



# EXTENDCARE<sup>SM</sup>

## Frequently Asked Questions

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## Prepare for the unexpected

You understand the importance of providing your loved ones with protection from the unexpected. That's why you're considering the purchase of life insurance.

But what if your plans are derailed by unplanned life changes? A chronic illness can do just that while also taking a physical, emotional and financial toll.

That's why Protective Life offers ExtendCare, a unique solution that lets your life insurance policy's death benefit work for you if you become chronically ill.

## About ExtendCare

ExtendCare is an optional rider that allows you to accelerate your life insurance policy's death benefit to use for any potential chronic illness needs. This rider is designed for those who want protection from the financial impact of a chronic illness, without purchasing a separate long-term care policy. ExtendCare is available with select life insurance policies offered by Protective.

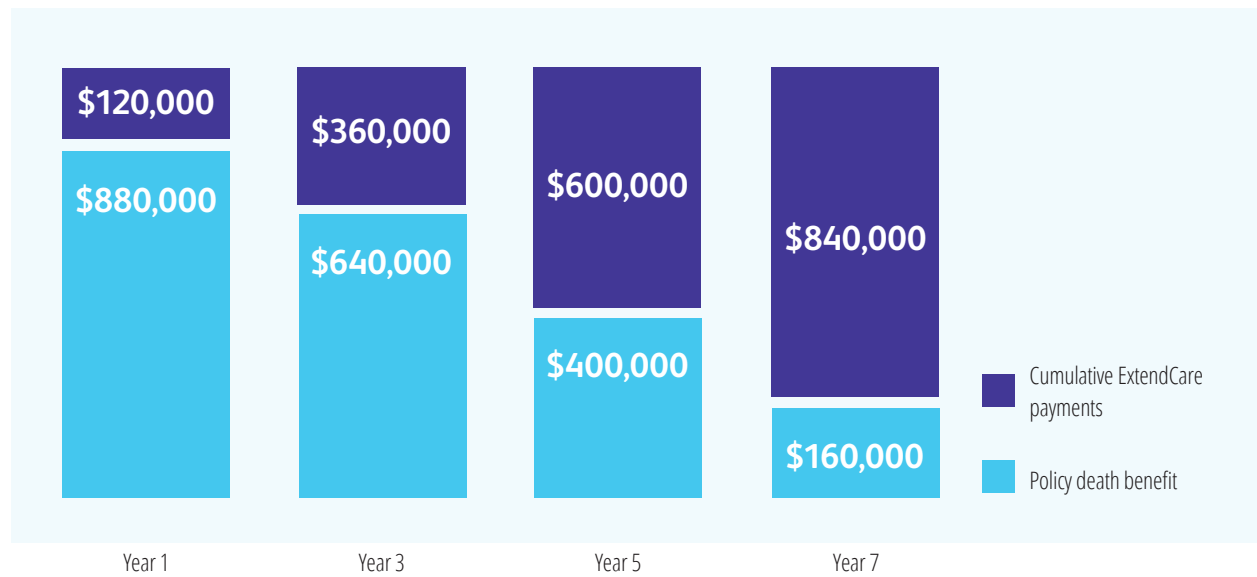
### Specifications

- Availability: Only at policy issue
- Issue ages: 20-80<sup>1</sup>
- Maximum substandard rating: Table 4 on base policy (rider specific underwriting criteria must be met)
- Waiting period: 90 days
- Minimum face amount: \$100,000
- Maximum face amount: Varies, consult with your financial professional
- Minimum monthly benefit amount: A \$3,000 minimum monthly benefit amount must be selected at issue; if ExtendCare benefits are activated, a \$250 minimum monthly benefit amount applies.
- Maximum monthly benefit amount: The current per diem equivalent; cannot exceed 5% of the base policy amount

### How ExtendCare benefits work

Consider this example of a 60-year-old man who now qualifies for ExtendCare benefit payments after becoming chronically ill.

#### \$1 million policy | \$10,000 monthly benefit (or \$120,000 per year)



<sup>1</sup>Subject to product issue age limits

This example is hypothetical and for illustrative purposes only. Each individual situation will be different based on the age, sex and health status of the insured. The insured will receive monthly benefits after undergoing a 90-day waiting period.

## Benefit overview

**Q:**How do I become eligible for ExtendCare benefits?

**A:** You will need to be certified as chronically ill by a licensed health care practitioner within the past 12 months. Certification means written documentation from a licensed health care practitioner that you are chronically ill and likely in need of services for at least 90 days.

**Q:** What is the definition of chronically ill during the certification process?

**A:** Protective defines this as being unable to perform at least two of the Activities of Daily Living (bathing, dressing, toileting, transferring, continence, eating) without assistance for 90 days, or requiring substantial supervision for protection against health and safety threats due to severe cognitive impairment.

**Q:** Does the condition have to be permanent in order to receive benefits?

**A:** No. While the condition may be permanent, it does not have to be in order for you to qualify for benefits.

**Q:** Is there a waiting period before I could be eligible to receive benefit payments?

**A:** Yes, there is a 90-day waiting period. This is the period that must pass between the time Protective receives the written certification of your chronic illness status and the time the first monthly benefit is made under ExtendCare.

**Q:** How long is a benefit period?

**A:** The benefit period is 12 months. At the beginning of each benefit period, you must select the monthly amount you would like to receive. You can use the full amount specified by the rider, which is subject to monthly maximums that are determined at policy issue, or reduce the monthly benefit to a minimum of \$250.

