Asset Flex AD126 Product Guide

Retail Life 3rd Party Distribution
Advanced Market Network

This guide provides technical information, features, and benefits for Asset Flex AD126, New York Life's linked-benefit long-term care insurance policy.

While we have made every effort to ensure the accuracy of the summary information contained in this guide, please consult the state-specific specimen policy for exact Policy definitions, exclusions, and limitations. In the event of a discrepancy, the terms of the company's policy form will prevail.

Asset Flex AD126 is currently available in the Compact states: AK , AL , AR , AZ , CO , GA , HI , IA , ID , IL , KS , KY , LA , MA, MD , ME , MI , MN , MO , MS , NC , NE , NH , NM , NV , OH , OK , OR, PA , RI , TN , TX , UT , VA , VT , WA , WI , WV , WY

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Edition date: 07/13/2026
Expiration date: 05/21/2028

Asset Flex AD126

This product guide provides an overview of New York Life's AD126 Asset Flex product for the Advanced Market Network. Asset Flex is New York Life's universal life insurance policy that provides the ability for policy owners to use some or all of the policy's life insurance benefits to pay for long-term care (LTC) expenses or terminal illness. It also provides an additional pool of long-term care insurance (LTCi) benefits that may be utilized through the Extension of Benefits (EOB) rider once the life insurance benefits have been exhausted due to LTC claim costs. At the time of application, AD126 applicants elect whether they want reimbursement or indemnity benefits for any future LTC claim. This election cannot be changed in the future, except during the 30-day free-look period immediately following delivery of the policy. Upon the death of the insured, any portion of the life insurance not used for LTC will be paid to the beneficiary as a death benefit, usually tax-free.

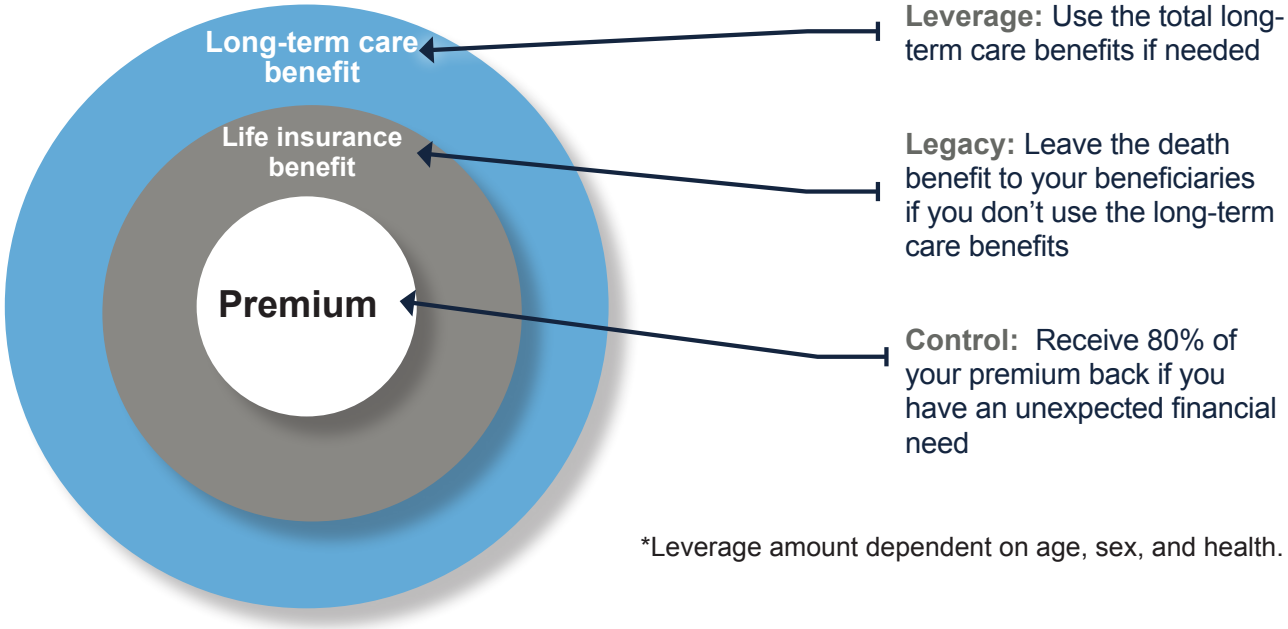
Asset Flex is designed to help protect against the depletion of assets from the cost of LTC, while also providing the security and benefits of cash value life insurance if LTC benefits are not needed. Combined, the total LTC benefits can be worth four to five times or more than the invested premium, and the life benefit nearly two times the premium.*

Leverage, Legacy, Control

Regardless of what life brings, Asset Flex offers flexibility and can adapt to your needs.

