



OPTIMUM[®]
Optimum Re Insurance Company

Administration *Advice*

A Newsletter that Helps Us Help You!

December 2014

Dear Client,

Did you know... that Optimum Re should be notified when a reinsured policy is placed on Extended Term Insurance (ETI) or Reduced Paid-Up (RPU)? By ensuring that we have the most up-to-date information regarding our risk, delays can be avoided at the time of claim.

Extended Term Insurance is when the insured stops paying the premiums and continues being covered for the full amount of insurance but for a reduced period of coverage than established in the original policy.

Reduced Paid-Up Insurance is when the insured stops paying the premiums and continues being covered for the same period of time as the original policy, but for a reduced amount.

For both of these Non-Forfeiture options, the accumulated cash value will determine the length of time for ETI or the new Face Amount for RPU.

Here is the essential information that you should provide to us if your reinsured policy is placed on ETI or RPU. (Please use our administration e-mail box: oric.admin@optimumre.com)

Extended Term Insurance:

- the date when the policy was placed on ETI
- the date when the ETI expires

Reduced Paid-Up:

- the date when the policy was placed on RPU
- the reduced face amount

Here is some helpful information regarding Extended Term Insurance:

- ★ The reinsured Net Amount at Risk (NAR) will be a level reinsured amount based on the date the policy was placed on ETI.
- ★ Any additional benefits (if applicable) will be terminated on the effective date of ETI. (The same applies to RPUs as well.)
- ★ If your policy is reinsured on a YRT basis, the YRT reinsurance premiums will continue until the ETI expires.
- ★ If your policy is reinsured on a Coinsured basis, you will not be billed for reinsurance premiums but Optimum Re will continue to reinsure the policy until the ETI expires.

All of us at Optimum Re wish you a Happy Holiday Season and a prosperous New Year!

Optimum Re Insurance Company
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