TERM CONVERSION RESOURCE GUIDE

Identify Opportunities & Reach Out

**Complete an Access Allstate Book of Business Audit**
- Find New Opportunities with the AccessAllstate.com Book of Business Download Tool (duration: 40 minutes, recorded: 1/25/17)
- Job Aid
  - ALR1995_FINAL.pdf

**Partner with the service center to determine individual term conversion eligibility by calling (800) 336-9400, follow the prompts to term conversions**

**Work a manageable number of opportunities on a weekly basis (10-15 suggested)**
- Mail the customer one of the following letters and make a follow-up phone call
  - General Term to Perm Conversion Letter
- E-mail the customer an approved eAgent template and make a follow-up phone call.
- Call the customer using the scripts on page 2 of this document

**TaG Mailings**
- ALR711TAG: Life cross-sell postcard
- ALR5053TAG: Life – Income Replacement Letter
- ALR5070TAG: Help Keep Customers in Their Home Letter
- ALR5084TAG: General Life Letter

**Print On Demand (POD)**
- ALR5038POD: Term Conversion Postcard

**eAgent Term Conversion Template**

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**Term Conversion Resources**

**Term Conversion Rules**
General guidelines for converting an existing term policy to a new permanent policy. You can view these rules by logging onto accessallstate.com, Support Center, Policies and Guidelines, Term Conversion, Go to Allstate Agency Term Conversion Rules or by clicking on the links below:

- Allstate Life Term Conversion Rules
- Lincoln Benefit Life Term Conversion Rules
- Allstate Assurance Company Term Conversion
- Allstate Life of New York Term Conversion Rules

**Term Conversion Eligibility**
Determine what product to convert a Term product into.

- Term Conversion Eligibility Grid (CW page 3)

**Rate Class Conversion Tables**
Determine the correct rate class for your customer.

- Rate Class Conversion Table (CW)
- Rate Class Conversion Table (NY)

**ALIC, LBL & AAC Term Conversion Information Archive**

Call The Allstate Life Customer Solutions Team for Term Conversion resources and support at (800) 856-0934 opt 2

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Conversation Starters

The goal of the initial conversation is to make the customer aware of the conversion privilege and get them committed to an appointment to discuss their options. Below are some sample conversation starters.

Script for callers who will not be conducting the conversion appointment:

Hi, may I speak with (first name) ______? Hi (first name) ______, my name is ______ and I’m calling from the ______ office with Allstate. How are you doing? The reason for my call is_______ asked me to give you a call personally to set up a time to do a review of your life insurance coverage that you currently have with us; he/she said that it should only take 15 to 30 minutes. If there is any possibility that you need this coverage to last longer than the original ____ year term you signed up for it would definitely be worth a brief meeting with ______ to explore your options. Will there be a good time when you can stop by the office or when ______ could stop by and see you?

(YES) proceed with setting up the appointment. Let me check his schedule to see if that time is available...(yes or no give them an alternative day and time if the one they asked is unavailable.) example: Will morning or afternoon work better for you? We have this Thursday available at 10 am (if morning) or 3pm (if afternoon) will that work for you? Ok so I have you down for (day) _____ at (time) _____ and I’ll give you a call the day before to remind you. Thank you for your time, have a good day!

(NO) tell the customer, there is an expiration date on the conversion privilege so we wanted to make sure you are aware of it and what your options are before it expired. Can we follow up with you in the future to be sure we are helping you cover the risks in your life? Create a follow-up in eAgent to call the customer in six months to one year.

Script for callers who will be conducting the conversion appointment:

Hi, may I speak with (first name) ______? Hi (first name) ______, my name is ______ and I’m calling from the ______ office with Allstate. How are you doing? I was recently reviewing your life insurance policy and noticed that you may be eligible to convert your current policy to a more flexible policy that offers lifetime protection. Do you have a minute to discuss this feature to determine if you are a good candidate for the benefits it offers?

