



EQUITABLE



# One strategy can help address two needs

Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider  
with my permanent life insurance policy

# 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, an estimated 70% of Americans who reach age 65 will need some form of long-term care service and support.<sup>1</sup> 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 that you may be asking yourself is, “Am I financially prepared for the ongoing expenses associated with this care if I need it?”**

The Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider is 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, require continuous care for the remainder of your life and otherwise qualify under the rider. The Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider provides you with a versatile benefit that can be used during your lifetime to pay for some of the expenses associated with long-term care, if needed. Receipt of the accelerated benefits may be taxable; therefore, you should seek assistance from a tax advisor.

The company has the right to increase charges on the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider up to a guaranteed maximum rate. An increase in rider charges may require a higher premium in order to

keep the policy and rider in effect. Also, the approval of this rider is subject to underwriting. The underwriting requirements are based on our published age and amount guidelines, which may include a paramedical exam.

This product is a life insurance policy rider that accelerates the death benefit for qualified long-term care services and is not a health insurance policy rider providing long-term care insurance subject to the minimum requirements of New York law; it does not qualify for the New York State Long-Term Care Partnership program and is not a Medicare supplement policy.

This rider has exclusions and limitations under which the rider may be continued in force or discontinued. Contact your financial professional today to discuss how the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider may be able to help you meet your unique financial goals and for more information, costs and complete details of coverage.

<sup>1</sup> How Much Care Will You Need? <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>.

# 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 \$111,657 per year.<sup>2</sup> 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 LTC coverage is 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,<sup>3</sup> such as eating, bathing and dressing. Therefore, Medicare's coverage of nursing home and home-care services is 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 care is restricted to Medicaid-approved services and facilities.

**Under the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> 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 and require continuous care for the remainder of your life.**

<sup>2</sup> Genworth, 2021 Cost of Care Survey, <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>.

<sup>3</sup> As defined in the Internal Revenue Code Section 7702B.

# The Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> 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 Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider in conjunction with a new permanent life insurance policy.

While life insurance ensures that loved ones will receive immediate funds in the event of your death, the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider allows you to accelerate some or all of the amount of a policy's death benefit, called the Accelerated Death Benefit for Long-Term Care Specified Amount, to help pay for qualified long-term care services. The Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider can provide funds for long-term care services should the need arise. Though the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> 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 being 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 differs between Death Benefit Options A and B, please see the example in the callout 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, receiving qualified long-term care services in accordance with a plan of care, and require continuous care for the remainder of your life. The eligibility 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. Please request the Outline of Coverage and Policy Rider Form for more information. Some restrictions may apply.

See "Exclusions" on the back cover of this brochure.

Death Benefit Option	Acceleration Percentage
A <sup>4</sup>	20%-100%
B <sup>5</sup>	100%

## How it works

**Jack** is age 50 and has an indexed universal life insurance policy with an initial face amount of \$1,000,000 and elects Death Benefit Option A<sup>4</sup> with an acceleration percentage of 50%. Therefore, his Long-Term Care Specified Amount at issue is \$500,000.

**Stacy** is age 50 and has an indexed universal life insurance policy with an initial face amount of \$1,000,000 and elects Death Benefit Option B.<sup>5</sup> For any policy with Death Benefit Option B, the acceleration percentage is always 100%. Therefore, her Long-Term Care Specified Amount at issue is \$1,000,000.

<sup>4</sup> 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.

<sup>5</sup> For Death Benefit Option B policies, the acceleration percentage must be 100% and the Maximum Total Benefit is equal to current Long-Term Care Specified Amount plus the policy account value

# Choosing your coverage

When you apply for the permanent life insurance policy and elect the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider, you will designate the face amount of life insurance needed and the acceleration percentage to determine the Long-Term Care Specified Amount along with Monthly Benefit Percentage, which determines the maximum monthly benefit amount available under the rider. See the chart for details regarding the Monthly Benefit Percentage. If you begin collecting long-term care benefits, the amount of each payment will be treated as a lien, and therefore, will reduce the policy death benefit, account value and cash value.

## Base policy face amount along with monthly benefit percentage

Minimum and maximum issue ages for the monthly benefit percentages		Maximum face amount at issue <sup>6</sup>
1%	Issue ages 20–75	\$5,000,000
2%	Issue ages 20–75	\$2,500,000
3%	Issue ages 20–70	\$1,666,666

<sup>6</sup> The maximum face amount at issue referenced in this chart assumes a policy includes the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider with an acceleration percentage of 100%.

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

If you decide to add the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> 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 Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> 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, and 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 Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider. Help protect what's important: the quality of their lives and yours.

The HIPAA limit for 2023 is \$420 per day. This daily benefit limit may be adjusted annually for inflation. For purposes of calculating the Maximum Monthly Benefit payment, we also apply 100% of the HIPAA limit and assume a 30-day month. For 2023, this produces a benefit payment limit of \$12,600 per month. There is an overall Maximum Monthly Benefit of \$50,000.

## Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider

An indexed universal life insurance policy with the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> 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 Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider will be paid to beneficiaries at the insured's death.

## Exclusions:

Qualified long-term care services do not include treatment or care:

- For mental or nervous disorders (Alzheimer's Disease and demonstrable organic brain disease are not excluded from coverage);
- For alcoholism or drug addiction (unless drug addiction was a result of the administration of drugs as part of treatment by a physician);
- For illness, treatment or medical condition arising out of:
  1. war or act of war (declared or undeclared);
  2. participation in a felony, riot or insurrection;
  3. service in the armed forces or auxiliary units; or
  4. suicide, attempted suicide or intentionally self-inflicted injury;
- For treatment or care received outside the United States unless the initial and any annual renewal certifications are completed by a physician licensed in the United States. For purpose of this exclusion, United States shall mean the 50 states, District of Columbia, Puerto Rico and the U.S. Virgin Islands;
- From a facility that primarily provides domiciliary, residency or retirement care;
- From a facility owned or operated by a member of your or the insured person's immediate family;
- Provided by a member of the insured's immediate family during the eligibility period pursuant to our LTCSR claims administrative practices;
- 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).

Notice to owner: This rider may not cover all of the costs associated with the long-term care incurred by the owner during the period of coverage. The owner is advised to review carefully all policy limitations.

*Actual terms and conditions of the Accelerated Death Benefit for Long-Term Care Services<sup>SM</sup> Rider are contained in rider form #R12-10 NY. This rider has exclusions and limitations under which the rider may be continued inforce or discontinued. For more information, costs and complete details of coverage, contact your life and health insurance-licensed financial professional or the company.*

Life insurance products are issued by Equitable Financial Life Insurance Company, New York, NY. Universal and indexed universal life products are co-distributed by Equitable Network, LLC (Equitable Network Insurance Agency of California in CA; Equitable Network Insurance Agency of Utah in UT; Equitable Network of Puerto Rico, Inc. in PR) 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.

### RIDER FORM: #R12-10 NY.

Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc., including Equitable Financial Life Insurance Company (NY, NY); Equitable Financial Life Insurance Company of America, an AZ stock company; and Equitable Distributors, LLC. Equitable Advisors is the brand name of Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN). The obligations of Equitable Financial and Equitable America are backed solely by their claims-paying abilities.

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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