



Life Insurance

Protect the people who matter most

Throughout your life, there's one priority that stays the same — looking out for the people you love. Whether you're joining the workforce, supporting a growing family or preparing for retirement, you want what's best for your loved ones.

If you have a family who depends on you, life insurance is especially important. Without you, would they be able to pay for housing, utilities and other everyday expenses?

With life insurance from Colonial Life & Accident Insurance Company, you can tailor coverage for your family's specific needs. No matter where you are in life, we have coverage options that can help.

Top reasons for owning life insurance

Cover burial and final expenses

Replace lost income from a wage earner

Help pay off the mortgage

Provide funds for college education

LIMRA, 2018 Insurance Barometer Study.

Coverage throughout life's journey

The best time to buy life insurance is at a young age when coverage is generally less expensive. However, life insurance can help at any stage of your life.



HIGH-DEMAND YEARS

With people getting married, buying homes and having children during this stage, it's not uncommon to have debt, such as credit card bills and student loan payments. If something happens to a primary income provider, family members may be left to pay off this debt and cover ongoing expenses. Life insurance could help replace lost income and help your family continue to build their lives.



ESTABLISHED YEARS

During this time, children are often heading off to college, and some people may find themselves taking care of aging parents. Life insurance can help make sure these members of the family continue to receive the financial support they deserve, regardless of what the future holds.



LATER YEARS

By this time, you may have already made your life insurance decisions, but it's never too late to update your coverage. Having sufficient coverage can prevent your family members from being left with medical bills and burial expenses. Purchasing policies for loved ones is also an option. With the right plan in place, you can spend these rewarding years enjoying what you've worked so hard to build.

For illustrative purposes only



Having children (43%) and buying a home (35%) are important triggers for buying life insurance.

Deloitte, Life Insurance Consumer Purchase Behavior, 2016



80%
OF PEOPLE

overestimate the price
of life insurance.

LIMRA, Insurance Barometer Study, 2015

Coverage throughout life's journey

The best time to buy life insurance is at a young age when coverage is generally less expensive. However, life insurance can help at any stage of your life.



TERM LIFE

Term life insurance provides coverage for a select period of time. It's a great choice for the stages in your life when you have substantial financial obligations, such as student loans, mortgage payments and child care.



WHOLE LIFE

Whole life insurance offers permanent coverage that stays the same throughout the life of the policy. It can help your loved ones pay for medical bills and funeral costs.



TERM & WHOLE LIFE

The ideal scenario is to have both term life and whole life insurance. With this combination, you can help protect your family during the years they're depending on you the most and assist with final expenses.

For illustrative purposes only



Over a third (35%) of all households would feel adverse financial impacts within one month if a primary wage earner died.

LIMRA, 2018 Insurance Barometer Study.



[8-in-10]
AMERICANS

overestimate the true cost
of life insurance.

LIMRA, 2017 Insurance Barometer Study.

With life insurance:

- Coverage options are available for you, your spouse and eligible dependents.
- Benefits are typically tax-free to your beneficiary.
- If you change jobs or retire, you may be able to keep your coverage.
- There’s an option to use a portion of the death benefit while living.



What type of life insurance is right for you?

Here’s a quick overview of the major types of life insurance. While your age and health can affect your options, your benefits counselor can help you determine what coverage is right for you.

	Term Life	Whole Life
Key features	Level Ideal coverage for high-demand years	Guaranteed Permanent coverage that remains the same to age 100
Cost	\$	\$\$
Death benefit	Payable if you pass away within the term period you select	Stays the same as long as you make payments
Plan options	10-, 15-, 20- or 30-year option	Paid-Up at Age 70 or Paid-Up at Age 100
Premium payments	Stay the same during the selected term period	Remain the same and end at paid-up age
Cash value	Not a feature of term life	Values are set when you purchase the policy



37.5 million

U.S. households **don't own life insurance.**

LIMRA, Life Insurance Ownership in Focus: U.S. Household Trends, 2016.



73% of consumers had outstanding **debt** when they died, with an average total balance of **\$62,000.**

Credit.com, Americans Are Dying With an Average of \$62K of Debt, 2017.

ColonialLife.com

Help protect the people who depend on you

**What if something unexpected happened to you?
Without you, your family might not have the funds to:**

- Cover final expenses, such as funeral costs and medical bills
- Replace your lost income they depend on for everyday living expenses
- Help pay off the mortgage so they can remain in the home
- Manage debt, such as credit cards and car loans
- Provide funds for college education for your children

Fortunately, Colonial Life & Accident Insurance Company has life insurance options that can help protect your family's way of life.

