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July 2006

## WELIS Illustration System Frequently Asked Questions

Following are answers to some questions that you will most likely have regarding the new WELIS illustration system used with both RightTerm™ and RightLife™ Universal Life.

**Q: How do I install the new WELIS System?**

A: The WELIS System is available for download from the U.S. Financial Life Insurance Company web site ([www.usfli.com](http://www.usfli.com)). An install that is downloaded from the web site will produce an executable file that looks like "USFL\_WELIS\_Setup\_X\_X\_X.exe" which will be triggered by a short-cut on the desktop. **The installation will produce an icon on the desktop.** Click on this. First time users will be prompted to install USFL/WELIS Pre-Requisites. Simply click "Next" several times to allow the system to Collect Information about your computer, to Prepare the Installation, to Install the software and to Finalize Installation. Click "Finish" and then click again on the desktop icon.

**Q: After I install the new WELIS System do I still need the previous Lord & Carr illustration software?**

A: The WELIS System does not contain Nova or Super Nova UL. Maintain the Lord & Carr software on your computer until you no longer need to illustrate these two UL products. RightLife UL replaces the Nova and Super Nova UL products in states that have approved it.

**Q: After I install the new WELIS System do I get updates and new versions of the illustration software?**

A: The WELIS System has a feature by which the user can get updated versions, state approvals and interest rates simply by checking to see if an update is available. Click on "Help" from the Main Menu. Then click on "Check for updates..." This feature, if used regularly, will maintain the system for state approvals, current interest rates (including the Variable Loan Rate) and system enhancements and updates. If after six months the user has not updated the system, it will shut down and no longer function. This "sun down" feature ensures that the system is maintained.

**Q: How do I get started using the new WELIS System?**

A: Start by getting familiar with the common tasks that can be invoked from the Main Toolbar.

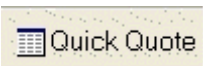


New Button – Opens default case for current product and concept.



Open Button – Drop down button opens case data (default Open Case). The Open Favorite Command opens the user-defined favorite case (the default case opened when WELIS is started).

Output Type – Drop down box selects output option. Choices include:



Displays unformatted durational output on the screen.

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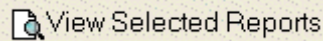


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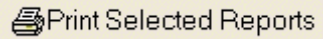
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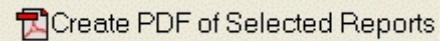
View Selected Reports

Displays formatted output on the screen. This is the recommended option.



Print Selected Reports

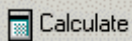
Sends formatted output directly to the default printer.



Create PDF of Selected Reports

Adobe, Inc.)

Writes formatted output to a PDF file. (PDF is a trademark of



Calculate

Begins illustration processing.

**Q: How do I set up the software to include my information as the agent/presenter (advisor)?**

**A:** Click on the Advisor Button on the Product Toolbar. This Button displays the Edit Advisor screen. The Edit Advisor Command opens a form that allows your data to be entered and saved for just the current case only or your advisor information can be saved to the Advisor Database. (You can also get to the Edit Advisor Command through the File Button on the Main Toolbar).

**Q: How do I get started using the Insured Tab to run a RightLife UL illustration?**

**A:** **Name, First and Last:** There is no limit to the number of characters that can be entered, however, only eighteen spaces are displayed. Apostrophes and quotation marks (for nicknames) are accepted. Prefixes (such as Dr.) and suffixes (such as Jr.) are simply to be included on either the First or Last name fields. **Date:** Automatically appends for 1900 or 2000. When the date is entered as month-day-year and only the last two numbers are given for the year, the system completes the year as follows: 0-29, the system uses 1900: 30 plus, the system uses 2000. It is safest to enter all four numbers for the year. The system automatically computes **age nearest birthday** for all USFL products. Appropriate age range is 16-75 for RightLife UL and 18-75 for RightTerm.

**Issue State:** Drop down box only includes states that have approved the product. When new states approve the product they will be added automatically to the list in the drop down box. The default state will be Ohio. The user can repeatedly type the first letter of the Two-letter abbreviation and select the correct state or click on the drop-down box.

**Underwriting Class:** The class selected will apply to the base coverage and the Waiver rider. The only rating offered is Table 4 and that rating is only available on Super Standard Nonsmoker and Standard Smoker.

**Tax Bracket:** The tax bracket selected will apply to withdrawals once basis is exceeded and to distributions from a policy that is a MEC. The tax bracket is assumed to be that of the owner.

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**Owner Type:** The default is the Insured. There are five choices: Insured, Corporation, Trust, Business Partner and Family Member. If Trust is selected, the next input box will be entitled, "Trust Name." If Corporation is selected, the next input box will be entitled, "Corporation Name." Etc. The names of Corporation, Trust, Business Partner and Family Member are displayed on the illustration output on the Numeric Summary and Signature Page right under the Policy Owner's signature line. This is the user's prompt to get the right party to sign the illustration.

**Q: [How do I use the Policy Design tab to run a RightLife UL illustration?](#)**

**A: Term Conversion?:** The minimum face amount for RightLife UL is \$100,000. However, because Gemini and Aries were sold as low as \$50,000, RightLife will be available for term conversions as low as \$50,000. If Yes, then the minimum face will be \$50,000 and the Conversion Credit prompts will appear. If No, then the minimum face will be \$100,000 and the Conversion Credit prompts will not appear.

**Schedule Drop Down Boxes:** Many input fields feature Schedule Drop Down Boxes (Total Face Amount, Death Benefit Option, Policy Premium, etc.) Schedules allow the user to enter input that varies by duration. "A" plus a number equals the target age. Numbers alone are interpreted as the policy year. The user can mix and match year and age durations, but they should be contiguous, otherwise the system will illustrate gaps. The default final duration is Age 120.