How Asset Flex works

Combined, the total long-term care benefits can be worth four to five times or more than the invested premium, and the life insurance benefit nearly two times the premium.*



*Leverage amount dependent on age, sex, and health.

Topic **Page**

(click to advance)

General Terms and Information

<table>
<tr><th>Name</th><th>Description</th><th>State Variation</th></tr>
<tr><td>Issuing Company</td><td>New York Life Insurance and Annuity Corporation (NYLIAC), a wholly owned subsidiary of New York Life Insurance Company.</td><td></td></tr>
<tr><td>Issuing Ages/Payment Plans</td><td>Available payment frequencies:
- Single pay, 5-pay, 10-pay, or 15-pay.
- Asset Flex can be purchased in a single payment between ages 30-75.

Recurring premium payment options by age
• 5-year plan available between ages of 30-75
• 10-year plan available between ages of 30-70
• 15-year plan available between ages of 30-65

All premium payments must be completed by age 80.

Available modal premiums for recurring payment frequencies: annual, semi-annual, quarterly, or monthly automatic bank draft (Check-O-Matic). Clients can switch between pay modes after policy issue.</td><td></td></tr>
<tr><td>Face Amount</td><td>The face amount represents the value of the life insurance purchased. It generally remains level, but may decrease due to partial surrenders or LTC claims, or increase through the Inflation Protection Rider or an approved underwritten increase.

The LTC acceleration benefit amount is the value of the insured’s LTC acceleration benefits if their life insurance face amount is used to pay for LTC.

See following table for details on these terms:
<table><tr><th></th><th>Life Insurance Face Amount/
LTC Acceleration Benefit (varies in some states)</th></tr><tr><td>LTC Acceleration Benefit Duration</td><td>2 year 3 year</td></tr><tr><td>Minimum</td><td>$24,000 $36,000</td></tr><tr><td>Maximum</td><td>$500,000 $750,000</td></tr></table>
All Advanced Market Network Asset Flex sales must meet a minimum $50,000 cumulative premium floor.</td><td>Vermont min:
2 Year: $54,000/
3 Year $81,000

Wisconsin min:
2 Year: $43,200/
3 Year $64,800</td></tr>
</table>

General Terms and Information, continued

Name	Description	State Variation
Face Amount, continued	Continued from prior.	
Minimum Premium	All Advanced Market Network Asset Flex sales must meet a minimum $50,000 cumulative premium floor. **1035 note:** 1035 Premiums from policies that are funded by a combination of 1035 exchange premium and recurring premiums do not count towards meeting the minimum premium requirement. 1035 Premiums from policies funded only by 1035 exchange funds do count towards the minimum premium requirement.	
Long-Term Care Benefit Payment Method	At the time of application, clients choose how they want long-term care benefits to be paid. There are two options: Reimbursement or Indemnity (cash benefit). **Reimbursement** • The policy reimburses the client for qualified long-term care expenses, up to the monthly maximum. • Benefits are tied to actual costs incurred. **Indemnity (cash benefit)** • The policy provides a fixed, monthly cash benefit, up to the maximum, once the client qualifies for care. • Benefits are paid regardless of actual expenses incurred. • The client can choose how much of the monthly benefit to receive (up to 100%) and how to use it. • Offers maximum flexibility, including informal care or non-traditional expenses. **Important:** This election is made at application and cannot be changed later, except during the 30-day free-look period after policy delivery.	
Benefit Increase Requests	Future benefit increase requests on existing Asset Flex policies are permitted if approved by underwriting.	

