

Banner

Your Company For Life™

Life Choice UL™



**Flexible premium universal life insurance
with lifetime no-lapse coverage guarantees**

Product Specifications

DESCRIPTION:

Life Choice UL is a flexible premium universal life insurance plan. This product offers a coverage guarantee to maturity at age 121. Abbreviated or level payment and coverage options are available.

ISSUE AGES:

20-85, age nearest birthday

FACE AMOUNT BANDS:

Band 1: \$100,000-\$249,999

Band 2: \$250,000-over

FORM NUMBERS:

POLICY: ICC09 UL09, UL-09 and state variations.

ILLUSTRATIONS:

Signed illustrations are necessary to meet policy delivery requirements. Illustration Manager provides premium solves for level payments, single payments and other abbreviated payments.

CONVERSIONS:

Available for a limited time.

CURRENT INTEREST CREDITING RATE:

4.0% - Current rate is subject to change at any time.

GUARANTEED INTEREST CREDITING RATE:

3.0% minimum interest

COVERAGE GUARANTEE EXPLANATION:

Universal life insurance provides considerable flexibility to the policy owner in regards to timing and amount of premium payments. One does need to pay premiums to keep coverage in force, however being late on any one premium does not, by itself, place the policy at risk for a lapse of coverage.

Premium payments, after deduction for an expense charge, are deposited to the policy account value. The Company then makes monthly deductions from the account value to cover the monthly administrative and other expense charges and the cost for the amount of insurance coverage provided. At the end of each month the Company credits interest to the account value.

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Product Specifications

COVERAGE GUARANTEE EXPLANATION (CONTINUED):

Coverage will remain in force as long as there is sufficient surrender value to pay the deductions.

Policy guarantees specify the:

- minimum interest rate that can be applied to the account value,
- maximum cost for insurance that can be charged,
- maximum premium fees that can be charged, and
- maximum monthly expense charges that can be charged.

These guarantees are commonly referred to as the primary guarantees and are explained in the Guaranteed Values provision of the policy.

Life Choice UL has an additional guarantee that will prevent a lapse of coverage. The additional guarantee is commonly referred to as a secondary guarantee because this is in addition to the primary policy guarantee. This guarantee provides an extra layer of protection to one who pays the defined premium on time to prevent the policy from lapsing.

A coverage guarantee account is tracked in a similar manner as the policy account value, but using different charges and interest rates. These factors are stated in the policy and are guaranteed not to change. The value of this account is defined as the Coverage Guarantee Amount.

The coverage position of the policy is clear; if the coverage guarantee account, less policy loan indebtedness, is greater than or equal to zero, the policy will not enter the Grace Period and therefore cannot lapse.

The coverage guarantee account is not related to the actual policy values and/or values described in the Non-Forfeiture Provisions. The values of the coverage guarantee account are used for the sole-purpose of determining whether the policy has lapse protection; the values have no accessible cash value to anyone for any purpose whatsoever.

The Coverage Guarantee Provision will end without the possibility of reinstatement on the earlier of:

- 1) The date of the first increase in Specified Amount, or
- 2) the date that the policy is surrendered.

The specifics of the secondary guarantee are explained in the Coverage Guarantee Provision of the policy.

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GRACE PERIOD:

This policy provides for a grace period of 61 days to pay sufficient premiums to prevent policy termination. Except as provided in the Coverage Guarantee Provision, this policy will enter the grace period if the Base Surrender Value is less than the monthly deduction. We will send notification of the grace period and the minimum premium due to the owner's last known address and to any assignee of record at least 30 days prior to the date the policy is to terminate. If the premium due on such monthly anniversary is not paid within the grace period, all coverage under this policy will terminate without value at the end of the grace period. If a death claim occurs during the grace period, overdue monthly deductions will be deducted from the proceeds.

PREMIUM RECEIVED DATE:

For purposes of calculating the Guaranteed Coverage Amount, premiums received within the policy's grace period will be credited as of the premium due date. Monies received by 1035 exchange and received within 180 days of the policy issue date will be credited as of the policy issue date.

The premium will also be applied to the account value, however, interest earnings will commence on the actual date premiums are received.

POLICY MATURITY:

The policy will mature at age 121, unless extended by the policy owner. If extended, this new policy maturity date is defined to be the Extended Maturity Date. It is possible that the policy will terminate prior to the maturity date if: the total premiums paid are not sufficient to continue coverage to the maturity date; a policy loan is made; or changes are made in the specified amount or plan as originally issued.

EXTENDED MATURITY DATE:

The death benefit will be continued as the amount in effect, if any, at age 121 and there will be no further monthly deductions from the account value. New policy loans and loan repayments are permitted. Interest will continue to accrue on and be added to any outstanding loan balance. The policy may not qualify as life insurance under federal tax law after the insured reaches age 121 and may be subject to adverse tax consequences. A tax advisor should be consulted before the owner chooses to continue the policy after age 121.

CATCH UP PROCESS:

Because this is a flexible premium plan, policy owners can "catch up" on premium payments to assure lapse protection. A "catch up" requires one to bring the Coverage Guarantee Amount to the level it would be at if premiums had been paid on time and in an amount as planned.

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UNDERWRITING CLASSIFICATIONS:

Male/Female
Preferred Plus Non-Tobacco (PPNT)
Preferred Non-Tobacco (PNT)
Preferred Tobacco (PT)
Standard Plus Non-Tobacco (SPNT)
Standard Non-Tobacco (SNT)
Standard Tobacco (ST)

SUBSTANDARD:

Available through Table 12 on standard plus and standard classes, subject to underwriting discretion. Substandard cost of insurance is a multiple of standard plus or standard rates, 25% per table. Extra cost of insurance for table rated cases is assessed for the life of the policy. Target premiums increase by 15% per table rating. Temporary and permanent flat extras are available. No additional target premium for temporary flat extras of five years or less. Increase premium by amount of flat extra divided by .93.

