



# ExtendCare<sup>SM</sup> Frequently Asked Questions

Your clients need life insurance to help meet the financial obligations of their loved ones after they're gone.

But life is full of unpredictable events which can cause needs to change. A chronic illness can be one of those events that changes everything while also taking a physical, emotional and financial toll.

That's why Protective Life is proud to offer **ExtendCare**, an innovative solution which allows your client's life insurance policy death benefit to be advanced in case they need it during their lifetime.

**Protect Tomorrow.  
Embrace Today.™**

# About ExtendCare

ExtendCare is an optional rider that allows your clients to accelerate their life insurance policy's death benefit to use for any potential chronic illness needs. This rider is designed for clients who want protection from the financial impact of a chronic illness, without purchasing a separate long-term care policy. ExtendCare is available with Protective Life Choice Series universal life policies.

## Specifications

- **Availability:** Only at policy issue
- **Issue Ages:** 20 – 80
- **Maximum Substandard Rating:** Table 4 on base policy (rider specific underwriting criteria must be met)
- **Minimum Face Amount:** \$100,000
- **Maximum Face Amount:** \$5,000,000

### ELIGIBLE CHOICE SERIES POLICIES:

Protective Custom Choice™ UL

Protective Advantage Choice™ UL

Protective Indexed Choice™ UL

Protective Investors Choice™ VUL

## Benefit Overview

**Q: What is the qualifying event for receiving ExtendCare benefits?**

**A:** If the insured is certified by a licensed health care practitioner within the past 12 months as chronically ill—defined as either unable to perform at least two Activities of Daily Living without assistance or requires substantial supervision for protection from health and safety threats due to severe cognitive impairment—the insured is eligible to receive benefits. Certification means written documentation from a licensed health care practitioner that the insured is chronically ill and is likely in need of services for the rest of the insured's life. This rider is available only at policy issue.

The ExtendCare rider provides an accelerated death benefit for those individuals who meet the definition of chronically ill. This rider falls under IRC Sec. 101(g) – Accelerated Death Benefit guidelines and thus does not fall under health regulations.

Accelerated benefits provided to the insured under the ExtendCare rider may affect their eligibility for public assistance programs, such as Medicaid, Supplemental Income, or other public assistance programs. Purchasers should consult a qualified advisor to determine if the rider will affect their initial or continued eligibility for public assistance programs.

**Q: Is there a waiting period before the policy owner may be eligible to receive benefit payouts under ExtendCare?**

**A:** A Waiting Period (Elimination Period) of 90 or 365 days must be selected by the insured at the time of issue. This is the period of time which must pass between the time Protective Life receives written certification of the insured's chronic illness status and the time the first advance payment of a portion of the base policy's death benefit, accelerated death benefit (ADB), is made.

**Q: How long is a Benefit Period?**

**A:** A Benefit Period lasts 12 months and at the beginning of each Benefit Period, the insured must select the amount of monthly benefit they would like to receive. The insured can use the full amount specified by the rider, subject to monthly maximums determined at policy issue, or reduce the monthly benefit amount to a lesser amount of at least \$250. Reducing the amount of the monthly benefit will help preserve the death benefit as much as possible and may extend the amount of time ExtendCare benefits last.

**Q: Is there a re-certification process for each Benefit Period?**

**A:** Yes. Re-certification is required by a licensed healthcare practitioner at least every 12 months.

**Q: Is the Maximum Monthly Benefit amount the same each month?**

**A:** The accelerated death benefit is paid each month, beginning on the first day of the Benefit Period. The last benefit payment may be less than the elected amount to ensure that the Lifetime Maximum Benefit is not exceeded.

- **Lifetime Maximum Benefit:** 100% of the policy death benefit
- **Maximum Monthly Benefit:** Any amount between \$1,000 and \$9,900<sup>1</sup> (selected by the insured at time of issue; not to exceed 5% of the base policy's face amount).

**Q: Are other payment frequencies available?**

**A:** There is an annual lump-sum payout option available.

## Applications

**Q: How does the applicant request ExtendCare on the application?**

- A:**
- 1 **Part I section** of the Application for Life Insurance
  - 2 **Check the box** for Other Rider
  - 3 **Write in** ExtendCare Rider
  - 4 **Indicate** the Elimination Period (90 or 365 days)
  - 5 **Select** the Maximum Monthly Benefit Option (whole dollar amounts only) (any amount between \$1,000 – \$9,900)<sup>1</sup>

## Underwriting

**Q: Are there any additional underwriting requirements for my applicant to consider for ExtendCare?**

**A:** Yes. Underwriting will require cognitive testing and information concerning Activities of Daily Living. These additional requirements will be conveniently handled by the paramedical facilities at the time of the insurance physical examination.