Many families aren't prepared

Despite the importance of having financial protection for their loved ones, many families don't have enough life insurance.

40% say most people should have **3x their salary** or less in coverage, versus the industry-recommended 7-10 times salary.

LIMRA, What Do Employees Know About Life Insurance? 2018.

Among individuals with life insurance, about **1 in 5** say that they do not have enough.

LIMRA, 2018 Insurance Barometer.

Talk with your benefits counselor to learn more about how life insurance can help protect what you've worked so hard to build.

Life insurance needs analysis

This worksheet can provide a general sense of how much life insurance coverage you may need to help protect your family.

This worksheet is intended to be illustrative and should not be considered financial advice. No worksheet can predict all of your expenses or other factors (such as inflation) that can alter your needs. Please review your plan periodically to ensure it is meeting your needs.

TABLE A	
YEARS INCOME NEEDED	FACTOR
5	4.7
10	8.8
15	12.4
20	15.4
25	18.1
30	20.4

TABLE B	
YEARS BEFORE COLLEGE	FACTOR
5	.95
10	.91
15	.86
20	.82

Note: These tables from Life Happens help you determine net present value (NPV), the amount of capital required today to satisfy future income or college cost needs, given an assumed investment return of 6%, inflation of 3% for living costs and 5% for college costs.

Step 1: Your annual income

- Calculate annual income, typically between 60-75% of the pre-tax income of the person being insured. \$ _____
- How many years will your family need the income? Consider how many years your spouse is from retirement. _____
- Refer to Table A and multiply the appropriate factor by your annual income (a). \$ _____

Step 2: Evaluate your debts and expenses

- How much would your family need for funeral costs and other final expenses? It's typically the greater of \$15,000 or 4% of your estate. \$ _____
- What about outstanding debts, such as a mortgage balance, credit card balances, car loans, etc.? \$ _____
- How much does your family need for college? Refer to Table B and multiply the appropriate factor by the amount needed for college per child. Average four-year cost* in 2017: \$83,080 public; \$187,800 private \$ _____
- Add all expenses (d, e and f) for a total. \$ _____

Step 3: Evaluate your assets

- How much does your family have in savings and investments, such as bank accounts, money market accounts, stocks, 529 plans, bonds, mutual funds, etc.? \$ _____
- What about retirement savings, such as 401(k), pension, IRAs, etc.? \$ _____
- How much life insurance do you currently have, including group life insurance provided by your employer? \$ _____
- Add all assets (h, i and j) for a total. \$ _____

Step 4: Calculate your total

- Subtract total assets (k) from total expenses (g). \$ _____
 - Add in income to be replaced (c). \$ _____
- Total estimated amount of life insurance needed:** \$ _____

Prefer to use an online calculator? Visit ColonialLife.com/life-calculator to calculate your needs.

*The College Board, *Trends in College Pricing*, 2017. Costs include tuition, fees, room and board.



Whole Life Insurance

You can't predict your family's future, but you can be prepared for it.

You like to think that you'll be there for your family in the years to come. But if something happened to you, would your family have the income they need?

It's not easy to think about such serious circumstances, but it's important to make sure your family is financially protected. You can gain peace of mind with whole life insurance from Colonial Life.



In the U.S., medical spending in the **last 12 months** of life is nearly \$80,000 per person.

HealthAffairs.org, End-Of-Life Medical Spending In Last Twelve Months Of Life Is Lower Than Previously Reported, July 2017.



Your cost will vary based on the level of coverage you select.

Talk with your benefits counselor for information about what level of coverage would work best for you.

Advantages of whole life insurance

- Permanent coverage that stays the same throughout the life of the policy
- Guaranteed level premiums that do not increase because of changes in health or age
- Access to the policy's cash value through a policy loan for emergencies¹
- Benefit for the beneficiary that is typically tax-free

Benefits and features

- Two plan options to choose what age your premium payments will end – Paid-Up at Age 70 or Paid-Up at Age 100
- Stand-alone spouse policy available whether or not you buy a policy for yourself
- Flexibility to keep the policy if you change jobs or retire
- Built-in terminal illness accelerated death benefit that provides up to 75% of the policy's death benefit (up to \$150,000) if you're diagnosed with a terminal illness²
- Immediate \$3,000 claim payment that can help your designated beneficiary pay for funeral costs or other expenses
- Pays cash surrender value at age 100 (when the policy endows)

Benefits worksheet

For use with your
benefits counselor

HOW MUCH COVERAGE DO YOU NEED?

