



DO YOU KNOW ...

Which is the better option – Waiver of Specified Premium or Waiver of Monthly Deduction?

Total Disability

*Both riders have the same
definition of total
disability.*

Lifetime Protector FlexSM and Lifetime Protector 50+SM universal life insurance offer two optional disability riders: Waiver of Specified Premium and Waiver of Monthly Deduction. What are they and what is the difference between them? How can you explain them to your clients, so they know how to make the right choice?

Waiver Of Monthly Deduction (WMD)

You're probably the most familiar with the WMD rider benefit. We waive the monthly deductions so that cost of insurance and other charges are not taken from the policy value while the insured is totally disabled. The insured's death benefit coverage continues, although the rider does not prevent the policy from lapsing in the event of a policy loan that has not been repaid. The policyowner remains responsible for the loan interest during disability.

The rider terminates when the insured reaches age 60. But if the insured's total disability begins before age 60 and continues past age 60, benefits also continue for the same period of time.

Waiver of Specified Premium (WSP)

Waiver of Specified Premium is designed to help maintain the lifetime guarantee¹ available with Death Benefit Option 1 should the insured become totally disabled. Simply choose 'waive planned premium' in WinFlex to establish a monthly rider amount and rider benefit period that equals the planned premium for the lifetime guarantee¹ and the number of years that planned premium is to be paid. If the planned premiums are sufficient to keep the policy in force and the secondary guarantee active, then the policy will remain in force and the lifetime guarantee¹ will be active during the insured's total disability, even if the policy values reach zero.

If the insured becomes totally disabled during the rider benefit period, we will credit the rider amount to the policy value each month until the end of the benefit period. Monthly cost of insurance and risk charges continue to be deducted from the policy value. No benefits are payable beyond the rider benefit period or if the disability begins after the rider benefit period has ended.

Again, an outstanding loan can jeopardize coverage, since the cash surrender value must exceed the outstanding loan balance for the policy to remain in force. The secondary guarantee will not protect the policy from lapsing due to an outstanding loan.

Which waiver to choose

Clients who have chosen Death Benefit Option 2 or Death Benefit Option 3, or who aren't interested in the lifetime guarantee¹, generally have the safety net they need with Waiver of Monthly Deduction. But they should be aware that this rider does not guarantee that the policy won't lapse once the insured becomes totally disabled, for instance, if there is an outstanding loan. Waiving monthly deductions alone will not keep the policy from lapsing if policy values and premiums paid become insufficient to continue the policy while the insured is totally disabled.

Clients who have elected Death Benefit Option 1 and the lifetime guarantee¹ may be better served choosing Waiver of Specified Premium. WSP will maintain the lifetime guarantee¹ as long as the client matches the WSP monthly rider amount and benefit period to the planned premium amount and payment period and the planned premiums are large enough to fund the lifetime guarantee¹. If any one of these conditions is missing, though, the policy could lapse.

For more information about Lifetime Protector FlexSM and Lifetime Protector 50+SM universal life insurance, contact your company representative today!

¹ This is the Designated Monthly Premium Guarantee (DMPG). Subject to the policy provisions, policy remains in force if, at the end of the preceding policy month, the Net Accumulated Premiums equal or exceed the Accumulated Designated Monthly Premiums (ADMP). The Net Accumulated Premiums and the ADMP are determined using the accumulation factor(s) as stated in the policy schedule. The DMPG is not available with Death Benefit Option 2 or Death Benefit Option 3 for Lifetime Protector FlexSM.

² If the owner doesn't meet the requirements for the lifetime guarantee, the owner can "catch up" the premiums (plus interest) at any time and maintain the lifetime guarantee. Because the amount required to continue the guarantee includes an accumulation component, the longer the owner waits to pay the difference, the more impact the accumulation factors may have on the cost to catch up. The lifetime guarantee will terminate if the policy's specified amount is increased or the policy terminates, and cannot be reinstated.

Lifetime Protector FlexSM universal life insurance is subject to the terms, issue limitations and conditions of Policy Form Nos. ULFCL02SP et al. for First Colony Life or ULGE02SP et al. for Genworth Life.

Lifetime Protector 50+SM universal life insurance is subject to the terms, issue limitations and conditions of Policy Form Nos. ULFCL04SP et al. for First Colony Life or ULGE04SP et al. for Genworth Life.

Products, riders and benefits are not available in all states.

Underwritten by

First Colony Life Insurance Company, Lynchburg, VA
Genworth Life Insurance Company, Lynchburg, VA