Tax Incentives

Name	Description	State Variation
Federal Tax Incentives	Asset Flex premiums for the long-term care acceleration, extension of benefit, inflation protection, and non-forfeiture rider components of the policy may be considered tax-qualified, if certain requirements are met. Asset Flex meets these requirements. To qualify, the premium for the LTC portions of the policy must be separate from the life insurance premium and the LTC portion of premium must be easily identifiable. Also, the LTC portion of premiums must not be funded from the cash value and must not affect the cost basis of the policy. If Future Inflation Purchase Option (FIPO) is selected, only LTC Acceleration and Extension of Benefits Rider (EOB) premium are deemed as LTCi/medical expense. For individuals, Federal tax incentives may apply to both the premium and benefits paid on a policy. *Tax rules can be complex and situation-specific. Individuals and business owners are encouraged to consult with a qualified tax advisor to understand how these incentives apply to their circumstances..*	
Tax Treatment of Policy Benefits	Reimbursement and indemnity policy long-term care insurance benefits are generally received income tax-free. Long-term care insurance benefits from a tax-qualified long-term care policy are generally received income tax-free; however, the tax-free amount may be subject to limits under IRC Section 7702B. Tax-free benefits from indemnnity LTCi policies can reach a maximum per diem rate of $430 per day in 2026. Consult your personal tax advisor regarding the potential tax treatment of benefit payments based on your individual circumstances. *Tax rules can be complex and situation-specific. Individuals and business owners are encouraged to consult with a qualified tax advisor to understand how these incentives apply to their circumstances.*	

Long-Term Care Benefits

<table>
<tr><th>Name</th><th>Description</th><th>State Variation</th></tr>
<tr><td>LTC Acceleration Benefit Rider</td><td>This rider gives the policy owner the option to draw down the face amount of the life insurance to be used towards the insured's LTC expenses. The initial long-term care acceleration benefit amount is determined by the amount of life insurance purchased.

The long-term care acceleration benefit remains constant unless it changes due to optional inflation protection or an approved benefit increase, or decreases because it is used for qualified long-term care services or reduced through a partial surrender. To qualify, the insured must be certified as chronically ill under the terms of the policy.

Asset Flex reimbursement policies also must satisfy a one-time 90-day waiting period for facility care, and/or zero day waiting period for home care (see Care Planner Benefit Requirement). LTC reimbursement policy benefits include home health care, infomal care, assisted living, nursing facility, care provided through hospice, adult day care, durable medical equipment, and homemaker services. See the policy for details about benefits and meeting eligibility requirements for payment of long-term care benefits.

If the policyowner misses a planned premium payment, the policy and rider will enter the grace period as defined in the contract.</td><td></td></tr>
<tr><td>LTC Acceleration Benefit Duration</td><td>The LTC Acceleration Benefit Duration refers to the duration of time it will take to draw down the acceleration benefit pool from the policy if the full monthly maximum is utilized each month. The benefits may last longer than 2 years or 3 years.

The policy owner chooses whether they prefer the period to be 2 years, or 3 years.

<table>
<tr><th>Base Acceleration</th><th>Minimum Face Amount</th><th>Maximum Face Amount</th><th>Maximum Long-Term Care Benefit</th></tr>
<tr><td>2 Year</td><td>$24,000</td><td>$500,000</td><td>$1,500,000</td></tr>
<tr><td>3 Year</td><td>$36,000</td><td>$750,000</td><td>$1,750,000</td></tr>
</table>
All Advanced Market Network Asset Flex sales must meet a minimum $50,000 cumulative premium floor.</td><td>Vermont min:
2 Year: $54,000/
3 Year $81,000

Wisconsin min:
2 Year: $43,200/
3 Year $64,800</td></tr>
</table>

Long-Term Care Benefits, continued

Name	Description	State Variation
LTC Acceleration Benefit Duration, continued:	Continued from prior.	
Monthly Benefit for LTC	At the time of issue, the monthly benefit is calculated by dividing the Total Long-term Care Acceleration Benefit by its duration in months. **Example calculation:** $24,000 acceleration benefits over 2 years (24 months) equals $1,000 per month.	
Extension of Benefits (EOB) For LTC Rider	The Extension of Benefits (EOB) Rider provides an additional pool of long-term care benefits after the policy's life insurance (acceleration) benefits have been fully used. • Clients can extend their LTC coverage for an additional 2 or 4 years. • At application, they choose whether benefits will be paid as reimbursement or indemnity (cash benefit)—this aligns with their initial benefit payment selection. **Important considerations:** • If a planned premium is missed while receiving EOB benefits, the policy will enter a grace period, as defined in the contract. • The EOB Rider is optional and available for an additional cost.	
Extension of Benefits Non-forfeiture Rider	This rider provides continued long-term care benefits if the policy lapses or is terminated, helping preserve some value for qualified LTC services. • This rider is only available if the Extension of Benefits (EOB) Rider is selected. • It is optional and comes with an additional cost. • Charges for this rider are separate from and not included in the Return of Premium (ROP) feature.	

