

Enhanced Premium Deposit Account rates for applications submitted by November 30th:

For signed Part 1 applications submitted between **October 1 and November 30, 2025**, clients can earn an **enhanced first-year Premium Deposit Account (PDA) rate of 12% or 10%** (depending on annual scheduled premium), with 5% credited in subsequent years, when pre-funding at least four years of premiums:

- **12%** enhanced rate for annual scheduled premiums of **\$100,000 or more**
- **10%** enhanced rate for annual scheduled premiums of **\$25,000 to \$99,999**

Why it matters to your clients:

At the 12% enhanced rate, the PDA can:

- **Reduce out-of-pocket costs** by up to **23^{1%}**
- **Boost purchasing power** by up to **30%²**

Example: Over 8 annual premiums, the PDA could help clients reduce costs by 20% or purchase 25% more coverage with the same total outlay.

# of Annual Premiums ³ :	5	6	7	8	9	10
Out-of-pocket cost reduction:	14%	16%	18%	20%	22%	23%
Premium/purchasing power increase:	16%	19%	22%	25%	27%	30%

Effective long-term value:

The PDA blends the first-year enhanced rate with the 5% prevailing rate in subsequent years:

# of Annual Premiums ³	12% PDA Effective Rate	10% PDA Effective Rate
5 years	7.83%	7.03%
10 years	6.35%	5.97%



These effective rates represent:

- A blend of the first year and subsequent rates
- Compounded interest
- The current balance in the PDA

PDA rates vary over time. Interest paid on the PDA is taxable.

How the rate lock feature works:

With the new rate lock feature launched in November 2024, the enhanced rate will be locked in for 60 days on applications with an App Part 1 date between October 1st and November 30th. The PDA Agreement can be generated up to an additional 60 days after and still receive the locked (enhanced) rate if the policy has been issued within those 60 days.

The PDA Agreement can be backdated up to seven days from the date the Agreement is generated, but no earlier than the policy date. Backdating the Agreement can result in an earlier Agreement expiration date.

Maximum timeline PDA example



¹Represents the maximum out-of-pocket cost reduction when a client prepays 10 annual premiums at the 12% enhanced PDA rate, blended with the prevailing 5% thereafter.

²Represents the maximum increase in purchasing power (premium/coverage) when a client prepays 10 annual premiums at the 12% enhanced PDA rate, blended with the prevailing 5% thereafter.

³The first-year annual premium is applied directly to the policy, and the remaining amount is deposited into the premium deposit account.

