



# WILLIAM PENN LIFE INSURANCE COMPANY OF NEW YORK

A Legal & General America Company  
3275 Bennett Creek Avenue  
Frederick, Maryland 21704  
(800) 346-4773

ADB-ILL

## Accelerated Death Benefit Disclosure

Name of Proposed Insured \_\_\_\_\_ Policy Number \_\_\_\_\_

### Accelerated Death Benefit Rider Description

This policy is issued with an Accelerated Death Benefit Rider. Eligibility for an accelerated death benefit payment, hereafter referred to as an ADB, requires that the insured is living, but is terminally ill with a life expectancy of no more than 12 months. As a result of payment of an ADB, a lien on the policy is imposed. **There is no premium charge or monthly cost of insurance charge for this rider.** A maximum \$250 administrative charge may be imposed by the company upon making an accelerated death benefit payment. The ADB is payable as a lump sum; the Owner may make only one request for an accelerated death benefit payment. We must receive written approval from any irrevocable beneficiary, as well as a release of any collateral assignment of the policy before making a payment. An ADB will reduce the policy's death benefit proceeds otherwise payable and limit the availability of any policy cash surrender value. Following an ADB, access to a policy's cash value (where available), for policy permitted loans or policy permitted partial withdrawals, will be restricted to any excess of the policy's cash value, reflecting outstanding loans, less the outstanding ADB lien. Receipt of an ADB: 1) will not affect any accumulation values, 2) will not affect the future required premium payments, 3) will not affect future cost of insurance rates and values, and 4) will not affect future loan interest charges.

The maximum permitted ADB is equal to lesser of: i) 75% of death benefit or ii) \$500,000, reduced by any outstanding loan. **Review your policy and the Accelerated Death Benefit Rider for complete limitations, terms, and conditions.**

### Sample illustration

John Doe purchases a policy with a death benefit of \$500,000 at age 45. Assume that ten years later, at age 55, John's policy has required monthly premium payments in addition to a policy loan and cash surrender values as shown below. At age 55 John becomes terminally ill with a life expectancy of no more than 12 months and thus becomes eligible for an accelerated death benefit. The maximum accelerated death benefit payment is the lesser of: i) 75% of the death benefit or ii) \$500,000, reduced by any outstanding loan. In this example the maximum accelerated death benefit is equal to \$375,000 less the \$5,000 policy loan = \$370,000.

Assume John requests 50% of the maximum accelerated death benefit which equals  $50\% \times \$370,000 = \$185,000$ . An administrative fee of \$250 is added to the lien resulting in a lien of \$185,250.

	Before Acceleration	Immediately after Accelerated Death Benefit payment of \$185,000	12 months after Acceleration
Death Benefit (Gross)	\$500,000	\$500,000	\$500,000
Premium	\$200 per month	\$200 per month	\$200 per month
Lien Amount	\$0	\$185,250	\$200,070
Policy Loan	\$5,000	\$5,000	\$5,000
Cash Surrender Value	\$30,000	\$30,000	
Available Cash Surrender	\$25,000	\$0	\$0
Net Death Benefit	\$495,000	\$309,750	\$294,930

Net Death Benefit = Death Benefit less Lien amount less any Policy loan (if applicable)

The Available Cash Surrender Value is the maximum available for full surrenders, partial surrenders, or loans. It is limited to the excess of the policy cash surrender value (reflecting any loan balance) less any lien amount.

\* This example is illustrative only and is not intended to show actual values.

\*\* The example reflects hypothetical lien interest of 8% and assumes policyholder pays due required premiums and loan interest (any unpaid required premium and loan interest payments are added to the lien and accrue lien interest)

\*\*\*Note: your policy may not provide for Cash Surrender Values and/or Loans. In such case, the maximum accelerated death benefit is the lesser of: i) 75% of the policy death benefit or ii) \$500,000.

Owner Signature \_\_\_\_\_

Date \_\_\_\_\_

Agent Signature \_\_\_\_\_

Date \_\_\_\_\_

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