Equitable Financial Life Insurance Company Equitable Financial Life Insurance Company of America



One strategy can help address two needs

Long-Term Care Services℠ Rider with my indexed universal life insurance policy

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The real need for long-term care

Healthcare for the aging population continues to be a prominent concern among future retirees. As more people live longer with chronic conditions, the demand for long-term care services will rise dramatically. In fact, 70% of people turning age 65 will develop a severe long-term care need in their lifetimes.[1] While many will be cared for by family and friends, millions of others will rely on professional care either at home or in long-term care facilities. The question you may be asking yourself is, "Am I financially prepared for the ongoing expenses associated with this care if I need it?"

The Long-Term Care Services℠ Rider[2] is an accelerated death benefit rider available at issue for an additional cost with certain individual permanent life insurance products. This rider may advance all or a portion of a policy's death benefit to pay for qualified long-term care services if a physician certifies that you have become chronically ill and otherwise qualify under the rider. The Long-Term Care Services℠ Rider provides you with a versatile benefit that can be used during your lifetime to pay for some or all of the expenses associated with long-term care, if needed.

Contact your financial professional today to discuss how the Long-Term Care Services℠ Rider may help you meet your unique financial goals. Receipt of the accelerated benefits may be taxable; therefore, you should seek assistance from a tax advisor.

1 "100 Must-Know Statistics About Long-Term Care: 2023 Edition," Morningstar, March 2023, morningstar.com/personal-finance/100-must-know-statistics-about-long-term-care-2023-edition.

2 In California, the rider is called **Comprehensive Long-Term Care Rider**. In Florida, the rider is called **Long-Term Care Insurance Rider**.

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The potentially high cost of care

Depending on where you live and the type of care that you require, long-term care expenses can exceed $127,750 per year.[3] In some states, that cost of care can be much higher. At these rates, the choice to self-insure can be very challenging. A common misconception among people without long-term care insurance may be that government health programs, such as Medicare and Medicaid, will cover these costs.

While Medicare provides limited coverage for nursing home and home care services, it is designed to pay for the treatment of acute, short-term illness — not ongoing care associated with activities of daily living,[4] such as eating, bathing and dressing. Therefore, Medicare's coverage of nursing home and home care services is very limited.

Medicaid, a different program entirely, may cover ongoing costs associated with long-term care, but requires that recipients meet strict asset and income eligibility criteria, and that care be restricted to Medicaid-approved services and facilities.

Under the Long-Term Care Services℠ Rider, you are generally eligible for benefits if a physician certifies that you need substantial assistance to perform at least two of the six activities of daily living, which include: eating, bathing, dressing, toileting, continence and transferring, or if you have a significant cognitive impairment.

3 Genworth, 2024 Cost of Care Survey, genworth.com/aging-and-you/finances/cost-of-care.html.

4 As defined in the Internal Revenue Code Section 7702B.

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The Long-Term Care Services℠ Rider

There is another way to help protect yourself and your family should you have a need for life insurance and eventually require long-term care. Consider purchasing the Long-Term Care Services℠ Rider in conjunction with a new permanent indexed universal life insurance policy.

While life insurance ensures that loved ones will receive immediate funds in the event of your death, the Long-Term Care Services℠ Rider allows you to accelerate some or all of the amount of a policy's death benefit to help pay for qualified long-term care services. The Long-Term Care Services℠ Rider is not a stand-alone long-term care insurance policy, but it can provide funds for long-term care services should the need arise. Though the Long-Term Care Services℠ Rider may not cover all costs associated with your care, it may certainly help defray the financial burden. Therefore, other than your life insurance policy, assets you have earmarked for retirement and bequests may be protected and can be used as you intended, rather than possibly depleted to provide for your care.

The maximum amount of benefits you can receive under the rider is the Long-Term Care Maximum Total Benefit, which is equal to the policy's initial face amount times the acceleration percentage selected by you, the policyowner, at issue. To understand how the acceleration percentage affects the amount available for acceleration under this rider, please see the example in the call-out box. Since the benefit provided under the rider is an acceleration of a policy's death benefit, certain policy transactions, such as a reduction in the policy's face amount, can reduce the Long-Term Care Maximum Total Benefit.