☐ **YOU** \$ _____

Select the option:

- ☐ Paid-Up at Age 70
☐ Paid-Up at Age 100

☐ **SPOUSE** \$ _____

Select the option:

- ☐ Paid-Up at Age 70
☐ Paid-Up at Age 100

☐ **DEPENDENT STUDENT** \$ _____

- ☐ Paid-Up at Age 70
☐ Paid-Up at Age 100

Select any optional riders:

- ☐ Spouse term life rider
\$ _____ face amount
for _____-year term period
- ☐ Children's term life rider
\$ _____ face amount
- ☐ Accidental death benefit rider
- ☐ Chronic care accelerated death benefit rider
- ☐ Critical illness accelerated death benefit rider
- ☐ Guaranteed purchase option rider
- ☐ Waiver of premium benefit rider

To learn more, talk with your
benefits counselor.

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Additional coverage options

Spouse term life rider

Cover your spouse up to a maximum death benefit of \$50,000; 10-year and 20-year spouse term riders are available.

Juvenile whole life policy

You can purchase a policy while children are young and premiums are low – whether or not you buy a policy on yourself. You may also increase the coverage when the child is 18, 21 and 24 without providing proof of good health. The plan is paid-up at age 70.

Children's term life rider

You may purchase up to \$20,000 in term life coverage for all of your eligible dependent children and pay one premium. The children's term life rider may be added to either your policy or your spouse's policy – not both.

Accidental death benefit rider

The beneficiary may receive an additional benefit if the covered person dies as a result of an accident before age 70. The benefit doubles if the accidental bodily injury occurs while riding as a fare-paying passenger using public transportation, such as ride-sharing services. An additional 25% will be payable if the injury is sustained while driving or riding in a private passenger vehicle and wearing a seatbelt.

Chronic care accelerated death benefit rider

If a licensed health care practitioner certifies that you have a chronic illness, you may receive an advance on all or a portion of the death benefit, available in a one-time lump sum or monthly payments.² A chronic illness means you require substantial supervision due to a severe cognitive impairment or you may be unable to perform at least two of the six Activities of Daily Living (bathing, continence, dressing, eating, toileting and transferring). Premiums are waived during the benefit period.

Critical illness accelerated death benefit rider

If you suffer a heart attack (myocardial infarction), stroke or end-stage renal (kidney) failure, a \$5,000 benefit is payable.² A subsequent diagnosis benefit is included.

Guaranteed purchase option rider

If you are age 50 or younger when you purchase the policy, you can add the rider, which allows you to purchase additional whole life coverage – without having to answer health questions – at three different points in the future. You may purchase up to your initial face amount, not to exceed a total combined maximum of \$100,000 for all options.

Waiver of premium benefit rider

Premiums are waived (for the policy and riders) if you become totally disabled before the policy anniversary following your 65th birthday and you satisfy the six-month elimination period. Once you are no longer disabled, premium payments will resume.

¹ Loan should be repaid to protect the policy's value.

² Any payout would reduce the death benefit. Benefits may be taxable as income. Individuals should consult with their legal or tax counsel when deciding to apply for accelerated benefits.

EXCLUSIONS AND LIMITATIONS

If the insured dies by suicide, whether sane or insane, within two years (one year in ND) from the coverage effective date or the date of reinstatement, we will not pay the death benefit. We will terminate this policy and return the premiums paid without interest, minus any loans and loan interest to you. Product may vary by state. For costs and complete details of the coverage, call or write your Colonial Life benefits counselor or the company.

This brochure is applicable to policy forms ICC19-IWL5000-70/IWL5000-70, ICC19-IWL5000-100/IWL5000-100, ICC19-IWL5000J/IWL5000J and rider forms ICC19-R-IWL5000-STR/R-IWL5000-STR, ICC19-R-IWL5000-CTR/R-IWL5000-CTR, ICC19-R-IWL5000-WP/R-IWL5000-WP, ICC19-R-IWL5000-ACCD/R-IWL5000-ACCD, ICC19-R-IWL5000-CI/R-IWL5000-CI, ICC19-R-IWL5000-CC/R-IWL5000-CC, ICC19-R-IWL5000-GPO/R-IWL5000-GPO and applicable state variations.



