

Financial  
Professional

## Chronic Illness Agreement Highlights

The Chronic Illness Agreement (CIA), available on select life insurance policies, provides clients with an accelerated death benefit to pay for potential care or anything they choose if the insured is chronically ill.

<b>Issue ages</b>	20-80
<b>Maximum CIA face amount</b>	Amount selected at time of issue. 10%-100% of the life insurance base face amount (not to exceed \$5 million)
<b>Cost</b>	Flat rate per \$1,000 of face amount. Rate varies by age and underwriting class
<b>Maximum monthly CIA benefit<sup>1</sup></b>	The lesser of 2 or 4 percent of the CIA face amount or IRS per diem limit <sup>2</sup>
<b>Elimination period</b>	<b>All states except NY:</b> 90 calendar days <b>New York:</b> None
<b>Benefit payments</b>	<b>All states except NY:</b> Not paid during elimination period, not paid retroactively <b>New York:</b> Paid retroactively to the beginning of the insured's certification as being chronically ill
<b>Benefit eligibility</b>	<b>All states except NY:</b> (1) Certified as a chronically ill individual* (2) Elimination period satisfied <b>New York:</b> (1) Certified as a chronically ill individual** and requires continuous care for the remainder of the insured's life in his or her home or eligible facility; (2) Receiving services which are specified in the plan of care and expected to remain so for the remainder of his or her life; (3) Proof of loss includes expenses incurred and a plan of care
<b>Underwriting issue classes</b>	Preferred, Standard Plus, Standard
<b>Impact to base life insurance policy</b>	<b>While monthly CIA benefits are being paid:</b> 1. Life insurance death benefit and surrender value are reduced 2. A portion of the CIA benefit may be applied to any outstanding loans, if applicable 3. No loans or partial surrenders (not applicable in NY) 4. The accumulation value is moved to the Fixed Account
<b>Monthly benefit termination</b>	<b>Chronic illness benefits end upon:</b> • Depletion of dedicated CI death benefit amount • Insured's death • Policy surrender • Failure to meet eligibility requirements

### Chronically Ill Individual:

\*Insured has been certified by a licensed health care practitioner within the preceding 12-month period as: (1) being unable to perform, without substantial assistance, at least two Activities of Daily Living due to loss of functional capacity (activities that include eating, bathing, toileting, continence, dressing and transferring) for period of at least 90 days<sup>3</sup> or (2) requiring substantial supervision to protect the insured from threats to health and safety due to severe cognitive impairment. (Confinement due to medical condition is required to be permanent in CT.)

\*\*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.

<sup>1</sup> The accumulation value, surrender value, loan value, and death benefit will be reduced by a chronic illness benefit payment under this agreement.

<sup>2</sup> 2016 IRS limits: \$10,200/month or \$124,100/year based on \$340/day. Limits are subject to change.

<sup>3</sup> The expected 90-day period for loss of functional capacity does not establish a waiting period beyond the elimination period before benefits become payable under the agreement.

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

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 the insured becomes chronically ill.

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.

Due to uncertainty in the tax law, chronic illness benefits paid from a life insurance contract may be taxable. Please ensure that your clients consult a tax advisor regarding chronic illness care benefit payments from a life insurance contract.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods. Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

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**Securian Financial Group, Inc.**

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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. 400 Robert Street North, St. Paul, MN 55101-2098

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