

# WE'VE GOT THIS COVERED

## TERM CONVERSION

### TERM TO PERMANENT CONVERSIONS\*

Term life insurance can provide level premium protection for a client's loved ones over a specified period of time. However, it may not be the best permanent solution. After the level term premium period, significant premium increases can be required to keep the coverage in force.\*\*

The conversion option on an in force term policy or rider is an important benefit that allows policy owners to convert to a permanent policy, without additional underwriting. The new permanent policy can provide clients the security of lifelong protection and the potential to build cash value. Permanent life insurance has different fees and charges than term life insurance so premiums could be higher for the same amount of coverage. Fluctuations in interest rates and/or policy charges may require the payment of additional premiums to keep the policy in force.

Enhanced product options available on permanent policies for eligible term policies if converted within the first five years.

### HOW TO SUBMIT BUSINESS

To help avoid delays and ensure cases are processed as quickly as possible, please keep this information in mind.

#### STEP 1: DETERMINE CLIENT NEED

The first step is to work with the policy owner to determine if he or she is interested in conversion, and if the current Transamerica term product is eligible for conversion. Once this is determined, depending on the client's needs, they can select the desired permanent life insurance policy to convert to, and determine whether they want to convert all or part of their existing term policy.

#### STEP 2: RUN ILLUSTRATION ON NEW CONVERSION PRODUCT

Complete and submit a new illustration. The new illustration provides the premium that needs to be submitted with the conversion paperwork.

#### STEP 3: DOWNLOAD NECESSARY PAPERWORK

Forms to complete a term conversion can be downloaded from your agent portal.

#### STEP 4: COMPLETE PAPERWORK WITH ALL NEEDED SIGNATURES

Be sure to complete all of the applicable paperwork, with appropriate signatures, and submit them to New Business.

\* Term conversions are subject to the rules of conversion in the existing term policy or rider.

\*\* The additional product options are not contractual and can be changed at any time.

# CONVERSION OPTIONS BY PRODUCT

Policies are subject to the conversion rules outlined in the contract that governs the existing term policy. In addition to those rules, policies within their first five years must meet additional criteria.

Products issued by Transamerica Life Insurance Company are eligible to convert across affiliated issuing companies subject to jurisdictional rules.

Products issued by Transamerica-affiliated issuing companies are eligible to be converted to other affiliated issued companies' products. Please note that if the policy is converted to a different issuing company's product, the owner will need to complete the Conversion Applications available for cross-stat company conversions.

Trendsetter® LB* Trendsetter® Super <sup>1</sup>	Conversions Within the First Five Policy Years		Conversions at Any Time (within the contractual conversion period)	
	Fully Underwritten Term Policies	Nonmedical Term Policies	Fully Underwritten Term Policies	Nonmedical Term Policies
	<ul style="list-style-type: none"> <li>• Transamerica Lifetime<sup>SM</sup><sup>1</sup></li> <li>• Transamerica Financial Foundation IUL® (Transamerica FFIUL)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime<sup>1</sup></li> <li>• Transamerica Financial Foundation IUL (Transamerica FFIUL)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>

FlexTerm 7 <sup>2</sup>	Conversions Within the First Five Policy Years		Conversions at Any Time (within the contractual conversion period)	
	Fully Underwritten Term Policies	Nonmedical Term Policies	Fully Underwritten Term Policies	Nonmedical Term Policies
	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> <li>• Transamerica Financial Foundation IUL (Transamerica FFIUL)</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> <li>• Transamerica Financial Foundation IUL (Transamerica FFIUL)</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>

\* Conversions from Trendsetter LB to Transamerica Lifetime and Transamerica Financial Foundation IUL will carry over the Critical and Chronic Illness living benefit as riders. Trendsetter LB and Trendsetter Super policies issued nonmedically prior to January 2018 and up to \$249,999 on LB and up to \$99,999 on Super may convert within the first five policy years to either Transamerica Lifetime or Transamerica Financial Foundation IUL within the nonmed limits of \$99,999 for both products. Any face amount remaining in excess of the nonmed limits may convert to Transamerica Lifetime Conversion (CNV) risk classes of Tobacco or Nontobacco. Trendsetter LB and Trendsetter Super policies issued nonmedically January 2018 or later may convert within the first five policy years to either Transamerica Lifetime or Transamerica Financial Foundation IUL at an equivalent face amount; Trendsetter LB and Trendsetter Super policies issued beyond the first five policy years may convert to Transamerica Lifetime CNV risk classes of Tobacco and Nontobacco.

