

# Frequently Asked Questions

For California Residents

## Rider Availability

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### What products offer the Accelerated Access Rider?

The rider is available on Lifetime Builder ELITE, Lifetime Foundation ELITE and Global Accumulator.

### What's included with Accelerated Access?

This version of the rider includes a Critical Illness component that was not present in the first version of the rider. In addition, the calculation for determining the eligible amount has been simplified.

### Does this rider have a cost?

There is no cost to add this rider. Rider benefits will accrue with interest and the total (benefits plus interest) will reduce the death benefit. The accrued interest effectively is the cost of the rider.

### Is the rider available to everyone?

- Issue Ages: 18-64
- Minimum Base Policy Face Amount: \$100,000
- Subject to certain limitations.

### Can the rider be added after the policy has been issued?

No, it is only available at policy issue.

## Qualification Requirements

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### What qualifies someone as being chronically ill?

Chronically Ill or Chronic Illness means that a Licensed Health Care Practitioner has certified in writing that the insured has an impairment, and that as a result of such impairment, the insured has met at least one of the following two conditions during the 90 consecutive calendar days immediately preceding such certification:

- a) the insured is unable to perform without Substantial Assistance from another individual at least 2 Activities of Daily Living due to a loss of functional capacity; or
- b) the insured requires Substantial Supervision to be protected from threats to health and safety due to Severe Cognitive Impairment.

The insured will not be considered Chronically Ill unless the Certification Date in the written certification is within the prior 12 months.

## What qualifies someone as being critically ill?

If a Licensed Physician has certified in writing that the insured has suffered an illness or impairment, and as a result of that illness or impairment, the insured has at least one of the following conditions during the applicable elimination period, certain cancers, stroke, heart attack, diagnosis of end stage renal failure, major organ transplant, paralysis, coronary artery bypass, coma, severe burn, and AIDS.

## Eligibility Requirements

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### What are the eligibility requirements for receiving rider benefits?

The insured must be either Chronically Ill or Critically Ill; and

- Must have met the applicable elimination periods; and
- Owner must have a written certification from a Licensed Physician that the insured is Critically Ill, or a written certification from a Licensed Health Care Practitioner that the insured is Chronically Ill, with a Certification Date within the prior 12 months and on file with us, and the policy must be in force other than as extended term or reduced paid up insurance, if available; and
- The policy must be in force other than as extended term or reduced paid up insurance, if available; and
- A request for benefits under this rider must be approved by any irrevocable beneficiary or assignee; and

The policy must:

- Have a positive Remaining Eligible Amount; and
- Not be in the Grace Period

## Eligible Benefit Amount

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### How is the Eligible Amount calculated and can it change?

The Eligible Amount will be based on a percentage of the current death benefit at the time of claim. The percentage varies by attained age at claim. The maximum eligible amount is \$1,000,000.

**Chronic Illness** - The monthly benefit is limited to 2% of the Eligible Amount. The Maximum Monthly Amount is 2% of the Eligible Amount. This limit can vary between calendar years.

**Critical Illness** - Up to \$75,000 depending on the product. Two Critical Illness events are allowed during the life of the policy.

### Can rider payments be used for anything?

The rider payments are made on an indemnity basis, meaning that they will be paid irrespective of actual costs incurred due to the illness. The insured will not be required to submit expenses or demonstrate any cost.

### **How do benefit payments impact the policy's death benefit and Account Value?**

The Death Proceeds payable to the beneficiary upon death of the insured will be the death benefit reduced by the Accumulated Payout Balance and any other policy loans or liens. Access to the Cash Value of the policy through partial withdrawals is limited to the Net Cash Value in excess of the Accumulated Payout Balance.

### **What happens when 100% of the rider eligible amount has been paid?**

When the Accumulated Payout Balance is equal to or greater than the Eligible Amount, benefits will no longer be payable under this rider and the Accumulated Payout Balance will continue to accrue interest. At death of the insured, the death benefit will be reduced by the Accumulated Payout Balance and the remaining amount will be paid to the beneficiary.

When the death benefit less the Accumulated Payout Balance is equal to or less than the Residual Death Benefit and there is no outstanding policy loan, the policy will become a paid up policy for the amount of the Residual Death Benefit.

## **Additional Rider Information**

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### **Can a policy lapse on claim?**

Monthly deductions continue to be assessed while receiving benefits. However, while on claim (currently receiving benefits) if the Net Cash Value is insufficient to cover the monthly deduction, the monthly deduction will be added to the Accumulated Payout Balance and the policy will not lapse.

### **Are premiums required once benefit payments have begun and are they waived due to Chronic Illness?**

The base product is a flexible premium universal life contract and, as such, the timing and amount of premiums are flexible and subject to the discretion of the owner (within limits). However, monthly deductions continue to be assessed while receiving benefits and premiums should still be paid to maintain policy values within the contract.

### **Can the rider be terminated?**

The rider can be terminated and/or benefit payments can be terminated, however, any Accumulated Payout Balance will continue to accrue interest.

#### **The following disclosures pertain to the Accelerated Access Rider:**

**This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide long-term care insurance subject to California long-term care insurance law. This policy or certificate is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement (policy or certificate).**

This rider pays proceeds that are intended to receive favorable tax treatment under Section 101(g) of the Internal Revenue Code (26 U.S.C. Sec. 101 (g)).

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