



Accelerated Death Benefit for Chronic Illness Agreement

Individual Life Insurance

Insurance products issued by:
Minnesota Life Insurance Company
Securian Life Insurance Company

Enhance your life insurance policy with chronic illness protection





Chronic Illness
Agreement advantages

How the Chronic
Illness Agreement works

Example: A recent widow

Chronic Illness
Agreement summary

3 You've worked hard to grow your assets and build a comfortable future for yourself and your loved ones. But without proper preparation, your assets and the future you've envisioned could be negatively impacted by health challenges as you age. Choosing a life insurance policy with chronic illness protection can help protect your family and provide a secure foundation for your goals.

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Take care of tomorrow, today

What if your life insurance offered more than just a death benefit? What if it could also help protect your lifestyle, your financial stability – and your family? By adding the Accelerated Death Benefit for Chronic Illness Agreement (ADB-CIA) to your life insurance policy, you can achieve these key goals:



A death benefit—the primary purpose of life insurance—can provide your family the funds they need to maintain their lifestyle or cover final expenses upon your death.¹



Chronic illness benefits—available with our optional ADB-CIA²—can help with expenses if you become chronically ill.³

ADB-CIA advantages

- **Tax-advantaged⁴ source of funds** if you meet the ADB-CIA eligibility requirements
- **Choice of 2% or 4%** acceleration of the death benefit
- **Flexibility in selecting your benefit amount when exercised**, so you can take less than the maximum to extend the amount of time you have coverage
- **Freedom to save or spend your benefit payments any way you choose**, including but not limited to:
 - Care provided by family members or home health care
 - Care provided by a nursing home or assisted living facility
 - Home modifications (such as ramps or shower railings)
 - Groceries and prescriptions
 - Transportation and food delivery
 - Housekeeping and lawn care

1. If owner/insured are different, the death benefit will be paid upon death of the insured.

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

3. If owner/insured are different, the chronic illness benefit payment may be payable to the policy owner if the insured is certified as being a chronically ill individual.

4. The Accelerated Death Benefit for Chronic Illness Agreement pays proceeds that are intended to receive favorable tax treatment under Section 101(g) of the Internal Revenue Code. Receipt of an Accelerated Benefit may be a taxable event.

How the ADB-CIA works

1. Add the ADB-CIA to your policy

2. Choose your chronic illness benefits

- Choose how much of the life insurance face amount to be dedicated to providing chronic illness benefits (\$100,000 minimum, not to exceed \$5 million)
- Set a monthly benefit maximum of 2% or 4% of the dedicated face amount

3. Pay premiums into your life insurance policy

4. Qualify to receive chronic illness benefits

- You are eligible for chronic illness benefits upon being certified as a **chronically ill individual** and satisfying the **elimination period**⁵
- Policy will not lapse while chronic illness benefit payments are being made

5. Receive up to the maximum monthly benefit

- Maximum benefit is the lesser of the **IRS per diem** amount or the monthly percentage selected upon policy issue (2% or 4% of the face amount dedicated to chronic illness benefits); taking less than the maximum monthly benefit can extend the length of time you have coverage
- Life insurance policy benefits are reduced based on the monthly chronic illness benefits paid⁶
- ADB-CIA charges are waived while chronic illness benefit payments are being made

6. Monthly benefits end

Chronic illness benefits end upon:

- Depletion of your dedicated chronic illness death benefit amount
- Your death
- Policy or agreement surrender
- Failure to meet eligibility requirements

Glossary

Face amount

The total amount of benefits designated in dollars.

New York definition of chronically ill individual

Insured has been certified by a licensed health care practitioner as: (1) Being unable to perform, without substantial assistance from another person, at least two activities of daily living due to a loss of functional capacity for at least 90 days; OR (2) Requiring substantial supervision to protect the person from threats to health and safety due to a severe cognitive impairment.

Elimination period

The required period of time for which no chronic illness benefits are payable following the date the insured is determined to be chronically ill and eligible for benefits.

IRS per diem

The maximum daily amount for expenses determined by the IRS. 2023 IRS limit: \$420 per day. Limit is subject to variability to change.

5. In New York, the elimination period is not applicable; however, the insured must require, and be receiving, continuous care specified in his or her plan of care for the remainder of the insured's life in his or her home or eligible facility.

6. Chronic Illness Benefit Payments made under this agreement, as with any policy loans and withdrawals, may create an adverse tax result in the event of a lapse or policy surrender, and will reduce both the surrender value and death benefit.



