

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.



ACCELERATED DEATH BENEFIT RIDER DISCLOSURE

The benefits received under any accelerated death benefit rider may be taxable and may adversely affect your eligibility for Medicaid or other government benefits or entitlements. You should consult your personal tax advisor regarding the tax treatment of accelerated benefits. You should contact a qualified advisor or the applicable government agency (such as the local Medicaid office) for advice regarding eligibility for Medicaid or other government benefits or entitlements before requesting this benefit.

Accelerated benefits do not and are not intended to qualify as long-term care insurance. Benefit payments under an accelerated death benefit rider are intended to qualify for favorable tax treatment.

DISCLOSURE FOR TERM LIFE INSURANCE POLICIES

If you are applying for term life insurance, this disclosure is a brief description of the Accelerated Death Benefit Rider and the effects on your policy. This disclosure is not an insurance contract, but only a summary of the coverage provided by the riders. There is no premium charge for the riders.

Return of Premium:

BENEFIT DESCRIPTION

While the rider is in force and if the Insured is diagnosed as having a Terminal Illness, you may make a one-time election to receive an accelerated death benefit equal to 92% of the policy's death benefit.¹ A Terminal Illness is a medical condition that, within a reasonable degree of certainty, will result in the Insured's death within 24 months or less from the date on the statement of proof of Terminal Illness. A physician must sign and date the statement of proof of Terminal Illness.

¹ In **Indiana**, 94%.

EFFECT OF THE ACCELERATED DEATH BENEFIT ON THE POLICY

When we pay the accelerated death benefit, the policy and all its riders will terminate.

Non-Return of Premium:

BENEFIT DESCRIPTION - ACCELERATED DEATH BENEFIT FOR TERMINAL ILLNESS RIDER

If the insured is diagnosed as having a Terminal Illness while the policy is in force, you may make a one-time election to receive an accelerated death benefit up to 80% of the policy's death benefit. A Terminal Illness is a medical condition that, within a reasonable degree of medical certainty, will result in the insured's death within 12 months or less from the date a physician signs the statement of proof of Terminal Illness.

We will reduce the Terminal Illness benefit by the Accelerated Death Benefit Interest Rate and a \$100 charge.

BENEFIT DESCRIPTION - ACCELERATED DEATH BENEFIT FOR CHRONIC ILLNESS RIDER

If the insured is diagnosed as being Chronically Ill while the policy is in force, you may elect to receive an accelerated death benefit.

Chronically Ill means that within the last 12 months a physician has certified that for a continuous period of at least 90 days, the

insured is: (a) unable to perform (without substantial assistance from another person) at least two activities of daily living; or (b) requires substantial supervision to protect himself or herself from threats to health and safety due to severe cognitive impairments.

Each requested acceleration may not exceed the per diem allowance permitted by section 101(g)(3) of the Internal Revenue Code multiplied by the number of days in the current calendar year that the insured is expected to be Chronically Ill. The Internal Revenue Service announces the per diem limit for each calendar year.

We will reduce the Chronic Illness benefit by an actuarial present value factor, future unpaid premiums, and a \$100 charge. The actuarial present value factor will be based on the life expectancy of the insured and the Accelerated Death Benefit Interest Rate.

BENEFIT DESCRIPTION - ACCELERATED DEATH BENEFIT FOR CRITICAL ILLNESS RIDER

If the insured is diagnosed as being Critically Ill while the policy is in force, you may elect to receive an accelerated death benefit.

Critically Ill means that within the last 12 months a physician has certified that the insured has one or more of the following conditions: Amyotrophic Lateral Sclerosis (ALS), End Stage Renal Failure (Kidney Failure), Life Threatening (Invasive) Cancer, Major Organ Failure, Myocardial Infarction (Heart Attack), or Stroke.

We will reduce the Critical Illness benefit by an actuarial present value factor, future unpaid premiums, and a \$100 charge. The actuarial present value factor will be based on the life expectancy of the insured and the Accelerated Death Benefit Interest Rate.

