

FAQ's

Can you switch the payor from the parent to a child once converted to the whole life plan?

Yes.

What is the premium when a policyholder elects to increase their coverage by \$15,000 or \$20,000 at the ages of 25, 28, and 31?

Rates will be based on whole life product availability and established rates at the time the increase option is exercised.

Can aunts and uncles apply for nieces and nephews?

Yes, but only if they have legal guardianship of the child.

Are the agents required to collect premium with the application?

Yes. For an application to be considered in-force, the application must be submitted with the premium.

Does the 15-year old need to be present to sign the Junior Estate Builder?

Yes, the agent is required to witness the signature for any child ages 15 or older.

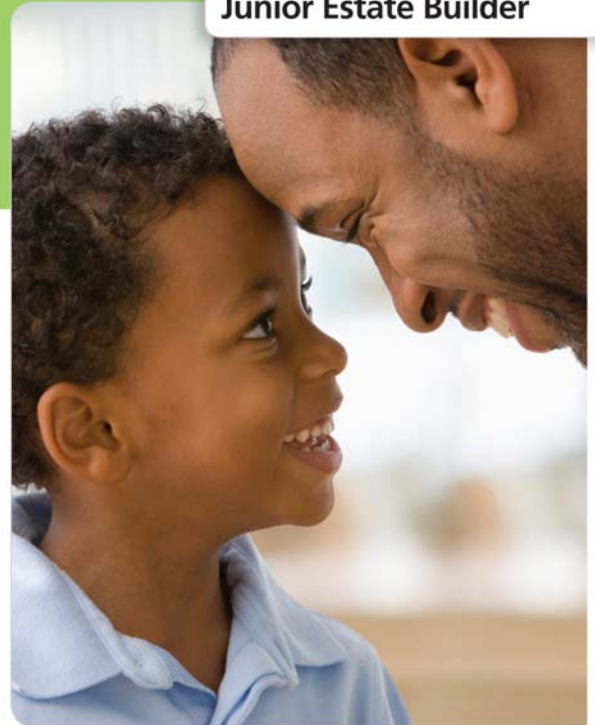
What if the proposed insured is 24 years and 11 months old?

The policy is issued on closest age. If the proposed insured is 24 years and 11 months old, he/she will have an effective age of 25 making them ineligible for coverage.

What is an insurable interest?

Owners and beneficiaries must be insurable interests for the Junior Estate Builder product. An insurable interest is a parent, grandparent, great-grandparent, legal guardian, or sibling 18 years of age or older. Aunts/uncles are not allowed to be owners or beneficiaries on submitted applications, but they can pay for the policy.

Junior Estate Builder



If proposed insured is over 15-years old and lives out of state, do they have to sign the application?

Yes. This could possibly be accomplished at a time when the grandchild is visiting the grandparent.

What is the chargeback policy?

Policy is prepaid annually. Commissions are paid as earned. There is no chargeback unless client exercises a free look option. In this case, the premium reversed and refunded to the insured.

The application asks if the "Automatic Premium Loan" is desired. What does this mean?

Answering **YES** to this question helps prevent unintentional lapse of the policy once the policy converts to whole life and begins building cash value. If the payor fails to make a premium payment the premium will be paid by an automatic premium loan against the cash value of the policy.

What is the waiting period?

No waiting period applies to this product.

Junior Estate Builder FAQ's (cont'd)

If you answer YES to the health questions, will the applicant be uninsurable?

- Question 1A – a **YES** answer will require additional Underwriting review
- Question 1B – a **YES** answer will require additional Underwriting review
- Question 2 – a **YES** answer will require additional Underwriting review

The last page of the application states “I acknowledge that I received a copy of the Notice to the Proposed Insured and the Medical Information bureau Disclosure Notice which is attached to this application”, Where is the attached form?

This is an acknowledgement of the information contained in the “Authorization” section of the application. No additional forms are required.

Can someone pay the total amount rather than year by year?

Yes. The client can prepay the premium. Excess premium will be credited each year on the anniversary date of the policy.

Can there be more than one beneficiary on the policy?

