

Covenant II

Whole Life Insurance

Product Guide

“Covenant II is

MTL’s premier

whole life product

designed to offer

fast-growing,

guaranteed

cash values with

relatively low

premiums.”

Covenant II is a highly competitive, participating whole life insurance policy based on the 2001 CSO mortality tables. The direct descendant of Covenant, Covenant II, like its predecessor, is specially designed to produce fast-growing, guaranteed cash values with relatively low premiums. Covenant II is paid-up at age 90, matures at 121 and, in most situations, by the third or fourth year the increase in cash value for the year will exceed the premiums paid in that year.

Uses: Covenant II can be used to satisfy both personal and business needs.

Personal Uses: Family income, mortgage protection and acceleration, educational funding, retirement income, income replacement, estate planning and gifting.

Business Uses: Buy/sell funding, key person protection, executive bonus programs and deferred compensation.

Covenant II, MTL’s extremely versatile flagship product, can also be customized to fit specific needs with its wide range of available additional riders and benefits.

Product Specifications:

Issue Ages 0-75

Rate Bands

Band 1: \$25,000	Ages 0-49
Band 1: \$10,000	Ages 50-75
Band 2: \$50,000	
Band 3: \$100,000	
Band 4: \$250,000	
Band 5: \$500,000+	

Bands 1 and 2 have standard rates only. Bands 3, 4 and 5 have preferred and standard rates.

Risk Classes

0-75 Standard Tobacco
18-75 Standard Non-Tobacco
18-75 Preferred Tobacco & Preferred Non-Tobacco

(Also available on a substandard basis through table P.)

Minimum Face Amount

The overall product minimum face amount is \$25,000. (Minimum face amount of \$10,000 for ages 50+.)

Guaranteed Interest Rate

A 4.0 % interest rate is applied in the calculation of guaranteed cash values. However, the interest earned is offset by expense and mortality charges.

Premiums vary by age, sex, underwriting class and face and are payable to attained age 90.

Policy Fee

\$50

Cash Values

Based on 2001 CSO and Continuous Functions. Vary by issue age, sex and duration.

Dividends

Dividends vary by issue age, sex, duration and underwriting class. Dividend options include:

- Cash
- Reduce Premium
- Paid-Up Additions
- Accumulate with Interest
- Purchase One-Year Term
- Maximum Accumulation Dividend®*

*Cannot be used with 7- and 15-Year Term Riders

Loans

Loans up to the amount of the cash surrender value are available after the first policy anniversary.

Loan and Interest Rate

The Loan Interest Rate is variable. The maximum rate is the greater of the Cash Value Rate plus 1% or the Moody Corporate Bond Yield Average – Monthly Average Corporates.

Optional Riders

- Accelerated Death Benefit
- Accidental Death Benefit
- Applicant Waiver of Premium Benefit
- Children's Insurance Rider
- Waiver of Premium,
2- year and 5-year
- 7- and 15-Year Term Riders
- Annual Premium Paid-Up Additional Insurance Rider
- Single Premium Paid-Up Additional Insurance Rider
- Guaranteed Purchase Option (GPO)

Grace Period - 31 days

Surrender Charges - None

Payment Modes:

Annual

Semiannual (factor, 0.525)

Quarterly (factor, 0.265)

Monthly (PAC) (factor, 0.087)

Maturity Date – Age 121

Beneficiary Settlement Options:

- Interest Option
- Specified Period Option
- Life Income
- Specified Amount
- Joint & Survivor Life Income

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