<sup>1</sup> Trendsetter® Super may be converted to Transamerica Lifetime<sup>SM</sup> or Transamerica Financial Foundation IUL®. The Terminal Illness Rider benefits will continue under new policy but, if Chronic and Critical Illness Riders are chosen on the new policy but are not on the policy requesting conversion, it is no longer considered a conversion and will require a new application. It will be considered as an internal replacement with Underwriting required. The minimum face amount for the Terminal Illness Rider to continue under the new policy is \$25,000. Underwriting Guidelines subject to change without notice.

<sup>2</sup> May not be applicable to all distribution channels.

**For Producer Use Only. Not for Distribution to the Public.**



**TRANSAMERICA®**



## CONVERSION OPTIONS BY RIDER

Policies are subject to the conversion rules outlined in the contract that governs the existing term policy. In addition to those rules, policies within their first five years must meet additional criteria.

Child Insurance Rider <sup>3</sup> (Trendsetter LB, Super and FlexTerm 7 Policies)	Conversions Within the First Five Policy Years		Conversions at Any Time (within the contractual conversion period)	
	Fully Underwritten Term Policies	Nonmedical Term Policies	Fully Underwritten Term Policies	Nonmedical Term Policies
	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>

Additional Insured Rider Base Insured Rider Other Insured Rider Primary Insured Rider Term Insurance Rider	Conversions Within the First Five Policy Years		Conversions at Any Time (within the contractual conversion period)	
	Fully Underwritten Term Policies	Nonmedical Term Policies	Fully Underwritten Term Policies	Nonmedical Term Policies
	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> <li>• Transamerica Financial Foundation IUL (Transamerica FFIUL)</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> <li>• Transamerica Financial Foundation IUL (Transamerica FFIUL)</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• Transamerica Lifetime</li> </ul>

<sup>3</sup> Juveniles converting from a child rider to *Transamerica Lifetime*<sup>SM</sup> will get CNV Juvenile risk class. For children over the age of 18 converting from a juvenile risk class will convert to CNV Tobacco for *Transamerica Lifetime*<sup>SM</sup>.

# RISK CLASS COMPARISON

Current Risk Class of Term Policy <sup>4</sup>	Risk Class of Converted Product Within the First Five Policy Years		Risk Class of Converted Product Anytime
	<i>Transamerica Lifetime</i>	Transamerica FFIUL	<i>Transamerica Lifetime</i>
Preferred Elite	Preferred Elite	Preferred Elite	CNV Preferred Elite
Preferred Plus <sup>5</sup>	Preferred Elite	Preferred Elite	CNV Preferred Elite
Premier	N/A	N/A	CNV Preferred Elite
Preferred Choice	Preferred Plus	Preferred Plus	CNV Preferred Plus
Preferred	Preferred Nontobacco	Preferred Nontobacco	CNV Preferred Nontobacco
Preferred Nonsmoker	Preferred Plus	Preferred Plus	CNV Preferred Plus
Preferred Nontobacco	Preferred Nontobacco	Preferred Nontobacco	CNV Preferred Nontobacco
Preferred Smoker	Preferred Tobacco	Preferred Tobacco	CNV Preferred Tobacco
Preferred Tobacco	Preferred Tobacco	Preferred Tobacco	CNV Preferred Tobacco
Standard Nonsmoker	Nontobacco	Nontobacco	CNV Nontobacco
Standard Smoker	Tobacco	Tobacco	CNV Tobacco
Standard Plus	Preferred Nontobacco	Preferred Nontobacco	CNV Preferred Nontobacco
Standard Express Nonsmoker	Nontobacco w/Table D	Nontobacco w/Table D	CNV Nontobacco w/Table D
Standard Express Smoker	Tobacco w/Table D	Tobacco w/Table D	CNV Tobacco w/Table D

## CONVERSION REQUIREMENTS (FIRST FIVE POLICY YEARS)

- Contact Customer Service or Sales Support for the conversion rules
- Can convert up to \$2 million of the existing term face amount
- Is rated no higher than Table D/4
- Was NOT issued under the TOP program

Term policies issued with a substandard table rating are not eligible for eight-year flat extra substitutions when converting.

