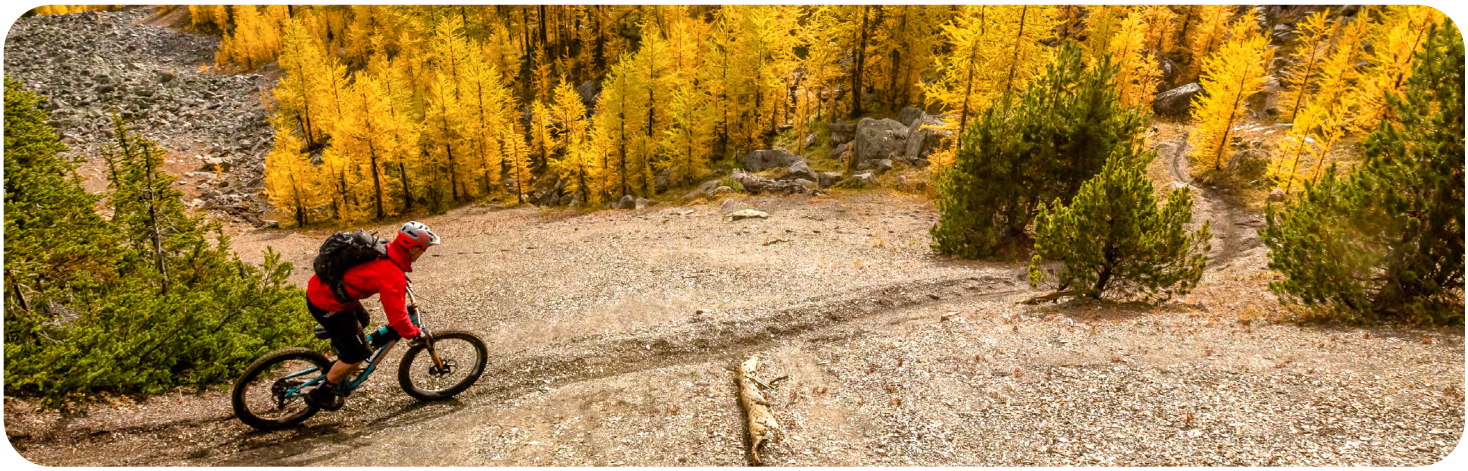
# Term Conversion FAQs

corebridge financial



## Definition of a term conversion

1. **What is a term conversion?**
   a. A contractual right that allows the policy owner to convert a term policy to a permanent life insurance plan of the company's choosing during the term conversion period without evidence of insurability.

2. **When does the conversion right expire?**
   a. It is product specific and subject to limitations. Call our Producer Care Center to discuss 800.247.8837 or email conversioneligibility@corebridgefinancial.com.

3. **Does a conversion right expire at the end of the term duration?**
   a. Rights vary by product.

4. **What needs to be sent to the home office to be considered on time?**
   a. Signed/dated Term Conversion Request Form (AGLC101672-PL) or state-specific Inforce Change Form (see Forms Depot for form number); and
   b. Signed/dated illustration that was generated on or before the expiration date; and
   c. Both in our office on or before the conversion expiration date. NO EXCEPTIONS.

5. **Is there a grace period for submitting conversion paperwork beyond the conversion expiry date?**
   a. No. Paperwork must be received in the Home Office prior to or on the expiration date.

6. **Any recommendations on getting the conversion submitted?**
   a. Run the illustration on or prior to the conversion expiration date.
   b. Get the illustration and application signed and submitted on or before the conversion expiration date.
   c. This "gets your foot in the door." You may make changes, but have to at least get the first 2 items to us on or before the term conversion expiration date.

