

Product specifications

Life Step UL

DESCRIPTION

Life Step 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.

Life Step UL is for term conversions only with face amounts as low as \$50,000.

ISSUE AGES

20-85, age nearest birthday

MINIMUM SPECIFIED AMOUNT

\$50,000

POLICY FORM

Banner Life: ICC19-ULS20 and state variations
William Penn: ULS20-NY

POLICY PROJECTIONS

Signed policy projections are required with each application. Web Quoting provides premium solves for level payments, single payments and other abbreviated payments.

Guidelines when explaining Life Step UL:

- Discuss only the guaranteed policy values
- Don't talk about or show any premiums or coverage periods based on non-guaranteed rates

CONVERSIONS

- As long as the term policy meets conversion eligibility requirements, no further underwriting is required (unless there is a request for a change in UW class or for the addition of benefits or increase in face amount).
- For conversion policies, Life Step UL will be issued in the same underwriting class as the term policy being converted.

GUARANTEED INTEREST CREDITING RATE

2.0% minimum interest per annum.

COVERAGE PROVISIONS

Universal life insurance provides flexibility to the policy owner in regards to the timing and amount of premium payments. One does not need to pay premiums to keep coverage in force; however, being late on any one premium in and of itself may not 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.

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 credited to the account value
- maximum cost for insurance rates that can be charged
- maximum premium fees that can be charged
- 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 section of the policy.

COVERAGE GUARANTEE EXPLANATION

Life Step UL has an additional guarantee that may 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 guarantees. This guarantee, provided by a Coverage Guarantee Amount, adds an extra layer of protection if the planned premium is paid on time to prevent the policy from lapsing.

A Coverage Guarantee Amount is tracked in a similar manner as the policy account value, but uses 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.

If the Coverage Guarantee Amount is greater than or equal to the Coverage Guarantee Minimum Amount, as defined in the policy, the policy will not enter the grace period and therefore cannot lapse. A policy loan however, will nullify the Coverage Guarantee Provision of the policy.

The Coverage Guarantee Amount is not related to the actual policy values and/or values described in the Non-Forfeiture Provisions. The values of the Coverage Guarantee Amount 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 date that the policy is surrendered. The specifics of the secondary guarantee are explained in the Coverage Guarantee Provision section of the policy.

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 cash surrender value is less than the monthly deduction plus cost of insurance charge. 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.

LATE PREMIUM COVERAGE

Any premium up to the amount due, received within 30 days of the premium due date, will be credited as of the premium due date for the coverage protection test. However, the premium will be applied to the account value and interest earnings will commence on the actual date premiums are received.

1035 EXCHANGES

Premium from a 1035 Exchange received within 180 days of the policy date will be credited as of the policy date for the coverage protection test. However, the premium will be applied to the account value and interest earnings will commence on the actual date premiums are received.

POLICY MATURITY

The policy will mature at age 121. 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 or partial surrender is made; or changes are made in the specified amount or plan as originally issued.

EXTENDED MATURITY DATE

The policy owner can extend a Banner Life policy maturity date beyond age 121. 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 a Banner Life policy after age 121. William Penn universal life plans mature at age 121 and can not be extended.

CATCH UP PROCESS

Since 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.

UNDERWRITING CLASSIFICATION

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)
Standard (A)*

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 cost of insurance 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. For permanent flat extras, increase the target premium by amount of flat extra divided by 0.93.

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. We reserve the right to change costs of insurance rates at our sole discretion; however, the cost of insurance rates will never be greater than the guaranteed maximum rates shown in the policy schedule. The guaranteed maximum rates are based on the 2017 Commissioners Standard Ordinary Mortality Table (male/female, smoker distinct, age nearest birthday).

PREMIUM LOAD AND POLICY FEE

| | |
|------------------------|------|
| Premium Expense Charge | 7.0% |
| Monthly Policy Fee | \$5 |

ADMINISTRATIVE CHARGE

An administrative charge calculated using 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 decrease in specified amount, future monthly administrative charges 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.

*For A-List conversions only

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.

INCREASES IN SPECIFIED AMOUNT

No increases are allowed.

DECREASES IN SPECIFIED AMOUNT

Decreases are permitted after the first five years. The specified amount in effect at any time under this policy may not be decreased below \$50,000.

LIMITATION OF BENEFITS

Two-year contestability and suicide provisions apply.

TARGET PREMIUM

The target premium can be found in the page footer on the first page of the policy projection 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.

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 is the account value minus any outstanding policy loans and minus any surrender charges.

PARTIAL SURRENDERS

A partial surrender allows you to take a portion of the cash surrender value of the policy after the first five years. The account value will be reduced by the dollar amount of the partial surrender. The specified amount, and Coverage Guarantee Amount will be reduced by the ratio equal to the partial surrender amount divided by the cash surrender value (excluding the reduction for any policy indebtedness). The partial surrender amount must not result in the specified amount being less than the policy's minimum death benefit. The death benefit following the partial surrender will be greater than or equal to the minimum death benefit required under section 7702 of the Internal Revenue Code.

If the partial surrender is made during the first seven policy years a new premium limitation will be calculated for purposes of determining the modified endowment contract status of the policy.

Policy form numbers ICC19-ULS20 and for New York, ULS20-NY. Life Step UL is a flexible premium universal life insurance plan. This product offers a coverage guarantee to maturity at age 121 if the appropriate premium according to policy terms is paid on time. The policy will not lapse if the coverage guarantee requirement is met. A policy loan however, that exceeds the cash surrender value will result in a lapse of coverage.

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. Policy descriptions provided here are not a statement of contract. Please refer to the policy forms for full disclosure of all benefits and limitations. For broker use only. Not for public distribution. CN12302025-1

SURRENDER CHARGES

Surrender charges decrease 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.

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 specified below.

| | |
|---------------------|------|
| Banner Policy | 7.4% |
| William Penn Policy | 3.8% |

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. The guaranteed 2.0% interest is credited to the account value which is equal to the amount borrowed at policy year-end.

ACCELERATED DEATH BENEFIT

The accelerated death benefit payment is payable in the event of a qualifying terminal illness. The maximum accelerated death benefit amount is the lesser of \$500,000 or 75% of the policy's primary death benefit, less any policy loan. The accelerated death benefit is treated as a lien, which accrues interest. Upon the death of the insured, the death benefits payable are reduced by the total accelerated death benefit lien.

The accelerated death benefit feature is subject to state variation and is not available in all states.

See rider ADB and state variations for full benefit description, requirements and exclusions.