



EQUITABLE

- ✓ Equitable Financial Life Insurance Company
- ✓ Equitable Financial Life Insurance Company of America

Long-Term Care ServicesSM Rider

With a permanent life insurance policy

[Month 00, 2020]

Contents

1 **Importance of long-term care protection**

2 **Importance of life insurance**

3 **Long-Term Care ServicesSM Rider**

4 **Why choose us?**



Importance of long-term care protection

Long-term impact

Consider the following:

- 70% of people over age 65 may need long-term care services.¹
- Women make up two-thirds of nursing homes.²
- 6.1 million long-term care recipients are between 18-64 years of age.³
- Long-term care costs can easily climb over \$102,200 per year.⁴

Within a few years, long-term care costs can erode estate assets!

¹ How Much Care Will You Need? <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need> February 2020.

² Brown, Jason. The Department of Treasury "The Economic Security of Older Women," January 2017.

³ Long-Term Care Insurance Facts – Data – Statistics – 2019 Report. www.aaltci.org/lcfacts-2019.

⁴ Genworth 2019 Cost of Care Survey, <https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>.



Long-term impact

Medicare and private health insurance programs often do not pay for the majority of long-term care services.

	National median monthly cost⁴	Monthly cost in 20 years (assuming 3% annual inflation)
Semiprivate room in a nursing home	\$7,908	\$14,283
Private room in a nursing home	\$9,034	\$16,316
Care in an assisted living facility	\$4,500	\$8,128
Care in an adult day care center	\$1,690	\$3,052

⁴ Genworth 2021 Cost of Care Survey, <https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>.

Retirement concerns

Americans' top financial concerns

Unplanned expenses	51%
Personal debt	38%
Not saving enough for short- and long-term needs	36%
Rising healthcare costs	33%
The economy, stock market volatility and interest rates	23%

Source: Backman, Maurie. Here Are Americans' Top 5 Financial Concerns for 2020. December 24, 2021, <https://www.nasdaq.com/articles/these-are-americans-top-financial-concerns-for-2022>.

When is the right time to buy?

When coverage is bought

50-54	16.2%
55-59	24.7%
60-64	23.2%
65-69	12.3%

When claims begin

Age 70 and under	4.5%
71-80	25.8%
81-90	52.2%
91 and over	17.5%

76.4% of long-term care insurance buyers are between 50 and 69 years old

Source: Long-Term Care Insurance Facts - Data - Statistics - 2019 Report. www.aaltci.org/lcfacts-2019.

Shifting marketplace

- Costs of long-term care services for 70-and-older Americans are expected to grow enormously over the next three decades.⁵
- Marketplace for traditional long-term care insurance policies continues to decline.⁶
 - Fewer insurance carriers offering stand-alone, individual policies
 - Claims are rising
- Combination products have increased market share:⁷
 - Benefits mean that regardless of whether the policyholder has a long-term care claim, they will receive benefits
 - Often have guaranteed premiums and benefits
 - Offer alternatives besides single premium

⁵ Gibson, William E. Long-Term Care Costs May Double to \$5.6 Trillion by 2047. AARP. March 19, 2018.

⁶ Gleckman, Howard. Sales Of Traditional Long-Term Care Insurance Policies Continue To Fall. Forbes. July 3, 2019.

⁷ Claude Thau, Allen Schmitz, FSA, MAAA and Chris Giese, FSA, MAAA, 2019 Milliman. Long-Term Care Insurance Survey. Broker World. July 1, 2019.





Importance of life insurance

The importance of life insurance

After death:

- Pay off debts, mortgage or taxes after death.
- Fund college for children.
- Replace some or all income.
- Provide financial support for elderly parents.
- Maximize what you leave beneficiaries.
- Continue your business.



The importance of life insurance

While you're living:

- Supplement retirement income.
- Access to cash surrender value in case of emergency.
- Retain employees as part of executive benefits package.