REQUESTING AN ACCELERATION

You may elect to receive the Chronic Illness or Critical Illness benefit more than once, and there must be at least 12 months between acceleration requests. In contrast, you may elect to receive the Terminal Illness benefit only once. If you elect to receive the Terminal Illness benefit, the Chronic Illness and Critical Illness benefits are no longer available.

The requested acceleration cannot be less than \$5,000 under any rider. The maximum sum of all accelerated death benefit payments, for the policy to which this rider is attached, cannot exceed 80% of the policy's face amount as of the policy issue date. The issue date and face amount are shown on the policy data page.

EFFECT OF THE ACCELERATED DEATH BENEFIT ON THE POLICY

When we pay the accelerated death benefit, the policy will continue with a reduced face amount and a reduced premium.

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DISCLOSURE FOR UNIVERSAL LIFE INSURANCE POLICIES

If you are applying for universal life insurance benefits, this disclosure is a brief description of the Accelerated Death Benefit for Terminal Illness Rider, the Accelerated Death Benefit for Chronic Illness Rider, and their effects on your policy. This disclosure is not an insurance contract, but only a summary of the coverage provided by the riders. There is no premium or cost of insurance for these riders.

BENEFIT DESCRIPTION - ACCELERATED DEATH BENEFIT FOR TERMINAL ILLNESS RIDER

If the insured is diagnosed as having a Terminal Illness while the policy is in force, you may make a one-time election to receive an accelerated death benefit. The sum of all requested accelerations under the Terminal Illness Rider and the Chronic Illness Rider may not exceed the lesser of \$1,000,000 or 80% of the specified amount as of the date of the first requested acceleration.

A Terminal Illness is a medical condition that, within a reasonable degree of medical certainty, will result in the insured's death within 12 months or less from the date a physician signs the statement of proof of terminal illness.

We will reduce the Terminal Illness benefit by an actuarial discount rate and a \$100 charge, and the pro-rated amount of any outstanding loans. The actuarial discount rate will not be greater than 6%.

BENEFIT DESCRIPTION - ACCELERATED DEATH BENEFIT FOR CHRONIC ILLNESS RIDER

If the insured is diagnosed as being Chronically Ill while the policy is in force, you may elect to receive an accelerated death benefit.

Chronically Ill means that within the last 12 months a physician has certified that for a continuous period of at least 90 days, the insured is: (a) unable to perform (without substantial assistance from another person) at least two activities of daily living; or (b) requires substantial supervision to protect himself or herself from threats and safety due to severe cognitive impairments.

The sum of all requested accelerations may not exceed the lesser of \$1,000,000 or 80% of the specified amount as of the date of the first requested acceleration. Each requested acceleration may not exceed the per diem allowance permitted by section 101(g)(3) of the Internal Revenue Code multiplied by the number of days in the current calendar year that the insured is expected to be Chronically Ill. The Internal Revenue Service announces the per diem limit for each calendar year.

You may elect to receive the Chronic Illness benefit more than once, and there must be at least 12 months between acceleration requests. In contrast, you may elect to receive the Terminal Illness benefit only once. If you elect to receive the Terminal Illness benefit, the Chronic Illness benefit is no longer available.

We will reduce the Chronic Illness benefit by an actuarial discount rate multiplied by the insured's life expectancy in years, a \$100 charge, and the pro-rated amount of any outstanding loans.

EFFECT OF THE ACCELERATED DEATH BENEFIT ON THE POLICY

When we pay any accelerated death benefit, the following will occur: (a) we will reduce the specified amount, accumulation value, and any loan by the same proportion as the death benefit; and (b) the monthly deduction and cost of insurance charge will be based on the reduced specified amount.

Acknowledgment

I acknowledge receipt of this Disclosure Form



Applicant/Owner Signature

Date

I have provided this Disclosure Form to the Applicant



Producer Signature

Date

