

Royal Neighbors of America
PRODUCT PROFILE

Royal Advantage Term

Level Premium Term to Age 95

- Certificate can be issued for 10, 20 or 30-year level premium periods
- Premiums remain level until the end of the level premium period; default to Annual Renewal Term (ART) to age 95 following level premium period

Issue Ages

- Royal Advantage 10 – issue ages 16-70
- Royal Advantage 20 – issue ages 16-60
- Royal Advantage 30 – issue ages 16-50

Face Amounts

- \$100,000 minimum
- \$4,000,000 maximum – \$3,000,000 if Premium Waiver Disability (PWD) is included

Premiums

- Premiums can be paid by Pre-Authorized Collection (PAC) or on a quarterly, semi-annual, or annual mode
- No modal charge on monthly PAC

Certificate Fee

- There is an annual \$75 certificate fee (certificate fee is commissionable)

Risk Classes

- Super Preferred Non-Tobacco
- Preferred Non-Tobacco
- Standard Non-Tobacco
- Standard Tobacco
- Substandard to Table 8

“Special” is used when the base certificate includes a table rating or a flat extra or when the PWD includes a substandard extra premium; the super preferred and preferred premium class cannot have a flat extra, a table rating, or a substandard rider.



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Riders Available

- Premium Waiver Disability (PWD)
- Return of Premium (ROP)
- Accelerated Living Benefit

Premium Waiver Disability Rider – Form series 8062

- Rider available age 16-55 – Royal Advantage 10
- Rider available age 16-55 – Royal Advantage 20
- Rider available age 16-50 – Royal Advantage 30
- Disability must begin prior to insured's age 60
- If premiums are still being waived at age 65, the certificate will automatically convert to a Whole Life certificate chosen by Royal Neighbors and premiums will continue to be waived
- If premiums are not being waived under PWD rider, the PWD rider will expire on the certificate anniversary at attained age 60
- PWD rider may be added after issue during the level premium period with evidence of insurability only if there is no ROP rider; premium for rider based on age of insured when rider is added
- PWD must be added prior to the maximum issue age for the level premium period (55 for the 10 and 20-year level premium period and 50 for the 30-year level premium period)

Return of Premium Rider – Form series 200771A

- Rider available age 16-70 – Royal Advantage 10
- Rider available age 16-60 – Royal Advantage 20
- Rider available age 16-50 – Royal Advantage 30
- ROP rider cannot be added after issue
- ROP rider will not be attached to a converted certificate
- Under the ROP rider, at the end of a level premium period, if the certificate is in force, the sum of premiums paid is returned to the owner and the rider expires; the sum of premiums paid equals the actual premiums paid on the base certificate, the certificate fee, plus all riders, excluding the premiums paid for substandard/flat extra and benefits paid under the contract such as premiums that have been waived or death benefits that have been accelerated
- Additional cost for ROP rider if base certificate has the PWD rider
- If certificate is terminated prior to end of the level premium period, the rider's cash value is paid based on a percentage of premiums paid under contract as shown in return of premium schedule in the rider

Accelerated Living Benefit Rider – Form series 1766

- Rider available age 16-70 – Royal Advantage 10
- Rider available age 16-60 – Royal Advantage 20
- Rider available age 16-50 – Royal Advantage 30
- Cannot be added after issue
- No additional charge for rider (in states where rider is approved)
- Qualifying Events – terminal condition/permanent nursing home confinement
 - If insured's death is expected within 12 months or insured is permanently confined to a nursing home
- Up to 75% of the face amount can be accelerated (minimum \$5,000, maximum \$250,000)
- An accelerated payment creates an interest-bearing lien on certificate

- Interest and premiums on the certificate lien will not be waived
- Rider may not be available in all states or may have certain restrictions
- Rider terminates at death of insured or termination/expiration of the certificate to which the rider is attached
- Rider has no cash value

End of Level Premium Period

- At the end of the level premium period the insured has the choice of continuation of the certificate on an ART basis (default), re-entry, or conversion of the certificate
- Prior to the end of the level premium period Royal Neighbors will notify insured of the option and explain the default of continuing it on an annual renewable term basis with increased premiums unless the insured chooses otherwise prior to the end of the period
- If the certificate contains the ROP rider, the rider will endow at the end of the level premium period

Annual Renewable Term

- Premiums increase annually until certificate anniversary of the insured's attained age of 95 at which time the certificate expires without value
- If the certificate contained a PWD rider, the rider will continue on an attained age scale until the anniversary nearest the insured's age 60
- If the certificate contained an Accelerated Living Benefit rider, the rider would continue when the certificate goes to annual renewable term

Re-entry

- An insured may have an opportunity to apply for a new certificate; a new application would be required, the premium would be at the attained age, the person would be re-underwritten, and there may be a possible change in the premium class; any rider added would also require evidence of insurability
- Prior to re-entry, if the certificate contains the ROP rider, the prior premiums paid would be available if premiums were paid to the end of the level premium period

Conversion

- The latest conversion date of the certificate is the earlier of the end of the level premium period or the anniversary of the insured's age 70
- Certificate can be converted to any permanent insurance without evidence of insurability and not more than the death benefit of this certificate and not less than the minimum amount required for the plan selected; permanent insurance includes traditional life products or universal life products; it does not include term products
- If a Level Premium Term certificate contains a PWD rider and the premiums are not being waived, the PWD rider can be converted to a new certificate; proof of good health would not be required for the conversion of the PWD
- If premiums are being waived under the PWD rider, the Level Premium Term certificate can only be converted to a whole life certificate of Royal Neighbors' choosing; premiums would continue to be waived on the new certificate
- If the Level Premium Term certificate has a lien due to the Accelerated Living Benefit, the amount converted would be the face amount minus the lien
- If the Level Premium Term certificate has the ROP rider and premiums are paid to the end of the level premium period, the ROP rider endowment could be used as a premium on a universal life or an annuity certificate

Income Replacement Settlement Option

- Owner selects monthly payments for a specified period of time instead of selecting to receive a lump-sum death benefit
 - The owner has the option of selecting an initial lump sum (1-6 times the monthly payment)
- Available with
 - Royal Advantage 10
 - Royal Advantage 20
 - Royal Advantage 30
- Must be selected at time of application
- PWD and ROP riders available
- Accelerated Living Benefit rider not available
- Settlement option interest rate is set at time of death – guaranteed not less than 3%
- If rate is higher than 3% – monthly benefit amount increased accordingly

Example – \$1,000 per month for 120 months (10 years) and a \$6,000 lump-sum payment at time of death. Total benefit of \$126,000. Owner purchases face amount of \$109,762.

Loan

- No loan option is available on the Level Premium Term certificate (except as required by state)

Death Benefit

- The death benefit of the Level Premium Term certificate is the face amount minus any amount advanced for the Accelerated Living Benefit rider; any unpaid premiums during the grace period would also be deducted from the amount payable and premiums paid in advance would be added

Termination

- The Level Premium Term certificate will terminate without value when the certificate lapses, is exchanged, or is converted unless there is a ROP rider; if the certificate has a ROP rider, the value will be a percentage of the premiums based on the Return of Premium Schedule

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