1. How long do you want your life insurance policy to last?
2. Does your current financial plan include a permanent life insurance policy that covers you for life?
3. With these potential benefits, a permanent life insurance policy may provide additional financial security for both you and your family with these benefits:
   - Lifetime coverage
   - Cash value that can grow tax-deferred over time
   - Flexible premiums, depending on the policy, to fit your budget
   ...plus, it doesn’t require an additional medical exam. It’s easy to do!

Can we set up a time to talk about the possibilities?

(YES) proceed with setting up the appointment.

(NO) tell the customer, there is an expiration date on the conversion privilege so I wanted to make sure you are aware of it and what your options are before it expired. Can I follow up with you in the future to be sure we are helping you cover the risks in your life? Create a follow-up in eAgent to call the customer in six months to one year.
# Countrywide Term Conversion and Allstate Exchange Program Overview

<table>
<thead>
<tr>
<th>Customers Conversion and/or Exchange Options</th>
<th>Allstate (ALIC)</th>
<th>Lincoln Benefit Life (LBL)</th>
<th>Allstate (AAC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALIC to ALIC only</td>
<td>LBL to LBL (eligibility for Exchange to Allstate)</td>
<td>AAC to Allstate (ALIC/AAC)</td>
<td></td>
</tr>
<tr>
<td>Which Products may be eligible for conversion</td>
<td>Allstate Level Best Gold Allstate Level Best Platinum Allstate 5RC Allstate 5 Year Term Older ALIC Terms</td>
<td>TrueTerm 2012 &amp; 2009 TrueTerm LBL Level Best Gold LBL Level Best Platinum LBL GT Gold LBL GT Platinum</td>
<td>TrueFit</td>
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<tr>
<td>Which Riders may be eligible for conversion</td>
<td>Primary Insured Term Rider Additional Insured Rider Child Level Term Rider</td>
<td>Primary Insured Term Rider Additional Insured Rider Child Level Term Rider</td>
<td>Primary Insured Term Rider Additional Insured Rider Child Level Term Rider</td>
</tr>
<tr>
<td>Conversion Credits Possible/Available</td>
<td>Yes</td>
<td>Yes (No Exchange Credits)</td>
<td>No</td>
</tr>
</tbody>
</table>
| Eligible Products to Convert or Exchange into during eligible conversion window | Allstate Whole Life Advantage Allstate Bridge UL | **Conversion Options**
  - Whole Life II
  - Allstate Exchange First 5 years
  - Allstate Whole Life Advantage
  - Lifetime UL
  - FutureBuilder UL
  - FutureGrowth IUL
  - FutureVest VUL
  - Whole Life Tribute
  - Allstate Exchange Anytime
  - Allstate Bridge UL | **Conversions in first 5 years**
  - Allstate Whole Life Advantage
  - Lifetime UL
  - FutureBuilder UL
  - FutureGrowth IUL
  - FutureVest VUL
  - Whole Life Tribute
  - Conversion Anytime
  - Allstate Bridge UL |
| Conversion App-Online (AOL)                  | Available       | Not Available (paper app only) | Available |
| Term Conversion/Exchange split between base and Primary Insured Term Rider (PITR) | Yes for Universal Life (UL) policies only; can not split on Allstate Whole Life Advantage (AWLA) since 1/1/15 |
| Term Conversions into Existing Permanent Policies | **Effective January, 2016 - Disallow year 5+ conversion from a separate term policy into existing UL policies** |

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FREQUENTLY ASKED QUESTIONS

Q: What is the difference between a conversion and an exchange?
A: Exchanges are similar to, but not identical to conversions. The fundamental difference from a legal and tax standpoint is that exchanges are an extra-contractual right, and must be treated as an external replacement. Conversions are a contractual right.

Q: What was the genesis of the Exchange program?
A: Since the conversion right in the LBL term policy only applies to an LBL permanent policy, the Exchange Program was created in order to allow LBL term customers to “exchange” into a new Allstate permanent policy if their term policy meets certain criteria.