Long-Term Care Benefits, continued

Name	Description	State Variation
Inflation Protection Rider	The policy owner can choose between two options at the time of the application for an additional premium: **1) Future Inflation Purchase Option (FIPO):** This rider will protect the policy owner's investment against inflation. It provides the policy owner the opportunity to increase the face amount, acceleration and extension benefits and the monthly benefit for LTC benefits of the policy by a 5% compounded rate without any underwriting on each policy anniversary. If this option is not taken after the 2nd policy anniversary, no further offers will be made. **2) Automatic Compounding Inflation Option (ACIO):** Acceleration, extension benefits, and the monthly benefit for LTC benefits will be increased at a 3% compounded rate without additional underwriting on each policy anniversary. While these benefits will initially be lower at inception when compared to a policy with no inflation, the compounded LTC benefits will result in a greater value later in the insured's life.	
Care Plan Benefit and Informal Care	Once a claim is initiated, the policy owner gains access to the Advantage Care Team—our group of care planners, nurses, social workers, and claims specialists who help assess needs, develop a care plan, and identify providers. **Reimbursement:** • Electing the Care Plan Benefit reduces the waiting period for home and community-based care from 90 days to 0 days. • Home care or Medicare-paid days count toward the 90-day facility waiting period. • Includes access to Informal Care Coverage: - Covers care provided by friends or family (excluding spouses/partners) - Pays 1/60 of the monthly benefit, up to $200 per day, for up to 365 days - Days on which Informal Care benefits are paid do not count toward the facility waiting period. **Indemnity (Cash):** • Includes access to the Advantage Care Team. • No waiting period applies, and benefits can be used flexibly for care needs.	
Facility Bed Reservation	**Reimbursement:** Reimburses eligible charges to reserve the insured's place in a nursing or assisted living facility during a temporary absence. The insured must have been admitted and stayed at least one night. Benefits are paid up to the monthly LTC maximum, for up to 60 days per year. **Indemnity (Cash):** Cash benefits may be used flexibly, including for facility bed reservation costs.	

Long-Term Care Benefits, continued

Name	Description	State Variation
Hospice Care Benefit	Provides coverage for Hospice services in a facility or in the home for policies on reimbursement benefit mode. If terminally ill (life expectancy of 6 months or less) the benefit will provide coverage of Eligible Charges up to the Monthly Maximum Benefit (MMB). The Waiting Period does not apply to this benefit and days on which Benefits are paid do not count toward the Waiting Period. For indemnity policies, cash benefits can be used as desired for hospice care.	
International Coverage Benefit	This benefit will pay LTC benefits (provided the insured is in a nursing home) should the insured become benefit eligible while outside of the United States or its territories, for a lifetime maximum of 1 year. **Benefit is subject to U.S. government regulations on restricted countries.** **Calculation:** If the insured's maximum monthly benefit is $10,000, their lifetime maximum is $120,000. Indemnity policies are not subject to the one-year lifetime maximum and international coverage benefits are available for all sites of care (including Home Health Care or Facilities besides Nursing Homes).	
In-Home Support Equipment	This benefit will cover the charges used to acquire in-home support equipment (if prescribed), with a zero-day waiting period. In-Home Support Equipment includes, but is not limited to grab bars, ramps, hospital-style beds, walkers, etc. Calculation: Lower of $5,000 or two times the maximum monthly benefit for LTC. For indemnity policies, cash benefits can be used as desired for in-home support equpiment.	
Caregiver Relief Benefit	A caregiver who is caring for the insured on an unpaid basis (such as Partners or friends), can get a temporary relief from their labor as the policy will cover charges for a temporary licensed health care provider. Such short-term care may include care in a Nursing Facility or an Assisted Living Facility. **Calculation:** For reimbursement polices, the LTC benefits payable will be the actual charges incurred under either the facility benefit, or the Home and Community Benefit, up to the monthly benefit for LTC amount. For indemnity policies, cash benefits can be used as desired for caregiver relief.	