### Available resources

www.corebridgefinancial.com/Connext

- Underwriting Tab –> Submitting and Issuance –> Term Conversions
- Resources Tab for State Approvals
- Inforce tile on My Business Dashboard for information on the term policy
- Forms Depot for needed forms

7. **Who do I contact for help with a term conversion?**
   a. Eligibility: *conversioneligibility@corebridgefinancial.com*
   b. Submit New Applications (paperwork only): *conversionapp@corebridgefinancial.com*
   c. Submit Outstanding Requirements (paperwork only): *conversionreq@corebridgefinancial.com*
   d. For Case Status and Updates: *term.conversion.support@corebridgefinancial.com*
   e. Producer Care Center: 800.247.8837

Policies issued by **American General Life Insurance Company** (AGL), Houston, TX except in New York, where issued by **The United States Life Insurance Company in the City of New York** (US Life).

## Getting started

**8. Where do I find a listing of products available?**

a. Email the conversion eligibility box: conversioneligibility@corebridgefinancial.com.
b. Assume a 24-hour turnaround time on all inquires to the box.

**9. Is there a "Tip Sheet" I can use?**

If you know the following before you start a term conversion, chances are your conversion will be considered In Good Order and completed quickly.

1. Conversion Expiration Date.
2. Minimum Face Requirement of Term Policy (if term is to remain inforce after conversion).
3. UW Class, including any table ratings.
4. Date of Birth.
5. Paid to Date of Term Plan.
6. Current Billing Mode and Frequency.
7. If Bank Draft – bank name, account number, routing number and draft day.
8. Any Term Riders.
9. Owner of the Term.

## Products

**10. Can I use any product for a term conversion?**

Product availability depends on product and length of term.

| Term Plan | Term Policy Year | Permanent Products Available |
|---|---|---|
| 10 Year Term | Years 1–8 | Full Permanent Portfolio |
| | Years 9–10 | Protection Extend IUL , American Elite WL 2 and American Elite 2 |
| 15 Year Term or longer | Years 1–10 | Full Permanent Portfolio |
| | Years 11+ | Protection Extend IUL, American Elite WL 2 and American Elite 2 |

**The full permanent portfolio* is available excluding survivorship products:**

| All states except New York | New York Only |
|---|---|
| Max Accumulator+ III | Max Accumulator+ II |
| Value+ Protector III | Value+ Protector III |
| Secure Lifetime GUL 3 | Secure Lifetime GUL 3 |
| Protection Extend IUL | Protection Extend IUL |
| American Elite Whole Life 2 | American Elite 2 |

## Required paperwork

**11. What paperwork is required?**

a. Application
   1. Term Conversion Request Form; No Underwriting Required, AGLC101672-PL.
   2. State-Specific Inforce Change Application (ICC15-108251); used if it has to go to Underwriting.

b. Illustration
   1. Signed/dated by both agent and policy owner and generated on or before the conversion expiration date.
   2. Signed/dated by both agent and policy owner on or before application sign/date.

c. Other Possible Forms
   1. Supplemental Application (state-specific).
      i. Required if converting to an Index product
   2. Change Request to Bank Draft Authorization.
   3. Check for Initial Premium.
   4. Terminal Illness Rider Disclosure Form.

* Not available in all states.

5. Over Age 67 Forms.
    i. Agent Certification Form
    ii. Premium Finance Disclosure Form
    iii. Forms required for age 65 and older in CA
6. Business Certification Form, if owner is a business/corporation.
7. Trust Certification Form, if owner is a trust.
8. Payor Authorization Form, if policy is not on bank draft and payor is different than the insured and owner.
9. Any state-specific Forms.

## How to fill out the application

**12. How do I fill out the Term Conversion Request Form (AGLC101672)**

a. Section A. Term Conversion Request

b. Section B. Base Coverage Amount
    1. Base Coverage Amount. Face amount of the new plan.
    2. Conversion Effective Date. Leave this blank. The effective date of the conversion must match existing policy anniversary date.
    3. New Plan Name. Product name of the new plan.
    4. Amount $: The premium of the new permanent plan. Okay to leave blank.
    5. Automatic Premium Loan – only available on the American Elite Whole Life 2 and American Elite 2 products.
    6. Death Benefit Option (UL plans only). Must match the illustration as either level or increasing.
    7. Complete information for Term Policy Conversion Box or Term Rider Conversion Box.
    8. Benefits and Riders. Not all may be available.