<sup>4</sup> Term policies with no defined risk class may convert to CNV tobacco only.

<sup>5</sup> WRL Freedom Choice Term II Preferred Plus policy will convert to Lifetime CNV Preferred Plus.





## CONVERSION RULES AND RESTRICTIONS

These company practices will not supersede any more favorable contractual guarantees.

### UNDERWRITING RULES:

Fully underwritten policies are those that include paramed or medical underwriting. Nonmed policies do not include paramed exams, and may only convert to *Transamerica Lifetime* except where noted in this guide. Simplified, Jet, and guaranteed issue policies are NOT fully underwritten, and those policies can only convert to *Transamerica Lifetime*.

- The underwriting of the original policy must have been within the product's published Age & Amount Evidence Guidelines; that is, NO underwriting exceptions were made.
- The published underwriting guidelines of the converted-to product must not be more restrictive than the underwriting guidelines applied to the original policy.

## PARTIAL CONVERSION RULES

A partial conversion is subject to the policy's minimum face requirements and the face amount of the in force term policy will be reduced by the specified amount of the permanent policy. The reduced face amount must remain the same as the existing rate class guidelines. Partial conversion with a face amount above \$2 million:

- Are allowed within the five year provision, however can only convert to the CNV risk classes of *Transamerica Lifetime*.
- Are allowed outside the five-year provision program, however the reduced face amount must meet the minimum face/rate class requirements for the term policy.

This guide is intended to provide an overview of the options and requirements for converting term life insurance to permanent life insurance. Policy owners should review their specific term life insurance policy or rider form for conditions and criteria to exercise the conversion privilege.

**For help converting a term policy to a permanent policy, please contact your Transamerica home office.**

# REQUIRED FORMS

General Forms: Applicable forms are dependent on the current solicitation state. Please use state-specific application of the policy owner's current solicitation state when submitting conversion applications. If the policy owner resides outside of the United States, use the application for the state where the original policy was issued. All forms can be found on your agent portal and must be completed entirely and signed by policy owner, insured (if different than owner) and licensed representatives.

<b>Trendsetter LB</b> <b>Trendsetter Super</b>	<b>Transamerica Lifetime</b>	<b>Transamerica FFIUL</b>
	<ul style="list-style-type: none"> <li>▪ Conversion Application</li> <li>▪ Accelerated Death Benefit Form<sup>6</sup></li> <li>▪ Electronic Fund Transfer</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conversion Application</li> <li>▪ Accelerated Death Benefit Form<sup>6</sup></li> <li>▪ Supplemental Application for Index Universal Life</li> <li>▪ Electronic Fund Transfer</li> <li>▪ IUL Statement of Understanding</li> <li>▪ Signed Illustration</li> </ul>

<b>FlexTerm 7</b>	<b>Transamerica Lifetime</b>	<b>Transamerica FFIUL</b>
	<ul style="list-style-type: none"> <li>▪ Conversion Application</li> <li>▪ Accelerated Death Benefit Form<sup>6</sup></li> <li>▪ Electronic Fund Transfer</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conversion Application</li> <li>▪ Accelerated Death Benefit Form<sup>6</sup></li> <li>▪ Supplemental Application for Index Universal Life</li> <li>▪ Electronic Fund Transfer</li> <li>▪ IUL Statement of Understanding</li> <li>▪ Signed Illustration</li> </ul>



## WHAT YOU'LL NEED TO START

1. Existing term policy number
2. Insured's name
3. Owner's name

<sup>6</sup> Accelerated Death Benefit Form not required for all states or territories. Living Benefit disclosure forms will be required as well. Please check your agent portal for list of states and/or territories that require this form.

### For Producer Use Only. Not for Distribution to the Public.

Life insurance products issued by Transamerica Life Insurance Company, Cedar Rapids, IA, or Transamerica Financial Life Insurance Company, Harrison, NY.

