

It's a colorful life with BeyondTerm

Frequently Asked Questions to provide additional color into how our living benefits coverages work

BeyondTerm term life insurance with living benefits offered by Banner Life Insurance Company (Banner Life), is designed to offer bright possibilities during life's gray moments with three valuable coverages that allow you to accelerate a portion of your death benefit, when you are faced with a qualifying illness. These coverages add much more color to our term life insurance policy, so we've broken down the details below into black and white for you.

Are living benefits included in my BeyondTerm term life insurance policy?

Living benefits consist of three coverages that are built into all qualifying BeyondTerm term life insurance policies issued on or after December 11, 2024, and included in the premium of your BeyondTerm term life insurance policy.

Is there any difference between living benefits and accelerated death benefits on a life insurance policy?

Living benefits and accelerated death benefits are similar terms on a life insurance policy. Each allow you access to funds when you experience a qualifying critical, chronic or terminal illness. When you choose to activate the living benefits coverage in your term life insurance policy, you are accelerating the policy's face amount, allowing you to use a portion of the funds while you're alive.

Are BeyondTerm policies with any substandard table rating eligible for the Critical and Chronic Illness riders?

No. Policies with a substandard table rating are eligible for the Terminal Illness rider only.

What illnesses and conditions allow me to use the living benefits coverages?

Chronic illness coverage is available when a physician certifies that you are unable to perform 2 of 6 activities of daily living (ADLs) for 90 consecutive days or experience severe cognitive impairment.

Critical illness coverage is designed to respond when you experience any one of these 13 conditions*, certified by a physician:

- Amyotrophic Lateral Sclerosis (ALS)
- Aortic aneurysm
- Aplastic anemia
- Benign brain tumor
- Blindness due to Diabetes
- Coma
- End-stage renal failure (ESRD)
- Invasive cancer
- Major burns
- Major organ transplant/failure
- Permanent paralysis
- Severe heart attack
- Stroke

Terminal illness coverage is available when an illness shortens your life expectancy to 12 months or less, certified by a physician.

Am I guaranteed a payment?

Payments aren't guaranteed. Payment options are determined on a case-by-case basis, after review of your claim. If review determines the payment amount to be less than \$10,000, a payment offer will not be made.

Are there any limitations on how I spend my payment?

You can spend the payment anyway you choose.

If I accept the payment, what happens to my original policy death benefit?

The original policy death benefit is reduced by the amount of the accelerated death benefit. Future premiums are reduced accordingly. For example, if you have a \$500,000 term life insurance policy, and experience a qualifying illness that allows you to accelerate \$200,000 of your death benefit, you'd have \$300,000 remaining in death benefit.

*Refer to the BeyondTerm policy form for a complete list and full details on covered conditions.

Will the payment amount I receive be the same as the accelerated death benefit amount?

The payment amount is less than the benefit amount accelerated and is based on how healthy you are and your life expectancy at the time you experience an illness. The healthier you are and the longer your life expectancy is, the lower your payment amount will be. Additional factors used to calculate the payment amount include:

- Coverage amount
- Policy year
- Amount being accelerated
- Interest rates in effect at the time of claim
- Your age, sex, risk class and term

Once the payment amount is calculated, a \$500 administrative fee is deducted.

Can I accelerate the full death benefit amount?

BeyondTerm allows you to accelerate the lesser of, up to 90% of your policy death benefit at the time of the first acceleration or up to \$1M total accelerated death benefit. The product was built for flexibility to take partial accelerations, allowing you to accelerate a portion when you need it, while reserving some of the death benefit for the future.

When do my coverages terminate?

Chronic illness coverage terminates when benefits are exhausted or when critical or terminal illness coverage is exercised – whichever comes first.

Critical illness coverage terminates when any of the three coverages are exercised.

Terminal illness coverage terminates once the terminal illness coverage is exercised or when acceleration benefits are exhausted.

Coverage can also terminate if you pass away, when the policy lapses due to non-payment of premium or voluntary surrender, when the owner requests the removal of coverage, or at the end date shown on the policy.

Is my benefit payment taxable?

We do not provide tax advice and you should consult with a tax professional as these benefits may be taxable. While the benefits provided by this rider are intended to be treated as accelerated death benefits and may receive favorable tax treatment, it is necessary to obtain tax advice to know how they will be treated in your circumstances.

I've been diagnosed with a qualifying illness. How do I file a claim and request an accelerated benefit?

To file a claim, call: **1-800-638-8428, ext. 6974** or contact: **banner-claims@bannerlife.com**. Banner Life will review your claim to determine the benefits available through your policy. You'll then choose whether or not to accept the payment or leave the death benefit intact. If you choose the payment, payment is made, and policy death benefit and premiums are reduced accordingly.

If I choose to accelerate my death benefit am I still eligible for public assistance?

Accelerated benefits may affect eligibility for Medicaid (or public assistance).

BeyondTerm:

enabling a bright today, while helping protect a brighter tomorrow

Still have questions?

Reach out to your agent or contact us at **bannerbeyond@bannerlife.com**.



Life insurance and retirement products are underwritten and issued by Banner Life Insurance Company, Urbana, MD and William Penn Life Insurance Company of New York, Valley Stream, NY. Banner Life products are distributed in 49 states and in D.C. William Penn products are available exclusively in New York; Banner Life is not an authorized New York insurer and does not do business in New York. Each company is solely responsible for its own financial and contractual obligations. Product guarantees are backed by the financial strength and claims paying ability of the issuing company. Policy coverage and features may not be available in all states and may vary by state. Exclusions and limitations may apply. Two-year contestability and suicide provisions apply. A one-year suicide provision applies in CO, MO, and ND.

BeyondTerm policy form #ICC24-DTCV1 and state variations; not available in New York. BeyondTerm riders, Chronic Illness Accelerated Death Benefit rider form #ICC24-ADB-CHI, Critical Illness Accelerated Death Benefit rider form #ICC24-ADB-CRI, Terminal Illness Accelerated Death Benefit rider form #ICC24-ADB-TRI, and state variations are included in all BeyondTerm term life insurance policies effective December 11, 2024 and on. BeyondTerm riders are not approved for use in all jurisdictions, including California and New York. BeyondTerm policies with a substandard table rating are NOT eligible for the Critical and Chronic Illness riders but are eligible for the Terminal Illness rider.

Benefits paid under accelerated death benefit riders will result in a reduction of the life insurance policy's benefits and values, including face amount, death benefit, and premium based on the amount that is accelerated. Benefits advanced under the accelerated death benefit may be taxable in certain circumstances. As with all tax matters, you should consult with your tax advisor regarding the tax treatment of receiving an accelerated death benefit. Payment of an accelerated death benefit may affect eligibility for Medicaid or other government assistance programs or entitlements. Refer to the policy or riders for complete details.

Policy descriptions provided here are not a statement of contract. Please refer to the policy forms for full disclosure of all benefits and limitations. CN11072025-1