



TM

SINGLE PREMIUM LIFE



CLIENT GUIDE

The Solution

Before life presents the problem.®

OXFORD®
LIFE INSURANCE COMPANY

WHY ADVANCE WEALTH TRANSFER?

You have worked a lifetime to create financial security for your heirs!

Protect your legacy from taxes and unnecessary probate costs with the tax-free death benefits found in Oxford Life Insurance Company's (Oxford Life) **Advance Wealth Transfer** single premium life contract. With this product you will enjoy a wide array of living benefits.

You pay one premium and your benefits are guaranteed for life.

Advance Wealth Transfer offers affordable, guaranteed death benefit protection combined with valuable living benefits. Oxford Life created **Advance Wealth Transfer** for individuals who are interested in transferring wealth to their heirs with minimal tax or probate consequences.

SAFETY

Your **Advance Wealth Transfer** policy is guaranteed by Oxford Life.

GUARANTEED CASH VALUES

Advance Wealth Transfer provides guaranteed cash values that increase each year.

TAX-DEFERRED GROWTH ON CASH VALUES

All policy cash values grow on a tax-deferred basis until you access them by way of a policy loan, surrender or settlement option.

ACCELERATED BENEFITS**

Oxford Life's **Advance Wealth Transfer** offers you accelerated benefits to help offset the cost of terminal illness, nursing home care or home health care. Accelerated benefit payments are made directly to you. If you are fortunate enough never to need an accelerated benefit, the **Advance Wealth Transfer** death benefit will pass unaffected by tax to your beneficiaries.

Protecting Your Legacy

Taxation and the cost of probate may pose a powerful threat to your financial plans by reducing the wealth you have worked a lifetime to accumulate for your loved ones.

It does not have to be that way. The threat can be avoided with proper planning, and it is never too late to plan. Start by protecting your future financial well being with **Advance Wealth Transfer** from Oxford Life.

The total portion of the face amount that may be accelerated for terminal illness, nursing home or home health care needs under this rider may not exceed the lesser of \$100,000 or 75% of the face amount of the policy. The death benefit, after payment of an accelerated benefit, must equal or exceed \$10,000.

Examples are set out in the table below.

| Face Amount [‡] | Required Death Benefit | Maximum Accelerated Benefit | Percent |
|--------------------------|------------------------|-----------------------------|---------|
| \$40,000 | \$10,000 | \$30,000 | 75% |
| \$35,000 | \$10,000 | \$25,000 | 71% |
| \$30,000 | \$10,000 | \$20,000 | 67% |
| \$25,000 | \$10,000 | \$15,000 | 60% |
| \$20,000 | \$10,000 | \$10,000 | 50% |

[‡]\$20,000 is the minimum face amount that will be issued.

* In this brochure, it is presumed that "you" are both the owner and the insured.

** Product availability and accelerated benefit features may vary by state. Please refer to Policy #SPE100. Death benefits, cash values and loan values will be reduced upon payment of an accelerated benefit. The accelerated benefits offered under this policy may or may not qualify for favorable tax treatment under the Internal Revenue Code of 1986. Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated or whether you use the benefits to pay for necessary long-term care expenses, such as nursing home care. If the acceleration of benefits qualifies for favorable tax treatment, the benefits will be excluded from your income and not subject to federal taxation. However, accelerated benefit payments may be taxable by your state. Tax laws relating to accelerated benefits are complex. You should consult a qualified tax advisor for specific information. Receipt of an accelerated benefit payment may adversely affect your, your spouse's or your family's eligibility for medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary Social Security Income (SSI), and drug assistance or other public assistance programs. You should consult with a qualified advisor and with social services agencies regarding how receipt of such payment may affect eligibility for such programs.

NOTE: The benefits provided in the accelerated benefits rider of the Advance Wealth Transfer policy are not long-term care (LTC) insurance.

HOME HEALTH CARE BENEFIT

If you are diagnosed as having a chronic illness and have been receiving home health care for the previous 90 days, you are entitled to receive a monthly benefit of 1% of the policy face amount (subject to a maximum of \$2,000 per month).

Valuable nursing home and home health care benefits provide an alternative to supplement your long-term care needs. Meeting the cost for long-term care is rapidly becoming a major financial issue for many seniors. With the average annual cost of a typical stay in a nursing home, currently at \$69,000 per year*, the effect on retirement savings plans could be devastating.

