Legacy Secure℠ II and Legacy Choice℠ II

Where Security Meets Flexibility

What you’ll find inside . . .

- Product Highlights
- Target Audience
- Sales Tools
- Product Details
- Available Riders
Need a hand?

At LBL, our business is all about relationships. We’re here to help you every step of the way, whether it’s learning about benefits of a product, creating a marketing campaign, or completing a sales illustration.

888.525.7355 | lblsales.com
Security and flexibility. These aren’t ideas that typically go hand in hand, but LBL brings them together for the Legacy II series of universal life insurance products. With Legacy Secure II and Legacy Choice II, you can help customers protect their family’s financial future while remaining adaptable to life’s constant changes.

Hitting the highlights.

Both Legacy Secure II and Legacy Choice II have a number of benefits for customers. When discussing these products, be sure to touch on the following selling points:

**Straightforward Guarantee**¹ – The Legacy series offers a death benefit that won’t decrease during the guarantee period. This period, which can be as long as a lifetime, is determined by the amount of the on-time planned premium payments.

**Flexible Protection** – As customers’ needs change, so can their life insurance. They have the ability to change the guarantee period, increase or decrease the death benefit, or adjust the premium payment so the policy better fits their current situation.²

**Competitive Premiums** – LBL’s rates are competitive across all underwriting classes, ages, and premium scenarios.

**Cash Value Accumulation** – The cash value of a Legacy policy can serve as a financial safety net. Customers can take partial withdrawals and loans to help supplement retirement income or manage expenses such as emergencies and college tuition.³

**An Exit Strategy** – The no-cost Liquidity Guarantee Rider⁴ gives customers a favorable way out of their policy—and this feature is only available from Lincoln Benefit Life. If the customer surrenders their policy after its 7th anniversary, we will refund a percentage of the total premium payments. The refund percentage increases each year through year 20.

To receive maximum benefits, a customer would purchase a policy with a lifetime guarantee and continue to make planned premium payments on time. Even if the premiums required to receive the full refund amount have not been paid, the customer may still be eligible to receive a portion of the benefits.
The right audience.

Customers who will benefit most from these products include:

- **Parents** who want a guaranteed death benefit to help ensure that their family’s current lifestyle can be maintained.\(^1\)

- **Owners of significant assets** who need liquidity to help cover estate and income taxes upon their death.

- **Affluent customers** who have a low risk tolerance and seek long-term guarantees.\(^1\)

The Legacy II lineup works well for more advanced planning techniques such as:

- **Estate Planning** – Dynasty Trust, Marital Deduction and Bypass Trusts, Charitable Giving With Life Insurance, Trust-Owned Life Insurance, and Wealth Transfer.

- **Business Planning** – Stock Redemption and Income Replacement.

---

**WHICH LEGACY II PRODUCT TO SELL**

Since Legacy Secure II and Legacy Choice II offer so many similar benefits to customers, how do you know which product is best for them? Keep these differences in mind:

- Legacy Secure II is designed for those who are looking for lifetime coverage. It will provide the best pricing for guarantees to age 95 and beyond.

- Legacy Choice II is designed for those who want guarantees beyond what is available with term insurance. It will provide customers with a lower initial cost but still affords them the option of extending the guarantee period in the future. It also offers more competitive pricing for customers with larger first-year premiums.
When comparing the cost of life insurance policies, more than just the premium payments should be considered. What differentiates universal life insurance from other types of insurance policies is its ability to accumulate cash value. These funds come in handy for emergency expenses and supplemental income, and they are also important if a customer decides to surrender the policy.

If a customer decides coverage is no longer needed, the higher cash surrender value can significantly reduce the annual cost of the life insurance coverage received while the policy was in force. Let's compare two hypothetical scenarios to illustrate the importance of having a policy that builds meaningful cash value.

**POLICY OPTION 1:**
A customer pays $2,500 a year for his life insurance protection.

\[
\text{In year 20, after paying a total of $50,000, he decides to surrender his policy.}
\]

He receives a surrender value of $35,000.

His annual cost of funding is calculated at:

$750

\[($50,000 - $35,000 = $15,000 \text{ net outlay, divided by 20 years})\]

**POLICY OPTION 2:**
A customer pays $2,200 a year for his life insurance protection.

\[
\text{In year 20, after paying a total of $44,000, he decides to surrender his policy.}
\]

He receives a surrender value of $15,000.

