



REALTIMESM PRICING

GUIDE TO DOING BUSINESS Guaranteed Universal Life Products

In light of the changes in the interest rate and regulatory environments, Transamerica has taken proactive measures to ensure that we are able to continue to provide no-lapse guaranteed universal life insurance products by introducing Real Time PricingSM. Real Time Pricing is a breakthrough, patent-pending pricing model that allows us to be responsive to changing market conditions while offering the guarantees, flexibility and control that clients need today. This guide outlines the terminology, process and procedures for doing business with our new GUL products that feature Real Time Pricing.



STEP 1: CHECK THE WEEK'S ACE INTEREST RATES AND RUN ILLUSTRATION

New ACE interest rates will be released every Wednesday on TransWare[®]. They will also be available on AgentNetInfo.



Submit the formal, complete application to our Cedar Rapids office. If it's received in good order, this sets the ratelock date.



STEP 3: START A 13-WEEK RATELOCK PERIOD

If application is underwritten and issued within the initial 13-week ratelock period...

If the case is not underwritten and the policy is not issued within the 13-week ratelock period...

...the policy is issued at the ACE interest rates as of the ratelock date, or more preferable ACE interest rates if available on the day the policy is sent to issue.

...ACE interest rates reset at the current ACE interest rates, and a new 13-week ratelock period begins.

TERMS AND DEFINITIONS

Joint Life ACE Interest Rates: The threshold interest rates for **TransACE Survivor[®]**.

Single Life ACE Interest Rates: The threshold interest rates for **TransACE[®]** and **TransACE[®] CV**.

Ratelock Date: The date the ratelock period starts. The initial ratelock date is the date the formal, complete application is received in good order in the Cedar Rapids office.

Ratelock Period: The **13 weeks** starting on the ratelock date, and every 13-week period thereafter until the policy is issued.

Ratelock Expiry Date: End of a ratelock period.



PRODUCTS FEATURING REAL TIME PRICINGSM

Transamerica’s 2013 portfolio of ACE products features Real Time Pricing. The portfolio includes:

- TransACE®
- TransACE Survivor®
- TransACE® CV

All products are subject to state availability.

REAL TIME PRICINGSM AND APPLICATION SUBMISSION

- With the Real Time Pricing model, ACE interest rates can change as often as weekly. The ACE interest rates will be guaranteed for **13 weeks** from the date the application is received in good order (the ratelock date).
- This begins the ratelock period, during which these ACE interest rates will be the effective rates for the policy as long as the policy is underwritten and issued **within 13 weeks of receipt**.
- At the end of the 13-week period, if it the policy has not been underwritten and issued, the ratelock will expire, and a new ratelock period will begin. The ACE interest rate in effect on the ratelock expiry date will be locked in for the next 13-week ratelock period.
- This 13-week cycle for ACE interest rates will continue until the policy is issued.
- A proposed policy owner may withdraw an application and reapply if they wish to secure a different set of ACE interest rates.
- The ACE interest rates will be communicated every Wednesday on AgentNetInfo.
- Formal applications must be submitted to the Cedar Rapids office **by 4:30 p.m. CT on Friday** to lock in the current week ACE interest rates.

If a better rate is available at the time of policy issue, a signed revised illustration must be submitted at policy delivery in NAIC states. The producer/agency have options at that point:

- Run the originally planned premiums with the better ACE interest rates. This is the default. It could potentially extend the guarantee period; or
- Run a new “solve for ACE” illustration which could lower premiums. This will cause a reissue and could potentially delay policy delivery and commission payment.

RATELOCK COMMUNICATIONS

When a completed application in good order is received by Transamerica’s Cedar Rapids office, a letter is generated and sent to the agency and the producer that confirms the ratelock date and ACE interest rates for the policy during the 13-week ratelock period. A reminder letter will be sent to the producer and agency 10 calendar days prior to the ratelock expiry date. Finally, a third letter will be sent indicating that the ratelock period has expired, and a new 13-week ratelock period has begun with the then-current ACE interest rate going into effect for the new ratelock period.

HOW AND WHERE TO ACCESS ACE INTEREST RATES

The ACE interest rates will be communicated via AgentNetInfo every Wednesday. TransWare will also be updated with new ACE interest rates on Wednesdays. ACE interest rates announced on Wednesdays will be effective the following week, Monday through Friday.

1035 EXCHANGES

Our normal procedure for 1035 exchanges is to wait to issue the policy until after receipt of the 1035 proceeds. This may cause the ratelock period to expire and a new ratelock period to start. If the policy owner chooses, the policy may be issued without waiting for the 1035 proceeds. In that case, the policy owner would have to pay sufficient premium to put the policy inforce and keep it inforce until the 1035 proceeds are received.

ILLUSTRATIONS

The GUL products will be supported on TransWare illustration software. The illustration will show the assumed ratelock date, the assumed ratelock expiry date and the assumed ACE interest rates used.