c. Section C. Primary Insured Information for New Policy (All information required)

d. Section D. Designation of Owner for New Policy
    1. Change of Ownership. Will the owner of the term policy be the owner of the new conversion policy? Mark Yes or No.
    2. Either D1 or D2. Owner information of new policy. Must be completed if owner is not the same as insured regardless of whether owner is changing.
        i. If a Trust is the owner, also need Certification of Trust Form (AGLC2239COT).
        ii. If a business is the owner, also need the Business Certification Form (AGLC108735).

e. Section E. Payor Information
    1. The Premium Payor Authorization Form (AGLC108491-2015) is needed if the payor is different from the insured or owner and the billing will not be bank draft.

f. Section F. Beneficiary Information
    1. Has to total 100%.
    2. Has to be completed even if beneficiaries are remaining the same as the term policy.
    3. Can include decimals but not past the hundredth. Example: 33.33% or 33.3% but not 33.3333 etc.

g. Section G. Rider Insured
    1. For existing child rider. If applying for new child rider, use Inforce Change Application.

h. Section H. Billing
    1. Have to complete both frequency and method.
    2. We can use existing bank draft information, provided the term policy is still on draft.
    3. If bank draft information is not from term policy or is changing, must complete Request to Bank Draft Authorization (AGLC108866).
        i. We cannot draft for partial premiums. You will need to send in the balance due, or have us draft the full premium and send a refund check to the policy owner.
        ii. Draft Day. Draft date has to match effective date. Since the cost of insurance comes out monthly on the effective date, the draft date has to match.
    4. Premium $. Amount listed on the illustration.
    5. Draft Initial Premium: Yes, unless a check is being included for the amount due, then it is No.
    6. If the new plan is Universal Life: Complete the section.

7. Payment Enclosed: Choose Yes or No.
    i. If check is submitted, do not put existing term policy number on the check.
    ii. Best practice would be to hold check from mailing until the new permanent policy has received a policy number.
        a. This prevents unneeded confusion that can occur between the old and new policies.
        b. There is no Limited Temporary Life Insurance Agreement provided on a conversion regardless, since the old term remains inforce until the new product's coverage begins.

i. Section I. Premium Financing.
    1. Must mark Yes or No.

j. Section J. Authorization and Signatures.
    i. Owner and agent must sign.
        1. If owner is a trust or business, the signature must include a title and proof that the person signing is authorized to do so.
        ii. City/state where the owner/agent signed the application.
        iii. Assignee or Irrevocable Beneficiary signature.
        2. If assignment on term is transferring, the Assignee must sign and include title and proof of authorization.
        3. Beneficiary should not sign unless they are an irrevocable beneficiary.

    k. Section K. Agent Information.
        1. All information must be completed.
        2. Legible penmanship.
        3. If the agent is to change after the application is submitted, we will need a corrected application along with a written statement and signature from original agent stating it is okay to make the change.

## Conversion effective date

**NOTE:** We cannot issue a policy prior to the Conversion Effective Date.

**13. How do I determine the Conversion Effective Date?**

a. Has to be the same "day" of the month as the old policy was issued.
Example: Term was issued on 7/13. Effective date of new policy has to be the 13th.
b. Effective date is usually the paid to date of the term plan.
c. There can be no gap in coverage.

**14. What if term is paid to September, but effective date is to be July?**

a. The new policy would be placed inforce, and the unearned premium on the existing policy would be refunded.

**15. What if the term is paid to July, but effective date is to be September?**

a. Term premium must be paid to the effective month of the new policy before conversion can occur.

## Saving age

**16. Can you save age?**

a. Yes. 6 months and 2 days prior to birth date.
**Example A**: Date of birth is 7/13. 6 months & 2 days prior is 1/11. Term was issued 6/1. Have to stay on same "day" as the term, so the effective day would be 1/1.

**Example B**: Date of birth is 7/13. 6 months & 2 days prior is 1/11. Term was issued 6/17. Have to stay on same "day" as the term, therefore, effective day would be 12/17. If we used 1/17, he would be too close to next age and not able to save age.

