

product & service notice



Date: June 21, 2019
To: Ameritas Field Associates
RE: Product and Underwriting Changes on
Dlnamic Foundation Policies

Form Number: PS 4191
Discard After: Keep Indefinitely
Product Area: DI

Summary:

Effective immediately, we have made several product and underwriting changes to our Dlnamic Foundation individual disability income policies.

Business Owner Income Enhancer

This feature allows an increase of insurable income by an additional 20% to help business owners cover the loss of company perks. It is now available for 4M, 5M and 6M physicians (MD's or DO's) on individual disability income policies. This change does not apply to Business Overhead Expense policies or Guaranteed Standard Issue business. Also, dentists and dental specialties are excluded from the income enhancer program. All other criteria of the Business Owner Income Enhancer feature will **not** be impacted by this change. The income enhancer will be applied to any newly, eligible applications currently in underwriting. The maximum amount by which the monthly benefit can be increased using the Business Owner Income Enhancer is \$2,000.

The illustration software, LifeDesigns will be updated to reflect these changes. In the interim, the Business Owner Income Enhancer amount can be determined using the following calculation:

$$(\text{insurable income} \times 1.20 = \text{new, income amount})$$

Future Increase Option Rider

Insureds may now exercise the full amount of the FIO rider up to and including age 45 (previous age 40). Additionally, off-anniversary FIO applications will be considered within the following guidelines:

- Insured is age 45 or less or the base policy was issued within the last three years.
- Insured has experienced an increase in income of at 20% or more, the entire amount of which occurred within 90 days prior to applying for an FIO increase (this 90-day requirement does not apply to an insured that is within two years of completion of a residency or fellowship program), or
- Insured has lost group disability insurance, and the loss of the group disability coverage occurred within 90 days prior to applying for an FIO increase.
- Base policy does not include an Automatic Increase Rider.
- Off-anniversary requests are limited to one per year.
- The agent must include a cover letter attesting to either the increase in income or loss of group disability insurance; underwriting reserves the right to request proof of either occurrence.

The rate structure, policy language, and occupational definition of the increase will follow the original policy provisions and remain unaffected by this modification. All FIO requests remain subject to usual financial underwriting requirements and a FIO application. These guidelines apply to our Dlnamic Foundation/ Dlnamic 2000 individual disability income policies and Guaranteed Standard Issue business.

These changes are **not** applicable to any BOE policies. Please note, no exceptions will be made outside of these published guidelines.

Catastrophic Rider*

Applicants applying for coverage using employer-pay limits when the monthly benefit is taxable, can increase the amount of CAT rider to account for the taxability of the monthly benefit. This is accomplished by dividing monthly insurable earned income by .75. The maximum coverage issued (base/Social Insurance Substitute monthly benefit plus CAT monthly benefit from all sources) cannot exceed the resulting (adjusted) monthly net earned income. The maximum CAT rider amount remains \$10,000.

Underwriting Changes

Net Worth

Applicants with a net worth of up to \$6,000,000 are acceptable for consideration without adverse action. Net worth of \$6,000,001 to \$10,000,000 will be given case-by-case consideration depending on the composition of assets of the applicant. Applicants with a net worth in excess of \$10,000,000 are generally not insurable. This analysis does not apply to Guaranteed Standard Issue business.

Unearned Income

We have enhanced our guidelines with respect to how unearned income is handled during the underwriting process. Unearned income of up to 15% of earned income will be disregarded and 50% of the remaining monthly unearned income will be deducted from the monthly benefit otherwise available based on earned income.

Accelerated Depreciation (Section 179)

Section 179 is an accelerated depreciation method allowed by tax code for business owners. It allows immediate deduction for full purchase price of new equipment rather than spreading depreciation out over years. We will allow 20% of the section 179 depreciation amount to be added back to insurable income. The maximum increase in monthly benefit resulting from this is limited to \$1,000.

EZ App

We have updated our EZ App medical underwriting requirements as follows:

Ages	Benefit	Requirements**
18 - 45	Up to \$6,000	TUI
18 - 45	\$6001+	TUI, Mini-exam
46 - 64	Up to \$2,500	TUI
46 - 64	\$2,501+	TUI, Mini-exam

**Medical questions are asked via the tele-underwriting interview (TUI). Mini-exams include blood and urine testing, and recording of height, weight, blood pressure and pulse measurements.

