

Field Bulletin



SECURITY MUTUAL LIFE
INSURANCE COMPANY OF NEW YORK
BINGHAMTON • NEW YORK
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August 27, 2013

LT Security Plus

A Level Term Life Insurance Series... Now Available in Arkansas and California

Security Mutual is pleased to introduce **LT Security Plus**, a level term life insurance series offering families and businesses a cost-effective solution to their temporary life insurance needs. *LT Security Plus* offers guaranteed premiums¹ with 10-, 15-, 20- and 30-year level premium period options. Conversion provisions within the policy and a rider featuring guaranteed insurability options help provide *Flexibility Your Clients Can Choose*.

LT Security Plus Highlights

- **New Sixth Risk Class Now Available – Standard Plus Nonsmoker:** *LT Security Plus* offers a new risk classification, Standard Plus Nonsmoker. This risk classification makes available a more attractive rate for those who exceed the Standard Nonsmoker requirements yet fail to meet Preferred Nonsmoker criteria. This class offers premium rates between the Standard Nonsmoker and Preferred Nonsmoker premium classes.
- **The Enhanced Conversion Rider:** Security Mutual's Enhanced Conversion Rider (ECR) is an innovative rider designed to afford a policyowner three options to increase the overall amount of life insurance protection following conversion of the term policy. All or a portion of the converted term insurance (up to 50% of the term policy's face amount prior to conversion) may be restored under the terms of the ECR without further evidence of insurability. The ECR can be particularly beneficial to clients interested in transitioning to lifetime coverage and increasing their overall protection. An additional premium is charged for the ECR. ECR premium rates vary based on age, gender, risk classification and the base policy's face amount. *See page 2 for more ECR information.*
- **Term Quotation Software Enhancements:**
 - ▶ The Company's term quotation software provides a "For Agent Use Only" report showing specific underwriting requirements for the quoted case. Underwriting requirements are determined based on the proposed insured's age, the face amount and the riders selected, if any.
 - ▶ In addition, two quote reports are back by popular demand—one showing premiums for all available level periods and the other showing premiums for all premium risk classes for the proposed insured.

Key Features of the LT Security Plus Series

- **Six Risk Classifications:** Preferred Plus Nonsmoker, Preferred Nonsmoker, Standard Plus Nonsmoker, Standard Nonsmoker, Preferred Smoker and Standard Smoker.
- **Convertibility:** *LT Security Plus* is convertible without evidence of insurability to any individual whole life or universal life insurance policy form regularly issued by the Company. The policyowner may convert any amount up to the face amount of

¹*Signed illustrations are not required for LT Security Plus, however, required disclosures, policy summaries and term quotes may be generated with the Company's illustration software—WinFlex Desktop or WinFlex Web.*

the term life policy. The term life policy's face amount remaining after conversion may not be less than \$100,000. The converted amount must equal or exceed the minimum face amount required for the new whole life or universal life policy selected.

The policyowner may convert at any time prior to the end of the level period, but in no event will the policy be converted after attained age 75. For example, the Final Conversion Date for the 20-year term will be prior to the end of year 20, but not after attaining age 75. Conversion credits are available by Company practice.

- **Premium Rates:** *LT Security Plus* per-unit premiums vary by level premium period, issue age, gender and risk classification. Premiums are guaranteed and banded so more economical rates can be offered for larger face amounts. Rate bands vary for these face amounts:
 - ▶ \$100,000 – \$249,999
 - ▶ \$250,000 and higher.

The Policy Fee remains \$75.00 per annum and is non-commissionable.

