

# ADVISOR DISCLOSURE AND CLIENT AGREEMENT

## EXPLANATION OF COVERAGE OPTIONS AND BENEFITS

### **Universal Life Insurance**

Universal life insurance provides guaranteed lifetime coverage, but also includes an investment component that generates tax-deferred savings. You make ongoing deposits to the policy, with some flexibility in terms of the amount. A portion of the deposit is used to pay the premium and the balance is invested and grows tax-sheltered, allowing you to potentially boost the value of your long-term savings. When you die, the beneficiaries you name in your policy receive the insurance amount and the investment proceeds tax free.

### **Whole Life Insurance**

Whole life insurance provides guaranteed lifetime coverage with a fixed premium. Whole life insurance also has cash value that builds over time. You can use the savings as collateral to take out a loan or use the money for any reason if you surrender the policy before you die. Some whole life policies also entitle you to dividend payments from the insurance company.

### **Term 100 Life Insurance**

Term 100 life insurance provides coverage for your lifetime, even if you live past age 100. Your premiums remain level for your lifetime. Term 100 typically has no savings component or cash value and for this reason, it is the lowest cost-permanent insurance available.

### **Renewal Term Life Insurance**

Renewal term life insurance provides you with insurance protection for a specific period of time. While your annual premium amount stays the same throughout the term, term insurance becomes more expensive to buy as you get older as this reflects the fact that no medical exam is required. Renewal term insurance allows you to extend your coverage for a new term without a medical exam when your original term ends. The renewal premiums are listed in the insurance contract.

### **Insurance Riders**

An insurance rider is optional coverage you can add to your policy to enhance coverage or benefit to the policy holder for a cost above the base plan.

### **Critical Illness Insurance**

Critical illness insurance pays a lump sum amount on the first diagnosis of a serious medical condition (e.g. cancer, heart attack) covered by your policy. This allows you to cover additional costs associated with an illness or use the payment for any other purpose during or after recovery.

### **Disability Insurance**

Disability insurance provides a monthly payment that replaces part of your lost income if you are unable to work because of illness or injury. This allows you to maintain your standard of living if you are disabled and unable to work.

### **Disability Loan Insurance**

Disability loan insurance provides a monthly payment that can be used to make payments to your existing loans, mortgages, or lines of credit should you become disabled and unable to work. Benefit payments are based on benefit purchased and payment obligations. This is not income tested as regular disability insurance is so it is a great compliment to those that already have disability insurance and based on current coverage, are unable to purchase more. No proof of income is required at time of claim, only proof of payment debt obligations. Types of debt payments covered, length of coverage, disabilities covered, and waiting period are outlined in your policy.