



# TRANSSECURE® II IN ACTION WITH QUALIFIED PLANS

A qualified plan is the cornerstone of retirement planning for many companies in the U.S., whether large or small. There are several reasons why life insurance makes sense to implement as part of a qualified plan. One important thing to consider when adding life insurance to a qualified plan is to know that circumstances can change, and having options is important.

Business owners will retire or may need to terminate their qualified plans due to a variety of reasons and, when doing so, can select from a number of options.

## Typical Options for Separation of Service or Terminating Existing Plans

- Surrender the policy and take a lump-sum distribution and roll the assets to an Individual Retirement Account (IRA) or other qualified plan
- Roll the life insurance policy to another qualified plan
- Purchase the life insurance policy from the qualified plan
- Take the insurance policy as a plan distribution and pay income tax on the fair market value

## TransSecure® II's Insurability Advantage

Consider Transamerica's insurability advantage when life insurance is still important to the plan participant. Under current company practice, Transamerica will allow a former plan participant who was insured by a TransSecure® II or TransSecure® II NY policy to purchase a brand new policy for the net amount at risk without any evidence of insurability.\* Let's take a look at the options in more detail:

### Single and Joint Life Options

- Surrender the policy and roll the cash value to an IRA or other qualified plan
- New policy can be single life or new second-to-die issued with death benefit equal to net amount at risk\*\*
- Owner can be the participant or a third party, such as an irrevocable trust
- Available beginning in the 8th policy year
- Available when policy is no longer part of a qualified plan\*\*\*
- Policy issued at insured's attained age
- Subject to new surrender charge period\*\*\*\*

Transamerica recognizes that qualified plan participants' needs can change over time, so having flexible options is critical. That is why Transamerica's TransSecure II and TransSecure II NY policies offer flexibility that allows individuals who participate in qualified plans to have peace of mind should their goals change in the future.

\*Transamerica reserves the right to change or discontinue the company practice at any time. Thus, purchase of single or survivorship life is not guaranteed to continue even for participants insured under TransSecure II policies issued while practice was available.

\*\*For the joint life option, evidence of insurability is required on the spouse.

\*\*\*Under both the single life and joint life options, the surrender of the old policy and application for the new policy must occur simultaneously such that coverage remains continuous.

\*\*\*\*Please note that the surrender charge period for the new universal life policy may be longer than the 10-year surrender charge period of TransSecure II.

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