TERMINAL ILLNESS BENEFIT

If you are diagnosed as being terminally ill (defined as having a life expectancy of less than 12 months) then you are entitled to receive the terminal illness benefit of 75% of the death benefit (not to exceed \$100,000).

NURSING HOME BENEFIT

If you are diagnosed as having a chronic illness** and have been confined to a nursing home facility for the previous 90 days, then you are entitled to receive the nursing home benefit. The amount of benefit available is determined by the number of years the policy is in force prior to the start of the confinement.

If the policy has been in force less than 5 years...

The monthly benefit is equal to 1% of the policy face amount (subject to a maximum of \$4,000 per month).

If the policy has been in force 5 years or longer...

The monthly benefit is equal to 3% of the policy face amount (subject to a maximum of \$4,000 per month).

LIQUIDITY THROUGH POLICY LOANS***

Advance Wealth Transfer offers a policy loan feature that will allow you to borrow available cash values at a guaranteed rate of interest in order for you to meet life's emergencies.

AN ADDED FEATURE OF ADVANCE WEALTH TRANSFER

POINT OF SALE DECISION

Oxford Life makes it easy to apply for *Advance Wealth Transfer* with a simple process that will often determine if you qualify within minutes.

Our representative will ask you a few simple medical questions and will then contact a specially trained professional for you to speak with right on the spot. In most cases, a decision on your insurability will be determined in just a few minutes.

NO MEDICAL EXAMS, just a medical questionnaire

NO COMPLICATED FORMS, NO DELAYS...

Once approved, Oxford Life will confirm your coverage upon receipt of your premium!

How Does *Advance Wealth Transfer* Compare with Other Savings Options?

ANNUITIES

Annuities are generally a sound savings vehicle for retirement because they defer current income taxes. They are taxed when passed to a beneficiary. *Advance Wealth Transfer* often provides a greater sum of money for your beneficiaries because the funds pass income tax-free.

STOCKS AND MUTUAL FUNDS

Stocks and mutual funds all contain some element of risk and can also create an immediate taxable event. With *Advance Wealth Transfer*, you rely on guarantees.

MONEY MARKET ACCOUNTS AND CERTIFICATES OF DEPOSIT (CD)

The interest received in a money market account and a CD is taxed as it is earned, ultimately reducing the total value to be passed to your beneficiaries. The money in this type of account is also subject to the costs and delays of probate. Probate can strain your ability to care for the needs of your surviving loved ones when they may need the money the most.

Advance Wealth Transfer makes it possible to replace the value of a money market account or CD with a life insurance policy. With this policy you may be able to purchase the same value that you had in the money market account or CD for less than you currently have invested. This can free up some money for you to enjoy or to add to your *Advance Wealth Transfer* policy, leaving an even larger gift to your beneficiaries.

* According to Johns Hopkins University, the average annual cost of nursing home admission is \$69,000. Taken from the Johns Hopkins University Gazette, August 2006.

** Chronic Illness—A disease or illness, certified by a physician, such that the insured:

- a) Is unable to perform at least two activities of daily living and has been unable to do so for the previous 90 days due to a loss of functional capacity. The activities of daily living include eating, toileting, transferring, bathing, dressing and continence; or
- b) Requires substantial supervision to protect the person from threats to health and safety because of severe cognitive impairment. Severity of cognitive impairment is measured by impairment in short or long term memory, orientation to people, places, or time, and deductive or abstract reasoning.

*** Current federal income tax laws define this contract as a Modified Endowment Contract (MEC). As a MEC, if there is any gain in the policy, the portion of the gain included in any distribution from the policy, including loans may be taxable and must be reported as taxable income. Also, if a distribution occurs prior to age 59½, the distribution may be subject to a 10% tax penalty. Therefore, it is important that you only purchase an *Advance Wealth Transfer* policy with assets that you are reasonably confident you will not need in the future for your own use.

NOTE: Insurance products and annuities are not deposits in, or guaranteed by, any bank and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States. All guarantees are subject to the financial strength of Oxford Life Insurance Company.

UNDERWRITTEN & ISSUED BY

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*Committed to honesty,
integrity and ethics*



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