- **Renewability:** Annual renewable term rates apply at the end of the level period and remain in place until final expiry.
- **Final Expiry Age:** Final expiry age is 90 in all states.
- **Riders and Benefits:** Accidental Death Benefit, Living Benefits Rider, Disability Waiver of Premium, and the Enhanced Conversion Rider.
 - ▶ **The Enhanced Conversion Rider (ECR)** (Policy Form Series IO-9328)—The ECR works together with the conversion privilege of the base *LT Security Plus* policy to add options to purchase additional term life insurance following a conversion during the first six policy years. Three option periods are shown in the policy. Only one option may be exercised in an option period. An ECR option becomes operative coincident with a conversion or partial conversion during an option period. No evidence of insurability is required at the time the ECR option is elected. The maximum amount of term life insurance available for purchase during each option period is limited to the lesser of (1) 50% of the term policy's face amount prior to conversion or (2) the amount of term insurance then being converted. The restored term coverage is purchased at the same policy premium rates as those applicable to the original term policy. The restored term coverage will have the same initial expiry date, final expiry date and final conversion date as the original term policy. ECR benefits expire at the end of the last option period or when the policy terminates, if earlier. The ECR is available to issue ages 18-60. A level per unit premium is charged for the rider from issue. ECR premium rates vary based on age, gender, risk classification and the base policy's face amount. Not available for rated policies or policies with a flat extra premium charge. *Note: This transaction is subject to the terms and limitations of the policy and the rider.*

Underwriting

Medical underwriting requirements are based on the ultimate face amount, including future increases associated with the Enhanced Conversion Rider. For example, evidence of insurability for a \$1,000,000 term life application, with the ECR option, would be based on a face amount of \$2,500,000. This means that at the time of initial underwriting, medical requirements would be based on the ultimate face amount of \$2,500,000.

Application Submission Guidelines

Effective immediately, *LT Security Plus* is available for new term life sales in Arkansas and California in addition to the jurisdictions listed at the end of this bulletin.

To apply for *LT Security Plus* in Arkansas and California, complete the state specific *Application for Individual Life Insurance*, Application Packet number 0010700. Be sure to indicate "LT Security Plus" in question number B.1., of section 6.

Any Premier LT Suite (4/2007) applications that are pending in Underwriting from Arkansas or California may, at the agent's direction, be issued as LT Security Plus submissions. Any Premier LT Suite (4/2007) application from Arkansas or California received in the Home Office after November 26, 2013, will automatically be processed as an LT Security Plus submission. In these instances, an appropriate policy amendment will be prepared and made a delivery requirement.

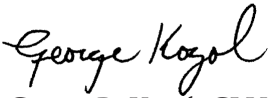
Note: Term quotes may be required to meet states' disclosure requirements. In New York and Pennsylvania, for example, the agent must provide the prospective purchaser with a written disclosure statement no later than the time the application is signed by the

applicant. The required disclosure statement can be generated using SML's illustration software. Print two copies, leave one with the applicant and submit the second to the Company with the application. In New York, Form 0010774NY – New York Buyer's Guide and Preliminary Policy Information Receipt, must be signed by the policyowner and agent and returned to the Home Office with the application and disclosure statement. In Pennsylvania, the agent must complete and sign the agent's certificate portion of the application certifying that the written disclosure statement was given no later than the time the application was signed by the applicant.

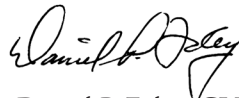
LT Security Plus quotes may be generated with either the current version of WinFlex Desktop or WinFlex Web. Both systems are accessible via the "Agent Tools" section of SecurityLink. Remember to run an internet update in WinFlex Desktop to ensure you have the latest WinFlex illustration software.

Compensation schedules for *LT Security Plus* were provided under separate cover.

For more information regarding *LT Security Plus*, please refer to the "Product Info" section of SecurityLink or contact the Marketing Department.



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Policy Form Numbers: 2106-NY, ICC11-2106, Series 2106

State Approvals:

Alaska	Georgia	Louisiana	Nebraska	Oklahoma	Vermont
Arkansas	Hawaii	Maine	Nevada	Oregon	Virginia
California	Idaho	Maryland	New Hampshire	Pennsylvania	Washington
Colorado	Illinois	Massachusetts	New Jersey	Rhode Island	West Virginia
Connecticut	Indiana	Michigan	New Mexico	South Carolina	Wisconsin
Delaware	Iowa	Minnesota	New York	Tennessee	Wyoming
District of Columbia	Kansas	Mississippi	North Carolina	Texas	
Florida	Kentucky	Missouri	Ohio	Utah	

Postal Distribution: GAs, CAs, (AR and CA Licensees)

Email Attachment: *LT Security Plus* At-A-Glance

Email Distribution: GAs, CAs, BK/AGs (AR and CA Licensees), D

*Any Company bulletins, brochures, forms and software versions referenced herein are subject to change.
Please refer to SecurityLink for the most up-to-date product information and illustration system.*