Q: Why can the new AAC TrueFit term plan convert to ALIC permanent plans, but yet the old ALIC term policies may NOT convert to AAC permanent plans?
A: The AAC TrueFit allows for conversions to occur across companies due to language changes made in the contract. Under the language in the TrueFit form, we have the right to select both the products (and companies) which are eligible to be converted into.

Q: For the LBL term policies, is the conversion privilege being replaced by the exchange program?
A: LBL term customers will always have the contractual right to convert to an LBL product offered for conversion. The exchange privilege is an alternative to the conversion right in the contract.

Q: Will the Whole Life II (WLII) have expanded ages and face amounts for conversions?
A: Yes the age and face amount ranges on the product will be expanded for conversions. However, preferred classes will not be added.

Q: Which of the new Allstate-branded permanent products will be available for exchange?
A: For LBL term policies in years 1-5 where the insured is younger than age 60, all of the new Allstate-branded permanent products will be available for exchange.

Q: What exchange options will be offered under the Allstate Exchange Program?
A: The Exchange Program provides LBL term policies in years 1-5 will be eligible to be exchanged into regular new business Allstate-branded products. Term policies 6 years + will be eligible to be exchanged into the Allstate Bridge UL.

Q: Will an Exchange Credit be offered, equal to a Conversion Credit? If not, why?
A: An exchange credit will not be offered as there are a variety of issues with offering an exchange credit, including Tax, Legal, and complications in processing and compensation. If the conversion credit is important to the customer, they would still be able to use it by converting to an LBL permanent policy.

Q: Is Allstate the only company that has created a separate permanent product (i.e., Bridge UL) to be the destination product for term conversions?
A: No, several other carriers have already created separate permanent products for term conversions and there will undoubtedly be more such products introduced in the near future. A proactive approach in managing term conversions has become necessary for carriers to address issues of additional mortality and adverse selection.
Q: Why is Allstate limiting the ability to exchange into new Allstate branded products to 5 years?
A: The 5 year limitation exists in order to keep the new Allstate permanent portfolio as competitive as possible. Term conversions and exchanges create additional mortality vs. what is assumed in a newly underwritten product. Later duration conversions create the most risk due to the adverse selection that occurs. Limiting exchanges to the first 5 years minimizes the degree of extra mortality that may result.

Q: If a customer has an existing term policy as well as an existing currently sold permanent policy, will the customer retain the right to convert the term into the existing permanent policy?
A: This practice will be phased out for term policies 6 years and older effective 1/1/16. Term policies that are within their first 5 years will still be permitted to do this.

Q: If a customer has a term policy in the first 5 years of its conversion period as well as an existing permanent policy in its first 5 years, will the customer be able to exchange the term into the existing permanent policy?
A: Yes, but if either of the policies are 6 years old or older that will not be permitted.

Q: If a customer has a Primary Insured Term Rider (PITR) on a UL policy, will the customer retain the right to convert that PITR into that UL policy?
A: In most cases, yes. PITRs on ULs provide the right to convert into the base policy via an elective increase on the base policy. So long as the rider is eligible for conversion and an increase can be performed on the base policy, the PITR on an AAC, ALIC or LBL UL may be converted into base coverage.

Q: If a customer has a Prime Term Rider on an Allstate Whole Life Advantage, will the customer retain the right to convert into a new Allstate Whole Life Advantage policy?
A: PITRs within their first 5 years may convert into a new Whole Life Advantage policy. PITRs older than 5 years may convert into Allstate Bridge UL.

Q: Will we still allow a term conversion or exchange to be split between base coverage and PITR?
A: We will still permit this for universal life policies. However, we will not allow base policy/PITR splits for Whole Life Advantage.

Q: Will producers be able to submit an exchange via App Online?
A: Yes, App Online now offers exchange applications.
Policy issuance is subject to availability and qualifications. Each policy has exclusions, limitations, and terms that may affect coverage, renewal, cancellation, termination, or other contractual rights and benefits. Guarantees offered are subject to the claims-paying ability of the issuing company.