## Inforce change application

**17. When do you use an Inforce Change Form? (Must complete all medical questions)**

a. Increasing face amount.
b. Addition of rider or benefit.
c. Request to change from tobacco to non-tobacco.
d. Converting Child Rider.

18. **Who signs the Inforce Change Form?**
    a. Owner and Agent

## Rider conversions

**Child**

19. **When can a child rider be converted?**
    a. Age 25 unless policy was written by Franklin Life (FLIC), then it is age 22.
    b. If age 25: The month the child turns 25 or the policy anniversary closest to that age.
    c. If age 22: Follows the same rules but is age 22 instead of 25.

20. **How much coverage can a child rider conversion get?**
    a. If converted at age 25 (FLIC 22), can have up to 5 times the face amount of the term rider.
    b. If prior to age 25 (FLIC 22), can only have the face amount of the term rider.

21. **What form do I use?**
    a. If the child is a non-tobacco user, use the state-specific Inforce Change Form (ICC15-108251).
        1. Answer tobacco question.
        2. Do not need to answer medical or background questions.
        3. Signature of owner is required.

22. **What if child is in good health?**
    a. You might consider submitting a New Business application. It's possible to get a larger face amount for a lower premium.

23. **What effective date do I use for a child rider?**
    a. Policy anniversary closest to age 25 (FLIC 22); or
    b. Policy anniversary of birth date for age 25 (FLIC 22)
    **Example** Anniversary is 3/3. Birth date is 10/17. Effective date could be either 3/3/2024 or 10/3/2023.

24. **What do I do if the child wants to be the owner?**
    a. Mark yes to the ownership change question on the Inforce Change Application.
    b. Both old and new owner sign the application.
    c. New owner signs the illustration/quote.

**Spouse**

25. **Who will be the owner?**
    a. The owner of the term will be the new policy owner unless Change of Ownership form is completed.

26. **What do I do if the spouse wants to be the owner?**
    3-step process
    1. Mark yes to the ownership change question on the application.
    2. The owner of the existing policy and then new policy must sign the application.
    3. The new owner must sign the illustration/quote.

27. **What is the UW class?**
    a. Same as the rate class on the existing policy.

28. **Can I get a better rate class for the spouse?**
    a. Possibly. It would need underwriting.
        1. You would use the state-specific Change Form (ICC15-108251).
        2. Answer tobacco question.
        3. Answer all medical questions.
        4. Signature of owner.
        5. Not a guarantee to get non-tobacco rates.

## Death claim

29. **Can I convert the rider after the death claim is processed?**
    a. Once a claim is paid, you have 30 days from the date the Term Conversion team sends the paperwork to the person insured by the rider. The conversion expiration date will be listed in the letter.

30. **What is the effective date of a policy due to a death claim?**
    a. Once the claim is paid, the conversion will be effective as of the paid to date used by Claims. Back premiums may be required.

## Illustrations/quotes - Internal Sales 800-677-3311

31. **Are illustrations or quotes required for a term conversion?**
    a. Yes. The same illustration rules that apply to New Business apply to conversions. The complete and properly signed illustration/quote must be submitted; or the signed request for policy illustration/quote and complete unsigned illustration/quote. Illustrations are not needed if converting to whole life.

32. **Who signs the illustration/quote?**
    a. The agent and owner(s) are required to sign at submission.

33. **Why would I need to send a corrected illustration?**
    a. The application and illustration must match on the following:
        1. Age. If saving age, be sure to tell us in a cover letter.
        2. Product.
        3. Face Amount.
        4. Gender.
        5. State – application signature state needs to be the same as the state used to generate the illustration.
        6. Billing Frequency - If application says monthly, illustration has to be run at monthly.
        7. Death Benefit Options.
        8. Rate Class/Rating – has to be run for the same class as the term.

34. **Do I have to illustrate a Table B rating?**
    a. Yes, if new plan will be the American Elite Whole Life or the Protection Extend IUL.
    b. No, if the new plan has the expanded standard classes (tobacco and non-tobacco) which include up through Table 2 and through issue age 70.