How life insurance works

Policyowner



Contract



Insurance company



- Will pay premiums at regular intervals or in lump sums.
- May access cash surrender value.

- Will pay sum of money at insured's death or for qualified long-term care services.

Loans and withdrawals reduce the policy's cash value and death benefit, may cause certain policy benefits or riders to become unavailable, and increase the chance the policy may lapse. If the policy lapses, is surrendered or becomes a Modified Endowment Contract (MEC), the loan balance at such time would generally be distributed and taxable under the general rules for distribution of policy cash values. Under current federal tax rules, you generally may take federal income tax-free withdrawals up to your basis (total premiums paid) in the policy or loans from a life insurance policy that is not a MEC. Certain exceptions may apply for partial withdrawals during the policy's first 15 years. If the policy is a MEC, all distributions (withdrawals or loans) are taxed as ordinary income to the extent of gain in the policy, and may also be subject to an additional 10% premature distribution penalty prior to age 59½, unless certain exceptions are applicable. Loans and partial withdrawals will decrease the death benefits and cash value of your life insurance policy and may be subject to policy limitations and income tax. In addition, loans and partial withdrawals may cause certain policy benefits or riders to become unavailable and may increase the chance your policy may lapse. If the policy lapses, is surrendered or becomes a MEC, the loan balance at such time would generally be viewed as distributed and taxable under the general rules for distribution of policy cash values.



Long-Term Care ServicesSM Rider

What is it?

Long-Term Care ServicesSM Rider:

- Is an accelerated benefit available at issue with certain individual permanent life insurance products.
- Provides you with a benefit you can use during your lifetime and is a versatile way to pay for some of the qualifying expenses associated with long-term care.
- May advance all or a portion of a policy's death benefit through monthly benefit payments that can help pay for qualified long-term care services.
 - U.S. physician must certify that you have become chronically ill, and otherwise qualify under the rider,
 - Written notice of claim and proof of claim must be provided, and
 - Proof that the elimination period has been satisfied must be provided.⁸
 - If you need long-term care temporarily, you'll only wait 90 calendar days before we'll send payment
 - If you need long-term care for the rest of your life, we waive the elimination period so you don't have to wait to get the financial help you need

8. A preexisting condition may limit the company's ability to pay long-term benefits.

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

- With the Long-Term Care ServicesSM Rider:
 - **There is NO requirement to use.**
 - **100% of unused benefit passed to beneficiaries upon death.**
- If you decide to add the Long-Term Care ServicesSM Rider to your permanent life insurance policy and don't receive payments under the rider, the policy's entire death benefit will pass to your beneficiaries when you die.
- In other words, if you do not use your long-term care protection, but you have paid the rider charge for the option to accelerate the death benefit, the death benefit will pass to your beneficiaries when you die. *

*There is no refund of the rider charges if the rider is not exercised.

Receive care from the person you want

- Once you have a plan of care in place, you can:
 - **choose to use the long-term care benefit payments any way you want**
- That means you can:
 - **receive care from the person you're most comfortable with — a family member, friend or medical professional — and**
 - **use the money to pay that person for their time and assistance**

Choosing your coverage – acceleration percentage

- The acceleration percentage is the feature of the LTCSR that drives how much of your face amount and death benefit can be accelerated for long-term care needs.
- Depending on your policy's death benefit option, acceptable acceleration percentages may vary.
- Ability to customize acceleration percentage between 20% and 100% with Death Benefit Option A.
 - Death Benefit Option B will always have an acceleration percentage of 100%.
- You can choose the death benefit that works for you. Either way, when selected, your long-term care benefit will always equal your policy's death benefit and can grow with the performance of the policy.