**Q: [How do I illustrate the RightLife UL NLG premium?](#)**

**A:** Simply select "NLG Premium" under the **Policy Premium** field and a Selected Guarantee period in the field for "NLG Duration." The years to pay premium and the length of the guarantee should be matched. If, in the Schedule Box for Policy Premium you select NLG Premium for years 1 through, say A95, the NLG Duration should also be Age 95.

**Q: [How do I illustrate a short-pay RightLife UL NLG?](#)**

**A:** In the Schedule Box for **Policy Premium** you must select "Solve" for years 1 through the age or policy year that represents the year for premium cessation. Then the Goal (bottom right-hand corner) must be set to "No Lapse Guarantee." Simply choose the appropriate Selected Guarantee Period in the field for "NLG Duration." The illustration system will restrict the premium if the user checked "Avoid MEC?" or if the premiums would violate Guideline Premiums. An error message will explain why the solve failed. Click on the Message tab if the results are not what you intended.

**Q: [How can I illustrate an alternate interest rate for RightLife UL?](#)**

**A:** In the Schedule Box for **Projected Crediting Rate** the user can select an interest rate other than current. If a rate is specified that exceeds the Current Rate, then an error message will be generated. The user can click on the error message to return to the Projected Rate schedule. The alternate interest rate is not illustrated on the basic illustration but only on the supplemental illustration. The only allowable alternate rate will be something between current and guaranteed.

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**Q:** How can I illustrate if the clients know how much they can pay and want as much NLG death benefit as possible?

**A:** Select "Solve" as the Keyword for Total Face Amounts. The system will calculate a Total Face Amount, in tandem with a user-specified premium, so that a user-specified Selected Guarantee Period will be achieved for the requested duration. This keyword is used in conjunction with either the Target Cash Value or No Lapse Guarantee goals.

**Q:** Am I able to illustrate loans and withdrawals?

**A:** Yes. Both loans and withdrawals are available under **Distribution Amounts**. The default is Withdraw/Loan which takes the distributions as withdrawals until basis is used up and then loans. If only withdrawals are selected, there is an option for "Gross Up for Tax" that takes the withdrawal amount after basis is exceeded and divides it by the reciprocal of the tax rate so that after the withdrawal is taxed the net is equal to the income stream desired. The **Withdrawal Cap** offers the user the opportunity to set a limit on cumulative withdrawals taken from the policy. "Basis" caps the cumulative withdrawal amounts at the policy's cost basis to avoid withdrawing taxable income. "None" places no limit on withdrawals taken, other than the limit provided by the policy's account value. Withdrawals in excess of cost basis are considered taxable income. The **Loan Interest Payment Method** field allows the loan interest to be paid either by additional loan or by cash. Enter "Loan" if the insured is going to borrow capitalized loan interest as well as principal when loans are taken. Enter "Cash" if the insured is going to pay the accrued loan interest out of pocket at the end of each year after loans are taken.

**Q:** What Reports are available?

**A:** The Basic Illustration provides a Narrative description of the policy and its features in addition to containing the Signature Page and the Values Pages. In addition, the Information Page provides a summary of the premiums (MEC, Guideline Single, Guideline Level, Minimum Monthly and Minimum Modal). Other reports that you can select include a Supplemental Illustration (this is where alternate interest rates are displayed), a NLG Report that compares actual premiums paid to what must be paid to maintain the Selected Death Benefit Guarantee, an IRR Summary that shows the Internal Rate of return upon death and cash surrender, and the Producer's Compensation Page that illustrates the effect of the Rolling Target.

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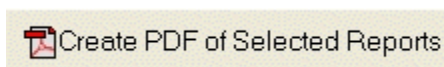
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## More WELIS Illustration System Frequently Asked Questions

The following answers will address questions that you will most likely have regarding the new WELIS illustration system used with both RightTerm™ and RightLife™ Universal Life.

**Q:** How do I create an illustration and email it to a broker using the new WELIS System?

**A:** The WELIS System includes this option under the Output Type drop down box menu:



This command writes formatted output to a PDF file. (PDF is a trademark of Adobe, Inc.) The location of the saved PDF file is C:\Program Files\USFL\Welis\WELIS Data\Output\Default.pdf.

### First Method:

To email the illustration first run it, view it and save it when satisfied. Then select Create PDF for the Output Type and hit "Calculate." You will get a message that X pages were written to file C:\Program Files\USFL\Welis\WELIS Data\Output\Default.pdf. Open up your email system and select New Message. Attach the PDF file to the email by looking in the Hard Drive (C:) directory, select the folder named "USFL," the folder named "WELIS," the folder named "WELIS Data," the file named "Output," and then the file named "Default." Every additional illustration saved as a PDF will write over the last one in that same location.

### Second Method:

To email the output and/or input simply select Create PDF for the Output Type and hit "Calculate." Once the PDF file is created, you can click on "File," then "Email," then select either Input, Output or Both. This will automatically start your email client and attach the selected file types.

### Third Method:

On the "Reports" tab, there is a field called "Output File Name". If this field is left empty, then the PDF that gets produced will be called "Default". If you type a name into this field, such as "Valued Client", then the file will be called "Valued Client.pdf", which distinguishes it from any other illustration.

For convenience sake, you can specify the path that the output file will be created. Next to the "Output File Name" field, click the button with three dots on it. Then scroll to a convenient location. For instance, you can scroll to your desktop. Then specify a name for the output file, and the file will be created with that name, on the desktop, where it can then be easily attached to an e-mail.

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