35. **If a new illustration/quote is needed, can it be signed at delivery?**
    a. Yes. As long as we have the policy owner's signature on an illustration/quote on file, you can send corrected illustration/quote to us so the policy can be conditionally issued, and you can get it signed on delivery.

36. **Do I have to include inherent riders of Terminal Illness, Surrender Charge and Maturity Extension even if there is no charge for them?**
    a. Yes. Also, the following states require the Terminal Illness Rider Disclosure: AL, AR, CT, DC, IN, KS, LA, MA, MI, MN, MS, NC, OH, OK, OR, TX, VA, WA.

37. **How do I illustrate a "dump in"?**
    a. As an external lump sum.

38. **Do internal surrenders have to be illustrated as an "Internal Lump Sum"?**
    a. Yes.

39. **How do I illustrate an external 1035?**
    a. Show the amount of money expected from the other company as the External Lump Sum amount.

## 1035 Exchange

It is a 3-step process.

a. Term Conversion paperwork
   1. Signed/dated application and a signed/dated illustration/quote.
   2. No replacement paperwork is needed for the term conversion portion.
b. 1035 Exchange requirements
   1. Once the term conversion is ready to be issued, the case will be referred to the 1035 Team.
   2. All 1035 rules apply such as replacement paperwork, original Absolute Assignment forms, etc.
   3. The 1035 team will mail the original Absolute Assignment forms, etc.
   4. The 1035 team follows up to get the funds sent to us.
   5. Once the 1035 funds arrive at American General Life, the 1035 portion is closed and the case goes back to the Term Conversion team.
c. Term Conversion team can either issue or conditionally issue the new plan.

**40. What's the difference between a 1035 case being issued or conditionally issued?**

a. Issued. If the amount of money illustrated is correct, apply the funds, put the new permanent plan inforce, mail the policy and pay commission.
b. Conditionally Issued. If amount of money illustrated is not correct , then a new, corrected illustration will be needed. Policy will be printed and mailed, but not put inforce.
   1. Once the signed/dated illustration is returned, then we apply the funds, put the new permanent plan inforce and pay commission.

## Conversion credit

**Conversion credit is not available on all term policies. Refer to policy for confirmation.**

**41. What is the conversion credit amount?**

a. It is the lesser of the base annual premium (not including additional premiums from table ratings, riders, or flat extras) or the amount of money paid in the last 12 months.

**42. Do I get commission on the conversion credit amount?**

a. No. It is non-commissionable.
b. The target premium will be reduced by the amount of the conversion credit applied to the policy.
   Example:
   Target Premium: $10,000
   Conversion Credit: $4,000 (Non-commissionable Dump-In Deposit)
   Adjusted Target Premium: $6,000 (First Year Commissionable Premium)

**43. Can I just get the conversion credit amount refunded?**

a. No. Conversion credit is applied to the cash value when converting to an IUL policy, or applied to lower the year-1 premium when converting to a GUL product. It cannot be refunded.

**44. Are commissions paid on internal dump-in funds or internal 1035 exchange funds?**

a. No. These funds are non-commissionable. Additionally, these transactions require properly completed replacement forms.

**Do I have to illustrate conversion credit?**

a. No. There is currently no way to accurately illustrate the credit.

## Other paperwork

**Change of Ownership**

**45. Can I change ownership as I do a conversion?**

a. Yes.
   1. To change the ownership on ONLY the new policy:
      i. Check "change of ownership" (Section C for Term Conversion Form/Section E for Inforce Change Form) and the new owner's information must be on the application.
      ii. New owner and existing owner sign the application; all other forms require just the new owner's signature.
   2. To change ownership on BOTH the new and current policy:
      i. The Change of Ownership form must be dated the same day or at least 1-day PRIOR to the Term Conversion Request Form.
      ii. New owner will sign the Term Conversion Request Form and illustration.
      iii. Customer Service will process the ownership for the old policy.

## Electronic funds authorization (EFT form)

CHANGE REQUEST TO BANK DRAFT AUTHORIZATION (AGLC108866)

**46. Do I need to submit a new form if the term is already on bank draft?**

a. No. If the banking information is the same, we can use the current bank draft arrangement, as long as the draft is active.

