1. **Why did the cost of insurance (COI) rates increase on my policy?**
   After the most recent review of the company’s experience factors (mortality, persistency, investment income, and expenses), it has been decided that the company did not adequately account for future experience; as a result, the COI rates have been increased to reflect our new expected future experience.

   - **What does that mean?**
     When the cost of insurance rates were originally set, the company had certain expectations for: the number and timing of death claims; how long people would keep their policies; how well the company’s investments would perform; and the cost to administer policies. Based on our review of the company’s recent experience, the company has revised future expectations for the experience factors.

   - **Why is that my problem?**
     The policy contract allows increases in COI rates when there is a change in the company’s future expectations, which is based on the company’s expectations for mortality, interest, expense, and lapse experience.

   - **Why does that affect me?**
     The changes to the cost of insurance rates have been applied on an equitable basis to all policyholders with a [market name of insurance product] policy, and will take into effect [date of increase].

2. **Can the company legally increase my COI rates?**
   Yes, according to the contract, when there is a change in expectations as to future experience, the company can increase the non-guaranteed/current COI rates to no greater than the guaranteed maximum COI rates shown in the policy schedule.

3. **What does the COI rate increase mean to my policy?**
   The COI rate increase will result in higher monthly policy charges, which causes the policy to underperform when compared to past illustrations. That is, if the policy owner continues to pay the current billed premium, the policy may generate less cash value and may maintain coverage for fewer policy years than previously illustrated.
4. Will I be required to pay more in premiums because my COI rates increased?

- **If policy has lifetime no-lapse benefit and is meeting the benefit premium requirement:**
  No, you can continue to pay the current billed premium, and your policy will continue to maintain coverage for the same length of time as prior to the rate increase. However, if you would like to maintain a similar cash value performance, you will need to increase your premium amount.

- **If policy has lifetime no-lapse benefit and is not meeting the benefit premium requirement:**
  Yes, the policy owner will most likely need to pay in the catch-up premiums required to activate the benefit in a shorter period of time than previously illustrated in increased installments. Once the policy has met the no-lapse benefit premium requirement, the policy owner may reduce the premium payment amount to the guaranteed minimum premium amount, and maintain coverage until maturity. If you would like to maintain a similar cash value performance, then you will need to increase your premium amount in all policy years.

- **If policy only has a short term no-lapse benefit and is meeting the benefit requirement:**
  No, during the guarantee period, you can continue to pay the guaranteed minimum premium, and will maintain coverage during the guarantee period. However, once the guarantee period is over, the premiums required to carry until maturity will increase. If you would like to maintain a similar cash value performance, then you will need to increase your premium amount in all policy years.

- **If policy only has a short term no-lapse benefit and is not meeting the benefit requirement:**
  Yes, the policy owner will most likely need to pay in the catch-up premiums required to activate the benefit in a shorter period of time than previously illustrated in increased installments. Once the policy has met the guaranteed minimum premium requirement, the policy owner may reduce the premium payment amount to the guaranteed minimum premium amount. However, once the guarantee period is over, the premiums required to carry until maturity will increase. If you would like to maintain a similar cash value performance, then you will need to increase your premium amount in all policy years.

- **If policy has no minimum premium benefits:**
  If you would like to maintain your policy’s projected cash value performance and/or maintain coverage for the same length of time, yes, you will need to increase your premium amount.

5. I can’t afford to pay any additional premiums. What will happen to my policy?

I will check whether or not we can lower the face amount and/or drop riders and waivers from the policy so that your base policy can maintain the same length of coverage. As a reminder, these policy changes are subject to meeting the guideline premium testing requirements under the IRS insurance laws. If no changes can be completed, we will complete an in force illustration using your current billed premium. The illustration will provide you a lapse date.

6. Can I convert my policy to another product?

No, your policy cannot be converted, but you can replace your policy with another policy subject to underwriting approval. I would recommend talking with your agent to discuss all options. We strongly suggest that you do not cancel your policy until you have been approved for a new one.
7. What do I need to do in order to see what my new premium should be? How long will my policy stay in-force at its current premium?

I will send a request to have an in-force and premium solve illustration completed for your policy. Let me get some additional information to complete the form for you.

- **What is an in-force illustration?**
  An in-force illustration is a projection of the policy based on the current/non-guaranteed policy charges and interest rate, assuming that the policy owner continues to pay the current billed premiums.

- **What is a premium solve illustration?**
  A premium solve illustration is a projection of the policy based on the current/non-guaranteed policy charges and interest rate, showing the premium required to maintain coverage until a certain age with a specified cash value amount.

- **When can I expect to receive these illustrations?**
  Generally, illustration requests are processed and completed in 7 to 10 business days; however, in some cases, it may take up to 30 days to complete.

8. Can I get a copy of the new increased mortality charges?

Yes, I can request a premium solve illustration with a table of charges, which will show the new increased mortality charges.

9. My contract states (or agent said) if I pay my guaranteed premium my policy will not lapse. Is that still true with the cost of insurance increasing?

- **If policy has lifetime no-lapse benefit and is meeting the benefit requirement:**
  Yes, the policy will not lapse as long as you have paid and continue to pay the guaranteed minimum premium required to maintain the lifetime no-lapse benefit. (However, the policy’s cash value projection may now underperform.)

- **If policy has lifetime no-lapse benefit and is not meeting the benefit requirement:**
  Yes, but the policy owner may need to pay in the catch-up premiums required to activate the benefit sooner than previously illustrated. Once the policy has met the no-lapse benefit premium requirement, the policy owner may reduce the premium payment amount to the guaranteed minimum premium amount. (However, the policy’s cash value projection may now underperform.)

- **If policy only has a short term no-lapse benefit and is meeting the benefit requirement:**
  Yes, during the guarantee period, you can continue to pay the guaranteed minimum premium, and will maintain coverage during the guarantee period. However, once the guarantee period is over, the premiums required to carry until maturity will increase. (To maintain the same cash value performance, you will need to increase premiums.)
• If policy only has a short term no-lapse benefit and is not meeting the benefit requirement:
  During the guarantee period, yes, but the policy owner may need to pay in the catch-up premiums required to activate the benefit sooner than previously illustrated. Once the policy has met the guaranteed minimum premium requirement, the policy owner may reduce the premium payment amount to the guaranteed minimum premium amount. However, once the guarantee period is over, the premiums required to carry until maturity will increase. (To maintain the same cash value performance, you will need to increase premiums.)

10. I can’t find a copy of my policy – what should I do now?
   You may request another copy of your policy if you would like. Would you like to do that now? There is no fee for another copy. (Take verbal request.)

11. What should I do if I have more questions?
   I would be happy to answer any other questions that you may have. Please call me back at this number, and it will be my pleasure to assist you.

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