

Vanguard Silver



Product Guide

Life insurance your clients can adapt to their changing financial needs.

For Producer Use Only

Vanguard Silver is a universal life insurance policy that offers innovative design, ongoing flexibility and built-in safeguards. It's ideal for both personal and business uses where flexibility of premiums, death benefit options, cash accumulation values, and guarantees for specific periods of time are important.

Personal Use: Mortgage Coverage; Income Replacement; Supplement Retirement Income; Estate Planning; Charitable Giving, etc.

Business Uses: Business Continuation; Buy/Sell Agreements; Key Person Bonus Plans; Stock Redemption Programs.

Product Specifications:

Underwriting Classes and Issue Ages

Preferred Plus Non-Tobacco: 18-80
Preferred Non-Tobacco: 18-80
Standard Non-Tobacco: 18-80
Preferred Tobacco: 18-80
Standard Tobacco: 0-80

Rate Bands

Band 1: \$100,000-\$249,999
Band 2: \$250,000- \$499,999
Band 3: \$500,000 and above

Minimum Premium Limits

The minimum premium is \$25. On a PAC basis, we will accept a smaller premium, but it must be at least equal to the minimum monthly premium.

Maximum Premium Limits

If the insured has chosen the Guideline Premium Test, we will limit the amount of premium paid on a policy to the guideline limit so that it qualifies as life insurance. We will return to the owner amounts received in excess of this amount.

If the insured has chosen the Cash Value Accumulation Test, the death benefit will automatically be adjusted if needed when more premiums are paid, in order to qualify as life insurance.

First year maximum premium limit:
Target premium plus \$100,000.

Guaranteed Interest Rate

3%

Current rates are reviewed and credited monthly. Please refer to the latest Interest Rate Monitor on the Agent Web Site for the current rate.

Monthly Administration Charge

\$7.50 each monthly anniversary day.

No Lapse Provision

There is a guaranteed death benefit for the length of the no-lapse period, provided the minimum monthly premium is paid by the monthly anniversary day.

At issue, the insured selects the length of the no-lapse period. The periods are 20, 30 and 40 years. For a no-lapse period of 20 years, the maximum issue age is 80; for 30 years, 60; and for 40 years, 50. If no period is selected, then the default period of 20 years applies. There is no catch-up provision for this benefit. Once the benefit is lost, it is permanently gone, except upon reinstatement.

The policy will not lapse during the No-Lapse Period if the sum of all premiums

paid less any existing loan and less any partial surrenders, equals or exceeds the sum of the minimum monthly premiums on each and every monthly anniversary day from the date of issue to and including the current monthly anniversary day. In this case, the policy will remain in force even if the cash surrender value is less than the monthly deduction.

Mortality Charges

Based on 2001 CSO table.

Current mortality charges vary by issue age, duration, sex, underwriting class and band.

Guaranteed mortality charges vary by attained age, sex and Tobacco/Non-Tobacco distinction.

Death Benefit Options

- Option A: The death benefit is the face amount of the policy plus the policy account value.
- Option B: The death benefit is the face amount of the policy.
- Option C: The death benefit is the face amount plus paid premiums (minus withdrawals).

In no event will the death benefit be less than the policy account value at the beginning of the policy month of death multiplied by the appropriate death benefit percentage.

The death benefit option may be changed by making a written request. Evidence of insurability may be required when changing from Options A or C to Option B. (Evidence of insurability will not be required when changing from Option B to

Options A or C.) We will not allow changes between death benefit Options A and C.

Policy Loans

Loans are permitted after the first policy anniversary.

Surrender Charges

The surrender charge varies by issue age, duration, sex and Tobacco/Non-Tobacco distinction. There is no surrender charge after the 20th duration of the original coverage or the 20th duration of any increase in coverage; the surrender charge is only assessed against the account for regular premiums. No surrender charge is assessed against the account for excess premiums.

Partial Surrenders

After the first policy anniversary, a portion of the cash surrender value may be surrendered with the following limitations:

1. The remaining policy account value must be at least \$1,000.
2. The amount of the partial surrender must be at least \$500.
3. A maximum of four (4) partial surrenders can be taken in any policy year.

Payment Modes

Annual, Semi-Annual, Quarterly, Monthly PAC. List bill also available.

Riders

Waiver of Monthly Deduction
Accidental Death Benefit
Guaranteed Purchase Option

Back-dating is not allowed prior to launch date.

Form No. 1476 (6/06)
Base Policy Form No. 1AA
Base Application No. 6300-06
(See state approvals on Agent Web Site.)