**47. What do I list as the new premium since the conversion is not completed?**

a. Write pending as the policy number.
b. Write the amount you have illustrated.

**48. Does it matter what day is used as the draft day?**

a. Yes. The draft day should match the effective day since the cost of insurance (COI) is taken out monthly on the effective day. If the premium is not received the same day, then the policy is in grace. We won't allow a policy to be in grace due to the draft day.

**49. What if the policy owner insists on having the draft day be after the effective day?**

a. Not available as a function of conversion.
b. Once the conversion policy has been placed inforce, a client may request the draft day change via our Consumer Portal at **lifeportal.corebridgefinancial.com**

## Senior disclosure forms

**50. When do I need these?**

a. If the insured is age 67, or 65 in CA, or older and the face is $100,000 or more.

**51. What are the Senior Disclosure Forms?**

a. Agent Certification Form AGLC101994
b. Premium Finance Disclosure Form AGLC102053
c. Financial Products Disclosure and the MedicCal Eligibilty Form, only required in CA if the client is 65+.

## Terminal illness rider disclosure

**52. What form number do I use for TIR?**

a. The Terminal Illness Rider Form is state-specific.

**53. When do I have to submit a TIR Disclosure?**

a. Prior to the policy being conditionally issued.

**54. Who completes the TIR Disclosure?**

a. Both the agent and owner sign.

**55. Which states require a TIR Disclosure?**

a. AL, AR, CT, DC, IN, KS, LA, MA, MI, MN, MS, NC, NY, OH, OK, OR, TX, VA, WA

**56. Do I have to illustrate TIR?**

a. Yes. If you want it on the new plan, it has to be illustrated even though it is free.

## Submission

**57. Do I need a cover sheet?**

a. Yes. Include the following:
   1. Key Contact Name.
   2. Key Contact Email Address.
   3. Key Contact Phone Number.

**58. How do I submit my case?**

a. Email to *conversionapp@corebridgefinancial.com.*
b. Mail to: see question 61.

**59. Do I have to attach a cover sheet each time I submit something?**

a. No. Once you have the new pending policy number, you can write this on the 1st page of your submission.

**60. What if I have a check, but am emailing my case?**

a. Email a copy of the check with your case.
b. Wait 48 hours and you will receive an email confirmation with the new pending policy number.
c. Write the new pending policy number on the check and mail to Texas.

**61. Where is the Term Conversion paperwork mailed?**

Regular Mail
American General Life
PO Box 733479
Dallas, TX 75373-3479

Overnight Mail
American General Life
ATTN: Lockbox 733479
JPM TX1-0029
14800 Frye Road, 2nd Floor
Ft. Worth, TX 76155

**62. Do I have to mail any original documents?**

a. Yes.
   1. Check(s).
   2. Absolute Assignment Form if doing a 1035 Exchange.

## Common questions

**AGL & AGLA**

**63. Can I convert an AGL (American General Life) to AGLA (American General Life and Accident) and vice versa?**

a. You can convert an AGL to an AGLA under certain circumstances, but not an AGLA to an AGL.
b. An AGLA can only be converted to AGL as follows:
   1. If AGLA Term has QoL ABRs: Not allowed.
   2. If AGLA Term does not have QoL ABRs: American Elite Whole Life 2 and American Elite 2 only.

**AML**

**64. Do I have to have Anti-Money Laundering (AML) current?**

a. Yes. For detail, **please see Training Guidelines & FAQ.**
b. If you have an AML Certificate, it can be emailed to the Compliance Department for review **AMLofficer@aglife.com**.

**Backdating**

**65. Can a conversion policy be backdated?**

a. To save age, but not to save conversion eligibility. A new policy cannot be backdated to save conversion eligibility if the conversion period or 8/10 year anniversary has expired.
b. Policy must be paid current.

**Billing/Premium**

**66. Can you pay with a credit card?**

a. No. Only check or bank draft.

