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To General Agents

Company Practice Change for TransSecure® II  
in a Qualified Defined Benefit Plan

## Agency Managers' | BULLETIN

As of January 1, 2012, Transamerica's transferability company practice for TransSecure II or TransSecure II NY policies in a tax qualified defined benefit plan will be replaced with a new company practice called "insurability advantage." The insurability advantage changes the company practice in two ways.

First, under the now former transferability option, beginning in the 8<sup>th</sup> policy year, when a TransSecure II policy owned by a qualified retirement plan is surrendered, company practice allowed a new policy to be purchased by the insured with a face amount equal to the net amount at risk without showing evidence of insurability. Under this option, the new policy was to be written at the original issue age of the TransSecure II policy and the new surrender charge period was measured from the original issue date; however, new commissions were not paid out on the new policy.

Effective immediately, however, the insurability advantage modifies the company's transferability option such that beginning in the 8<sup>th</sup> policy year, upon surrender of the TransSecure II policy, the new policy with a face amount equal to the net amount at risk will be issued without showing evidence of insurability at the current policy age, new surrender charges will apply, and the agent will receive commissions on the new policy.

Second, the insurability advantage also changes the company practice allowing the purchase of a TransACE Survivor policy upon the surrender of a TransSecure II product in a tax qualified defined benefit plan. Under the now former practice, a TransACE Survivor policy could also be purchased with a face amount equal to the net amount at risk without the plan participant/insured having to go through underwriting upon the surrender of a TransSecure II product within a qualified retirement plan. The spouse would have to go through full underwriting unless he/she was already insured with an existing convertible Transamerica term policy of equal death benefit to the new policy. The new policy would have been written at current policy issue ages with a new surrender charge schedule and the agent would have received commission on the new policy.

Effective immediately, the insurability advantage changes this practice and the option to purchase a TransACE Survivor with a face amount equal to the net amount at risk will only be available beginning in the 8<sup>th</sup> policy year of the TransSecure II or TransSecure II NY policy, as applicable, without any underwriting for the plan participant insured under the existing policy. As before, the spouse will still have to go through full underwriting unless he/she is already insured with an existing convertible Transamerica term policy of equal death benefit to the new policy.



Transamerica Life Insurance Company

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