

Life Insurance

PLAN FOR THE FUTURE

Universal Life Insurance



Everything Insurance Should Be®

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UNIVERSAL LIFE INSURANCE

Universal life insurance

A universal life policy gives you the flexibility to choose the amount of protection that best fits your needs. Flexible death benefit amounts and premiums allow you to keep pace with today's changing life circumstances while building tax-deferred cash value.

The key to a universal life policy's flexibility is the cash value. Cash value is premiums, less expense charges and monthly deductions, which are accumulated with interest. This interest accumulates on a tax-deferred basis and each plan has a set guaranteed minimum interest rate. The cash value is available to you upon surrender of the policy. However, it may take several years for the policy to begin accumulating cash value.



As the policy accumulates cash value, you can adjust the amount and the timing of premium payments depending on factors such as past premiums, policy values and current interest rates. The policy remains in force as long as you have sufficient cash value in the policy to deduct the monthly cost of insurance — even if you skip premium payments.

You can either take a tax-free loan on your cash value or make a partial withdrawal. For money you borrow, interest is charged on the outstanding loan, but the borrowed money continues to earn interest. Withdrawals on the policy reduce the policy value and death benefit and may be taxable. Administrative charges apply to each withdrawal made.

Most universal life policies contain a surrender charge, usually during the first 10 to 20 years. This charge decreases each year until it vanishes. It applies if the policy is surrendered or lapsed, or if the face amount is reduced.

You may benefit from buying universal life insurance if you:

- want permanent protection with flexibility to adjust for life's future changes
- have fluctuations in your monthly budget
- have a high net worth and are seeking a tax-advantaged product
- don't want to risk outliving your life insurance policy
- need insurance for estate planning purposes

Death benefit options

Universal life generally offers you two death benefit options to choose from:

The first option provides a level death benefit equal to your policy face amount. Under this option the death benefit remains the same throughout the life of the policy.

The second option provides a death benefit that varies with your policy value. Your death benefit is the policy face amount plus the policy value.

Other features

No-lapse guarantee

Some policies offer a no-lapse guarantee or continuation of coverage period. This means that as long as you make the specified minimum premium payments, you have guaranteed life insurance protection for a specified number of years, regardless of the policy value.

The length of the no-lapse guarantee period can be different from one carrier to the next. Review a policy carefully to determine the length of the no-lapse guarantee period.

Flexible benefit amounts

You may increase the amount of insurance (subject to evidence of insurability). You also may decrease the amount of insurance (subject to policy minimums).

Flexible premiums

Most universal life policies allow you to increase or decrease your premiums within policy limits.

Policy loans

Typical universal life policies offer a loan provision allowing you to borrow from the cash value. The maximum interest rate is based on the policy provisions, and the outstanding loan is subject to interest charges. Policy loans reduce the cash surrender value and death benefit if not repaid.

Partial withdrawals

After the first policy anniversary, you may make a partial withdrawal of the cash value of the policy. Administrative charges apply for each withdrawal made. Withdrawals reduce the policy value and death benefit and may be taxable.

Surrender charges

The policy surrender charge decreases beginning with the first policy year. The amount payable upon surrender of the policy is the cash value on the date of surrender, less any indebtedness. The cash value equals the policy value, less the surrender charge.

Tax-deferred cash value accumulation

The policy allows your cash value to accumulate without being currently taxed.

Annual statement

On each policy anniversary, you will receive an annual statement. The statement shows the amount of insurance, policy value and cash value.

Estimate your need

Immediate cash needs

1. Final expenses (funeral, medical): \$ _____
2. Expected administrative costs: _____
3. College fund: _____
4. Emergency fund: _____
5. Child care costs: _____
6. Mortgage balance: _____
7. Charities/other: _____
8. Total immediate needs (add lines 1 – 7): \$ _____

Ongoing income needs

9. Current annual household income: \$ _____
10. Income objective (____% of above): x _____
11. Projected annual income need: = _____
12. Social Security benefits:* _____
13. Survivor's earned income: _____
14. Survivor's pension benefits: _____
15. Other income (if any): _____
16. Total income sources (add lines 12 – 15): = _____
17. Annual income shortage
(line 11 minus line 16): _____
18. Amount of capital required to provide this
Income (Line 17 divided by assumed interest
Rate ____%): = _____

Existing life insurance

19. Current life insurance in force with Cincinnati
Life or other carriers: \$ _____

Life insurance needs

Total life insurance needs (add lines 8 and 18,
and then subtract line 19): \$ _____

* Call the Social Security Administration at 800-772-1213 to check your Social Security benefits and ask for a "Request for Earnings and Benefit Estimate Statement"; or apply online at www.ssa.gov.

About Cincinnati Life

The Cincinnati Life Insurance Company stands among the top U.S. life insurers with a high financial strength rating from A.M. Best Co., an independent provider of insurance ratings since 1899. Through one of its predecessor companies, Cincinnati Life has more than a century of experience serving policyholders. A wholly owned subsidiary of The Cincinnati Insurance Company, Cincinnati Life was formed in 1988 when The Life Insurance Company of Cincinnati merged with Inter-Ocean Insurance Company. Please view cinfin.com for current information about Cincinnati Life and its financial strength ratings.

For more information, please contact your local independent agent recommending coverage.



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Neither The Cincinnati Life Insurance Company nor its affiliates or representatives offer tax or legal advice. Consult with your tax adviser or attorney about your specific situation.

This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. All applicants are subject to underwriting approval. Products available in most states.

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