His annual cost of funding is calculated at:

$1,450

\[($44,000 - $15,000 = $29,000 \text{ net outlay, divided by 20 years})\]

With Option 2, the customer paid $300 less per year, but because of the cash surrender value, the annual cost of funding for 20 years of life insurance coverage was almost double the cost of Option 1.

Example is hypothetical and for illustrative purposes only.
Tools you can use.

For customers, understanding the benefits of Legacy Secure II or Legacy Choice II can sometimes be a bit difficult. To make it easier, LBL offers tools that help you give them a clear picture of what these products can really do.

**Illustration Software** – You can easily walk customers through all the information they need to make a decision. And with personalized supplements, you have the power to demonstrate the benefits of life insurance in a tangible way. You can choose which supplement you want to include on the Concept tab in the software.

**Policy Highlights** – This short supplement provides a brief overview of what the customer is buying. It highlights the basic policy benefits including the death benefit, cash value, and overall flexibility.

**Your Total Value** – This story-style supplement illustrates the annual rates of return on the death benefit, calculates the annual cost of funding, and explains the tax advantages of universal life insurance.

**AssetMax** – This wealth transfer strategy illustrates how life insurance can be used to help customers reposition their current assets and leave their loved ones an inheritance that is free of income and estate taxes.5

Download your copy of the software today at lblsales.com.

**Total Value Calculator** – This online tool allows you to customize a worksheet to help customers compare life insurance policy illustrations. Benefits, price, and cost of funding are evaluated to help them choose the policy that offers the best value within their budget. You can access the Total Value Calculator at lblsales.com or within your illustration software.

**Marketing Materials** – Customer materials including product brochures, fact cards, and take-one cards are available to provide more ways for you to interact with customers about Legacy Secure II and Legacy Choice II. These pieces can be ordered at accessallstate.com or by calling 888.525.7355.

---

**Apply With Ease**

Getting customers the coverage they need is as simple as using **App Online** from iPipeline. Applying online helps reduce issue time and can increase placement ratios.

Paper application packets are available for download on accessallstate.com.
Getting to the specifics.

**Issue Ages/Underwriting Classes**
- 18–60 Preferred Elite
- 18–85 Standard Nonsmoker
- 18–85 Standard Smoker
- 18–80 Preferred Nonsmoker
- 18–80 Preferred Smoker

**Minimum Face Amount**
- $100,000 (ages 18–60)
- $50,000 (ages 61+)

**Face Amount Bands**
- $50,000–$199,999
- $200,000–$499,999
- $500,000–$5,000,000
- $5,000,001+

**Death Benefit Guarantees**
- Flexible, based on premium payment, up to a lifetime guarantee
- Guarantee is provided by the Coverage Protection Rider Series: UL1011 for Legacy Secure II and UL1021 for Legacy Choice II
- Guarantee remains intact as long as the coverage protection account value less policy debt is greater than zero

**Death Benefit**
- Level face amount

**Premium Payment Options**
- Monthly
- Semiannually
- Quarterly
- Annually

**Grace Period**
- 61 days

**1035 Exchanges**
- Accepted, including 1035 exchanges with loans

**Interest Crediting**
- Crediting rate is based on total universal life investment results
- 3% minimum guaranteed rate in all years
- Persistency bonus of .5% paid beginning in policy year 15 if the current interest rate is higher than the minimum
- Credited and compounded daily
Charges and Fees

- Premium load: 6%
- Policy fee: $8.50 monthly (currently), $10 monthly (guaranteed)
- Administrative expense charge: Flat amount per $1,000 of face amount; varies by age, sex, and class; applies during the first six years
- Cost of insurance (COI) charge: Deducted monthly; varies by underwriting, age, sex, class, and specified amount bands but is guaranteed not to exceed 2001 Commissioner’s Standard Ordinary mortality rates
- Surrender charge: Rate calculated per $1,000 of face amount; applies during the first 19 policy years
- COI charges and policy fee are waived at age 121

Partial Withdrawals

- $250 minimum withdrawal amount
- Minimum of $500 of net surrender value must remain after withdrawal
- $25 fee per withdrawal

Loans

- Permitted immediately
- Charged 5% and credited 4% for a 1% net cost
- Total outstanding loan must not exceed cash surrender value