**67. Is a completed EFT form required when a new conversion policy will be on bank draft?**

a. If EFT information from an existing policy is the same from the original product to the converted product, new EFT information is not required.
b. If EFT information is changing with the conversion policy, submit new EFT information.

**68. Do the premiums on the existing term policy have to be paid current in order to convert?**

a. Yes. The policy must be paid current and cannot be lapsed.

## Collateral assignment

**69. If a term policy that has been collaterally assigned is converted, how is the assignment handled?**

a. If the collateral assignment is transferring to the new policy, the Assignee's signature is required on the conversion application.
b. If the assignment is not transferring to the new policy, a signed Release of Assignment Form is required.

## Conditionally issued

**70. What is conditionally issued?**

a. This policy status means the policy pages are printed and mailed along with a letter that lists the delivery requirements needed before the policy will be placed inforce and commissions paid. Examples of delivery requirements: initial premium, signed amendment, signed illustration.

## Conversion eligibility

**71. How do I verify the conversion period and rate class for a policy?**

a. Send an email to conversioneligibility@corebridgefinancial.com.

**72. Can a policy be converted if the policy is still within the conversion period but the insured is past the maximum conversion age limit?**

a. No. In order to convert, the insured must be within the maximum conversion age.

**73. Can a policy be converted if the insured's age has not exceeded the maximum conversion age, but the anniversary is beyond the conversion period?**

a. No. In order to convert, the policy must be within the maximum allowable anniversary.

## Delivery receipt

**74. Do I need a delivery receipt?**

a. Three states require a delivery receipt to be signed and returned before the policy can be placed inforce. Those states are Louisiana, South Dakota and West Virginia.

## GIO (Guaranteed Insurability Option)

**75. What form should be completed to request a Guaranteed Insurability Option (GIO) election?**

a. If no Underwriting is required, submit a fully completed, signed state-specific "Election of Guarantee Insurability Option" Form (AGLC101672-GIO0222). If underwriting is required, submit a fully completed signed state-specific Inforce Change Application.

**76. What products are available for Guaranteed Insurability Options?**

a. American Elite Whole Life 2 and American Elite 2 are the only products available.

**77. What is the effective date for a Guaranteed Instability Option?**

a. The effective date must match the option date.

## Increasing an existing UL

**78. Can conversions be used to increase an existing UL policy?**

a. No, policies cannot be converted into existing policies.

## Illustrations/Quotes

**79. How do I obtain an illustration for conversion?**

a. Use your regular New Business illustration software or contact your dedicated Sales team or Internal Sales at 800.677.3311.

## Issue age

**80. Do you use age nearest or actual age?**

a. Our policies are issued based on the age nearest birthday.

**81. What age is used on an illustration?**

a. Illustrations/quotes based on age nearest birthday.

**82. Do you use actual age?**

a. No, the products utilize age nearest for determining conversion eligibility.

## Issue state

**83. What state is used?**

a. Where the app is signed is the state of issue. Agent must be licensed in that state in order to receive commissions.
b. Applications must be signed in the United States, unless the owner is active military.

## Mailing of policy

**84. Where are policies mailed?**

a. The policies are mailed based on the agent code used on the sale. This address comes from the address listed on the Licensing/Contracting paperwork. If a change needs to be made, it is up to the agent to contact L&C to update our records.

**85. Do you ship UPS or regular mail?**

a. Policies are sent via UPS unless the address in the L&C system is a PO Box. If the address is a PO Box, the policy is sent via regular mail.

## Minimum face requirements

**86. What are the minimum face amounts for conversions of term policies to a new plan?**

a. The new policy must meet the new plan's minimum face amount.

## Multiple policies

**87. Can you combine multiple term policies into 1 new Whole Life, UL or IUL?**

a. Yes. Term policies must meet all normal conversion eligibility guidelines. In order to combine must have the same insured, same owner, and same Underwriting class. May use either policy's monthaversary, as long as both policies are paid to the new policy's effective month.

## Partial conversion

**88. Can a partial conversion be processed if it reduces the face amount of the old policy below the minimum?**

a. The existing term policy must remain at or above the minimum plan death benefit required.