**Q: Can an applicant receive an offer for the universal life insurance policy and be declined for ExtendCare?**

**A:** Yes.

## Policy Revisions

**Q: Can the ExtendCare be added to a policy after it has been issued?**

**A:** No. ExtendCare is only available at issue.

**Q: Can the policyowner voluntarily terminate ExtendCare after the policy has been issued?**

**A:** Yes. ExtendCare can be terminated after the policy has been issued. All charges will stop at the time of termination. If the client terminates ExtendCare, it cannot be reinstated.

**Q: Can the policyowner request face amount changes if ExtendCare is attached to the policy?**

**A:** Yes. We recommend contacting a Customer Service Specialist for a re-proposal prior to quoting new minimum premiums to the policyowner. New rates cannot be accurately calculated using the regular illustration system. Evidence of insurability will be required.

<sup>1</sup> Monthly benefit amounts are subject to change.



## Impact to Policy While on Claim

**Q: How do benefit payments impact the policy's death benefit and account value?**

**A:** Each accelerated death benefit payment will reduce certain policy values by a proportional amount. This proportional amount will equal the Monthly Benefit payment (prior to any loan repayment) divided by the death benefit immediately before the benefit payment. The following current values will be affected:

- Policy value
- Face amount
- Surrender charges
- Lapse protection account value
- Cumulative premiums paid to date
- Policy debt

An amount equal to the policy debt reduction will be applied to repay policy debt, and thus will reduce the net amount of proceeds distributable as an accelerated death benefit.

**Q: Can my client's policy lapse on claim?**

**A:** While the policy is on claim, the monthly deductions for the base policy and any riders continue until such time as the policy would otherwise lapse, then the deductions are discontinued. The policy will not lapse when the monthly deductions are discontinued.

**Q: Can a policy lapse on claim due to over-indebtedness?**

**A:** The policy will not lapse due to over-indebtedness. The Lifetime Maximum Benefit is set at the time of first acceleration and is reduced by the amount of benefit accelerated, not by loan interest. The benefit amount accelerated is constant each month of the Benefit Period.

**Q: If the client no longer qualifies for payments under ExtendCare, can the policy lapse?**

**A:** Yes. Once the insured no longer qualifies for benefits under the rider, the policy will come off claim and normal rules concerning policy lapse will apply. If there is insufficient policy value to cover the monthly deductions, the policy will enter the grace period.

**Q: What happens when the Lifetime Maximum Benefit amount has been paid?**

**A:** The rider and policy will terminate.

**Q: What happens to other policy riders while on claim?**

**A:** Charges for all other riders will continue while on claim.

**Q: Are loans and/or withdrawals available if the policy is on claim under this rider?**

**A:** Loans and/or withdrawals will terminate ExtendCare while the policy is on claim under this rider.

# Help Your Clients Prepare for the Unexpected

A chronic illness can have a significant impact on the lives of your clients and their loved ones. If you have clients who are concerned about covering their expenses in the event of a chronic illness, ExtendCare can provide a solution to help them prepare for the unexpected.

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## Your Next Steps

To learn more about ExtendCare and how it could work for your clients, contact the Protective Life Sales Desk at 877.778.3500, option 1.

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The tax treatment of life insurance is subject to change. Neither Protective Life nor its representatives offer legal or tax advice. Purchasers should consult a qualified legal or tax advisor regarding their individual situation before making any tax-related decisions.

ExtendCare rider (Form L630 or Form ICC12-L630) is available only at issue and at an additional cost. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Assumes medical and financial underwriting qualifications at time of initial application. The ExtendCare Rider is intended as a non-medical supplement to traditional long-term care policies and riders.

Protective Custom Choice UL (UL-22), Protective Advantage Choice UL (UL-21), Protective Indexed Choice (UL-23) and Protective Investors Choice VUL (VUL-13) are universal life insurance policies issued by Protective Life Insurance Company, Birmingham, AL. Policy form numbers, product features and availability may vary by state. Consult policies for benefits, riders, limitations and exclusions. Subject to underwriting. Up to a two-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. In Montana, unisex rates apply. All payments and all guarantees are subject to the claims-paying ability of Protective Life Insurance Company.

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