EQUITABLE

How can you add long-term care for near zero net cost?

Long-Term Care Services℠ Rider

As a leading authority on life insurance with long-term care riders, we offer one of the most comprehensive riders available for your clients' needs. Our Long-Term Care Services℠ Rider (LTCSR) protects your clients' assets and adds flexibility, with none of the typical trade-offs. And, when added to a VUL Legacy® life insurance policy, it can provide access to a long-term care benefit that matches the initial death benefit, even after a substantial withdrawal, for a near zero net cost. Clients who can afford higher up-front premiums and want to make the most of their policy may want to consider the near net zero concept.

Let's see how it works

A 45-year-old male needs a death benefit of $1,250,000 and has extra assets to invest. He wants a withdrawal of around $500,000 at age 65 and to protect his assets from possible long-term care costs. He purchases a VUL Legacy® policy with the LTCSR.

Here's what happens

Male 45, Preferred Rating, Initial DB $1,250,000, Paying Premiums for 20 Years									
Product	Annual premium	Total premiums year 10	Death benefit year 20	LTC year 20	Tax-free withdrawal year 21	Withdrawal as % of premiums paid	Death benefit years 21 and beyond	LTC years 21 and beyond	Net premiums year 40
VUL Legacy® 1	$25,000	$250,000	$1,889,096	N/A	$500,000	100%	$1,250,000	N/A	$0
VUL Legacy® 2 with LTCSR	$25,000	$250,000	$1,823,193	$1,823,193	$486,770	97%	$1,250,000	$1,250,000	$13,230

He overfunds the policy early on, paying $25,000 for the first 20 years.

He takes a tax-free withdrawal of $486,770 at age 65 for a net cost of $13,230.

His death benefit is back to $1,250,000 — and his LTC benefit matches it. With the right design, this policy can stay inforce until it matures.

His death benefit and LTC benefit grow together.

The values shown reflect the cost of 20 years of premiums illustrated at a 8% gross rate of return and current charges. If your clients were to receive a 0% gross rate of return and maximum charges are assessed in the policy, the policy would lapse in year 21, by which point $250,000 of cumulative premium would have been paid. Please refer to the basic illustration and current prospectus for more information. Run an illustration for your clients to determine their results. Policy loan and withdrawals will reduce the face amount and cash value of the contract. Clients may need to fund higher premiums in later years to keep the policy from lapsing.

Equitable Financial Life Insurance Company (NY, NY)

Now, look at the difference between the VUL Legacy® policy with and without LTC

With the LTCSR, he can maximize his premium dollars with the dual benefit of long-term care through an accelerated death benefit for qualifying expenses on his life insurance policy. Without the LTCSR, he would pay the same premiums, get a slightly higher death benefit and a slightly higher withdrawal at year 21 to keep the $1,250,000 death benefit — BUT, if he needs long-term care, he won't have access to an LTC benefit to pay for it.

Is the slight difference in death benefit and withdrawal worth losing $1,250,000 in potential long-term care benefit? Most would say no.

Please remember the LTCSR does have an additional cost, as well as restrictions and limitations. A client may qualify for the life insurance, but not the rider. For example, insureds age 60 and older who elect this rider on VUL Legacy® will not be eligible for the preferred elite or preferred non-tobacco underwriting classes. The long-term care benefit is paid as an acceleration of the death benefit.

To learn more, call the Life Insurance Sales Desk or visit equitableLIFT.com/ltc.

A life insurance policy is backed solely by the claims-paying ability of the issuing life insurance company. It is not backed by the broker/dealer or insurance agency through which the life insurance policy is purchased or by any affiliates of those entities, and none makes any representations or guarantees regarding the claims-paying ability of the issuing life insurance company.

VUL Legacy® is a flexible premium variable life insurance policy issued in New York and Puerto Rico by Equitable Financial Life Insurance Company (Equitable Financial) (NY, NY); and in all other jurisdictions by Equitable Financial Life Insurance Company of America (Equitable America), an Arizona stock corporation with its main administrative office in Jersey City, NJ; and is distributed by Equitable Advisors, LLC (member FINRA, SIPC) (Equitable Financial Advisors in MI & TN) and Equitable Distributors, LLC, 1290 Avenue of Americas, NY, NY 10104. Equitable America is not licensed to conduct business in New York and Puerto Rico. When sold by New York state-based (i.e., domiciled) financial professionals, VUL Legacy® is issued by Equitable Financial Life Insurance Company (NY, NY).

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