



# ExtendCare<sup>SM</sup> Consumer Guide



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Not a Deposit	Not Insured By Any Federal Government Agency
No Bank or Credit Union Guarantee	Not FDIC/NCUA Insured



**Protect Tomorrow.  
Embrace Today.™**

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# Planning for the Unexpected

You understand the importance of providing your loved ones with protection from the unexpected.

That's why you're considering the purchase of life insurance—because it's one of the best ways to ensure the financial needs of your loved ones are met after you're gone.

But what if something happens while you're still living that causes your needs to change? A chronic illness can do just that while also taking a physical, emotional and financial toll.

That's why Protective Life offers **ExtendCare<sup>SM</sup>**, an innovative solution which lets your life insurance policy's death benefit work for you in the event you need it during your lifetime.

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# An Accelerated Death Benefit Rider

ExtendCare from Protective Life adds an extra option to your universal life insurance policy by allowing you to accelerate the death benefit to use for any potential chronic illness needs. This means neither you nor your loved ones will have to worry about where the money is going to come from to cover those expenses.

ExtendCare payments can be used to pay for things like home health care, nursing home and assisted living costs, home renovations, professional nursing care, hospice care, adult daycare, transportation and more.

Unfortunately, nearly 70% of people over age 65 will require some type of chronic illness or long-term care during their lifetime.<sup>1</sup> But with ExtendCare, you and your loved ones can be protected from the financial burden a chronic illness might cause. Best of all, if you never develop a chronic illness, your beneficiaries will receive the entire death benefit from your life insurance policy.

**TODAY, about 75% of all single people and 50% of all couples spend their entire savings within one year of entering a nursing home.<sup>2</sup>**

<sup>1</sup> National Clearinghouse for Long Term Care Information, Department of Health and Human Services, December 2013.

<sup>2</sup> [www.ltctree.com](http://www.ltctree.com), August 2012.

## How ExtendCare Works

- Purchase a universal life insurance policy from Protective Life and add the ExtendCare Rider
- If you ever become chronically ill as certified by a licensed physician, you can access the policy death benefit amount after a waiting/elimination period of three or 12 months

“Chronically ill” is defined as being unable to perform at least two of six Activities of Daily Living (bathing, dressing, toileting, transferring, continence, eating) without assistance for 90 days, or requiring supervision for protection against health and safety threats due to cognitive impairment

- You can accelerate up to \$9,900<sup>3</sup> of your death benefit per month to help with chronic illness costs
- With ExtendCare you are not required to submit bills or receipts
- In addition to typical chronic illness expenses, ExtendCare payments can really be used for anything else you need or want
- You are able to accelerate only the amount you need, when you need it
- Any unused death benefit amount remains available for your beneficiaries

<sup>3</sup> Monthly benefit amounts are subject to change.

# Preparing for the Unexpected

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## CONSIDER THIS EXAMPLE: Paying for Chronic Illness Care

### **Jack Is 55 Years Old and Has a Wife and Three Teenaged Children**

Having recently lost a lifelong friend to cancer, Jack has been thinking a lot about both life insurance and also how he and his family would be affected if he was diagnosed with a chronic illness. He has both retirement and emergency savings but knows that chronic illness expenses can very quickly erode those financial resources.

Jack talks to his insurance professional who shows him how a Protective Life universal life insurance policy with the ExtendCare rider could be the right solution for him. After talking to his family, Jack decides to purchase a policy with a \$1 million death benefit with the ExtendCare Rider.

Jack pays the premium for his policy each month, and remains in good health for the next five years. But after his 60th birthday, Jack starts to develop signs of Alzheimer's which continue to get worse until he's unable to work or take care of himself anymore. Jack is then able to qualify for ExtendCare benefit payments.