Long-Term Care Benefits, continued

Name	Description	State Variation
Waiting Period *Reimbursement benefits policies only*	The waiting period is the number of days an insured has to pay out-of-pocket for LTC services before policies on reimbursement mode start to pay policy benefits. The waiting period can occur anytime and does not have to be consecutive or within a set period of time. It will vary based on the service: • **Facility Care (Nursing and Assisted Living):** 90 days • **Home and Community-Based Care:** 0 days* * Home and Community-Based Care: Zero days **if** the Care Plan Benefit is used; otherwise, a 90 day waiting period applies. Any paid services rendered under the home and community-based care benefit, or Medicare paid days, are counted towards the facility care 90 day waiting period. **LTC Benefits for which the waiting period does not apply:** Hospice Care, Informal Care, In-Home Support Equipment, Caregiver Relief Benefit, and Caregiver Training. The 90 day waiting period does not apply to indemnity policies.	
Caregiver Training	This benefit helps pay for the cost to train unpaid caregivers. These benefit dollars do not count against the monthly benefit for LTC in a given month. However, LTC benefits paid under this provision will reduce the LTC acceleration benefit balance or Extension of Benefits benefit balance (if applicable) by the amount paid. **Calculation:** If Monthly Benefit for LTC equals $1,000; caregiver training would pay up to $200 (20% of monthly benefit for LTC, which is the lifetime maximum) toward training. For indemnity policies, benefits can be used for caregiver training as desired.	
Alternate Plan of Care *Reimbursement benefits policies only*	A benefit for Qualified Long-Term Care Services not specifically covered by the Policy, but that may be approved as eligible for claim payment. Jointly determined by the Insured, the Insured's Physician, and the Long-Term Care Claims department. Reassessed at least once every twelve months. For indemnity policies, benefits can be used for care services as desired.	

Long-Term Care Benefits, continued

Name	Description	State Variation
Treatment of Premiums While on Claim	As benefits are being drawn for reimbursment of covered LTC expenses or via indemnity payments, Planned Premiums will continue to be billed. In the event that the policy owner misses the Planned Premium, the policy will enter a grace period and may continue as Reduced Paid up benefits (see RPU). However, if the insured is confined to a nursing facility, assisted living facility, or hospice facility, the policy will continue to pay full benefits under the Accelerated Death Benefit and any Extension of Benefits riders until they are fully exhausted. If the insured recovers before the benefits under the Accelerated Death Benefit and any Extension of Benefits riders are fully exhausted and no planned premiums were paid or reinstated during the period, the policy may continue under RPU, or lapse in the event that there is no cash value to support it.	
Impact of Charges While Confined to Facility Care	If the policy owner is on a Planned Premium schedule, they will continue to be billed, but the LTC acceleration rider premium will be added to the Policy's Cash Value and its charges will be waived.	
Underwritten Increase Provision (UIP)	A UIP premium is an unplanned premium payment that will increase the policy's face amount. This provision increases policy benefits up to the maximum face value. It requires a minimum premium increase of $5,000. The maximum premium is limited by the maximum face amount of $500,000 for a 2-year acceleration duration, and $750,000 for a 3-year acceleration duration. Any increase in policy benefits must be approved through necessary underwriting review processes, and the insured must be in equal, or better health than they were at the time of the original policy issuance.	

Death or Terminal Illness

Name	Description	State Variation
Death Benefit	The Death Benefit is equal to or greater than the face value of the Life Insurance purchased. Upon the insured's death, this value is paid to their specified beneficiary, generally income tax-free. The value is reduced for any outstanding loans or LTC benefits paid from it. NOTE: *The actual death benefit may be higher than the face amount at any point in time due to IRS rules on the definition of death benefit. The face amount and death benefit are also impacted by partial surrender and/or LTC claims. See policy illustration for difference between face amount and death benefit.* **Example Calculation:** If an insured held a $100,000 life insurance policy prior to their death, and they had a $30,000 outstanding policy loan and used $20,000 towards LTC expenses, their death benefit would be $50,000.	
Residual Death Benefit	The Residual Death Benefit is the amount guaranteed to the beneficiary, in the event that the accelerated Death Benefit has been exhausted by more than 90%. Initially it is equal to 10% of the original life insurance face amount. **Example Calculation:** if an insured originally had a $100,000 life insurance policy, but used $95,000 towards LTC benefits, the beneficiary would receive the Residual Death Benefit of $10,000, since it is greater than $5,000.	
Acceleration of Benefits for Terminal Illness	This provision allows a policy owner to access the life insurance death benefit, minus a discount factor and processing fee, in the case of an insured's drastically shortened life span (12 months or less). The policy owner is entitled to this benefit upon a doctor's certification of the insured's terminal illness. No other benefits are available after the option is elected.	
Spouse's Paid-Up Insurance Option	This gives the beneficiary, upon the insured's death, the right to purchase a single premium paid-up whole life policy without showing evidence of insurability. **Note:** The newly purchased single-premium whole life policy does not accelerate benefits for LTC.	

