

Foundation and IncomeBuilder

Universal Life Insurance

Quick Reference Guide

Foundation and IncomeBuilder are flexible premium, flexible death benefit Universal Life Insurance contracts that can be customized through optional riders to help meet a wide variety of insurance needs.

	Features	Benefits
Flexibility	Premium flexibility, gives clients the choice to pay more, pay less, skip or stop premium payments. Flexibility of either a level death benefit or increasing death benefit.	As your client's needs change, their policies provide the flexibility to help meet their ever changing insurance needs, all in a single contract.
Living Benefits¹	LSW's fixed UL products also offer a wide range of riders to customize your client's insurance needs including a variety of living benefits.	We call it "Life Insurance You Don't Have to Die to Use." Your clients can access their policy's benefits while they are still living. Benefits include coverage in case of: <ul style="list-style-type: none"> • Terminal Illness • Chronic Illness • Critical Illness or Injury • Disability
Underwriting (Foundation Only)	Foundation only: No routine medical testing required for policies with a face amount of \$250,000 or less and age 65 or lower.	No fluid underwriting is a good option for busy individuals who can't schedule an exam. It also shortens the sales process from submission to commission.
Overloan Protection Rider² (IncomeBuilder Only)	Policy loans ³ are received income-tax free. This rider helps prevent your client's policy from lapsing in situations where loan balances threaten the contract's ability to stay in-force.	If the policy lapses, with outstanding policy loans, there could be taxable income to the policyholder. In the event loan balances threaten the contract's ability to stay in force, and if the terms of the rider are met, this rider will restructure the policy so that it is guaranteed not to lapse.
Tax-Free Distributions	Foundation and IncomeBuilder offer a death benefit which is paid income tax-free. Plus, under current tax laws, cash values can be accessed tax free using policy loans and withdrawals.	Life insurance cash values grow tax-deferred. Clients can access these cash values through policy loans and withdrawals ³ to help supplement their income, for additional retirement support, to help a child through college or to meet unexpected financial emergencies.
Waiver of Specified/ Target Premium Rider	Waiver of Specified Premium Rider is available on IncomeBuilder only. Allows your clients to determine how much of their premium will be waived in the event they become disabled. Waiver of Target Premium is available on Foundation only.	With tax-deferred accumulation your clients can save for retirement. The Waiver of Specified Premium rider can ensure their premium is paid, in the event disability occurs. Your client chooses the level of premium to be paid upon disability. ⁴
Guarantees⁵	The guaranteed minimum annual interest rate for IncomeBuilder is 3%. The guaranteed minimum annual interest rate for Foundation is 4.00%.	Clients can be assured that, regardless of where interest rates move, their policy values will continue to earn an attractive interest rate.
Death Benefit Protection Rider (IncomeBuilder Only)	The Death Benefit Protection Rider, offers additional death benefit security by ensuring the policy will not lapse during the 20 year death benefit protection period. ⁶	Your clients can be assured that their policy will not lapse, should they encounter a period in their life where cash flow is tight, provided that the accumulated premiums paid exceed the accumulated required premiums.

Products issued by

Life Insurance Company of the Southwest®

National Life Group® is a trade name representing various affiliates, which offer a variety of financial service products.

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	Foundation UL	IncomeBuilder	Riders Available (where approved)
Product Focus	Lowest initial premium permanent protection with Traditional Universal Life flexibility	Efficient cash value accumulation with strong death benefit guarantees	<ul style="list-style-type: none"> Accelerated Benefits Riders for No fluid underwriting is a good option for busy individuals who can't schedule an exam. It also shortens the sales process form submission to commission. Age Limit: In California, the Critical Injury rider is referred to as a specified disease rider and may only be sold to persons between issue ages (attained age) 0-64.
Marketing Strategy	Low cost permanent coverage alternative to Term and exceptional mortgage protection	Tax-free retirement; low premium outlay for zero cash or endow at age 100 for survivor protection	<ul style="list-style-type: none"> Accidental Death Benefit Rider Children's Term Rider Death Benefit Protection Rider (IncomeBuilder only) Disability Income Rider (2-year and 5-year) Guaranteed Insurability Rider Other Insured Rider Overloan Protection Rider (IncomeBuilder only) Qualified Plan Exchange Privilege Rider (IncomeBuilder only) Unemployment Rider Waiver of Specified Premium Rider (IncomeBuilder only) Waiver of Target Premium Rider (Foundation only)
Issue ages	0-85 (age last birthday)	0-85 (age nearest birthday)	
Minimum Face Amount	\$25,000	\$100,000	
Minimum Premium	\$25.00 / month	\$25.00 / month	
Interest Rate Crediting Method	Preferred Non-Tobacco (issue ages 18-65) Face amounts greater than \$250,000 or age greater than 65. Verified Standard Non-Tobacco (issue ages 0-85) Express Standard Non-Tobacco (issue ages 0-85) Preferred Tobacco (issue ages 18-65) Face amounts greater than \$250,000 or age greater than 65 Standard Tobacco (issue ages 15-85) Note: Verified Standard Non-Tobacco will be used for non-rated issue ages 0-14	Income Builder Rate Classification wording: Elite Non-Tobacco (issue ages 20-75) Preferred Non-Tobacco (issue ages 20-85) Standard Non-Tobacco (issue ages 0-85) Preferred Tobacco (issue ages 20-85) Standard Tobacco (issue ages 20-85) The Standard Non-Tobacco Class will be used for insureds ages 0-19. Known Tobacco users between ages 0-19 will have a 200% rating applied to the Standard Non-Tobacco class.	
Substandard	Table ratings and flat extras available with Verified Standard Non-Tobacco and Standard Tobacco classes.	Table ratings and flat extras are available with Standard Non-Tobacco and Standard Tobacco classes. Temporary flat extras are available with any rate class.	
Minimum Guaranteed Interest Rate	4.00%	3.00%	
Surrender Schedule	Level first five years, grades down to zero at the end of year 15	15 year declining surrender charge	
Policy Loans	Wash loans available after five policy years with evidence of purchasing or refinancing a home (terms vary by state).	Wash loans available beginning in year 6 on a current basis.	
Withdrawals	Available after the first policy year. A \$25 withdrawal fee will apply	Available after the first policy year. \$25.00 withdrawal fee will apply	
1035 Exchanges with Loans	Not Available	Available loan balances can account for up to 50% of the gross transferred amount	
Expense Charges	Policy fee: \$6.15 per month Premium load: 7.5% of premium	Monthly expense charge is based on issue age, gender, rate class, and face amount Policy fee: \$5 per month Premium load: 6% of premium	
Banding	Not Available	Band 1: Min. face amount up to \$249,999 Band 2: \$250,000-\$999,999 Band 3: \$1,000,000 and up	

For more information please call: 800-906-3310

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- 1 Use of Accelerated Benefits Riders will reduce the policy cash value and death benefit and may result in a taxable event.
 - 2 Limitations apply to exercising the Overloan Protection Rider, including that the policy be in force at least 15 years and the insured having attained the age of 75. Exercising the rider results in a paid-up policy. There is no cost for this optional rider, however, there is a fee when the rider is exercised.
 - 3 Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Except in the case of a Modified Endowment Contract (MEC), withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. For MECs, contract loans and withdrawals are considered taxable income. Surrender charges may reduce the policy's cash value in early years.
 - 4 Cannot exceed the planned periodic premium at issue.
 - 5 Guarantees are dependent upon the claims-paying ability of the issuing company.
 - 6 Significant limitations apply - please see the LSW IncomeBuilder agent guide for details.
- Not all riders applicable in qualified pension plans.

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