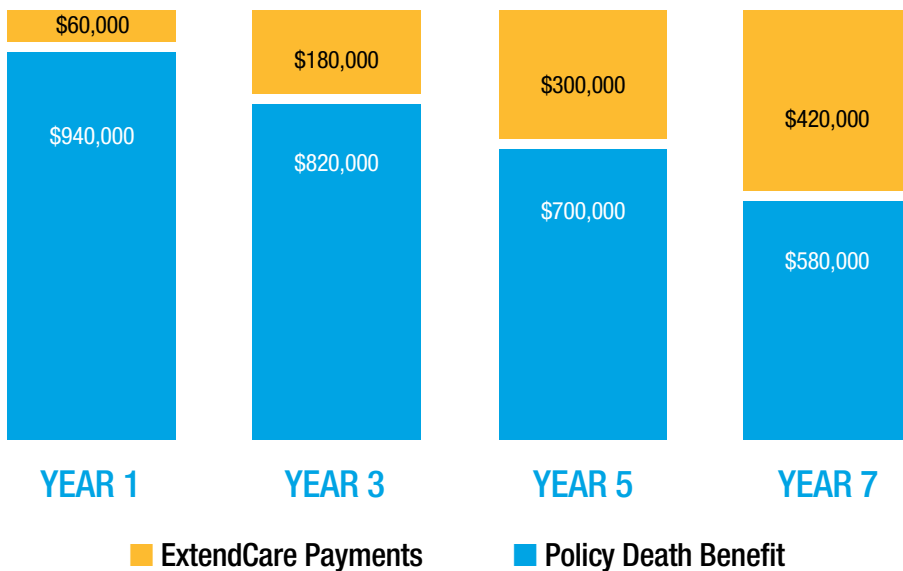
This case study is hypothetical and for illustrative purposes only. Each individual situation will be different based on the age, sex and health status of the insured.

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- After his waiting period, Jack begins receiving \$5,000 per month (\$60,000 per year) which helps with different costs associated with his chronic illness and care
- Jack's ExtendCare benefit payments last for seven years before he passes away
- At that point, Jack's beneficiaries still receive the remaining \$580,000 death benefit from his universal life insurance policy



**UNDERSTANDING JACK'S EXTENDCARE BENEFITS  
ON A \$1 MILLION POLICY**



# Adding ExtendCare

ExtendCare is an optional rider that can be added to certain Protective Life universal life insurance policies. With this rider, the insured may receive a portion of the base policy's death benefit if certified as chronically ill by a licensed health care practitioner within the last 12 months. Chronically ill is defined as either unable to perform at least two Activities of Daily Living without assistance for at least 90 days, or requiring substantial supervision for protection from health and safety threats due to a severe cognitive impairment.

ExtendCare benefits are intended to be received on a tax-favored basis. The rider falls under IRS Sec. 101(g) Accelerated Death Benefits, not under health care regulations.

The tax treatment of life insurance is subject to change. Neither Protective Life nor its representatives offer legal or tax advice. Individuals should consult their attorney or tax advisor regarding their individual situation.





# What You Should Know About ExtendCare

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## AGE 20 – 80

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ExtendCare is available only at the time the policy is issued for applicants between the ages of 20 and 80

## \$100,000 TO \$5 MILLION

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The minimum universal life insurance policy face amount is \$100,000 and maximum is \$5 million

## 3 OR 12 MONTHS

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When choosing the ExtendCare Rider, you must select a waiting (elimination) period of either three or 12 months

This is the time which must pass between your chronic illness certification and the first accelerated death benefit payment.

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Before each 12-month benefit period, you will select the amount to be paid for each month of that period. You may select a different payout amount before the next benefit period begins. The accelerated death benefit payment is made each month; an annual lump-sum payout is also available. The lifetime maximum benefit that you can access via ExtendCare payments is 100% of your policy's available death

benefit. At the time your policy is issued, you will select a maximum monthly benefit of any whole dollar amount between \$1,000 and \$9,900, not exceeding 5% of the base policy face amount. The minimum monthly benefit amount is \$250. The lifetime maximum benefit is only reduced by the amount of benefit actually taken each month. Monthly benefit options are subject to change.

There is a monthly charge for the ExtendCare rider which varies by sex, issue age, underwriting class, face amount, waiting period length, monthly benefit and policy year.

# Your Next Steps

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Talk to your insurance professional to see how a universal life insurance policy and ExtendCare from Protective Life can help you both protect your loved ones and manage the financial impact of a chronic illness.

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**This is only a summary of ExtendCare Rider benefits. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Available only at issue and at an additional cost. Assumes medical and financial underwriting qualifications at time of initial application.**

The ExtendCare Rider (ICC12-L630 and L630) is issued by Protective Life Insurance Company (PLICO) which is located in Birmingham, AL. Subject to underwriting and up to a 2-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. Consult policy for benefits, riders, limitations and exclusions. In Montana, unisex benefits and rates apply. Policy form numbers, product features and availability may vary by state.

PLICO does not render legal or tax advice. Information in this summary is based on current tax laws that are subject to change. Individuals should consult their attorney or tax advisor regarding their individual situation.

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