Return of Premium Options

Name	Description	State Variation
Return of Premium (ROP) Options	An 80% Return of Premium (ROP) option is included. The ROP Guarantee is available only after all premiums have been paid. ROP is adjusted for any loans, partial surrender, and LTC benefits paid. Allows the policy owner to access 80% ROP in all years after all planned premiums have been paid.	
Policy Loan	A policy owner can borrow any amount, up to the loan value of the policy. A policy loan is not available after the LTC benefit is activated. If there is an outstanding loan during an LTC benefit, part of each LTC benefit will be used to pay it down. Loans accrue interest at a maximum of 8%, and there is guarantee interest of 2% credited on borrowed cash value. Loan Balance will reduce Return of Premium (ROP) value.	

Surrenders

Name	Description	State Variation
Partial Surrenders	Partial surrenders, with a minimum of $500, are allowed, provided face amount is not less than $10,000 after the partial surrender. There will be a $25 service fee, in addition to a surrender charge (e.g. 7%-0% in 8 years on single-pay policies). The cash value of the entire policy is reduced by the amount of the partial surrender, and reduces the following benefits on a proportional basis: **1. Face Amount (cannot be reduced below $10,000)** **2. LTC acceleration benefit** **3. Monthly benefit for LTC** **4. EOB for LTC (if elected).** The Residual Death Benefit will be reduced by 10% of any Partial Surrender and the ROP benefit will be reduced on a dollar-for-dollar basis.	**Wisconsin:** face amount cannot be reduced below: $43,200 / 2 year $64,800 / 3 year **Vermont**: face amount cannot be reduced below: $54,000 / 2 year $81,000 / 3 year

Policy charges

<table>
<tr><th>Name</th><th>Description</th><th>State Variation</th></tr>
<tr><td>LTC Acceleration Charge</td><td>Varies by insured and benefits selected.</td><td></td></tr>
<tr><td>Extension of Benefits (EOB) Rider Charge</td><td>Varies by insured and benefits selected.</td><td></td></tr>
<tr><td>Monthly Charges</td><td>See specific policy for details on guaranteed rates. This charge is deducted directly from the policy's cash value each month. Varies based on insured's age, gender, and risk class. This includes the monthly cost of insurance charge and the monthly per $1,000 of face amount charge.</td><td></td></tr>
<tr><td>Monthly Administrative Fee</td><td>Current charge: $9; Maximum charge of $15 monthly.</td><td></td></tr>
<tr><td>Automatic Compound Inflation Option</td><td>Additional charge.</td><td></td></tr>
<tr><td>EOB Non-forfeiture</td><td>Additional charge.</td><td></td></tr>
<tr><td>Surrender Charge</td><td>
<table>
<tr><th></th><th>Single pay</th><th>Recurring Pay (varies by insured age)</th></tr>
<tr><td>Policy year</td><td>Annual percentage applied</td><td>Per Thousand of Face Amount Charge</td></tr>
<tr><td>1</td><td>7%</td><td>$16-$50</td></tr>
<tr><td>2</td><td>6%</td><td>$15 - $49</td></tr>
<tr><td>3</td><td>5%</td><td>$15 - $47</td></tr>
<tr><td>4</td><td>4%</td><td>$15 - $45</td></tr>
<tr><td>5</td><td>3%</td><td>$14 - $43</td></tr>
<tr><td>6</td><td>2%</td><td>$13 - $41</td></tr>
<tr><td>7</td><td>1%</td><td>$13 - $39</td></tr>
<tr><td>8+</td><td>0%</td><td>$0</td></tr>
</table>
</td><td></td></tr>
</table>