EXAMPLE

A widow protects her loved ones

Let's look at a hypothetical example. Judy is a 55-year-old recent widow and concerned about the cost of long-term care. She worries if her health fails, she'll either deplete her assets and be unable to leave a financial legacy to her children or be forced to heavily rely on family members for support. She has liquid assets that will cover her daily needs, is in good health and doesn't smoke.

Proposed solution

- Judy purchases a life insurance policy with the ADB-CIA.
- The base life insurance face amount is \$300,000.
- She selects the entire \$300,000 of her life insurance face amount to be available if she becomes chronically ill.
- In addition, Judy selects the 2% monthly chronic illness benefit amount. This will provide a monthly benefit of \$6,000 (based on a 30-day month).

Future outcome

- At 75, Judy becomes chronically ill and qualifies for her ADB-CIA benefits, based on the policy requirements.
- Judy is eligible for a monthly benefit of \$6,000, which is less than the allowable IRS per diem amount, at the time of claim..
- The first year of care is provided in her home by Judy's daughter. Judy's monthly care expenses are \$5,000. She can either save the additional \$1,000, leave it in the policy to extend the benefit payments, or use it to cover other expenses.
- After a year, Judy moves to an assisted care facility. She continues to receive \$6,000 per month from her ADB-CIA.
- After a total of three years of care, Judy dies and leaves her family an \$84,000 life insurance death benefit.

Not only was Judy able to leave a death benefit to her family, but the ADB-CIA helped her pay for care without depending on her family for financial support.

This is a hypothetical example for illustrative purposes only. Your particular circumstances may be different than those shown. You should ask your financial professional to run a personalized illustration for you.

These values assume that the currently illustrated non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur and actual results may be more or less favorable than those shown. Withdrawals and loans from a life insurance contract are subject to special tax rules if the policy is a Modified Endowment Contract (MEC).



What can the ADB-CIA offer you?

- **Independence.** It may allow you to stay in your home or community longer.
- **Income and asset protection.** Unlike some government programs, you won't have to spend down your assets to receive chronic illness benefits.
- **Peace of mind.** Family members and other loved ones may not need to become full-time caregivers.
- **Choice.** You can choose where you would like to receive care and who will provide that care, if needed.
- **Freedom.** Save or spend your benefit payments any way you choose.





**At Securian Financial,
we're here for family.
And we're here
because of it.**

Family doesn't have to branch from your tree, but it always shares your roots. Roots woven by common understanding, shared values and mutual respect. Those who believe a rewarding life is really about being present in the here and now, and that your financial picture should support the everyday moments as much as the major milestones. That's why our insurance, investment and retirement solutions give you the confidence to focus on what's truly valuable: banking memories with those who matter most.



Learn more

Is the ADB-CIA right for you and your family? Contact your financial professional to learn how life insurance can provide the protection and security you want for your future.

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 these policies may contain restrictions, such as surrender periods. Policyholders could lose money in these products.

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

Based on current federal tax law, there is uncertainty as to whether some or all benefit payments from life insurance Chronic Illness Agreements are taxed when received. We cannot assure you that Chronic Illness Agreement benefit payments will be treated as tax-free death benefits. Please consult a tax advisor before purchasing a Chronic Illness Agreement.

The Accelerated Death Benefit for Chronic Illness Agreement may not cover all of the costs associated with chronic illness. The Agreement is generally not subject to health insurance requirements and does not provide long-term care insurance subject to state long-term care insurance law. This Agreement is not a state-approved Partnership for Long Term Care Program Agreement, and is not a Medicare supplement policy. Receipt of Chronic Illness Benefit payments under this agreement may adversely affect eligibility for Medicaid or other government benefits or entitlements.

The Accelerated Death Benefit for Chronic Illness Agreement is a life insurance policy agreement that provides an option to accelerate the death benefit in the event that the insured becomes chronically ill.

The accumulation value, surrender value, loan value, and death benefit will be reduced by a chronic illness benefit payment under this agreement.

This is a general communication for informational and educational purposes. The information is not designed, or intended, to be applicable to any person's individual circumstances. It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are seeking investment advice or recommendations, please contact your financial professional.

Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

Policy Form Numbers: ICC16-20057, 16-20057 and any state variations; 15-20026

Securian Financial is the marketing name for Securian Financial Group, Inc., and its subsidiaries. Minnesota Life Insurance Company and Securian Life Insurance Company are subsidiaries of Securian Financial Group, Inc.



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