



The Baltimore Life[®]
COMPANIES

Single Premium Whole Life

A secure solution for seniors who
want to maximize their estate,
and provide the security of living benefits

Form 8069-0711

This training module is for agent use only with Baltimore Life policy form 7982, and state specific variations, where applicable. Product not available in all states.

Asset Transfer Landscape

- Roughly \$1 to \$3 trillion in wealth will be transferred to the next generation each year for the next 50 years*
- Projections for intergenerational wealth transfers 1998-2052 as a percentage of the estate's value
 - 4% - Estate Fees
 - 25% - Estate Taxes
 - 16% - Bequest to Charity
 - 55% - Bequest to Heirs

1. *The Journal of Taxation of Investments Vol 27, no 3 (Spring 2010).*



Asset Transfer Market

- Niche Market - Seniors
- Market Requires
 - Death benefit guarantees and positive cash value accumulation
 - Simplified issue underwriting
 - Short application
 - Liquidity features
- Typical sources of funds
 - CDs
 - Money Market
 - Mutual Funds and Investments
 - Funds not needed for daily living expenses



SPWL Key Features

- Guaranteed and Competitive Level Death Benefit
- Guaranteed True Single Premium (no future premiums are ever due, for any reason)
- Guaranteed and Competitive Cash Values (rise to equal the death benefit at attained age 100, not 121)
- Two Tier underwriting classes
- Living Benefit Features in the event of catastrophic illness



SPWL Policy Features

- Issue Ages: 50-85 (*age last birthday*)
- Two Tier Underwriting Classes:
 - Level 1...Standard Through Table 4
 - Level 2...Table 5 Through Table 8
- Underwriting Classes: Non-Tobacco and Tobacco
- Minimum Premium: \$5,000

Single Premium Whole Life Policy Features

Maximum Face Amount = Net Amount at Risk

Ages	Underwriting Class	Maximum Net Amount At Risk
50-80	Level 1 (Standard-Table 4)	\$250,000
50-80	Level 2 (Table 5-8)	\$200,000
81-85	Level 1 (Standard-Table 4)	\$150,000
81-85	Level 2 (Table 5-8)	\$130,000

Note: The maximum premium accepted without prior Home Office Approval is \$500,000

SPWL Policy Features

- **Cash Values:** Non-Par, Based on 2001 CSO
- **Partial Surrender:** Permitted after the first policy year, within limits
- **Loans:** Available at a maximum rate of 8%

SPWL Living Benefit Rider Features

- Three triggers to accelerate the benefit
 - Terminal Illness
 - Qualified Nursing Facility
 - Extended Care... Home Health Care... Adult Day Care
- Increases liquidity
- Benefit acceleration is allowed only once
- Partial acceleration is available to preserve a portion of the death benefit

SPWL Living Benefit Rider Features

- Payment of Living Benefit Rider
 - Terminal Illness
 - Up to 100% of death benefit if diagnosed as terminally ill with a life expectancy of 12 months or less
 - Amount payable is the elected portion of the death benefit multiplied by 95% less a \$250.00 administrative charge

SPWL Living Benefit Rider Features

- **Payment of Living Benefit Rider:**
- **Qualified Nursing Facility**
 - Up to 100% of death benefit if diagnosed as chronically ill and confined to a qualified Nursing Home Facility continuously for 90 days with expectation of permanent confinement.
 - Amount payable is the elected portion of the death benefit multiplied by 90% less a \$250.00 administrative charge.



SPWL Living Benefit Rider Features

- Payment of Living Benefit Rider
 - Extended Care/Home Healthcare/Adult Day Care
 - Up to 100% of death benefit if the insured requires Extended Care
 - Insured must be chronically ill and has been so for at least 90 days, and requires care provided by a licensed home health care agency, or by a licensed or state certified adult day care center
 - Amount payable is the elected portion of the death benefit multiplied by 80% less a \$250.00 administrative charge



SPWL Living Benefit Rider Features

- **Definition of Chronically Ill:**
- The insured is unable to perform without substantial assistance from another person at least two of six activities of daily living:
 - Eating
 - Toileting
 - Transferring (moving into or out of bed, chair or wheelchair)
 - Bathing
 - Dressing
 - Contenance
- Insured suffers from severe organic mental illness

SPWL Age 65, Non Tobacco: \$50,000 Premium

	Level 1 Standard-Table 4	Level 2 Table 5-Table 8
Male	\$88,495.58	\$82,372.32
Female	\$98,814.23	\$92,421.44



Immediate Increase in Estate Value!

