

# Americans are underprepared for future health care expenses

Health care expenses eventually affect a large majority of older adults. Plan ahead so years-long illnesses and their associated costs won't slow down your family's future.



137.1 million

Americans have faced financial hardship this year due to medical costs.<sup>1</sup>

## How are serious illnesses affecting Americans?

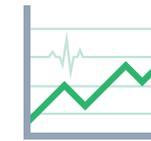


5.8 million

Americans are living with Alzheimer's disease.<sup>2</sup>



Heart disease is the #1 cause of death in the U.S.<sup>3</sup>



\$213 billion

estimated annual U.S. costs of cardiovascular disease and stroke.<sup>4</sup>



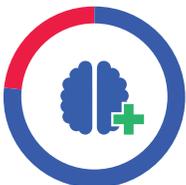
7 million

adults have had a stroke.<sup>4</sup>



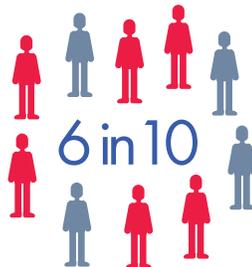
\$350,174

approximate lifetime cost of care for an individual living with dementia.<sup>2</sup>



76.7%

of patients survive a first-time stroke for longer than six months, requiring long-term care.<sup>5</sup>



Six in ten Americans live with at least one chronic disease.<sup>6</sup>



A healthy couple retiring at 65 can expect health care costs upwards of

\$360,000.<sup>7</sup>

Be prepared for unexpected health care expenses



Modern life insurance policies offer cash accumulation and living benefits that can help minimize the financial strain by providing funds while living. With a chronic illness rider on your life insurance policy, you can access income tax-free life insurance benefits if diagnosed with a qualifying condition.

# Looking forward to a bright future



Do you know the coverage that's right for you or how much life insurance you need? We can help make sure you and your loved ones are protected with living benefits.

## Who is it for?

Those who know they need life insurance to protect themselves and their families. Whether you have experienced a recent health care event or are in good health, you know it's best to have your options open in the event your health deteriorates later.

## How does it work?

It's not a "use it or lose it" policy. Your benefits are paid no matter what, and it's up to the policy holder to decide how the funds are used.



With a living benefit rider on your life insurance policy, you can access income tax-advantaged life insurance benefits if diagnosed with a qualifying condition.

For information on how life insurance can help with future health care expenses, contact your financial professional.

<sup>1</sup> Journal of Internal Medicine, Prevalence and Correlates of Medical Financial Hardship in the USA; May 2019.

<sup>2</sup> Alzheimer's Association. 2019 Alzheimer's Disease Facts and Figures. January 2019.

<sup>3</sup> Heart.org. Cardiovascular diseases affect nearly half of American adults. January 2019.

<sup>4</sup> American Heart Association. Heart Disease and Stroke Statistics—2018 Update: A Report From the American Heart Association.

<sup>5</sup> Journal of Education and Health Promotion. Factors related to 6-month mortality after first-ever stroke. September 2018.

<sup>6</sup> CDC. National Center for Chronic Disease Prevention and Health Promotion. January 2020.

<sup>7</sup> CNBC. Retiring this year? How much you'll need for health-care costs. July 2019.

### IMPORTANT CONSUMER DISCLOSURES REGARDING ACCELERATED BENEFIT RIDERS

An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.

ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services, or respite care for the primary caretaker, and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days, or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments, and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

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