SecureCare™ Universal Life
Individual Life and Long-Term Care Insurance
Only available in California

Insurance products issued by:
Minnesota Life Insurance Company

Tax-advantaged dollars for long-term care

Key employee coverage and C corporation owner/employee

Thanks to SecureCare Universal Life's (UL) unique premium structure, you can help employees implement a long-term care (LTC) strategy that allows them to use corporate dollars to protect personal assets on a tax-advantaged basis. This strategy also works with prospects who are C corporation owners/employees.

How it works[1]

Company creates a valid class[2] of employees

XYZ Company creates a valid class of employees that will receive LTC coverage. The class includes Chetna, a senior vice president, and XYZ's other top executives. XYZ pays the SecureCare UL premiums, but each member of the valid class owns their individual policy.

Chetna, age 60

$100,000 SecureCare UL policy
$20,000 annual premium for 5 years

- Non-tobacco, couples discount
- 3% compound inflation
- 6-year benefit duration

Chetna	Minimum death benefit[3]	Monthly LTC benefit	Total LTC benefits available
Day 1	$89,775	$3,741	$290,351
Age 85	$100,000	$7,832	$607,930

Contact us today

to customize a proposal that helps address a prospect's top LTC concerns:

1-888-900-1962
(Independent Distribution)

1-877-696-6654
(Broker-Dealer)

1. This is a hypothetical example for illustrative purposes only.
2. Please note: It's important to work with your client's tax and legal advisors to create a valid class of employees and a document outlining the agreement and terms of the plan providing the benefit.
3. Minimum amount paid income tax free to Chetna's beneficiaries if she dies before she needs LTC. The amount paid will be reduced by any terminal illness benefit payments, premium due, partial surrenders and any indebtedness.

Company tax implication

Each employee's SecureCare UL premium is fully deductible, so XYZ will receive an annual business tax deduction of $20,000 for 5 years for Chetna's premium.

Chetna's individual tax implication

There are two parts to a SecureCare UL premium: the portion that goes towards the life insurance and the portion that goes towards the three tax-qualified LTC agreements.

Annual premium	**$20,000**	**Tax implication**
Face amount (base life insurance)	$8,535	Included in income (life portion)
Total premium **combined from three LTC agreements**	$11,465	Not included in income (LTC portion)

Chetna can exclude the total premium combined from the three LTC agreements from her income - only the life portion of the premium would be included.[4]

A C-corp owner/employee can exclude the total LTC portion of the premium from their income, so only the life portion of the premium would be included[5] in their income. The company can deduct their full premium.

The power of cumulative exclusions

Company	SecureCare UL	Employee Owner/employee of C corporation

XYZ: company tax implication of premiums for Chetna	
Total tax deduction over 5 years	**$100,000**

Chetna: individual tax implication of premiums	
Total amount included in income over 5 years	**$42,675**
Total amount excluded from income over 5 years	**$57,325**

4. A participant may have taxable income if they choose to exercise the policy's return of premium option because they do not have any basis in the LTC portion of the policy.

5. If a C-corp owner/employee paid for the life portion of their premium using personal funds, they would not have to include it as income. If the company paid for the LTC portion of the premium, it could still be excluded from the owner/employee's income and deducted by the company.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain charges, such as Cost of Insurance Charge, Cash Extra Charge, and Additional Agreements Charge (which we refer to as mortality charges), and Premium Charge, Monthly Policy Charge, Policy Issue Charge, Transaction Charge, Index Segment Charge, and Surrender Charge (which we refer to as expense charges). These charges may increase over time, and this policy may contain restrictions, such as surrender periods. Policyholders could lose money in this product.

Insurance policy guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

SecureCare UL includes the Acceleration for Long-Term Care Agreement. The Acceleration for Long-Term Care Agreement and Extension of Long-Term Care Benefits Agreement are tax-qualified long-term care agreements that cover care such as nursing care, home and community based care, and informal care as defined in these agreements. These agreements provide for the payment of a monthly benefit for qualified long-term care services. These agreements are intended to provide federally tax-qualified long-term care insurance benefits under Section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under these agreements may be taxable.

The optional Long-Term Care Inflation Protection Agreement is available with 3% simple interest, 3% compound interest, 5% simple interest or 5% compound interest.

The death proceeds will be reduced by a long-term care or terminal illness benefit payment under this policy. Clients should consult a tax advisor regarding long-term care benefit payments, terminal illness benefit payments, or when taking a loan or withdrawal from a life insurance contract.

This information is a general discussion of the relevant federal tax laws provided to promote ideas that may benefit a taxpayer. It is not intended for, nor can it be used by, any taxpayer for the purpose of avoiding federal tax penalties. Taxpayers should seek the advice of their own advisors regarding any tax and legal issues specific to their situation.

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