Female Age 65-Level 1, paying a \$50,000 Single Premium:

- Immediate estate value increase of \$48,814.23
- If this client was in a 25% tax bracket:
 - It would take 19 years in order to accumulate \$48,814 at 5% interest.
- At death the life insurance benefit of \$98,814.23 would be paid income tax free to the beneficiary



SPWL Age 70, Non Tobacco: \$50,000 Premium

	Level 1 Standard-Table 4	Level 2 Table 5-Table 8
Male	\$77,639.75	\$71,633.24
Female	\$86,206.90	\$80,000.00

Immediate Increase in Estate Value!

Male Age 70-Level 1, paying a \$50,000 Single Premium:

- Immediate estate value increase of \$27,639.75
- If this client was in a 25% tax bracket:
 - It would take 12 years in order to accumulate \$27,639 at 5% interest.
- At death the life insurance benefit of \$77,639.75 would be paid income tax free to the beneficiary



More than 90% Point-of-Sale Decision Rate



SPWL Application and Underwriting

- You will pre-qualify your client using the application Form 8003-0411 or its state specific variation
- The application is structured into Part A and Part B
 - All “no” answers to Part A and Part B, coupled with a good height/weight, a clean MIB, and an acceptable prescription drug history should result in a Tier 1 issue
 - All “no” answers to Part A, a “yes” answer in Part B, coupled with a good height/weight, a clean MIB, and an acceptable prescription drug history should result in a Tier 2 issue
 - Any “yes” answer in Part A, however, means coverage cannot be issued in either of the available tiers

Point-of-Sale Underwriting Decision Process

- Once you have completed the **entire application** and pre-qualified the applicant, contact the call center for an underwriting interview
- This interview generally lasts 12 minutes or less
- The call center representative will review the same health questions used during pre-qualification
- During the call, an MIB search and a prescription drug database search will be run “in the background”.
 - If there are discrepancies between those results and the answers provided in the interview, your client may be asked a question from the application again in an attempt to clarify the difference in information



Point-of-Sale Underwriting Decision Process

- After your client has completed the interview, any underwriting decision is communicated to you, NOT to your client
 - The call center representative will provide you with an underwriting decision of either “approved” or “not approved”
- You will receive a confirmation number
 - The confirmation number must be written on the front page of the application
- Fewer than 10 percent of the cases will be referred to the home office for additional underwriting review

Point-of-Sale Underwriting Decision Process

- Once the appointment is finished and the decision has been given, the application and all required forms **must be** faxed to our New Business center as follows:
 - Career Agency Sales Group
(866) 892-6528 or newbusiness@baltlife.com
 - Independent Sales Producers
(866) 892-6428 or newbusiness-independentsales@baltlife.com
- Forms must be sent to the home office **in all cases**, even when the application has been declined



Call Center Details

- The call center phone number is (888) 368-9678
- Call center hours are 9:00 a.m. to 10:30 p.m. Monday–Thursday, and 9:00 a.m. to 6:00 p.m. Friday, EASTERN TIME
- Languages supported include English and Spanish
 - Other languages are available on request
- TTY available in both English and Spanish
- The interview must be completed in order to process the application
- The interview must be completed within five days from the date of the application

Call Center Details

- During high call volume periods, you may leave a message and request to have the interview completed.
 - You will receive a return call within ten minutes or your specific date/time request
 - If you, the agent, are not present during the interview, you will be called and informed of the decision
- If the call center is closed, you may leave a message and request to have the interview completed
 - Your specific date/time request for the return call during business hours will be accommodated
 - If you are not present during the interview, you will be called and informed of the decision



SPWL Administrative Forms

- Required Forms
 - SPWL Application, Form 8003-0411*
 - MEC Information, Form 3994
 - SPWL Acknowledgement, Form 8038
 - Required when a policy is purchased with cash or other non-annuity funds
 - Suitability Questionnaire, Form 8395
 - Required when annuity funds are used to purchase the policy
 - Authorization of Release of Health Related Information (HIPAA), Form 7699
 - Accelerated Death Benefit Rider Disclosure Statement, Form 8033*

** Use state specific version of forms when required*



SPWL Administrative Forms

- Additional Forms
 - Authorization to Send Funds, Form 6346
 - State replacement or NAIC replacement form when applicable

SPWL Agent Sales Support Tools

- Agent Guide, Form 8022
- SPWL Proposal Software
- Client Brochure, Form 8036
- State Approval Chart, Form 8049
- Asset Transfer Analysis, Form 8039
- Sample Forms package



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For More Information:

Agent Services Call Center
(877) 533-2468

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