Juvenile Whole Life Insurance

A lower rate for life

By purchasing juvenile whole life insurance for a child or grandchild, you can begin a lifetime of protection at affordable rates. The younger the child is when you purchase coverage, the lower the rate will be for the life of the policy.

Also, if an unexpected accident or illness makes life insurance more expensive – or even unavailable – for them later on, they'll have this whole life coverage to help protect their loved ones.

Coverage features

- Available for your children or grandchildren through age 17 (dependent students ages 18-26 may be eligible for an adult plan)
- Accumulates cash value at a guaranteed rate over the life of the coverage
- Stays in force as long as you continue making payments
- Option to add accidental death benefit rider at any time
- Ability to pass ownership or enhance coverage with optional riders after your child or grandchild's 18th birthday



Your cost will vary based on the amount of coverage you select.

Talk with your benefits counselor for information about how much coverage would work best for you.

**HOW MUCH COVERAGE
DO YOU NEED?**

FACE AMOUNT \$ _____

GIVE A GIFT THAT LASTS A LIFETIME



CHILDHOOD

They grow up so fast. Get them off to a great start.

18TH BIRTHDAY

Give them ownership of their policy as they take more control of their future.



FIRST JOB

Provide a base to build on as they establish themselves.

WEDDING

They can purchase coverage on a new spouse.



CHILDREN

They can extend coverage as their family grows.

RETIREMENT

As years go by, know they're protected by the coverage you purchased.



**To learn more,
talk with your
benefits counselor.**

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Additional features

\$3,000 immediate claim payment

This payment can help meet immediate needs, such as funeral costs, by providing an initial death benefit payment of \$3,000 to the designated beneficiary.

Terminal illness accelerated death benefit

If the insured child is diagnosed with a terminal illness, you can request up to 75% of the policy's death benefit, up to \$150,000.

Guaranteed purchase option

Additional whole life coverage may be purchased on the child – without health questions – at ages 18, 21 and 24. Coverage up to the initial face amount may be purchased, not to exceed a total combined maximum of \$100,000 for all options.

Optional rider

Accidental death benefit rider

When you purchase this rider, it pays an additional benefit if the insured child or grandchild dies as a result of an accident before age 70. The benefit doubles if the accidental bodily injury occurs while riding as a fare-paying passenger using public transportation, such as ride-sharing services. An additional 25% of the accidental death benefit will be payable if the injury is sustained while driving or riding in a private passenger vehicle and wearing a seat belt.

Additional options available at age 18 (and after policy ownership has been passed to child)

Chronic care accelerated death benefit rider

If a licensed health care practitioner certifies the insured has a chronic illness, the policy owner may receive an advance on all or a portion of the death benefit, available in a one-time lump sum or monthly payments.¹ A chronic illness means substantial supervision is required due to a severe cognitive impairment or the inability to perform at least two of the six Activities of Daily Living (bathing, continence, dressing, eating, toileting and transferring). Premiums are waived during the benefit period.

Critical illness accelerated death benefit rider

If the insured suffers a heart attack (myocardial infarction), stroke or end-stage renal (kidney) failure, a \$5,000 benefit is payable.¹ A subsequent diagnosis benefit is included.

Spouse term life rider

The policy owner can purchase term life coverage for a spouse, with a maximum death benefit of up to \$50,000. 10-year and 20-year coverage periods are available. Coverage may be converted to a cash value policy within certain time periods later on – without having to answer health questions.

Children's term life rider

The policy owner may purchase up to \$20,000 in term life coverage for all eligible dependent children and pay one premium. Each eligible child can later convert this coverage to a cash value life insurance policy – without having to answer health questions – upon the parent's or grandparent's 70th birthday or the child's 25th birthday, whichever comes first.

¹ Any payout would reduce the death benefit. Benefits may be taxable as income. Individuals should consult with their legal or tax counsel when deciding to apply for accelerated benefits.

EXCLUSIONS AND LIMITATIONS

If the insured dies by suicide, whether sane or insane, within two years (one year in ND) from the coverage effective date or the date of reinstatement, we will not pay the death benefit. We will terminate this policy and return the premiums paid without interest, minus any loans and loan interest to you. Product may vary by state. For costs and complete details of the coverage, call or write your Colonial Life benefits counselor or the company.

This product is underwritten by Colonial Life & Accident Insurance Company.

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Underwritten by Colonial Life & Accident Insurance Company, Columbia, SC

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