None

What Would Have to Happen for My

How Much Benefit Will My Client Receive?

Monthly

per diem

What Happens Once My Client Goes on

Claim?

Lapse

Protection

During claim

None

During claim

During claim;

Permanent after

claim's 24th

month<sup>3</sup>

During claim;

Permanent after

claim's 25th

month<sup>6</sup>

During claim

During claim

During claim

Charges

Waived

Rider only

All

All

Rider only

All

Rider only

Carrier

Follow-

uр

Annual

Recert.

100%

Death

Benefit

What Services Do the Benefits

for any purpose

IUL

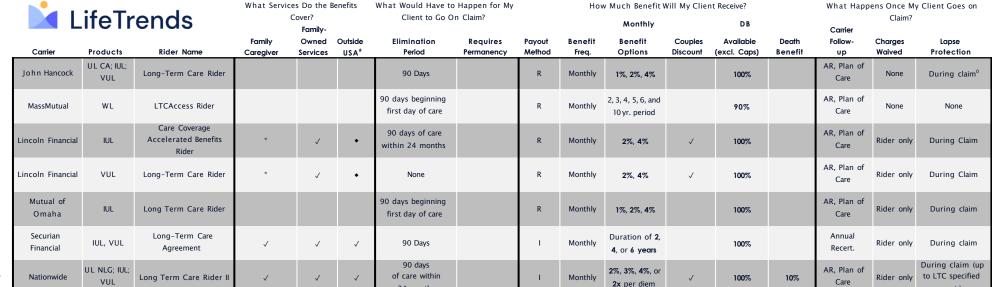
Rider

Symetra

IUL

Transamerica

Long Term Care Rider



amt.)

During claim

Lesser of

10% or

\$10,000

100%

AR, Plan of

Care

Rider only

2% or per

diem

Monthly

24 months

90 days of care



#### What Services Do the Benefits Cover?

Long-term care riders cover custodial services, such as nursing homes, home health, and assisted living facilities, as opposed to emergency services. Some carriers restrict the services they will provide coverage for. As depicted in the exhibit, these restrictions largely center around services provided by family members and/or in the insured's home. Check with carriers for exact services covered. Chronic illness riders are largely unconcerned with the actual expenses incurred, as chronic illness benefits [IRS §101(g)] are technically an acceleration of the death benefit, not long-term care benefits [IRS §7702(B)].

### What Would Have to Happen for My Client to Go On Claim?

#### Elimination Period

With chronic illness riders, a client only needs to be exhibiting qualifying symptoms for a certain length of days to satisfy the elimination period. With long-term care riders, clients must be exhibiting symptoms and receiving care for a certain number of days within a specific amount of time (sometimes consecutive days) in order to begin receiving benefits.

#### Requires Permanency

A doctor has to deem the condition to be expected to last the rest of the insured's life in order for the insured to go on claim.

# How Much Benefit Will My Client Receive?

Benefit Payout Method: "I" = Indemnity; "R" = Reimbursement

### Maximum Monthly Benefit

Lesser of percentage of elected LTC/CI benefit and a multiple of the IRS per diem limitations [e.g. with a 3% monthly benefit selected on a \$1MM Equitable Financial policy, the actual monthly benefit on a claim in 2025 would be \$25,200, as it is the lesser of 3% of the accelerated benefit pool (\$30,000) or 2x the IRS per diem limits (in 2025: \$25,200)]

# What Happens Once My Client Goes on Claim?

### Carrier Follow-up

"AR" = Annual recertification. In addition to annual recertification that a client remains chronically ill, long-term care riders require that a plan of treatment be prescribed and followed by a doctor licensed in the United States. See carriers for terms and conditions.

### Charges Waived

When a client goes on claim, carriers may elect to waive some or all charges on the policy. "Rider only" indicates that, while on claim, rider charges will be waived but life insurance premiums will continue to be paid. "All" indicates that all life insurance and rider charges have been waived; effectively, the client will pay no premiums while on claim.

American General: In addition to a 2% and 4% monthly benefit that is capped at the IRS per diem limits, clients may also elect a monthly benefit that is equal to the IRS per diem limits at the time of claim. This option is more expensive.

<sup>&</sup>lt;sup>2</sup>Cincinnati Life: \$10K value may change depending on scenario input

<sup>&</sup>lt;sup>3</sup>Protective's ExtendCare 2020 Rider: If the insured is certified as chronically ill for 3 consecutive Benefit Periods, the monthly deductions required to maintain the policy will be waived.

<sup>&</sup>lt;sup>4</sup>Prudential: The 90-day elimination period will be waived if the chronic illness is expected to last for the remainder of the Insured's life.

<sup>&</sup>lt;sup>5</sup>Prudential: Policies with \$500,000 death benefit or less may elect a 4% monthly death benefit. Higher death benefits are capped at 2%. ||| After 25th month on claim, policy is permanently protected from lapse, even if client goes off claim.

<sup>&</sup>lt;sup>6</sup>Equitable financial: Has two versions. LTCSR 2020: The 90-day elimination period which begins the first day of care, will be waived if the chronic illness is expected to last for the remainder of the Insured's life.||| LTCSR 2012: The elimination period, which is 90 days of care within 24 months, may be deemed satisfied by Equitable if the insured provides proof of care for at least 60 service days within 90 calendar days from a licensed provider.

<sup>&</sup>lt;sup>7</sup>Guardian: While receiving LTC Rider benefits, Guradian will waive monthly charges for the LTC Rider and the portion of the policy corresponding to the LTC Pool.

OJohn Hancock: Should the policy lapse while receiving coverage in a nursing home, benefits will be paid out until you leave or the entire Accelerated Benefit Pool has been exhausted.

Guardian's LTC Rider: International care only covered if the physician providing certification and the physician providing plan of care are currently licensed to practice medicine in the United States, its terretories or possessions.

<sup>&</sup>quot;Lincoln Financial's LTC Rider: This rider provides benefits outside of the United States if the insured is confined to a Nursing Home or Assisted Living Facility.

<sup>\*</sup>Pacific Life's and Lincoln Financial's LTC Rider: Caregiver may be family if employed and compensated by a qualified service provider. Equitable: During the elimination period, care must be provided by a licensed non-family member. After the elimination period has been satisfied, at least one Service pursuant to the Plan of Care must be provided by a licensed non-family member.