



EQUITABLE

BULLETIN

Life Business

- New
- Update

Category

- Products
- Underwriting
- New Business
- Marketing
- Compliance/Legal
- Miscellaneous

Channel: Retail Independent

Bulletin number: FB22-025 and AD22-0228 (**March 1, 2022**)

Subject: Streamlined Executive Underwriting Program Guidelines (SEUP)

Main message:

Equitable is pleased announce a Streamlined Executive Underwriting Program to address life insurance needs for the executive group marketplace.

What:

Equitable's Streamlined Executive Underwriting Program (SEUP) is designed for situations where these case factors fall outside Equitable's published Guaranteed Issue (GI) parameters outlined in FB20-055/AD20-0328:

- The coverage amount requested for GI
- The size of the participant group
- The participation level or
- The compensation level of the participants

SEUP is not intended to provide insurance for risks beyond the parameters stipulated in this bulletin. SEUP is only available for single life permanent products and it will be administered by List Bill only. SEUP will be monitored carefully and modified based on experience and activity. Any questions relating to SEUP should be referred to the Advanced Marketing Team.

When: Effective immediately.

Why:

Streamlined Executive Underwriting Program provides another option for the Financial Professional if the criteria for Guaranteed Issue are not met, such as the size of the group (less than 10) or the compensation of the participants (majority less than \$100,000).

How:

Before taking an application:

- The Financial Professional (FP) must contact the Regional Life Wholesaler, the Sales Desk, or Advanced Markets to secure an excel version of the EQU 301-03 Executive Multi-life census form and a PDF version of the Executive Multi-life Checklist. (Both documents are fillable and will be sent to FP via email).
- The Executive Life Insurance Underwriting Unit must approve the case and release the Streamlined Executive Underwriting Program Offer Letter.
- The client and the FP must sign and return the Streamlined Executive Underwriting Program Offer Letter to the Executive Life Insurance Underwriting Unit and complete the application and any necessary questionnaires.
- Please see the following pages for additional information.

SEUP At-A-Glance

Equitable SEUP Underwriting – Limits and Multiples	
Minimum Lives	5
Face Amount Multiples	5-10 lives: \$40,000 per # lives; 65% participation
	11-19 lives: \$50,000 per # lives; 70% participation
	21-40 lives: \$70,000 per # lives; 70% participation
	41+ lives: \$75,000 per # lives; 70% participation
Maximum Face Amount	\$3,000,000
Maximum Average Issue Age	55
Issue Age Ranges	20-70

Equitable SEUP Underwriting – Product Information and Underwriting Requirements	
Products	COIL Institutional Series SM , VUL Optimizer [®] , VUL Legacy [®] , BrightLife [®] Grow
Rate Class	Std Tobacco/Non Tobacco thru Table 3; STEP not available
LTC Availability	Dependent upon product availability
Policy Ownership	Employee or Employer
Application Submission	Equitable Life eApp ONLY
Underwriting Requirements	APP/ Medical Information Questionnaire, Pharmaceutical Record Request, MIB, Motor Vehicle Report
Medical Records	Individual Consideration/For Cause up to age 59; APS required for ages 60 and older
Other Evidence	Census, Executive Multi-Life Checklist
Special Considerations	Designed for small groups of 5-9 or larger groups that don't meet GI criteria such as minimum compensation and/or participation requirements.

Eligibility requirements:

- SEUP is designed for the non-qualified executive benefit marketplace.
- There must be an employer/employee relationship for all participants.
- SEUP is not available to associations, foundations, unions, or governmental units.
- Each eligible life needs to be classified by the employer as a full-time professional, (minimum 30 hours a week), "moderate to highly compensated" employee or director who is actively at work.
- Part-time employees and retirees are not eligible and should not be counted as census participants. Part-time employees would be subject to full underwriting.
- Available to white collar executives with annual income of \$70,000 or more.
- Face amount determination:
 - Either a flat amount requested for each life in the group or determined by a formula for all the lives in the group.
 - Equitable may review the relationship between the amount of insurance applied for, the individual employees' compensation and the number of eligible participants to determine the appropriate level of coverage.
 - Other formula-driven criteria may be considered on an individual case basis, subject to approval by the Executive Life Insurance Underwriting Unit.
 - No individual selection regarding face amount or participation can be permitted.

- The classes and total number of eligible employees must be clearly defined. If only certain classes of individuals are to participate; these classes should be based on clearly defined conditions of employment, such as salary, pay grade, group insurance amount, length of service and job title.
- The FP should provide an explanation of the plan design and how it applies to each participant on the Multi-Life Checklist. Only currently eligible employees within each class must be included on the list of eligible participants.
- Individuals who decline to enter the plan when initially eligible but decide to do so on a subsequent date would be subject to full underwriting.
- If any individuals are denied coverage based on underwriting review, the balance of eligible participants must meet the minimum group size requirement.
- Coverage in addition to the SEUP amount is subject to full underwriting rules and product requirements. A separate application is required, and a separate policy will be issued.
- The maximum face amount of SEUP coverage per life of the eligible group are as follows:
 - The total GI/ Simplified Issue or similar type of accelerated underwriting for business coverage issued by all carriers cannot exceed three times Equitable's SEUP offer for that group (stacking limit).
 - The selected SEUP amount of any one life cannot exceed the maximums for the product selected and cannot exceed Equitable's retention.
- Each proposed insured must permanently reside in the U.S. Consideration on a case-by-case basis may be given to U.S. citizens temporarily residing abroad or foreign nationals with extended stays in the U.S., subject to the face-amount limits specified in the SEUP offer.