To be eligible for benefits under this rider, you must be chronically ill and receiving qualified long-term care services in accordance with a plan of care. The elimination period must be satisfied, and we must receive notice of claim and satisfactory proof of loss. Services must be rendered by a facility or agency as defined in the rider. Pre-existing condition exclusions also apply. Please request the Outline of Coverage and Policy Rider Form for more information. Some restrictions may apply. **See "Limitations and exclusions" on the back cover of this brochure.**

Death Benefit Option	Acceleration Percentage
A[5]	20%–100%
B[6]	100%

How it works

Jack has a permanent life insurance policy with an initial face amount of $1,000,000 and elects Death Benefit Option A[5] with an acceleration percentage of 50%. Therefore, his Maximum Total Benefit amount at issue would be $500,000.

Stacy has a permanent life insurance policy with an initial face amount of $1,000,000 and elects Death Benefit Option B.[6] For any policy with Death Benefit Option B, the acceleration percentage is always 100%. After 15 years, her policy has a cash value of $100,000 and a death benefit of $1,100,000. Therefore, her Maximum Total Benefit at that time would be $1,100,000.

5 For Death Benefit Option A policies, the Maximum Total Benefit is equal to current Long-Term Care Specified Amount. The policyowner may select an acceleration percentage between 20% and 100%. Once selected, the acceleration percentage may not be changed.

6 For Death Benefit Option B policies, the acceleration percentage must be 100% and the Maximum Total Benefit is equal to the current Long-Term Care Specified Amount plus the Policy Account Value.

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Choosing your coverage

When you apply for the permanent [indexed universal] life insurance policy and elect the Long-Term Care Services℠ Rider, you will designate the face amount and death benefit option of life insurance, as well as the acceleration percentage and monthly benefit percentage of the rider. These designations will help determine the maximum monthly benefit amount available under the rider. See the chart for detail regarding the monthly benefit percentage. If you begin receiving benefit payments under this rider, the amounts of these payments are treated as a lien (Accumulated Benefit Lien Amount) against the death benefit and reduce the cash surrender value.

There is an optional nonforfeiture benefit available with the Long-Term Care Services℠ Rider for an additional cost. While the nonforfeiture benefit may provide an additional benefit in some cases, the charge for the Long-Term Care Services℠ Rider, including the nonforfeiture benefit, will be higher than the charge for the rider without the nonforfeiture benefit. As with the decision to purchase any type of insurance product, check with your financial professional to see if a permanent life insurance policy with the Long-Term Care Services℠ Rider may be able to work for you.

Base policy face amount, along with monthly benefit percentage

Minimum and Maximum Issue Ages for the Monthly Benefit Percentages:		Maximum Face Amount at Issue:[7]
1%	Issue ages 20–75	$5,000,000
2%	Issue ages 20–75	$2,500,000
3%	Issue ages 20–70	$1,666,666

7 The maximum face amount at issue referenced in this chart assumes a policy includes the Long-Term Care Services℠ Rider with an acceleration percentage of 100%.

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If you don't use it, you don't lose it

If you decide to add the Long-Term Care Services℠ Rider to your indexed universal life insurance policy at issue and don't receive payments under the rider, the policy's entire net death benefit will pass to your beneficiaries when you die. In other words, if you do not use your long-term care protection, although you have paid the rider charge for the option to accelerate the death benefit, you haven't spent decades paying premiums for a policy that never pays any benefit at all. Additionally, if you begin collecting monthly benefits under the Long-Term Care Services℠ Rider, but do not receive the full death benefit of your policy, the remaining death benefit will be paid to your beneficiaries at your death.

Protect what's important

If you were asked what's important to you, most likely you would name loved ones. That's why you intend to protect them by owning life insurance. Consider their response if asked the same question — they would most likely name you.

Life insurance will help provide for the people who matter the most to you when you're gone. But think about what could happen if you are still living, yet unable to independently care for yourself — the emotional impact would be great, but the same might be said for the financial impact. Help secure your family's financial future and yours with a combination of life insurance and the Long-Term Care Services℠ Rider. Help protect what's important: the quality of their lives and yours.

