

MUTUAL OF OMAHA ACCELERATED DEATH BENEFIT RIDER



Increased Competitiveness with Accelerated Death Benefit Riders

Accelerated Death Benefit Riders for Terminal Illness and Chronic Illness that allow **higher benefit amounts** than the previous version – up to \$1 million.

- Our **Chronic Illness Rider** provides benefits if the insured is unable to perform 2 of 6 Activities of Daily Living for 90 consecutive days or has severe cognitive impairment. This rider can help customers cover the rising costs of Long-Term Care. Compared to the previous rider, this rider uses a more straightforward calculation to determine the benefits
- Our **Terminal Illness Rider** provides benefits if the insured provides evidence that their life expectancy is 12 months or less. And, unlike before, the new Terminal Illness Rider will now be included with **all** TLA policies, regardless of the face amount

A \$1 MILLION BENEFIT IS ONE OF THE HIGHEST BENEFIT AMOUNTS YOU WILL FIND IN THE INDUSTRY FOR A TERMINAL ILLNESS RIDER ON TERM

Help your clients with higher benefit amounts

The new riders allow a cumulative maximum benefit of \$1 million or 80 percent of the death benefit (limited to one acceleration of benefits for terminal illness). At the time of each accelerated death benefit request, the requested acceleration amount is reduced by a \$100 flat charge. For Chronic Illness, it is also reduced by an actuarial discount that is based on the discount rate and the insured's life expectancy.

The Accelerated Death Benefit Rider for Chronic Illness is capped each year at the IRS per diem limit. For 2014, this limit is \$330 per day, or \$120,450 for the year. Also, there is no nursing home requirement.

A HYPOTHETICAL EXAMPLE: CHRONIC ILLNESS

Policy Death Benefit <i>(as of first accelerated benefit request)</i>	\$500,000
Maximum 80% Acceleration Allowed <i>(cumulative)</i>	\$400,000
Requested Acceleration	\$100,000
- Actuarial Discount of 13.5% <i>(4.50% discount rate x 3-year current life expectancy)</i>	\$13,500
- Flat Charge	\$100
Acceleration Amount	\$86,400
Remaining Face Amount	\$400,000
Remaining Accelerated Death Benefit Amount	\$300,000

State Approvals and Transition Rules

The new Accelerated Death Benefit for Terminal Illness and Chronic Illness Riders on GUL, GUL Plus, GUL Express and AccumUL Answers, and the new Accelerated Death Benefit for Terminal Illness Rider on TLA, are approved in all states except CA, CT, VI and NY.

RIDER AVAILABILITY BY PRODUCT				
	New Terminal and Chronic Illness Riders <i>(if approved)</i>	New Terminal Illness Rider <i>(if approved)</i>	Old Terminal and Chronic Illness Rider	Old Terminal Illness Rider
GUL, GUL Plus and GUL Express	X			
AccumUL Answers	X			
AccumUL Plus			X	
Term Life Answers		X		
Term Life Express				X

A Comparison of Riders: Chronic Illness vs. Long-Term Care

Below is a side-by-side comparison that can help you understand the differences.

	UNITED OF OMAHA'S CHRONIC ILLNESS RIDER	LONG-TERM CARE RIDER
Upfront Cost	If the client never needs the Chronic Illness benefit, they will never be charged	LTC riders generally have a recurring charge every year, regardless of whether the client ever uses the benefit
Benefit Amount Flexibility	At the time of claim, the client decides how much benefit they need (up to the per diem limit) and it is available in a lump sum with no restrictions on the use of the benefit	The benefit is often predetermined at the time the policy is issued as a monthly percent of face amount (i.e., 1%, 2%, or 4%). There is typically no option to take a lump sum or to increase the benefit amount
Benefit Period Flexibility	Multiple accelerations are allowed (no more than once every 12 months), with the timing of acceleration requests at the discretion of the policyowner	Benefit is typically paid for a set number of months, which are defined at issue
Expenses Covered	There are no restrictions on the use of the benefits	Most LTC riders only allow the benefit to be used to cover qualified LTC expenses
LTC Continuing Education Requirements	No LTC continuing education is required to sell a product with a Chronic Illness Rider	State-specific LTC continuing education is often required to be eligible to sell products with an LTC rider
Additional Underwriting	No additional underwriting required; this rider is automatically included with all policies at issue	Often requires additional LTC underwriting to qualify for an LTC rider
Substandard Restrictions	Availability of the rider is not restricted based on risk class of the insured	An LTC rider is often not available for an insured with higher substandard table ratings

It's time to get your game on! To learn more about the new Accelerated Death Benefit Riders, please call your Sales Director or Sales Support at 1-800-693-6083.