Application disclosures:

- Each eligible life must certify to active full-time employment by making the following statement on the application: *"During the previous 3 months, I, the proposed insured has engaged in active full-time employment of at least 30 hours per week in a normal capacity and in particular, I have not been hospitalized or absent due to illness or accident for more than 5 consecutive working days."*
- Conforming illustrations required with sex distinct and tobacco rates. Unisex rates required in Montana and for cases subject to the Norris Decision. Contact Advanced Markets for details.

Benefits and riders*

- Living Benefits Rider (LBR) is available on SEUP, provided the policy face amount is \$50,000 or higher (and is on each participant's policy).
- CV Plus high early cash value
- Return of Premium Rider (ROPR)
- Disability waiver rider (subject to product availability), available only if requested by all eligible participants.
- Long-Term Care ServicesSM Rider (LTCSR). See eligibility requirements below.
- All other optional riders are not available on a SEUP basis.

**Dependent upon product availability.*

LTCSR Eligibility Parameters (dependent upon product availability):

SEUP PROGRAM	Details
Min Grp Size	5
Issue Ages	20-65
Max Avg Issue Age	55
LTC Grp Consideration	100%
Min % of Eligible Qualifiers	40%
LTC Benefit %	1 or 2%
LTC Acceleration %	A = 20-80%; B = 100%**
LTC Face Amount	Up to \$1M

**For Option B cases, the LTCSR Face Amount can be greater than \$1,000,000. These cases will be broken into two policies with each policy having a face amount of at least \$250,000. LTCSR will be available on the larger of the two policies.

Note: If it is determined the group no longer qualifies due to less than a 40% eligibility rate based on a review of the underwriting requirements, the group will be issued policies **without** LTCSR.

Submission of applications

- The National Operations Center (NOC) **will not accept** SEUP eApps without an approved SEUP Offer Letter.
- Mandatory procedures must be followed for all Employer-Owned Life Insurance (EOLI) sales – refer to **FB 21-073/AD 21-0917**.
- FPs must ensure that the minimum number of lives and participation requirements are met before submitting applications.
- In addition, Section B – Product Information form – and Section C – Ownership Questionnaire if not employee owned or owned by a trust.
- **Applications must be submitted without any premium payments.** Once the required number of applications are received and given underwriting approval, the appropriate NOC personnel will notify the FP via email and authorize the FP to collect premiums for the approved policies.

Annual SEUP Activity - Each SEUP Offer Letter will cover rules and guidelines for considering additions to existing groups.

New entrants

- Newly eligible employees for an existing plan, which include new hires, promotions and transfers, will be considered for SEUP on a case-by-case basis and must meet all the criteria established for individuals originally eligible for participation in the unit.
- The requirements for the unit as a whole must continue to be satisfied (number of participants still in plan and participation rates).
- All new entrants to an existing unit will require prior approval from the Executive Life Insurance Underwriting Unit. Using the EQU 301-03 fillable census, the request should reflect existing participants and the proposed new entrants into the plan with all fields fully completed.

Increases in coverage

- All increases in coverage to an existing group (where available) will require prior approval from the Executive Life Insurance Underwriting Unit. A current EQU 301-03 Excel formatted form must be submitted with existing participants (all fields completed) and columns reflecting existing coverage in force, proposed amount of the increase and a column with the total life insurance that is to be in force. Revised procedures, updated programs and product availability can affect future offer agreements.
- Increases in coverage after issue will require SEUP underwriting, subject to the following guidelines:
 - Increases will be allowed on the first policy anniversary following the date of the event that caused the increase and on subsequent policy anniversaries.
 - Increases must be based on the original SEUP coverage formula.
 - The option to have increases must be approved by the Executive Life Insurance Underwriting Unit when the group is initially reviewed and approved.
 - The maximum yearly increase that qualifies cannot exceed a percentage of the total current coverage based on attained age. The percentages are as follows:

Attained Age	Maximum Percentage Increase
≤ 50	20%
51-59	15%
60-64	10%
65-69	5%
≥ 70	0%

- The active-at-work and full-time employment requirement must be satisfied at the time of each increase. Increases must be mandatory for all eligible employees. The firm cannot choose which employees will receive increases.
- Policy face increases will be subject to the same underwriting requirements as for the issued policy (AMICA, Medical Information Questionnaire, Pharmaceutical Record Request, MIB, Motor Vehicle Report).
- If an increase is not taken in a given year, no future increases will be allowed for that employee without evidence of insurability.
- The requirements for the group must continue to be satisfied.
- A new policy may be issued for the increased coverage if the increase cannot be added to the original policy. However, the new policy must meet the minimum face amount rules for the product used.

Financial Professional Licensing, Appointments and Education:

Licensing and appointments

As an agent or registered representative, you must be licensed in every state in which business is transacted with Equitable (both the application state and the owner resident state, if they are different).

Independent channel

If you are not appointed with Equitable yet, we strongly recommend that you do so before soliciting business.

- Submit appointment paperwork before the application is signed.
- Send all appointment paperwork to your Brokerage General Agency for approval; they will send the completed paperwork to Equitable.
- Find forms and paperwork by visiting equitable.com/log-in, log in and following the path New Business>Licensing>Appointment Forms.

Equitable Advisors

Equitable Advisors must be licensed in a state before they can solicit business in that state. Please contact your branch manager for details. In addition, a chart detailing each state's up-to-date requirements for solicitation and sale is available on the product page's website.

Compensation recovery

If the case fails to maintain the minimum percent of participation for SEUP during the first policy year, Equitable reserves the right to recover all compensation paid. This rule is in addition to any commission chargeback that is part of the product's compensation schedule. For SEUP requesting LTCSR consideration, Equitable reserves the right to recover all compensation for the first five policy years.

For more information, please contact your Relationship Case Manager.