06/22

UNDERSTANDING PREMIUMS

TARGET & MINIMUM NO-LAPSE PREMIUMS

The **Minimum No-Lapse Premium (MNLP)** is the minimum amount that must be paid in order to issue the policy and keep the no-lapse guarantee in effect in our universal life policies. However, after the no-lapse guarantee period, payment of the MNLP may not be sufficient to keep the policy in force. Additionally, by paying only the MNLP, your client may be forgoing the opportunity to build up additional cash value.

The **Target Premium** is the amount upon which commission is based.

Generally, the **Target Premium** is higher than the **MNLP**, but **not always**. This typically happens with cases that include older age clients (70+), additional policy riders, and/or table ratings. When this is the case, be certain to verify that your client pays at least the MNLP. **A policy will not be issued, nor an advance paid, if the payment of the MNLP is not made.**

Hypothetical Example

The following hypothetical example illustrates how a male, age 50, with a Tobacco risk class, a $100,000 specified amount, and a $100,000 Base Insured Rider could result in the Minimum No-Lapse Premium being higher than the Target Premium. In this and all instances, the client should pay at least the Minimum No-Lapse Premium to ensure the no-lapse guarantee is in effect.

This hypothetical example does not guarantee or predict actual performance.

INITIAL POLICY INFORMATION

Specified Amount	Lapse Year	MEC Year	First Year COI/IAMC/Mexp Charges
$100,000.00	19	N/A	$1,166.00

Annual Model Premium	Target Premium	Minimum Premium	Seven Pay Premium	Guideline Annual Premium	Guideline Single Premium
$2,736.00	$2,390.00	$2,736.00	$12,007.68	$5,138.00	$58,319.77

For Financial Professional Use Only. Not for Use With the Public.

121037R2

TRANSAMERICA®