Rules, Discounts, and Information

Name	Description	State Variation
Couples Discount	Qualifying insureds will receive a more favorable rate if married. At the time of the policy issue, if the proposed insured is married, or in a legally recognized civil union or domestic partnership that exhibits an intent to remain in a lifelong relationship, or in a committed domestic relationship for the most recent 3 years and that relationship is intended to be lifelong, they would be eligible for “couples” rates. Applicant and their Partner may not be in any other legally recognized or committed relationship with another individual, separated, or divorced at the time they apply for the Policy: or, related in any way that would prohibit marriage in the state where they live.	
Reduced Paid-Up (RPU)	RPU is for Recurring Pay policies only. Non-payment of the planned premium will result in the policy lapsing after the grace period. The policy will no longer be in force and will continue as reduced paid-up insurance, if the policy has sufficient cash surrender value and no outstanding loan balance. State variations apply where RPU needs to equal or be above the minimum face amount requirement. See information to the right.	**Wisconsin** Minimum: $43,200 / 2 year $64,800 / 3 year **Vermont** Minimum: $54,000 / 2 year $81,000 / 3 year **Arizona, Connecticut, New Jersey** Minimum: $10,000 / 2 year $10,000 / 3 year

Rules, Discounts, and Information (continued)

<table>
<tr><th>Name</th><th>Description</th><th>State Variation</th></tr>
<tr><td>Risk Classes</td><td>Life Risk Class (Mortality): Tobacco and Non-Tobacco.
LTC Risk Class (Morbidity): Preferred (0-3 debits), Standard 1 (4 debits) and Standard 2 (5-6 debits).</td><td></td></tr>
<tr><td>Interest Crediting Rate</td><td>Guaranteed Rate: 2% annually. The policy's cash value is one of three values compared to determine the policy's surrender value. See the policy for full details.
Current Rate: The current interest crediting rate is based on a rate declared by the company at least once annually.</td><td></td></tr>
<tr><td>Application Processing and Delivery Rules</td><td>Application Processing Rules: Backdating to save age up to 6 months is allowed. Policy Delivery Rules dictated by LTC regulations and delivered within 30 days of the application. Premiums will be credited interest based on when they are received.
• Agent Licensing: Life and Health License; and LTC continuing education, as required by each state.
• Policy Delivery Rules: Per LTC Regulations, deliver policy within 30 days.
• Max number of Policies per Insured: 2 (includes older AD policy series).
• Premiums Greater than the Benefits: Sales are restricted as the benefits will be less than the premium paid, even if underwriter approves the case from medical perspective. This creates a reputation risk for the company. Please try a different LTC duration, ROP option, inflation option or pay option or call LTC Sales Desk for assistance. For list of cells that are blocked, please see table below:
<table>
<tr><th>Rule</th><th>EOB Benefit Determination</th><th>Feature</th></tr>
<tr><td>Block when the Face < 50% of premium when:</td><td>EOB period is 48 months,</td><td>and policy has 3% ACIO</td></tr>
<tr><td>Block when the Face < 60% of premium when:</td><td>EOB period is 48 months,</td><td>and policy does not have 3% ACIO</td></tr>
<tr><td>Block when the Face < 70% of premium when:</td><td>EOB period is 24 months,</td><td>and policy has 3% ACIO</td></tr>
<tr><td>Block when the Face < 80% of premium when:</td><td>EOB period is 24 months,</td><td>and policy does not have 3% ACIO</td></tr>
<tr><td>Block when the Face < 100% of premium when:</td><td>EOB is not selected,</td><td>for any inflation option.</td></tr>
</table>
</td><td></td></tr>
</table>

