



JUST THE FACTS

Benefit Distribution Agreement

The main reason for purchasing life insurance is to provide financial security to family and loved ones upon your client's death. Life insurance can also provide your clients' families the steady income they need, should something unexpectedly happen.

The **Benefit Distribution Agreement (BDA)** provides your clients the settlement option to receive all or part of the policy's total benefit amount as a guaranteed monthly or annual benefit over a specified installment period. With the addition of the Benefit Distribution Agreement, available on Advantage Elite Select Term Life Insurance policies submitted exclusively through Quick eApp, you can offer clients more flexibility at no additional cost.

Benefits of the BDA

With the BDA, your clients can choose from the following benefits:

- **Lower your clients' premium payment.**¹ When electing the BDA, your clients can potentially maintain their desired coverage at a lower cost. This occurs because the client is paying premium on a lower face amount than the actual total benefit amount their beneficiaries will receive.
- **Increase your clients' total benefit amount paid.**² Your clients have set budgets for life insurance premiums. By adding the BDA, the total benefit amount paid to their beneficiaries will exceed the policy's face amount – at no additional cost.

¹ Not all scenarios will result in lower premium payments.

² The amount exceeding the original face amount will be taxable as income.

³ Male, 40 years old, Preferred Non-Tobacco, 20-year duration.

Lower premium payment¹

Example

Your client³ needs \$1 million of life insurance coverage. With a term policy, he will receive:

Face amount/total benefit paid: \$1,000,000 lump sum
Annual premium: \$965

With the BDA and 100 percent of the benefit designated as annual installments over 30 years:

Face amount:	\$600,000
Annual premium:	\$629
Annual installment benefit:	\$33,333.33 x 30 years
Total benefit amount paid:	\$1,000,000

Your client can save \$336 annually – over 34% savings.

Increased total benefit amount

Example

Your client³ has budgeted \$965 annually for life insurance coverage. With a term policy, he will receive:

Face amount/total benefit paid: \$1,000,000 lump sum
Annual premium: \$965

With the BDA and 100 percent of the benefit designated as annual installments over 30 years:

Face amount:	\$1,000,000
Annual premium:	\$965
Annual installment benefit:	\$55,555.55 x 30 years
Total benefit amount paid:	\$1,666,667

Your client can increase his total benefit by \$666,667.

Additional details

- Available on Advantage Elite Select.
- Offered exclusively through Quick eApp.
- Minimum face amount \$100,000.
- Offered at no additional cost and only at policy issue.
- The portion of the total benefit amount allocated to installment payments must be 25%, 50%, 75% or 100%. The remainder of the total benefit amount, if any, will be paid as a lump sum.
 - Installment payments available monthly or annually.
 - Installment periods 10, 20 or 30 years.
 - All installment payments will be equal.
- Conversions into permanent policies will be based on face amount.
- The schedule of payments is determined at issue and may not be altered while the policy is in force.
- BDA can be removed from policies. When removed, the policy value will equal the face amount.

ADVANTAGES of Quick eApp

- Ensure applications are “in good order” (IGO) every time.⁴
- Close business and get paid faster.
- Save clients 20 business days of approval time.
- Improve your client experience.

For Quick eApp support, call 1-800-328-6124.

TO LEARN HOW the BDA can help your clients get more life on their terms, contact your Life Sales Support Team at:

- **1-877-696-6654**
(Securian and Broker-Dealer Partners)
- **1-888-413-7860, option 1**
(Independent Brokerage)

Face amount

Amount that determines your clients' premiums.

Installment payments

A portion of the total benefit amount that is paid out over a period of time.

Total benefit amount

Total of the lump-sum payment (if applicable), plus installment payments. The total benefit amount will exceed the face amount.

⁴ Applications In Good Order are dependent on accurate input entered.

The beneficiary of the policy will not be able to change the installment portion of the death benefit after the death of the insured. A portion of the benefit that is paid out in installments will be taxable as income. This taxable portion represents the amount of the benefit that exceeds the policy's face amount.

The Benefit Distribution Agreement installment payment could be payable for a period up to 30 years. The factor rate used in the calculation of the installment payment is set at the time of policy issue.

This agreement will not be reinsured. This agreement cannot be added at conversion or exchange. There is no additional compensation paid due to inclusion of this agreement on the policy and there is no impact to a policy's target premium.

Products and Agreements may not be available in all states or may exist under different names in various states.

Securian Financial Group, Inc.
www.securian.com

Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Both companies are headquartered in Saint Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

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