## Riders/Benefits

**89. Are you interested in electing the Accelerated Access Solution (AAS) Chronic Illness Rider when converting your term policy to a permanent plan?**

**Qualification for this option includes the following parameters:**

a. This option is available on Select-a-Term polices issued within the previous 5 years.
b. The following single life permanent policies are available for conversion when adding the AAS Chronic Illness Rider:
    - Secure Lifetime GUL 3
    - Max Accumulator+ III
    - Value+ Protector III
c. Insured's issue age on the new permanent plan is 60 or less.
d. Original Select-a-Term policy must have been issued at a standard or better underwriting classification (i.e., no substandard classes and no flat extras allowed).
e. New permanent policy's face amount must comply with the AAS Rider's minimum and maximum rules.
f. Partial conversions are allowed, and the remainder of the term policy may be kept inforce as long as the term face amount after the partial conversion is at least $100,000.
g. Conversion must be from a Select-a-Term policy still within its convertible period. It cannot be the conversion of a child rider.
h. The Select-a-Term policy premiums cannot, at the time of conversion, have premiums waived due to disability.
i. Non Invasive Underwriting will be conducted to determine qualification for the AAS Rider at the time of application for the term conversion. The applicant can be declined for the AAS Rider. If this were to happen the insured may still proceed with the base policy term conversion but without the AAS Rider.
j. Term conversion application must otherwise qualify for the contractual conversion, with no request for a better rating, no increase in face amount, and no request for another benefit.

k. Note the AAS rider will have a contestable period for the first 2 years after issuance.
l. New permanent policy must also be issued with the Terminal Illness Rider.
m. Applicant must complete the Inforce Change Application for Individual Life Insurance (ICC15-108251) along with the Supplemental Application for Chronic Illness Accelerated Death Benefit Rider (ICC13-107422).

**90. What benefits are automatically transferred from the old policy to the new policy without evidence of insurability?**

a. Existing Waiver of Premium and child riders must be marked on the application and illustrated in order to transfer.
b. Any increase in death benefit and/or additions of riders will require completion of a state-specific Inforce Change Application, evidence of insurability and Underwriting approval.

## ROP

**91. Can the cash value of a Return of Premium (ROP) Term policy be distributed to the owner when converting to a permanent plan?**

a. Yes. The policy owner can take the ROP's value in cash or roll it into the new permanent plan. If the client wants the money transferred, a signed, written request must be submitted with the application.

**92. Can you retain the balance of the face amount on a Return of Premium (ROP) Term policy if completing a partial conversion?**

a. No. Face decreases cannot be processed on ROP Term policies. You can process a partial conversion, but any remaining balance will be terminated.

## Terminal Illness Rider

**93. What are the guidelines around a TIR rider?**

a. If the TIR rider has been exercised, the available policy face amount will be reduced by the amount of the TIR lien. The face amount available must be confirmed by the Claims team.
b. The TIR rider will not transfer or be available on the new policy.

## Turnaround time

**94. How long does it take to process a conversion?**

a. If a request is sent In Good Order, it can take a week or less. If not sent In Good Order, it won't be processed until all requirements are met.

## Waiting period

**95. Is there a waiting period to convert a policy?**

a. One month, unless the contract specifically states there is a longer waiting period.

**96. What if the term policy is less than 18 months old?**

a. The conversion paperwork and signed/dated illustration/quote will be sent to upper management for review to ensure the conversion is in the policy owner's best interest. Once approved, upper management will return the conversion paperwork for the Term Conversion team to begin processing. If upper management determines the conversion is not in the best interest of the client, upper management and the RVP will notify the agent.

## Waiver of Premium

**97. Can a policy be converted that is currently being paid by premium waiver?**

a. Yes, but the new policy's premium must be paid by the client.
b. The Premium Waiver will not transfer or be available on the new policy.

**Accelerated Benefit Riders**

**An Accelerated Death Benefit Rider (ABR ) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The policy is not a Medicare supplement.**

**ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired. The activities of daily living are bathing, continence, dressing, eating, toileting, and transferring.**

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

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