Marketing and Sales Procedures

Name	Description	State Variation
Procedures	All the standard rules and procedures for presenting life insurance apply to Asset Flex in the same manner. Here is a listing of some of the regulations that you must be aware of and follow when marketing Asset Flex: There are additional long-term care specific requirements that must be followed in many states. 1. You must possess a valid life and health insurance license in the state(s) where you are soliciting business for Asset Flex. Additionally, most states require agents to complete LTCi-specific training before soliciting traditional LTCi and linked-benefit (life + long-term care) sales. 2. Federal law mandates that you must deliver the policy within 30 days of the date of approval. 3. You must never represent Asset Flex as Medicare Supplement Insurance, or anything other than a life insurance product that accelerates the death benefit for LTC and provides an additional pool of LTC benefits through the EOB Rider. 4. You may never represent yourself or this product as being part of a government program or a state-based long-term care insurance benefit program. 5. If your client is replacing an existing policy with a new Asset Flex policy, and plans to discontinue any of their existing coverage (life-to-life, LTC-to-LTC, or both) all applicable replacement procedures and suitability standards must be followed. This includes the completion of replacement form 22508WA. Contact AMN for assistance with replacements AMN_Sales_Support@newyorklife.com or 888-695-4748, option 4 6. Any comparisons of New York Life Asset Flex to competitive offerings must be fair and accurate.	

Application Backdating Procedure

Name	Description	State Variation
Application Backdating	Asset Flex policies can be backdated up to six months to save age in all states. Note that cash surrender value for year one will be adjusted to reflect the associated cost with backdating the policy. Before backdating a policy, consider all implications, and be sure it is in the best interest of the applicant. This process can be completed by either a paper application, or an on-line application. Premiums will be credited interest based on when they are received. Please contact the service center at (800) 695-9997 for assistance or additional information.	

Prohibited Acts and Practices

Name	Description	State Variation
Twisting	Knowingly making any misleading representation, or incomplete or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, convert any insurance policy, or to take out a policy of insurance with another insurer is prohibited.	
High Pressure Tactics	Employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance is prohibited.	
Cold Lead Advertising	Making use directly or indirectly of any method of marketing that fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or insurance company is prohibited.	

Other Solicitation Recommendations

Name	Description	State Variation
Recommendations	1. Qualify the funds to be used to purchase Asset Flex. These should be funds that are considered "extra cash assets" or "legacy assets." Do not use funds prospects may need to maintain their current lifestyle or funds that are designated to supplement retirement income. The prospect should be clearly advised this is a long-term commitment of funds. 2. Properly disclose the policy charges and monthly cost of insurance deductions. 3. If you know a prospect has a significant medical condition or has past medical history, see the Asset Flex Underwriting Guide or Contact AMN: AMN_Sales_Support@newyorklife.com or 888-695-4748, option 4 4. Understand how the Asset Flex product works and be ready to answer questions. Become familiar with the LTC terminology and benefits triggers. Understanding these concepts is integral to your ability to meet your customer's needs, and enabling the Asset Flex policy to perform as intended. 5. Emphasize the point that Asset Flex is not a "use it" or "lose it" product design. This is their money and should be used wisely. One may qualify for benefits but may not need to use them at that point in time, so it makes sense to keep them in the contract for future use. 6. Make sure the client understands that an 80% Return of Premium (ROP) option is included. The ROP Guarantee is available only after all premiums have been paid. ROP is adjusted for any loans, partial surrender, and LTC benefits paid. 6. Asset Flex is a "Leverage, Legacy, Control" product design. Explain to the potential customers how they can benefit from this investment in all three scenarios. 7. Understand how the 90-day waiting period works with reimbursement policies and explain to your clients that they must be able to self-insure the cost of the first 90 days of LTC services.	

Illustration Information and Contract Charges

Name	Description	State Variation
Illustration Information	The Asset Flex illustration, via Ensight and Winflex, is programmed to do auto solves for premium, Monthly Benefit for LTC and total LTC benefit. Currently, it illustrates the guaranteed values.	
Contract Changes	There are a limited number of contract changes that may be processed on an Asset Flex policy. Many of the changes available on other UL policies are NOT available on the Asset Flex: 1. There are no Death Benefit option changes, as all Asset Flex policies have a level of death benefit 2. All Asset Flex policies are issued AD126. Changes of policy AD are not permitted 3. No term conversions to Asset Flex. Original Age Term Conversion (OATC) and Attained Age Term Conversion (AATCs) are not allowed to Asset Flex policies 4. No conversions from Target Life 5. Premium payments increase the face amount. There are Underwritten Increase Provision (UIP) and Future Inflation Purchase Option (FIPO) payments 6. Partial surrenders decrease all policy benefits 7. Asset Flex policy does not contain an assignment provision. Therefore, cash values and benefits cannot be assigned to another party. However, ownership can be changed just as with any life policy 8. Benefit increase requests on existing Asset Flex policies are allowed if approved by underwriting.	