MassMutual

UL Guard℠ with the LTCAccess℠ Rider II

A Case Study: Helping Long Term Care Planning Dollars Go Further

UL Guard is a flexible premium universal life insurance policy that offers guaranteed protection for clients who want to ensure a death benefit for loved ones. The LTCAccess Rider II, available for an additional premium, provides the ability to accelerate all or a portion of the policy's death benefit to help pay for qualified long term care services.

MEET

Brandon

- He is 55 years old
- In great health
- Married with two adult sons

Over the next five years, he plans to:

- Allocate $50,000 annually to a taxable account earning 4% per year, with taxes on the earnings paid annually at a 25% income tax rate
- Leave the money in the account to help pay for any future long term care (LTC) services if needed at some point during his retirement.

The benefits of the LTCAccess Rider II, available through a UL Guard policy, could be appropriate for a policyowner who needs life insurance protection and is also looking for the flexibility to access the policy's death benefit to pay for qualified long term care needs. If their only purpose for purchasing the policy with LTCAccess Rider II is to pay future long term care expenses, they may wish to consider other options. Accelerating benefits under the rider will reduce the policy's death benefit and net surrender values through the establishment of policy liens.

When Brandon sits down with his financial professional to review his retirement plan—including his approach to funding future long term care expenses—another priority becomes clear: he wants to create a more meaningful legacy for his two adult sons.

A Different Way to Position the Same Planning Dollars

As an alternative to self-insuring potential long term care expenses, Brandon's financial professional suggested repositioning the funds into a UL Guard policy with the LTCAccess Rider II. Through **five annual payments of $50,000,** Brandon could **purchase a policy with a $779,404 death benefit,**[1] one that delivers guaranteed protection along with the flexibility to access all or a portion of the death benefit to help pay for qualified long term care services.

By repositioning assets out of a taxable environment and into a life insurance strategy, Brandon also gains a more structured, tax-advantaged approach to support both legacy planning and long term care planning.

To tailor his coverage, Brandon designated $500,000 of the policy's death benefit for long term care and **selected the 2% monthly benefit option**. This approach could generate a **$10,000 LTC monthly benefit payment** to help cover the cost of care on an indemnity basis (amount is subject to IRS per-diem limits).

[1] Male, age 55, Best Risk Class, $779,404 Death Benefit, 5 annual premiums of $50,000, lifetime (age 121) guarantee.

Let's Compare the Two Options

Here's how UL Guard with LTCAccess Rider II compares to the taxable account after 25 years, when Brandon is age 80.

	UL Guard + LTCAccess Rider II	Self-Insure[2]
If no LTC is needed	$779,404 death benefit for sons	$493,828 (in taxable assets)
If LTC is needed	$500,000 for LTC expenses $279,404 death benefit for sons	$493,828 for LTC (in taxable assets)

With the LTCAccess Rider II added onto a UL Guard policy, Brandon was able to:

Reposition assets from a taxable account into a strategy designed to offer tax-advantaged protection and legacy-planning benefits

Establish a $500,000 LTC benefit pool that is federally tax-qualified under Internal Revenue Code (IRC) section 7702B(b)[3]

Fully fund a $779,404 policy in five years

Ensure a death benefit of at least $279,404 for his sons that is generally income tax free, if he uses the full LTC benefits

[2] Figures shown represent the total value after five annual payments of $50,000, assuming a 4% annual rate of return. Earnings are taxed annually at a 25% income tax rate. Values are shown at the end of year 25.

[3] The LTCAccess Rider II is intended to be a federally tax-qualified long term care insurance contract under Section 7702B(b) of the Internal Revenue Code, as amended. Therefore, any long term care benefits paid under the rider are generally received income tax free.

Benefit payments received under the LTCAccess Rider II may be taxable if the policyowner has received benefit paymentsunder other long term care insurance coverage for the same services. Policyowners and their tax advisors should consider any other long term care coverage they may have before accessing benefits under the rider.

This hypothetical example is for training purposes only.

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The products and/or certain features may not be available in all states. State variations may apply.

UL Guard (Policy Forms: CMULG-FL-2024, CMULG-CA-2024, CMULG-SC-2024 and ICC24-CMULG in certain states, including North Carolina) is a non-participating flexible premium adjustable life insurance policy issued by C.M. Life Insurance Company (C.M. Life), a wholly-owned subsidiary of MassMutual. C.M. Life is non-admitted in New York. UL Guard (Policy form: MMULG-NY-2024 in New York) is issued by MassMutual. Both C.M. Life and MassMutual are located in Springfield, MA 01111-0001.