The HIPAA limit for 2025 is $420 per day. This daily benefit limit may be adjusted annually for inflation by the IRS. For purposes of calculating the Maximum Monthly Benefit payment, we also apply 200% of the HIPAA limit and assume a 30-day month. For 2025, this produces a benefit payment limit of $25,200 per month. There is an overall Maximum Monthly Benefit of $50,000.

Long-Term Care Services℠ Rider

An indexed universal life insurance policy with the Long-Term Care Services℠ Rider provides a single strategy to meet your financial protection and death benefit needs.

- If needed, you can accelerate all or part of your policy's death benefit, which can be used to help pay for qualified long-term care expenses.
- Any part of the net death benefit not accelerated as benefits provided under the Long-Term Care Services℠ Rider will be paid to beneficiaries at the insured's death.

Limitations and exclusions:

(a) Preexisting conditions. This rider does not cover conditions for which the insured person received medical advice or treatment from a provider of healthcare services (or a condition for which treatment was recommended to the insured person by a healthcare provider) within 6 months preceding the effective date of this rider. No benefits will be provided under the rider during the first 6 months for long-term care services received by the insured due to a preexisting condition. Days of service received by or recommended to the insured person for a preexisting condition during the first 6 months that the rider is inforce will not be counted toward the satisfaction of the elimination period.

(b) Exclusions, exceptions and limitations. This rider does not cover services provided by a facility or an agency that does not meet the rider definition of such facility or agency. The rider does not cover care or treatment:

- From a facility that primarily treats drug addicts or alcoholics;
- From a facility that primarily provides domiciliary, residency or retirement care;
- From a facility owned or operated by a member of the owner or insured person's immediate family;
- From anyone who is under suspension from Medicare or Medicaid;
- If benefits are sought only because a third party requires that this rider be exercised (as, for example, to obtain or maintain a government assistance benefit);
- For an attempted suicide or intentionally self-inflicted injuries;
- As a result of alcoholism or drug abuse (unless drug abuse was a result of the administration of drugs as part of treatment by a physician);
- Due to war (declared or undeclared) or any act of war, or service in any of the armed forces or auxiliary units;
- Due to committing or attempting to commit or participating in a felony, riot or insurrection;
- Received outside the United States unless the initial and any annual renewal certifications are completed by a U.S.-licensed healthcare physician. For purposes of this exclusion, United States shall mean the 50 states, District of Columbia, Puerto Rico and the U.S. Virgin Islands.

This rider may not cover all the expenses associated with the insured's long-term care needs. If your policy is subject to a loan, a portion of the monthly benefit payment will be applied to repay a portion of the outstanding policy loan.

The purpose of this method of marketing is solicitation of insurance and contact may be made by an insurance agent, producer, insurance company or insurance agency.

Actual terms and conditions of the Long-Term Care Services℠ Rider are contained in rider form R12-10 or state variations. This rider has exclusions and limitations under which the rider may be continued inforce or discontinued. It may not be available in all jurisdictions. For more information, costs and complete details of coverage, contact your life and health insurance-licensed financial professional or the company. For an additional charge, the rider may be available with a nonforfeiture benefit.

Life insurance products are issued by Equitable Financial Life Insurance Company (Equitable Financial) (NY, NY) or affiliate Equitable Finanical Life Insurance Company of America, an AZ stock company with an administrative office located in Charlotte, NC. Equitable Financial Life Insurance Company of America is not licensed to do business in New York. Universal and indexed universal life products are co-distributed by Equitable Network, LLC (Equitable Network Insurance Agency of California, LLC; Equitable Network Insurance Agency of Utah, LLC; Equitable Network of Puerto Rico, Inc.) and Equitable Distributors, LLC. All companies are affiliated and directly or indirectly owned by Equitable Holdings, Inc., and do not provide tax or legal advice. You should consult with your tax and legal advisors regarding your particular circumstances.

For complete details regarding rider costs of coverage, call your financial professional. The issuing life insurance company has sole financial responsibility for its own obligations.

The rider is intended to be federally tax-qualified.

Long-Term Care Services℠ is a service mark of Equitable Financial Life Insurance Company.

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Life Insurance: • Is Not a Deposit of Any Bank • Is Not FDIC Insured • Is Not Insured by Any Federal Government Agency • Is Not Guaranteed by Any Bank or Savings Association • Variable Life Insurance May Go Down in Value

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