COI Rates for Substandard Table-Rated Cases

- Standard Nonsmoker and Standard Smoker cases only

<table>
<thead>
<tr>
<th>TABLE</th>
<th>RATING</th>
<th>PERCENT OF STANDARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
<td>122</td>
</tr>
<tr>
<td>2</td>
<td>B</td>
<td>145</td>
</tr>
<tr>
<td>3</td>
<td>C</td>
<td>167</td>
</tr>
<tr>
<td>4</td>
<td>D</td>
<td>190</td>
</tr>
<tr>
<td>5</td>
<td>E</td>
<td>212</td>
</tr>
<tr>
<td>6</td>
<td>F</td>
<td>235</td>
</tr>
<tr>
<td>7</td>
<td>G</td>
<td>257</td>
</tr>
<tr>
<td>8</td>
<td>H</td>
<td>280</td>
</tr>
<tr>
<td>9</td>
<td>I</td>
<td>302</td>
</tr>
<tr>
<td>10</td>
<td>J</td>
<td>325</td>
</tr>
<tr>
<td>12</td>
<td>L</td>
<td>370</td>
</tr>
<tr>
<td>16</td>
<td>P</td>
<td>460</td>
</tr>
</tbody>
</table>

- Flat extra ratings allowed on all underwriting classifications except Preferred Elite
## Riders for added protection

<table>
<thead>
<tr>
<th>RIDER</th>
<th>SERIES</th>
<th>ISSUE AGES</th>
<th>ISSUE LIMITS</th>
<th>FEES</th>
<th>BENEFIT TO CUSTOMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Guarantee Rider*</td>
<td>UL0612-1</td>
<td>All</td>
<td>Not available with ratings over Table 4 or flat extras; terminated if the face amount is increased, additional riders are added after issue</td>
<td>None</td>
<td>The opportunity to receive a percentage of premium back if the policy is surrendered after the 7th anniversary. The refund percentage increases through year 20 and is capped at 50% of the face amount. Max benefits are available if customers pay planned premium payments on time. If premiums required to receive the max refund have not been paid, the customer may be eligible to receive a portion of the benefits.</td>
</tr>
<tr>
<td>Accelerated Death Benefit Rider – Permanent Confinement7</td>
<td>UL0416</td>
<td>All</td>
<td>Automatically available; customers must complete the ADB disclosure form that accompanies the policy prior to receiving rider benefits</td>
<td>No cost to have the rider added to the policy; if used, an interest discount and an administrative fee will apply</td>
<td>Early payment of part of the death benefit if confined to a nursing care facility for at least a year and expected to remain there permanently; maximum total payment is the lesser of 80% of the death benefit or $250,000 (limit applies to all policies issued by us on the life of the insured)</td>
</tr>
<tr>
<td>Accelerated Death Benefit Rider – Terminal Illness7</td>
<td>UL0619</td>
<td>All</td>
<td>Automatically available; customers must complete the ADB disclosure form that accompanies the policy prior to receiving rider benefits</td>
<td>No cost to have the rider added to the policy; if used, an interest discount and an administrative fee will apply</td>
<td>Early payment of part of the death benefit if diagnosed with a terminal illness; maximum of three payments for terminal illness; total payments can be no more than the lesser of 80% of the death benefit or $250,000 (limit applies to all policies issued by us on the life of the insured)</td>
</tr>
<tr>
<td>Accidental Death Benefit Rider</td>
<td>UL0613</td>
<td>18–60</td>
<td>Minimum of $5,000; can be added after issue; maximum of the lesser of $250,000 or total coverage on the base insured; coverage terminates on the policy anniversary following the insured’s 70th birthday</td>
<td>Vary by issue age</td>
<td>An increased benefit if the insured’s death occurs due to a covered accident</td>
</tr>
<tr>
<td>Children’s Level Term Rider</td>
<td>UL0615</td>
<td>18–60 Preferred Elite; 18–64 all other classes</td>
<td>Children covered must be ages 17 and under; sold in $2,500 units where half unit equals $2,500; minimum of ½ unit ($2,500); maximum of 4 units ($20,000); can be added after issue; not available on business-owned policies</td>
<td>$15 per ½ unit annually</td>
<td>Coverage for natural or legally adopted children and, in many cases, stepchildren</td>
</tr>
<tr>
<td>Disability Continuation of Benefit Rider</td>
<td>UL0614</td>
<td>18–55</td>
<td>Maximum of the lesser of two times the annual premium or $10,000/year; can be added after issue; coverage terminates on the policy anniversary following the insured’s 60th birthday</td>
<td>Vary by issue age and sex</td>
<td>Premium coverage in the event of total disability</td>
</tr>
<tr>
<td>Full Surrender Charge Adjustment Rider</td>
<td>UL0202</td>
<td>All</td>
<td>For businesses with planned first-year premiums of $50,000 or more; can only be added at issue and cannot be removed; requires home office approval</td>
<td>None</td>
<td>Waiver of surrender charges during the first five policy years</td>
</tr>
</tbody>
</table>

Rider issuance is subject to state availability. Contact the home office to find out whether a rider is approved in your state.