COST OF INSURANCE CHARGE:

The monthly cost of insurance rates are based on the insured's attained age, sex, underwriting classification and on our expectations as to future experience. However, the cost of insurance rates for the insured's underwriting classification will not be greater than the guaranteed maximum rates shown in the policy schedule. The guaranteed maximum rates are based on the 2001 Commissioners' Standard Ordinary Mortality Table (male/female, smoker distinct) age nearest birthday.

PREMIUM LOAD & POLICY FEE:	Current/Guaranteed
Premium Load	7%
Monthly Policy Fee	\$5

ADMINISTRATIVE CHARGE:

An administrative charge equal to a rate per \$1,000 charge of coverage which varies by issue age, sex and underwriting classification is deducted monthly during all policy years. Upon any increase or decrease in specified amount, the monthly administrative charge will be revised accordingly.

MODAL FACTORS:

There are not specific premium modal factors; however, to obtain the same financial objectives, the total amount paid by semi-annual, quarterly and monthly premium payments will be higher than an annual premium payment.

MONTHLY DEDUCTION:

The deduction for a policy month is made up of the cost of insurance, the cost of additional coverage provided by riders and benefits, the monthly policy fee and the monthly administrative charge as shown in the policy schedule.

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DEATH BENEFIT:

The death benefit is the greater of the specified amount, or the account value multiplied by the applicable Death Benefit Factor (Corridor Percentage) shown in the policy.

MINIMUM SPECIFIED AMOUNT:

\$100,000

INCREASES IN SPECIFIED AMOUNT:

At any time after the first policy year, the existing insurance coverage may be increased by written request subject to evidence of insurability. The increase may not be less than \$10,000.

The new premiums will be based on the attained age at the date of the increase and the total amount of coverage provided by the policy, including any riders and benefits attached, following the increase. An additional surrender charge may be payable after an increase in specified amount.

Increases in the specified amount will result in a termination of the coverage guarantee provision.

DECREASES IN SPECIFIED AMOUNT:

Decreases are permitted. The specified amount in effect at any time under this policy may not be decreased below \$100,000. Decreases in specified amount will result in a deduction from the policy account value and from the policy Coverage Guarantee Amount. The deduction is equal to the pro-rata portion of the decrease in specified amount multiplied by the surrender charge applicable at the time of the decrease. Future surrender charges will be reduced by this pro-rata portion. Changes in face amount may affect guaranteed cash values.

LIMITATION OF BENEFITS:

Two-year contestability and suicide provisions apply.

MINIMUM PREMIUM:

Varies by issue age, underwriting class, face amount band, sex.

TARGET PREMIUM:

The target premium can be found in the page footer on the first page of the illustration detail.

PREMIUM PAYMENT OPTIONS:

Policy owners can choose to increase, decrease, skip or stop premium payments. Making a change in premium payments may affect policy values and policy lapse protection. A decision to change the planned premium must take into account factors such as premiums paid since the policy's inception, the current account value, the impact on lapse protection, outstanding loans, and the credited interest rate.

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POLICY SURRENDER:

The owner may surrender this policy and receive the cash surrender value during the insured's lifetime.

CASH SURRENDER VALUE:

The cash surrender value will be the greater of the Base Surrender Value or the Guaranteed Cash Value.

The Base Surrender Value is similar to traditional UL policies. It is the account value minus any outstanding policy loans, minus any surrender charges.

The Guaranteed Cash Value is equal to:

- 1) The guaranteed cash value factor, as listed in the policy schedule, times the per thousand face amount; times
- 2) the lesser of 1 or the ratio of the Coverage Guarantee Amount to the Target Coverage Guarantee Amount, as listed in the policy schedule; less
- 3) any outstanding policy loans.

PARTIAL SURRENDERS:

No partial surrenders are permitted

SURRENDER CHARGES:

Graded uniformly over 14 years with no charge in policy years 15 and later. The surrender charge applicable for the initial specified amount is shown in the policy schedule. An additional surrender charge may be applicable after any increases in specified amount. If applicable, the additional surrender charge will be added to any remaining surrender charge to determine the total surrender charge. A new policy schedule showing the total surrender charge for applicable policy years is sent to the policy owner after an increase in specified amount.

POLICY LOANS:

While this policy is in force, the owner may obtain all or part of the available loan value by written notice. This policy, assigned to us, is the only security needed.

LOAN INTEREST:

Interest on policy loans will be payable in advance from the date of the loan to the next policy anniversary at the annual interest rate of 7.4%. Interest is payable in advance at the beginning of each policy year. If interest is not paid when due, it will be added to the policy loan and bear interest at the same rate. Guaranteed 3% interest is credited to account value equal to amount borrowed at policy year end.

About Banner Life

Banner Life Insurance Company is a Legal & General America company, a subsidiary of Legal & General Group Plc. Banner Life holds an "A+" (Superior) overall financial strength rating from A.M. Best and an "A+" (Strong) financial strength rating from Standard and Poor's.

Banner Life is domiciled in Maryland and is licensed to do business in 48 states and the District of Columbia.

This booklet provides general descriptions of Life Choice UL. It is not a contractual document. For specifics, please refer to a specimen policy for ICC09 UL09, UL-09 and state variations.



1701 Research Boulevard
Rockville, Maryland 20850
www.BannerLife.com
800.638.8428

LAA 1574 (02.2010)
Policy Form: ICC09 UL09, UL-09
State variations apply.
Not available in all states.

10-021
Specs as of 2.18.2010
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