

## Providing flexibility for clients amid COVID-19

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**To:** Agent and Field Management  
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**Week of Date:** 03/23/2020

**MDRT Code:**

### Summary:

As we continue to evaluate options to provide greater flexibility for our policy owners affected by our current environment, we have taken two immediate steps: (1) No insurance policy will be canceled during the next 90 days where the policy owner is unable to pay the premium. (2) We are extending annuity surrender-charge-free withdrawal amounts and free look periods.

### Extending premium payment grace periods to 90 days for all insurance policies

We understand that making a premium payment may not be possible for some of our policy owners in the days and weeks ahead. As a result, we have made the decision that no in-force insurance policy issued prior to March 24, 2020 – including life insurance and long-term care insurance – will be canceled during the next 90 days where the policy owner is unable to pay the premium.

Because missing premium payments can affect a policy in several ways, please strongly encourage your clients to continue to pay their premium, utilizing dividend values, policy loans or other policy modifications as necessary. We will make available a more detailed document with options to consider for keeping policies in force later this week.

Policy owners with an upcoming bill or a monthly bill that is due within the next 90 days will continue to receive their billing notices either by email or mail, as they have in the past. For those who are unable to make premium payments during the next 90 days, all missed payments will be due once the 90-day period ends, and a failure to make the payments may cause the policy to lapse. For Universal Life and Variable Universal Life policies, since these products are flexible premium products, if a policy has a negative cash surrender value after the 90 day period, a premium payment will need to be made to restore a positive cash surrender value in order to keep the policy from lapsing.

The Departments of Insurance in a number of states have published bulletins for insurance companies related to the treatment of insurance coverage in the current environment. In all cases, our decision that no coverage will be lapsed in the next 90 days meets or exceeds state requirements. We will continue to closely monitor the regulatory environment to ensure we remain in compliance with all government mandates.

### Extending annuity surrender-charge-free withdrawal amounts and free look periods

To provide annuity policy owners with greater flexibility, we are increasing the surrender-charge-free withdrawal amount from 10% to 15% across all in-force deferred annuities until further notice. For variable annuities, a prospectus supplement dated March 23, 2020, contains additional details. For owners of any annuity policy issued on or after February 11, 2020, we are also extending the free-look period to 60 days (or longer as may be required by state law).

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