At age 121, all riders will be canceled except the Accelerated Death Benefit Riders.
Future policy changes.

**Face Amount Increases**

Minimum face amount increases of $10,000 can be processed at any time after the first policy year. An increase cannot be made more than once every 12 months and will affect the following policy features:

- **COI Charges** – New charges will apply based on attained age and total policy size.

- **Administrative Expense Charges** – A new layer of charges will apply based on age at the time of increase.

- **Surrender Charge Period** – A separate 19-year period will apply to the increase.

- **Coverage Protection Rider** – An increase will affect the premium payment required to keep the guarantee.

- **Liquidity Guarantee Rider** – The rider will be terminated.

**Face Amount Decreases**

Face amount decreases can also be processed anytime after the first policy year and will affect the following policy features:

- **COI Charges** – Charges will be based on the total face amount in effect after the decrease.

**Premium Payment Changes**

If a financial situation changes, the customer has the flexibility to raise or lower the premiums or change the payment schedule.

Lowering premiums or changing the payment schedule may impact the customer’s guarantee period and eligibility to receive Liquidity Guarantee Rider benefits.

Catch-up payments can be made later to restore the policy to its original guarantee period and reinstate eligibility for the customer’s Liquidity Guarantee Rider benefits.8
Policy Reviews

Customers' situations will most likely change over the years, and their policies need to keep up. We recommend that you meet with them to review their policy every one to two years.

Life insurance review materials can be found on lblsales.com.

**Riders**
Three riders can be added to an in-force policy:

- **Accidental Death Benefit Rider** can be added through age 60.

- **Children's Level Term Rider** can be added through age 64 (60 for Preferred Elite).

- **Disability Continuation of Benefit Rider** can be added through age 55.

These riders are subject to availability, and additional underwriting will be required.
1 All guarantees are based on the claims-paying ability of Lincoln Benefit Life Company.

2 Increases in benefits are subject to underwriting approval. Changes to benefits can have income tax consequences. Consult a tax advisor for additional information.

3 Loans or partial withdrawals can reduce the policy’s cash value and death benefit, can increase the possibility of policy lapse, and may result in a tax liability. Consult a tax advisor for additional information on the tax treatment of loans or withdrawals from a life insurance policy.

4 The Liquidity Guarantee Rider is not available with flat extras or ratings over Table 4. The amount is capped at 50% of the policy face amount and is reduced by withdrawals, policy debt, and charges incurred for other riders on the policy. Receipt of benefits and benefit amounts are subject to the terms of the policy.

5 The death benefit of life insurance policies that were transferred for value may be subject to ordinary income taxes. Estate taxes may apply (even if the policy is not transferred). Consult a tax advisor for additional information.

6 Please see riders for terms, conditions, and restrictions. Additional costs may apply. Subject to state-specific terms and availability.

7 A disclosure form must be completed prior to receiving benefits under these riders. An administrative expense will be charged if the benefit is used. Receipt of accelerated benefits may be taxable. Tax laws relating to accelerated benefits are complex. Please consult a tax advisor. Receipt of accelerated benefits may also impact eligibility for public assistance programs.

8 Federal tax law limits the amount of premium that a policy owner can pay into a life insurance policy relative to the benefits provided. Consequently, maximum premium limitations could hamper the policy owner’s ability to catch up.

Neither Lincoln Benefit Life nor its agents and representatives can give legal or tax advice.

Legacy SecureSM II and Legacy ChoiceSM II are flexible premium universal life insurance policies issued by Lincoln Benefit Life Company, Lincoln, NE, a wholly owned subsidiary of Allstate Life Insurance Company, Northbrook, IL. Legacy SecureSM II is available in most states with contract series UL1010 and rider series UL1011, UL0612-1, UL0619, UL0416, UL0615, UL0614, and UL0613. Legacy ChoiceSM II is available in most states with contract series UL1020 and rider series UL1021, UL0612-1, UL0619, UL0416, UL0615, UL0614, and UL0613.

Allstate Life Insurance Company is not responsible, as parent, for the contractual or financial obligations of Lincoln Benefit Life Company.