- When using the EZ App process for physicians (MD's or DO's) that are within 180 days prior to or up to 180 days after completing residency or fellowship for DI applicants age 45 or below, we will underwrite up to our entering practice limit (\$7500/month) without requiring a mini-exam.
- If a resident or fellow physician (MD or DO) has a signed employment contract, we will financially underwrite according to the terms of the contract (based on guaranteed income and taking into account any employer-provided disability benefits), and no mini-exam will be required regardless of the DI amount issued.
 - The application must be received no later than 180 days after completion of the applicant's residency or fellowship program.
 - A copy of the entire signed employment contract must be submitted as financial documentation, and indicate an employment start date within 90 days of the issue date of the policy.
 - Please note, dentists and dental specialties are excluded from the above special limits.
 - The agent needs to indicate via a transmittal memo, cover letter or the Producer's Statement page of the application that the new/special limits are being used as well as the date of completion of residency.

- Underwriting reserves the right to ask for any additional requirements, financial or medical, if the circumstances of the case dictate additional requirements are necessary to fully assess the risk.

Ordering EZ App tele-underwriting for cases that fall under the new guidelines:

When ordering EZ App tele-underwriting with our vendor, ExamOne, their system determines whether a mini-exam is needed based on the age of the client and amount applied for. Until ExamOne has updated their system with the new EZ App requirement chart noted above, the following procedure is required for:

- Applicants ages 18-45 applying for \$6000/month or less, as well as
 - Medical residents/fellows (MD's and DO's) applying for \$7500/month using entering practice limits or for a higher amount using an employment contract under the circumstances described above.
1. Go to <https://portal.examone.com/Login>.
 2. Create case as you would do for previous orders.
 3. When you choose tele-underwriting as a service, select **Account #2810-Jet Issue** to place your order. This tells ExamOne to complete the tele-underwriting interview but to not schedule a mini-exam at the end of the interview.
 4. If you are applying for both Life and DI and the Life case requires an exam, please use our normal process for ordering so the exam is completed for the Life case.

Once the order is submitted, it will follow the normal tele-underwriting flow and we will receive the interview when completed. After ExamOne has updated their system, the above procedure will no longer be required **except** in the event the applicant is a medical resident or fellow applying for up to our entering practice limit (\$7500/month) or a higher monthly benefit based on the applicant's employment contract as described above.

Applications submitted with traditional application process:

Applications submitted outside of the EZ App process will no longer require a Personal History Interview for any amount applied for and pharmacy records will be obtained by the Home Office for all applicants.

The agent guide, DI 1288, affected marketing material and illustration software, LifeDesigns (where applicable) will be updated.

If you have questions related to this notice of enhancements, please contact your Ameritas sales development team at 800-319-6903.

***Subject to state variation and availability.**

In approved states, Dlnamic Foundation (forms 4501NC, 4502GR and 4503NCBOE) is issued by Ameritas Life Insurance Corp. In New York, Dlnamic Foundation (forms 5501-NC, 5502-GR and 5503NCBOE), is issued by Ameritas Life Insurance Corp. of New York. Policy and riders may vary and may not be available in all states

The archive of Ameritas Product & Service Notices can be found on Producer Workbench > Product Portfolio.

Unless otherwise specified, any entity referenced in any notice is not an affiliate of Ameritas or any of its affiliates.

This information is provided by Ameritas®, which is a marketing name for subsidiaries of Ameritas Mutual Holding Company, including, but not limited to: Ameritas Life Insurance Corp., 5900 O Street, Lincoln, Nebraska 68510 and Ameritas Life Insurance Corp. of New York, (licensed in New York) 1350 Broadway, Suite 2201, New York, New York 10018. Each company is solely responsible for its own financial condition and contractual obligations. For more information about Ameritas®, visit ameritas.com.

Ameritas® and the bison design are registered service marks of Ameritas Life Insurance Corp. Fulfilling life® is a registered service mark of affiliate Ameritas Holding Company.© 2019 Ameritas Mutual Holding Company