

Field Bulletin



October 26, 2009

Introducing... **CAPITAL UL MAX**

Security Mutual is pleased to introduce *Capital UL Max*... a new universal life insurance product offering your clients solutions to advanced market business and personal needs. Capital UL Max is a flexible premium universal life insurance product that preserves cash value growth and provides death benefit liquidity. Capital UL Max's early cash value development is well suited to non-qualified deferred compensation, supplemental executive retirement plans and asset preservation planning. Early cash value growth facilitates acquisition of Capital UL Max through a financed premium arrangement—the rapid cash value development enhances collateralization.

Capital UL Max uses the 2001 CSO mortality table to establish guaranteed policy values and charges. This specially designed universal life insurance product also features the following:

- Issue ages 16 – 85 (age nearest birthday).
- Five underwriting classes: Preferred Plus Nonsmoker, Preferred Nonsmoker, Standard Nonsmoker, Preferred Smoker and Standard Smoker. *Occasional cigar smokers and/or clients taking medication for cholesterol may qualify for Preferred Plus, Preferred or Standard Nonsmoker classes.*
- Premium flexibility. Policyowners can choose the level of premium to be paid and target the amount of accumulated value desired at a specified time, within limits. Premium payments can be level or varied in amount and frequency. Coverage will remain in force provided the accumulated value is sufficient to cover monthly deductions.
- High early cash value development.
- Death benefit options include: Level (Option A—specified amount); Increasing (Option B—specified amount plus accumulated value) or Return of Premium (Option C—specified amount plus cumulative premiums paid less partial surrenders). The Return of Premium Option C death benefit may be desirable for business and premium finance arrangements.
- The policy features a 3.00 percent guaranteed minimum interest rate. The current interest rate credited to unloaned amounts is presently 4.80 percent. Beginning in the 11th policy year, the current interest rate for unloaned amounts may be increased per terms stated in the policy. The amount of the increase will be the lesser of 0.50 percent and one half the difference between the current and guaranteed interest crediting rates. For example: (1) If the current interest crediting rate is 4.80 percent, then the increase will be 0.50 percent. (2) If the current interest crediting rate is 3.50 percent, then the increase will be 0.25 percent $[(3.50 \text{ percent} - 3.00 \text{ percent})/2 = 0.25 \text{ percent}]$.
- The policy loan interest rate charged for loans in years 1-10 is 6.00 percent; years 11-20 is 5.25 percent and then 5.00 percent for years 21 and later. The interest rate credited to loaned funds is 4.00 percent. Policy loans are available any time there is a loan value.
- No surrender charges.
- Policyowners can choose from a series of policy riders including the optional Guaranteed Purchase Offer Rider (GPO) which offers one option to purchase additional coverage during the first three policy years, prior to the third policy anniversary, without additional evidence of insurability. Other riders and benefits include the Living Benefits Rider, Waiver of Monthly Deduction and Accidental Death Benefit.

Underwriting Guidelines

Guidelines are available in the “Underwriting” section of SecurityLink.

Application Submission Guidelines

Capital UL Max is available for sale in the state of New York.

To apply for Capital UL Max using the state specific application, form number 0010700, complete question number 12.f. checking "Universal Life." In addition, please indicate "Capital UL Max" in question number 16, "Special Issue Instructions." To request the Guaranteed Purchase Offer Rider (GPO), complete question 12.s., indicating "GPO." To apply for the Option C Death Benefit, select "Other" under question 12.j., and indicate "Option C—Specified Amount Plus Cumulative Premiums."

In accordance with NAIC regulations, our illustration actuary has certified that the Capital UL Max (policy form 2097-NY) plan of insurance is self-supporting and not lapse-supported. Additionally, in accordance with the regulation, we must inform you of the expense allocation method used by the Company. The Company used the fully allocated expense method in its certification process.

Capital UL Max illustrations may be generated with the latest version of SML ILLUSTRATOR. SML ILLUSTRATOR is available for download via SecurityLink. (General Agents may request an SML ILLUSTRATOR CD from the Marketing Department.)

A compensation schedule for Capital UL Max will be sent to associates under separate cover.

For more information regarding Capital UL Max, please refer to the Product Information section of SecurityLink or contact the Marketing Department.



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Attachments for GAs and CAs: Capital UL Max At-A-Glance 0012400XX 10/2009
GPO Rider Highlights 0011790 10/2009
GPO Rider Consumer Brochure 0011789 04/2009

Policy Form Number: 2097-NY

Approved in: New York

Distribution: GAs, CAs, BK/AGs (New York licensees), D

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