**Q:** Is there a recertification process for each benefit period?

**A:** Yes, recertification by a licensed health care practitioner is required every 12 months.

**Q:** Is the maximum monthly benefit amount the same each month?

**A:** Not necessarily. The last benefit payment may be less than the elected amount to ensure that the lifetime maximum benefit is not exceeded.

- Lifetime maximum benefit: 100% of the policy death benefit
- Maximum monthly benefit: Any amount between \$3,000 and the current per diem equivalent (selected at the time of issue), not to exceed 5% of the base policy's face amount

**Q:** How does ExtendCare work if the death benefit on my original policy increases?

**A:** If the death benefit on your original policy increases, the lifetime maximum benefit available through ExtendCare also increases. The lifetime maximum benefit is equal to the lesser of (1) a percentage of the death benefit, excluding riders or endorsements at the time of first claim or (2) the lifetime dollar limitation. This amount will also be affected by any outstanding loans or withdrawals against the policy.

## Applications

**Q:** How do I request ExtendCare on the application for life insurance?

**A:** Select "ExtendCare Rider" within the "Riders" or "Optional Benefits" section of the application. Where indicated, input the maximum monthly benefit option (any whole dollar amount between \$3,000 and the current per diem equivalent only).<sup>2</sup>

<sup>2</sup> Monthly benefit amounts are subject to change.

## Underwriting

Q: Are there any additional underwriting requirements to consider for ExtendCare?

A: Yes. Underwriting will require cognitive testing and information concerning Activities of Daily Living. For those ages 65 and above, a supplemental underwriting application (AODL) must be completed by the paramedical facilities and cognitive testing will be ordered by the Protective home office.

Q: Can I receive an offer for the life insurance policy and be declined for ExtendCare?

A: Yes, this may happen depending on your medical history.

## Policy revisions

Q: Can ExtendCare be added to a policy after it has been issued?

A: No. ExtendCare is only available at issue.

Q: Can I voluntarily terminate ExtendCare after the policy has been issued?

A: Yes. ExtendCare can be terminated after the policy has been issued. All charges will stop at the time of termination. Please note that ExtendCare cannot be reinstated once it has been terminated.

Q: Can I keep the ExtendCare rider after I decrease the face amount?

A: Yes. However, the monthly benefit may never be more than 5% of the newly reduced face amount so there may be limitations in the face amount decreases.

## Impact to policy while on claim

Q: How do benefit payments impact the policy's death benefit and account value?

A: Each accelerated death benefit payment will reduce certain policy values by a proportional amount. This proportional amount will equal the monthly benefit payment (prior to any loan repayment) divided by the death benefit immediately before the benefit payment.

The following current values will be affected:

- Policy value
- Face amount
- Surrender charges
- Lapse protection account value
- Cumulative premiums paid to date
- Policy debt

An amount equal to the policy debt reduction will be applied to repay policy debt, and thus will reduce the net amount of proceeds distributable as an accelerated death benefit.

Q: What happens to my life insurance policy if I go on claim?

A: Premium charges and policy expenses will be waived while you are claim. The policy cannot lapse while on claim, prior to the lifetime maximum benefit paid out.

Q: What happens to my life insurance policy if I am not recertified as chronically ill?

A: If you are not recertified for a second or third benefit period, policy charges will resume. You may request that Protective recalculate your premium to keep your policy in force thereafter. If you are certified as chronically ill three consecutive times, policy charges will be permanently waived.

Q: When the policy is on permanent waiver status, will I continue to receive ExtendCare benefits?

A: Yes, but annual recertification of your chronic illness is required. If you are not recertified as chronically ill, you will no longer receive benefits.

Q: What happens when the entire death benefit is accelerated?

A: The rider and policy will terminate.

Q: Are loans and/or withdrawals available if the policy is on claim under this rider?

A: No

## Prepare for the unexpected

A chronic illness can have a significant impact on you and your loved ones.



**Talk to your insurance professional to see how a universal life insurance policy and ExtendCare from Protective can help you prepare for the unexpected.**





## We're Protective

Protective provides protection that fits your life, because we believe everyone deserves a sense of security and protection. We've been protecting people for over 110 years, delivering on our promises and pushing to do more for more people.

**Because we're all protectors.**

## protective.com

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ExtendCare (ICC20-L652/L652 7-20) is available only at issue and at an additional cost. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Assumes medical and financial underwriting qualifications at time of initial application.

ExtendCare falls under IRC Sec. 101(g) Accelerated Death Benefit guidelines and does not fall under health regulations. This differentiation could affect eligibility for public assistance programs such as Medicaid, Supplemental Income, or others. Purchasers should consult a qualified advisor along with a legal or tax advisor to determine if the rider will affect their initial or continued eligibility for public assistance programs or other tax-related decisions.

This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide long-term care insurance subject to California long-term care insurance law. This policy or certificate is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement (policy or certificate).

The ExtendCare benefits are intended to be received on a tax-favored basis under Section 101(g) of the Internal Revenue Code. Once eligible for the benefit, policyholders will receive a monthly payment (not exceeding 5% of the base policy's death benefit amount or the current per diem equivalent) accelerated from their policy's death benefit. The ExtendCare rider is intended as a non-medical supplement. While long-term care riders pay temporary and permanent claims, policyholders with the ExtendCare rider will qualify for accelerated monthly benefits after being certified by a licensed healthcare practitioner as chronically ill for a period that is expected to last one year. Additionally, if the benefits for a stand-alone long-term care policy are not used, the policy may end with no payment while the face amount of a life insurance policy with an accelerated death benefit rider will remain intact if the benefits are not used. Once you qualify for the benefit, payments continue every month during the benefit period regardless of whether expenses are actually incurred.

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