

OPTERM[®] 25 EXCHANGE PROGRAM.

DESCRIPTION

The OPTerm 25 Exchange Program allows customers who purchased an OPTerm 10, 15 or 20 within the past four years (48 months) to move to an OPTerm 25 plan at current attained age with no evidence of insurability required. The OPTerm 25 replacement policy would be a new issue, with a full 25 years of level premiums, not adjusted by the duration the original policy was held.

ELIGIBILITY REQUIREMENTS

- OPTerm 10, 15, and 20 policies that have an effective date within the past four years (48 months) are eligible to move to an OPTerm 25 plan at the current attained age with no evidence of insurability required. For example, a policy with an effective date of July 20, 2012 will be eligible for the exchange until close of business on July 19, 2016.
- If the policy contains a temporary flat extra, the exchange can only be done on the policy's next anniversary.
- The insured must also be within the OPTerm 25 issue ages, nearest birthday.
Banner: 20 - 60 non-tobacco classes, 20 - 55 tobacco classes.
William Penn: 20 - 58 non-tobacco classes, 20 - 55 tobacco classes.
- Backdating to save age will be permitted.
- If the policy's premium is currently being waived under the waiver of premium benefit, the policy will not be eligible for the exchange.
- Term policies that are fully or partially reinsured will not be eligible for the OPTerm 25 Exchange. Please see the table below showing our internal retention limits. Please note, the limits apply to the total face amount in force on an insured, so if an insured has multiple policies, he/she may not be eligible for the exchange.

Age	Preferred Plus - Table 4	Table 5 - 12
20 - 75	\$2 Million	\$500,000

EXCHANGE SUBMISSION

The Guaranteed Exchange Form (LP198 / LP198WP) can be found at partner.lgamerica.com under Forms > Customer Service > Policy Change. No app is required.

- The completed exchange form should be sent via email to bannerprogram@lgamerica.com or pennprogram@lgamerica.com.
- The exchange form must be received in the home office prior to the date that the eligibility period for the original term policy expires (within 48 months of the original effective date).
- The first page of the Guaranteed Exchange Form provides details on signature requirements.
- State-specific replacement forms must also be submitted. The replacement forms can be found on our Partner Dashboard under Forms > Replacement. Please use the forms listed in the column labeled Replace a Banner Policy or Replace a Penn Policy.
- The original term policy can either be returned to us when submitting the Guaranteed Exchange Form, or as a delivery requirement for the new OPTerm 25 policy.
- If the original term policy was lost or destroyed, the Lost Policy Certification section of the Guaranteed Exchange Form should be completed.
- The Accelerated Death Benefit (available in all states except CT) Disclosure should also be submitted. The state-specific forms can be found on the Partner Dashboard under Forms > Disclosure.

UNDERWRITING CLASSIFICATIONS:

- Male/Female
- Preferred Plus Non-Tobacco (PPNT)
- Preferred Non-Tobacco (PNT)
- Standard Plus Non-Tobacco (SPNT)
- Standard Non-Tobacco (SNT)
- Preferred Tobacco (PT)
- Standard Tobacco (ST)
- Policies with table ratings are also eligible.

POLICY FORM:

Banner - ICC12OPTN and state variations

William Penn - OPTN-NY

POLICY FEE

The policy fee for the OPTerm 25 replacement policy is \$60.

COMPENSATION

- Per internal replacement compensation rules for term policies that have been in force for five years or less, the commission on the OPTerm 25 replacement policy will be paid on any increase in target premium for the new term policy over the target premium of the original term policy.
- The target premium for a term policy is the annualized premium less the policy fee.

DURATION

The OPTerm 25 replacement policy will have the full 25 years of level premiums, and is not adjusted by the duration of the original term policy.

FACE AMOUNT

The face amount of the OPTerm 25 replacement policy must be for the exact face amount as the original term policy and within the eligibility requirements.

WAIVER OF PREMIUM RIDER, CHILD RIDER AND TERM RIDER

- If the original term policy included a waiver of premium, the rider will be available on the OPTerm 25 replacement policy, as long as the insured is still within the issue age guidelines for the rider. If the insured has waiver of premium on their original term policy but is now age 55 or older, the rider will terminate when the new OPTerm 25 policy is issued. The waiver of premium cost would be based on the OPTerm 25 waiver of premium rates at the insured's attained age.
- If the original term policy included a child rider, the rider will be available on the OPTerm 25 replacement policy, as long as the insured is still within the issue age guidelines and the insured's child(ren) are still within the eligibility guidelines for the rider.
- If the original term policy included a term rider (10, 15, and 20 years), the riders will be available on the OPTerm 25 replacement policy, as long as the insured is still within the issue age guidelines for the riders. However, the rider amounts and durations cannot exceed the riders that were on the original term policy. The cost of the riders will be based on the rates at the insured's attained age, and will be for a new level 10, 15, or 20 year period on the OPTerm 25 policy.

ACCELERATED DEATH BENEFIT RIDER

- We will include the Accelerated Death Benefit on the OPTerm 25 replacement policy in all states except CT.
- There is no charge for the Accelerated Death Benefit Rider.
- The state-specific Accelerated Death Benefit Disclosure will need to be submitted with the Guaranteed Exchange Form.

SUICIDE AND CONTESTABILITY

The suicide and contestability period will be based on the effective date of the original term policy.

CONVERSION

The OPTerm 25 replacement policy will be convertible until the end of the level premium period, or to attained age 70, whichever comes first.

NON-ILLUSTRATED LIFE INSURANCE GUIDELINES:

Signed illustrations are not required with OPTerm products; however, we recommend you provide the applicant one from Illustration Manager. When explaining non-illustrated products:

- Discuss only guaranteed premiums.
- Tell clients that after the initial period, the premiums will increase annually.
- Tell customers the premium will not exceed the guaranteed premium.
- Don't talk about or show any premiums or coverage periods based on non-guaranteed rates.

Legal & General America life insurance products are underwritten and issued by Banner Life Insurance Company, Urbana, MD and William Penn Life Insurance Company of New York, Valley Stream, NY. Banner products are distributed in 49 states and in DC. William Penn products are available exclusively in New York; Banner does not solicit business there. Policy descriptions provided here are not a statement of contract. Please refer to the policy forms for full disclosure of all benefits and limitations.

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