

A Life Insurance Living Benefit

Care4Life Accelerated Death Benefit Rider

Life insurance helps ensure your clients' loved ones are cared for even if they can't do it themselves by providing financial protection through the policy's death benefit. But sometimes things happen and clients need financial protection while they're alive.

Life insurance policies that offer living benefits provide a practical and convenient way to help meet your clients' financial needs by giving them part of their policy's death benefit while they are alive. Most Ameritas life insurance policies feature this type of living benefit. It's called the Care4Life Accelerated Death Benefit rider, and it provides an accelerated death benefit if your client is diagnosed with critical, chronic or terminal illness. With this feature, your client can use their life insurance while they're still living.



Providing money they need

If your client is diagnosed with a chronic, critical or terminal illness, life insurance with the Care4Life accelerated death benefit rider gives them more options to deal with the financial strain of their condition.

The qualifying conditions for accessing an advance of the policy's death benefit require the certification of a physician. Recertification of the chronic illness is required annually.

Critical Illness*—invasive life-threatening cancer, stroke, major heart attack, end-stage renal failure, major organ transplant, amyotrophic lateral sclerosis (ALS), blindness due to diabetes, paralysis of two or more limbs, major burns, coma, aplastic anemia, benign brain tumor, aortic aneurysm, heart valve replacement, coronary artery bypass graft surgery.

Chronic Illness—inability to perform two of the six activities of daily living (dressing, toileting, transferring, continence, eating, bathing) or a diagnosis of severe cognitive impairment.

Terminal Illness—a life expectancy of 12 months or less.

The Care4Life riders are not a long-term care product.



Determining the benefit amount

The amount your client could receive as an accelerated death benefit would be based on the qualifying event and specified amount of their policy. Their life expectancy does not play a role in determining how much of their policy's death benefit they can receive.

Qualifying Event Benefit Amount

Critical Illness* up to 25% of the policy's specified amount with a maximum of \$250,000

Chronic Illness up to 50% of the policy's specified amount with a maximum of \$1 million

Terminal Illness up to 75% of the policy's specified amount with a maximum of \$1 million



Receiving benefit payments

Once the company receives the physician's certification of your client's critical, chronic or terminal illness diagnosis, their payment will be processed. The accelerated death benefit will be paid in a lump sum for a critical or terminal illness. Chronic illness payments will be paid in annual payments up to HIPAA limits. If an acceleration of the death benefit is paid, a \$250 administrative fee will be deducted otherwise there is no extra cost for the rider to be included on a policy. Fee may vary in some states.



Impact on Life Insurance Protection

If an accelerated death benefit payment is made, the policy will still have value as life insurance. The advanced payment plus an administrative fee plus accrued interest is treated as a lien against death benefit proceeds. In most states, the beneficiaries will receive the death benefit, reduced by the current lien amount. In addition, the policy's death benefit is guaranteed not to fall below 10% of the specified amount when the first acceleration began (not available in New York). Your client must continue to pay the minimum premium to keep the base policy and any riders in force.

Questions to ask your client

If you were to be diagnosed with a serious medical condition today, who would you turn to first? Are they prepared to help? Who will write the check? How can you avoid becoming a burden? Will the legacy you leave your loved ones be what you intended? Those are tough questions to ask. Life insurance can help provide the answers by providing a death benefit or an accelerated death benefit at the precise moment they're needed.



Ease the Strain

The Care4Life rider may help your clients ease the financial strain if they become ill. It poses no restrictions on how they choose to spend the money they receive as a living benefit from their policy. They are in control and can use this living benefit any way they choose. It can be used for home health care, prescription expenses or maybe a new accessible vehicle. Maybe they will choose to provide for the family member who is missing work and giving their time to help care for them.

With life insurance and the Care4Life rider your client can relax and concentrate on the important things in life. They will know that they have things in place to provide some financial protection for their family if they die. They will also know they and their family are protected against the potential financial strain of a chronic, critical or terminal illness.

For more information call sales development today.

* In New York and California, Care4Life is offered through three independent riders – Critical Illness, Chronic Illness and Terminal Illness and vary for the Critical Illness rider:

- New York – the Critical Illness rider qualifying events are limited to open heart surgery, angioplasty or myocardial infarction, life threatening cancer, stroke, major transplant or end-stage renal failure.
- California – the Critical Illness rider is only available to insureds age 64 or younger who have comprehensive health benefits from a health insurance policy, HMO or employer plan and the invasive life threatening cancer is replaced by invasive/metastatic cancer.

The Ameritas Care4Life Accelerated Death Benefit Rider may not be available in all states and may vary in some states. The Care4Life riders are not a long-term care product.

Life insurance and the Care4Life Accelerated Death Benefit rider are issued by Ameritas Life Insurance Corp. (rider form ICC17 ADBCCTIRUL 1-17, ICC17 ADBTIRUL 1-17 on universal life policies, ICC19 ADBCCTIRWL 8-19, ICC19 ADBTIRWL 8-19 on whole life policies), in California (rider form ADBCRIAR UL 6-17 CA, ADBCRIAR UL 6-17 CA, ADBTIR UL 6-17 CA on universal life policies, CRIAR WL 6-17 CA, CHIAR WL 6-17 CA, TIAR WL 6-17 CA on whole life policies).

In New York, life insurance and the Care4Life Accelerated Death Benefit rider are issued by Ameritas Life Insurance Corp. of New York (rider form CRIAR 3-15 NY, CHIAR 3-15 NY, TIAR 3-15 NY on universal life policies and CRIAR WL 3-15 NY, CHIAR 3-15 WL NY, TIAR 3015 WL NY on whole life policies.).

The information presented here is not intended as tax or other legal advice. For application of this information to your client's specific situation, your client should consult an attorney.

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