

Accelerated death benefit rider to help during life's unexpected times

The **Accelerated Access Rider** provides an optional acceleration of the death benefit if the insured is certified as chronically or critically ill by a licensed physician. When exercised, the rider will pay out a portion of the policy death benefit to the policy owner should the insured meet all the eligibility requirements.

How does it work?¹

Chronic Illness

Chronically ill or chronic illness means that a licensed physician has certified in writing that the insured has an illness or impairment, and, as a result, has met at least one of the following two conditions during the 90 consecutive calendar days immediately preceding such certification (and is expected to continue to meet at least one of such conditions afterwards permanently):

- a) Unable to perform without substantial assistance from another individual at least two Activities of Daily Living due to a loss of functional capacity; or
- b) Requires substantial supervision to be protected from threats to health and safety due to severe cognitive impairment.

The insured will not be considered chronically ill unless the certification date in the written certification is within the prior 12 months.

Critical Illness

If the Insured becomes critically ill with one of the critical illness conditions covered under this rider and all eligibility requirements have been met, the policy owner may elect to receive a benefit payment in a lump sum.

Critical illnesses named under this rider are: certain cancers, stroke, heart attack, diagnosis of end stage renal failure, major organ transplant, paralysis, coronary artery bypass, coma, severe burn, and AIDS.

What are the eligibility requirements?¹

The insured must be either chronically ill or critically ill; and

- Must have met the applicable elimination periods; and
- We must have on file a written certification from a licensed physician in a form acceptable to us, with a certification date within the prior 12 months, that the insured is chronically or critically ill; and the policy must be in force other than as extended term or reduced paid up insurance, if available; and
- A request for benefits under this rider must be approved by any irrevocable beneficiary or assignee; and

The policy must:

- Have an Accumulated Payout Balance that is less than the eligible amount; and
- Not be in the grace period; and
- Not have an existing lien or similar offset as a result of a claim under any other rider attached to the policy that provides for the acceleration of the death benefit.

How is the eligible amount calculated?¹

The eligible amount will be based on a percentage of the current death benefit at the time of claim. The percentage varies by attained age at claim. The maximum eligible amount is \$1 million.

Chronic Illness – The non-guaranteed monthly benefit is limited to 2% of the eligible amount. The maximum monthly amount is 2% of the eligible amount or the IRS per diem limit, whichever is less. In 2020 the IRS per diem is \$380 per day (\$138,700 annually). As the eligible amount is fixed at claim, the maximum monthly amount will only change if the IRS per diem limit is the limiting factor. This limit can vary between calendar years.

Critical Illness – The non-guaranteed maximum benefit is 50% of the death benefit or \$50,000, whichever is less, per critical illness event. Two critical illness events are allowed during the life of the policy.

Rider Specifications

Issue Ages	18-75	Policy Charges	When chronic or critical care benefits are triggered, policy charges will continue to be assessed against the account value
Waiting Period	Benefits are available from the time the insured purchases their policy		
Base Plan Availability	Available on all permanent products	Impact on Policy Values	Access to the net cash value is limited to any excess of the net cash value over the Accumulated Payout Balance
Elimination Period	Time that insured must be ill prior to qualifying for benefits: Chronic Illness - 90 consecutive days Critical Illness - Based on condition, state and age at time of claim	Lapse Protection	If, when on claim, the net cash value is insufficient to cover monthly deductions, the monthly deductions will be added to the Accumulated Payout Balance and the policy will remain in force.
Eligible Amount	The eligible amount will be based on a percentage of the current death benefit at the time of claim. The percentage varies by attained age at claim	Benefit Type	Indemnity. Benefits are paid irrespective of actual costs incurred
Maximum Monthly Benefit Amount	Chronic Illness - The lesser of 2% of the Eligible Amount or the IRS per diem limit. ² Critical Illness - The lesser of 50% of the death benefit or \$50,000	Re-Certification	Annual recertification is required
Payout Options	Chronic Illness - annual lump sum or in monthly payments Critical Illness - Single lump sum	Policy Changes	There are limitations on policy changes after the rider begins to pay benefits
Underwriting	Rider is eligible for insureds rated Table 4 or better on the base policy plan	Repayment of Benefits	The policy owner may not repay the Accumulated Payout Balance or interest that has accrued
Payment Amount	Policy owner elects the amount of benefit at time of claim, subject to rider limitations	Rider Restrictions	Not available with the Death Benefit Return of Premium Rider
Withdrawals	Partial withdrawals are still available during rider benefit period	Residual Death Benefit Amount	A fixed amount of death benefit will remain after all available amounts have been accelerated through this rider, subject to the terms and conditions of the rider
Loans	No additional loans will be allowed once a benefit has been paid out under this rider		

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Important Information

Tax consequences

While payments made under this rider are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code, payments under this rider may be taxable under certain situations, including employer-owned policies. The policy owner should consult a competent tax advisor to determine the current tax consequences before requesting any accelerated proceeds.

Government entitlements

The policy owner's eligibility for public assistance programs, such as medical assistance (Medicaid), aid to families with dependent children, and supplemental security income ("SSI") may be affected by having an accelerated benefit rider as part of their life insurance policy or by receiving an accelerated benefit payment. Exercising the option to receive an accelerated benefit payment and receiving such payment before applying for these programs, or while other government benefits are being received, may affect initial or continued eligibility. The appropriate social services agency (for example, the Medicaid unit of the local department of public welfare and social security administration office) should be consulted for more information concerning how receipt of an accelerated benefit payment will affect the eligibility of the recipient and/or the recipient's spouse or dependents.

Additional limitations of this rider

The Accelerated Access Rider is not health, nursing home, or long term care insurance, and it is not intended or designed to eliminate the need for such coverage. An accelerated benefit payment may not be enough to cover a policy owner's medical, nursing home or other bills. The acceleration will not reduce the amount of monthly charges assessed against their account value. Planned premiums should still be paid to maintain policy values and guarantee provisions of the base contract and other riders.

What does the Accelerated Access Rider cost?

There are no additional premiums or cost of insurance charges for the rider. However, an interest charge accrues on any benefits provided under the rider, which further reduces the amount of Death Benefit payable to the beneficiary.

¹ Conditions and limitations apply. See policy form for details.

² The Max Annual Benefit is limited by the IRS per diem limit. For 2020, the daily limit is \$380 (\$138,700 annually).

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