Symetra Life Insurance Company

Case Study

Accelerated Death Benefit for Chronic Care Advantage Rider

Meet James

PROFILE

Medical Issue: Dementia

Policy Owner: James' wife, Sarah

Focus: Estate Protection

Product: Symetra Protector IUL

ADB for Chronic Care Advantage Rider Selections:
50% Acceleration
2% Payout Option

Death benefit: $1.2 million

What is a chronic illness?

It means the insured is unable to perform at least two of six activities of daily living—bathing, continence, dressing, eating, toileting, transferring—without substantial assistance for a period of at least 90 days during the prior 12-month period or suffers from severe cognitive impairment requiring substantial supervision to ensure the insured's health and safety. Certification by a licensed health care practitioner is required annually.[1]

Situation

James is a 69-year-old retired college professor who always enjoyed an audience. You could often find him having lively conversations about current events or telling animated stories to his grandchildren. Shortly after celebrating his 75th birthday, he began having trouble finding words to describe his feelings and needed assistance changing his clothes and bathing. He was diagnosed with moderate dementia.

Solution

Fortunately, James and his wife, Sarah, purchased a Symetra Protector IUL policy with the Chronic Care Advantage Rider when they remarried. After seeing the financial burdens of friends due to health issues later in life, it was important to them to leave a legacy for their families with alternatives for accessing their policy's death benefit.

James' primary care physician certifies that he is unable to perform two of the six activities of daily living.

Since his health had declined over the prior 12 months and he began to need substantial assistance over the last 90 days, James' condition met the policy's chronic illness criteria. Sarah decided to accelerate his death benefit (ADB) to help pay for an agency to care for James' daily needs.[2]

Result

Because of the Chronic Care Advantage Rider, Sarah is able to keep James at home by accelerating 50% of the base policy death benefit. The monthly benefit of 2% or $12,000 helps pay for full-time assistance at home and typically will be paid over a period of 50 months, provided James is recertified by his licensed health practitioner each year. In addition, 50% of the policy's monthly deductions will be waived.

Base policy death benefit: $1.2 million

Amount of death benefit accelerated: $600,000

2% monthly payout percentage – $12,000
Note: The monthly payout cannot exceed the IRS per-diem limit.

Total payout year one: $144,000

Remaining death benefit after first year payout: $1,056,000

Not a bank or credit union deposit, obligation or guarantee	May lose value
Not FDIC or NCUA/NCUSIF insured	Not insured by any federal government agency

Continued >

LIM-1701 1/26

Contact your insurance professional for more information about the Chronic Care Advantage Rider.

Life insurance is issued by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004-5135. Policies and riders may not be available in all U.S. states or any U.S. territory and terms and conditions may vary by the state in which they are available.

The Accelerated Death Benefit for the Chronic Care Advantage Rider is available with Symetra's indexed universal life products.

Symetra Protector IUL is a flexible-premium adjustable life insurance policy with index-linked interest options. Where available, it is usually issued under policy form number ICC18_LC2.

A rider is a provision of the policy that may have additional costs, limitations, potential benefits and features that should never be confused with the base policy itself. Before evaluating the benefits of a rider, carefully examine the policy to which it is attached.

Certain benefits or riders may have tax implications. You should consult with your legal or tax professional prior to purchasing.

Life insurance policies contain exclusions, limitations, reductions of benefits and terms for keeping them in-force. Please call your insurance professional for complete details.

The Accelerated Death Benefit for Chronic Care Advantage Rider is usually issued under rider form number ICC23_LE1, and is offered at application for an additional cost. The acceleration and payout percentages cannot change once the rider is issued. This rider is only available for issue ages 20-80, and if elected, additional underwriting will be required, and if the insured qualifies, the rider rate class will be the same as on the base policy. It's possible that the insured is approved for the base policy, but declined for this rider based on the rider underwriting results. This rider is not available on policies with ratings worse than Table 4, with annual flat extras exceeding $5 per $1,000, or with both flat extras and table rates. Exercising this rider will prohibit the policyowner from exercising the Accelerated Death Benefit for Terminal Illness Rider. If the optional Accelerated Death Benefit for Chronic Care Advantage Rider is selected, the Accelerated Death Benefit for Chronic Illness Rider is not available

Included in the policy, the Accelerated Death Benefit for the Chronic Illness Rider is usually issued under form number ICC16_LE6. This rider is only available for issue ages 20-85 and not available on rated policies. The amount of the death benefit that's accelerated, plus any accrued interest, will be secured by a lien against the base policy death benefit. Upon the death of the insured, the death benefit will be reduced by the amount of the lien, and the remaining death benefit will be paid. Exercising this rider will prohibit the policyowner from exercising the Accelerated Death Benefit for Terminal Illness Rider. If the optional Accelerated Death Benefit for Chronic Care Advantage Rider is selected, the Accelerated Death Benefit for Chronic Illness Rider is not available.

Included in the policy, the Accelerated Death Benefit for Terminal Illness Rider is usually issued under form number ICC16_LE5.

Receipt of an accelerated death benefit may be taxable, especially if the insured does not have a prescribed plan of care. You should consult with your personal tax or legal professional before applying for this benefit. You may also lose your right to receive certain public funds such as Medicare, Medicaid, Social Security, Supplemental Security Income, and possibly others. This benefit is intended to qualify as an accelerated death benefit under section 101(g) of the Internal Revenue Code. The death benefit value, policy value and loan values will be reduced if an accelerated death benefit is paid. For policies with a lapse protection benefit, the lapse protection value will also be reduced. There is no restriction on the use of proceeds of these accelerated death benefits.

Guarantees and benefits are subject to the claims-paying ability of Symetra Life Insurance Company.

[1] "Cognitive impairment" generally means a loss or deterioration in a person's intellectual capacity and includes diseases like Alzheimer's and various forms of irreversible dementia. "Activities of daily living" generally means routine daily self-care activities, such as getting dressed, eating, using the bathroom and getting in and out of bed.

[2] Qualified expenses includes costs incurred for the necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services needed by a chronically ill individual.

SYMETRA
RETIREMENT | BENEFITS | LIFE

Symetra Life Insurance Company
777 108th Avenue NE, Suite 1200
Bellevue, WA 98004-5135
www.symetra.com