Yes. You can simply add the beneficiaries name and relationship in the beneficiary box or just below. Make certain you include the desired % split for each beneficiary.

If the child becomes terminally ill before it converts to whole life will they get the benefit amount?

If death occurs the death benefit would be paid. This policy does not have a terminal illness rider and would not provide any benefit pre-death.

I have a 22-year old married applicant that would like to purchase this product. Is he/she eligible for coverage?

Yes. Marital status does not apply to this product.

Will the policy payor receive any notification in recurring years, that the premium will be deducted from their checking/savings account or will it happen automatically?

JEB is annual bill only so the payor will receive an annual direct bill until the policy converts to whole life at which time they will have the option to put the policy on monthly bank draft. Once on draft they will not receive notices the premium will just automatically draft on the selected date.

Should our agents enter height and weight and not worry about the build charts leaving the decision to the underwriters?

Yes

Can a 22 year old purchase a policy for themselves?

Yes.

What would the conversion rate be once the policy converts to whole life at 25?

The new premium would be \$190 annually for \$15,000 and \$225 annually for \$20,000.

How much will they be earning when it converts?

The cash value will begin to build between year 3 and 4 after conversion but will vary based on the age of the insured when the policy was issued.

Junior Estate Builder FAQ's (cont'd)

If the insured chooses not to take the additional insurance option at 25, can they take advantage of the additional insurance option at age 28?

Yes. However, they can only double the benefit instead of tripling it.

If a policy is paid in advance and the child dies, will a refund of premium be given?

Yes.

If the owner of a policy dies can someone else take it over?

Yes

Can grandparents purchase a policy for a grandchild who resides in a state where we don't offer the plan?

No, We cannot sell the plan for a child that resides in a state where we (Kanawha Insurance Company) are not licensed to do business.

If the policy holder and the juvenile live in 2 different states, does the agent have to be licensed in both states?

The agent needs to be licensed in the state where the application is signed and where the child resides.

Are there minimum and maximum weights restrictions on a JEB policy?

Yes. A build chart has been placed in the Ops Manual.

If a JEB policy is converted to a whole life policy at age 25 and the policy is cancelled, can they be resold the whole life policy?

No, They would need to buy a different policy; the JEB would no longer be available. They would have a window of time to reinstate the policy by paying all back premiums to bring the policy current.

We don't have illustrations for this product, and the values will vary depending on the age at issue, but I have attached the values for a \$20,000 policy on a 12 year old male through age 45. See the below as an example:

<u>End of Policy Year</u>	<u>Attained Age</u>	<u>Cash Value</u>	<u>ETI Years</u>	<u>ETI Days</u>	<u>Reduced Paid Up</u>
1	13	\$0.00	0	0	\$0.00
2	14	\$0.00	0	0	\$0.00
3	15	\$0.00	0	0	\$0.00
4	16	\$0.00	0	0	\$0.00
5	17	\$0.00	0	0	\$0.00
6	18	\$0.00	0	0	\$0.00
7	19	\$0.00	0	0	\$0.00
8	20	\$0.00	0	0	\$0.00
9	21	\$0.00	0	0	\$0.00
10	22	\$0.00	0	0	\$0.00
11	23	\$0.00	0	0	\$0.00
12	24	\$0.00	0	0	\$0.00
13	25	\$0.00	0	0	\$0.00
14	26	\$0.00	0	0	\$0.00
15	27	\$0.00	0	0	\$0.00
16	28	\$0.00	0	0	\$0.00
17	29	\$41.00	1	340	\$360.00
18	30	\$147.80	7	262	\$1,240.00
19	31	\$260.20	12	344	\$2,100.00
20	32	\$378.40	16	253	\$2,920.00
21	33	\$502.80	19	312	\$3,720.00
22	34	\$633.20	22	85	\$4,500.00
23	35	\$769.60	23	363	\$5,240.00
24	36	\$912.60	25	151	\$5,960.00
25	37	\$1,061.40	26	179	\$6,640.00
26	38	\$1,216.80	27	107	\$7,300.00
27	39	\$1,378.40	27	333	\$7,920.00
28	40	\$1,546.20	28	148	\$8,520.00