Death benefit option	Acceleration percentage
A	20% – 100%
B	100%

Acceleration of \$1M LTC maximum total benefit

Death benefit option	Acceleration percentage	Benefit percentage	Monthly benefit
A	50%	2%	\$10,000
A	75%	2%	\$15,000

Choosing your coverage – monthly benefit percentage

- The monthly benefit percentage is the feature of the LTCSR that calculates how much of the rider's maximum total benefit will be accelerated as an LTC benefit payment each month.
- You can choose the monthly benefit percentage at policy issue, either 1%, 2% or 3%.
- Allows you to pick percentage that works for you.

The minimum and maximum issue ages for the benefit amount percentages are:

1%	Issue ages 20-75
2%	Issue ages 20-75
3%	Issue ages 20-70

Monthly benefit on a policy with a \$1M LTC maximum total benefit:

1%	\$10,000
2%	\$20,000
3%	\$30,000

A Cost of Insurance (COI) charge for the Long-Term Care ServicesSM Rider (LTCSR) is deducted from the policy account value on each month anniversary while the rider is in effect until the policy anniversary nearest the insured's attained age 100. When monthly benefits are being paid under the rider, we will waive the monthly LTCSR COI charge.

LTCSR Cost of Insurance (COI) Rates

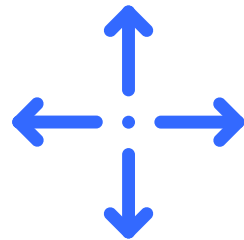
There are both current and guaranteed COI rates. The current LTC COI rates are banded by the monthly benefit percentage (1%, 2% or 3%) and vary by issue age, sex, underwriting class, tobacco user status, nonforfeiture benefit if elected and Death Benefit Option A or B selection.

The guaranteed LTCSR COI rates vary by issue age, sex, tobacco user status, non-forfeiture benefit if elected and Death Benefit Option A or B selection. The current and guaranteed rates are included with the Outline of Coverage.



Why choose us?

Life insurance with the Long-Term Care ServicesSM Rider



Protection and more

- Better **protect your assets** from life's unknowns.
- If needed, tap into your policy so you **can potentially avoid using other assets to pay for LTC.**
- If LTC benefits aren't needed, your full life insurance benefit will **pass along to your beneficiary.**



Added flexibility

- **Adds an extra layer of flexibility** to your permanent life insurance plan to help you adapt to life's changes.
- The LTC benefit available to you for qualifying expenses matches your death benefit (if you design it to do so) which can **grow with the performance of your policy.**



No trade-offs

- Receive LTC benefits **without the hassle of submitting receipts.**
- **Use funds the way you want, you can receive care from the person you're most comfortable with** –a family member, friend, or medical professional.
- If you need long-term care for the rest of your life, **we waive the elimination period**, so you don't have to wait to get the financial help you need.
- If you need long-term care temporarily, **you'll only wait 90 calendar days** before we'll send payment.

Disclosure

(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 chronic illness of the insured person for a preexisting condition during the first 6 months that the rider is in force 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 active duty in the armed forces of any nation or international governmental authority or units auxiliary thereto of the National Guard or similar government organizations;
- 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 purpose 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 ServicesSM Rider are contained in Rider Form ICC19-R19-LTCSR. This rider has exclusions and limitations under which the rider may be continued in force 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.

The company has the right to increase charges on the Long-Term Care ServicesSM 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.

Life insurance products are issued by Equitable Financial Life Insurance Company (New York, NY) or Equitable Financial Life Insurance Company of America and co-distributed by affiliates 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. When sold by New York state-based (i.e., domiciled) Equitable Advisors financial professionals, life insurance products are issued by Equitable Financial Life Insurance Company (New York, NY). 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.

RIDER FORM: ICC19-R19-LTCSR

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

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 and TN). The obligations of Equitable Financial and Equitable America are backed solely by their claims-paying abilities.

© 2022 Equitable Holdings, Inc. All rights reserved G619566

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 • May Go Down in Value

ICC23-Cat. #161716



GE-3150697.2 (3/23) (Exp. 3/25)

Thank you.



EQUITABLE