

# Deposit Fund Rider

The Deposit Fund Rider is available with new life insurance policies that are on Allotment or Automatic Payment Plan (Bank Draft). Deposits can be made regularly with premium payments to create an interest bearing account that can be used for any purpose.

## It's from a company you can trust ...

No matter what tomorrow brings, our customers have protection when they need it most. Globe Life has helped protect this promise since our roots began in 1900. Globe Life And Accident Insurance Company receives high industry ratings, including A (Excellent)\* for overall Financial Strength by A.M. Best Company, insurance analysts since 1899.

\*As of 7/20

## Frequently Asked Questions

### **Q: What interest rate does it pay?**

A: The interest paid to the Deposit Fund depends upon the current rate earned in the market. The guaranteed minimum interest rate on the Deposit Fund Rider will be 3% for all years the rider is in force. Interest will not begin accruing until the life insurance policy is issued. The interest rate will be announced at policy issue and remain firm for the calendar year. Each calendar year beginning in January, a new interest rate will be declared on the annual statement.

### **Q: Is the premium I pay for my life insurance policy part of this fund?**

A: No. The account receives only amounts you deposit over and above the amount of your premium. None of the premium amount shown on your policy is deposited into the Deposit Fund.

### **Q: Is there any penalty or charge for withdrawals?**

A: No. There is no penalty or charge for withdrawals.

### **Q: What happens to the fund in the event of death?**

A: The Deposit Fund will be given to the beneficiary of the life insurance policy.

### **Q: What are the minimum and maximum amounts that can be deposited into the Deposit Fund?**

A: Each deposit must be at least \$5. The maximum account balance cannot exceed the amount of the life insurance benefit purchased. Deposits may begin as soon as the life insurance policy is issued and the Deposit Fund is set up to earn interest. Additional funds may be deposited by check accompanied with a completed Transaction Form. Some state restrictions also apply. Ask your agent for details.

## Frequently Asked Questions

### Q: Will I get a statement or account status?

A: You will receive a statement showing all activity in the account after the end of each calendar year and a 1099 tax form. The current status of the deposit fund can be obtained at any time by calling Customer Service at 866-298-9115.

### Q: How do I make withdrawals?

A: Just send in a completed transaction form to us with the amount you want to withdraw and your signature. Contact Customer Service at 866-298-9115 to request your transaction form.

### Q: When can I begin withdrawing money from the deposit fund?

A: There is no delay on amounts that have been on deposit at least 30 days. On deposits made by allotment, check or Automatic Bank Draft made within the last 30 days, we wait only until the deposit has cleared the banking system before sending a check.

### Q: Can I authorize others to make withdrawals?

A: Policyholders may authorize another person to make withdrawals from the fund by completing the authorization section of either the Enrollment Form or Transaction Form. All transactions are processed at the Home Office.

### Q: Can I pay the premiums on my life insurance policy from the Deposit Fund?

A: Yes. We will automatically deduct your premium from the Deposit Fund if you do not pay the premium prior to the policy lapsing. The amount will be the premium you regularly pay. If there is not enough to pay at least one month of premium, we will not pay a premium.

## Deposit Fund Rider Instructions

Maximum account balance amount is limited to the insurance benefit amount purchased. If an application is underwritten for a graded policy, the benefit amount payable during the first three years is a percentage of the face amount (25% of face value during the first policy year, 50% during the second and 75% during the third year) and the maximum allowable DFR account balance will be equal to the policy's current benefit amount. The DFR account balance can never exceed the current face amount of the account holder's life insurance policy to which this rider is attached.

Certain state specific limits also apply. See below.

## Special State Restrictions

### Maryland, Pennsylvania and Texas

The state regulation requires that the DFR Account Balance should not exceed an amount that would fund the remainder of the policy (with interest credited to the DFR taken into account). Therefore, the **Maximum DFR Account Balance changes over time** (each time a premium is paid).

### Tennessee

a) The state regulation requires that the DFR Account Balance plus the Life Cash Surrender Value cannot exceed the Face Amount. Therefore, the **Maximum DFR Account Balance changes over time** (when cash value is generated).

b) The state regulation requires that DFR deposits in any year cannot exceed 2 annual premiums.

### Washington

The state regulation requires that the DFR Account Balance plus the Life Cash Surrender Value cannot exceed the Face Amount. Therefore, the **Maximum DFR Account Balance changes over time** (when cash value is generated).



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# ESD DEPOSIT FUND ENROLLMENT FORM

Policyholder's First Name:

M.I.

PLEASE PRINT IN  
BLOCK CAPITAL LETTERS  
WITH A BLUE OR BLACK  
BALLPOINT INK PEN

Last Name:

Residence Address  
Street or Route:

City:

State:

Zip Code:

Social Security Number:

Home Phone Number:

Work Phone Number:

E-Mail Address:

Under penalties of perjury, I certify (1) that the number shown above on this form is my correct Social Security/taxpayer ID# and (2) that  I AM  I AM NOT SUBJECT TO A BACKUP WITHHOLDING ORDER UNDER SECTION 3406(a)(1)(C) OF THE INTERNAL REVENUE CODE.

Signature of

Policyholder:

## SUMMARY OF SCHEDULED PAYMENTS

Total Bi-Weekly Life  
Premium Amount

\$  ,    .

Total Bi-Weekly  
Deposit Fund Amount

\$  ,    .

Total Bank Draft  
or Allotment

\$  ,    .

## HOME OFFICE USE ONLY

### Authorization for Deposit Account Withdrawal

NOTE: Without this authorization no person other than the owner of a policy may withdraw funds on deposit with respect to a policy. This form requires the signature of the owner of the policy and the signature of the person authorized by the owner to act as his or her agent in withdrawing funds. This authority shall be effective until revoked by the owner by notice in writing to the Company and shall not be revoked by the disability of the owner. The owner will hold the Company harmless for payments made pursuant to this authorization after death or disability of the owner.

I hereby authorize the following person to act on my behalf in withdrawing funds from the Deposit Fund Rider of my policy.

-   -

Signature of Policyholder

Signature of Authorized Person

Date Signed (mm-dd-yyyy)

Authorized Person's First Name:

Last Name:

M.I.

### Policyholder Agreement

Please read the following statements below and initial them indicating your understanding and acceptance.

- I understand that the interest on the money I deposit in Globe Life's Deposit Fund Rider will not begin accruing until the date my life insurance policy is actually issued.
- I understand that the interest rate calculated for the Deposit Fund Rider is guaranteed never to go below 3%. I understand my rate will be announced at policy issue and remain firm for the calendar year. Each calendar year beginning in January, a new interest rate will be declared.
- I understand that if there is money in the Deposit Fund Rider (DFR) and I do not pay the premium on my policy prior to the policy lapsing, it will be paid from the DFR account. This payment will be the amount needed to bring the policy to the current paid-to-date.
- I understand that if I have an outstanding policy loan on my policy, the money deducted from my allotment for the DFR will be applied to the policy loan until it is paid off.
- I understand that the insurance premiums will be drawn from the allotment prior to crediting the DFR.
- I understand that I can change the amount deposited into the DFR at any time simply by notifying my Federal Center in writing.
- I understand that in compliance with the U.S. Department of Treasury, Globe Life and Accident Insurance Company will issue IRS Form 1099 each year to report interest income.

Home Office Use Only (Coder's Initials)

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**Globe Life**  
Employee Services Division