

Long-Term Care Rider  
[Available on Income Advantage<sup>SM</sup> IUL and  
Life Protection Advantage<sup>SM</sup> IUL policies]

# Get More Out of Life





# The Need for Long-Term Care

You probably know someone who has required long-term care services. Or, maybe you’ve been a caregiver yourself. Either way, you may wonder how you’ll handle your own long-term care needs should they arise. Will your family take care of you? Will you be able to stay in your home? How will the need for care impact your retirement nest egg?

It’s hard to think of yourself becoming chronically ill and needing long-term care, but it’s estimated that almost 70 percent of people over age 65 will require long-term care services – for an average of three years. And, 20 percent of those individuals will need that care for longer than five years.\*

## The Cost of Care

To give you an idea of how expensive long-term care can be, here are some national averages.\*\*

- |  |   |
|--|---|
| ▪ Home health aide, 44 hours a week          | \$58,916.00 per year                    |
| ▪ Assisted living facility, one-bedroom unit | \$52,591.08 per year                    |
| ▪ Nursing home                               | \$86,764.15 per year (semiprivate room) |
|  | \$99,736.25 per year (private room)     |

Many people believe they can count on Medicaid to pay long-term care services, but that’s not often the case. For Medicaid to cover the costs, recipients must first meet income eligibility requirements (or spend down their assets), and care is restricted to Medicaid-approved services and facilities.

## A Solution: Life Insurance with a Long-Term Care Rider

By adding the Long-Term Care (LTC) Rider to one of our universal life insurance policies, you can protect a couple of important needs – with one policy. The life insurance protects your loved ones with a death benefit while the Long-Term Care Rider allows you to use all or a portion of the death benefit for qualified long-term care expenses.

Combining life insurance with a long-term care rider may help:

- Keep you from having to liquidate your assets to pay for your long-term care services
- Reduce the impact on your family – both in providing care and easing the financial impact
- Preserve your independence – most people would rather receive care in the comfort of their own home

Adding the LTC Rider to one of our universal life insurance policies is an affordable way to provide funds for long-term care. And, if you don’t use the long-term care benefits, your beneficiary still receives a death benefit. Even if you use a portion of your total LTC Rider benefit, your beneficiary will receive the remaining life insurance death benefit.



\*Source: U.S. Department of Health and Human Services, National Clearinghouse for Long-Term Care Information, October 2017.

\*\*Source: Mutual of Omaha’s Cost of Care Study, conducted by Long-Term Care Group, 2015, released 2016.





# Receiving Your LTC Rider Benefits

## You become eligible for LTC Rider benefits when you:

Require substantial supervision due to cognitive impairment

OR

Become chronically ill, which means you can't perform two of six activities of daily living (ADLs) without substantial supervision. The ADLs are: bathing, continence, dressing, eating, using the toilet and transferring.

You must satisfy a 90-calendar-day elimination period before benefits are payable under this rider.<sup>2</sup>

- You will be reimbursed for care provided in a nursing home or assisted living facility, home health care and adult day care
- Other reimbursable benefits include: bed reservation (up to 30 days per calendar year in a nursing home or assisted living facility), respite care (one month per calendar year, no elimination period), and hospice care (no elimination period)
- We also offer care coordinator services:
  - Care coordinators are licensed health care professionals who will help you assess your needs, develop an individualized plan of care and help you arrange for long-term care services. There's no elimination period to satisfy in order to use care coordination services
  - When you use a care coordinator, you're also eligible to be reimbursed for additional stay-at-home benefits, including caregiver training, durable medical equipment, home modification and medical alert system (stay-at-home benefits combined are limited to two times the maximum monthly benefit amount; no elimination period)
- You pay no LTC Rider charges while you receive LTC benefits; however, life insurance policy and other rider charges continue

## Your LTC Rider Benefit Amount

When applying for the LTC Rider, you select:

### Your maximum LTC Rider benefit amount

This can be as much as your initial specified amount of life insurance coverage<sup>1</sup>

AND

### The monthly payout percentage

1, 2 or 4 percent of the maximum LTC Rider benefit amount<sup>1</sup>

**Example:** Let's say your life insurance specified amount is \$1 million. You choose a maximum LTC Rider benefit amount of \$500,000 and you choose a 4 percent monthly payout. Your maximum monthly benefit would be \$20,000 (\$500,000 X 4 percent).



<sup>1</sup> The maximum LTC Rider benefit amount is \$2 million for the 1 and 2 percent monthly payout percentages and \$1.25 million for the 4 percent monthly payout percentage.

<sup>2</sup> Your policy has a waiting period before policy benefits begin. This period starts on the first day you are chronically ill and you receive a covered service. Once the elimination period has been satisfied, benefits for covered services are paid to you each month, up to the maximum monthly benefit you select.



Rider Benefits and Your Life Insurance Policy

If you never need to use your LTC Rider benefits, upon your death your beneficiary will receive the death benefit. If, on the other hand, you use LTC Rider benefits, here’s what happens:

Your death benefit is reduced dollar-for-dollar and your life insurance policy’s accumulation value is reduced proportionately to the amount of the LTC benefit taken.

To clarify, here’s an example:

If your death benefit is \$500,000 and your LTC Rider maximum benefit is \$20,000 a month and you have used the maximum monthly LTC Rider amount for six months, your remaining death benefit would be \$380,000 [\$500,000 death benefit minus (\$20,000 times six months, or \$120,000) equals \$380,000].

If you have elected to have your entire death benefit amount available for long-term care expenses and you exhaust the full amount, a death benefit will no longer be paid to your beneficiaries.

Cancelling Your LTC Rider

If you no longer need your LTC Rider you can cancel the rider and keep your life insurance protection intact. Cancellation doesn’t affect the policy’s death benefit or surrender value.

Flexibility for the Future

You can surrender your life insurance policy and receive the surrender value at any time. Additionally, your life insurance policy may include a Guaranteed Refund Option Rider. If you meet the eligibility requirements and continue to pay the required premium payments as defined in the rider you will have the option to surrender your policy during seven, 60-day windows and receive a refund of premiums paid. This includes any premiums paid for the cost of the LTC Rider.

- 50 percent of premiums may be refunded after policy year 15
- 100 percent of premiums may be refunded after policy years 20 – 25<sup>3</sup>

If You Don’t Qualify

After you apply for the LTC Rider, you’ll go through an underwriting process. If the underwriter determines you’re eligible for the life insurance coverage, but you aren’t eligible for the LTC Rider, your policy will include an Accelerated Death Benefit Rider for Chronic Illness instead.

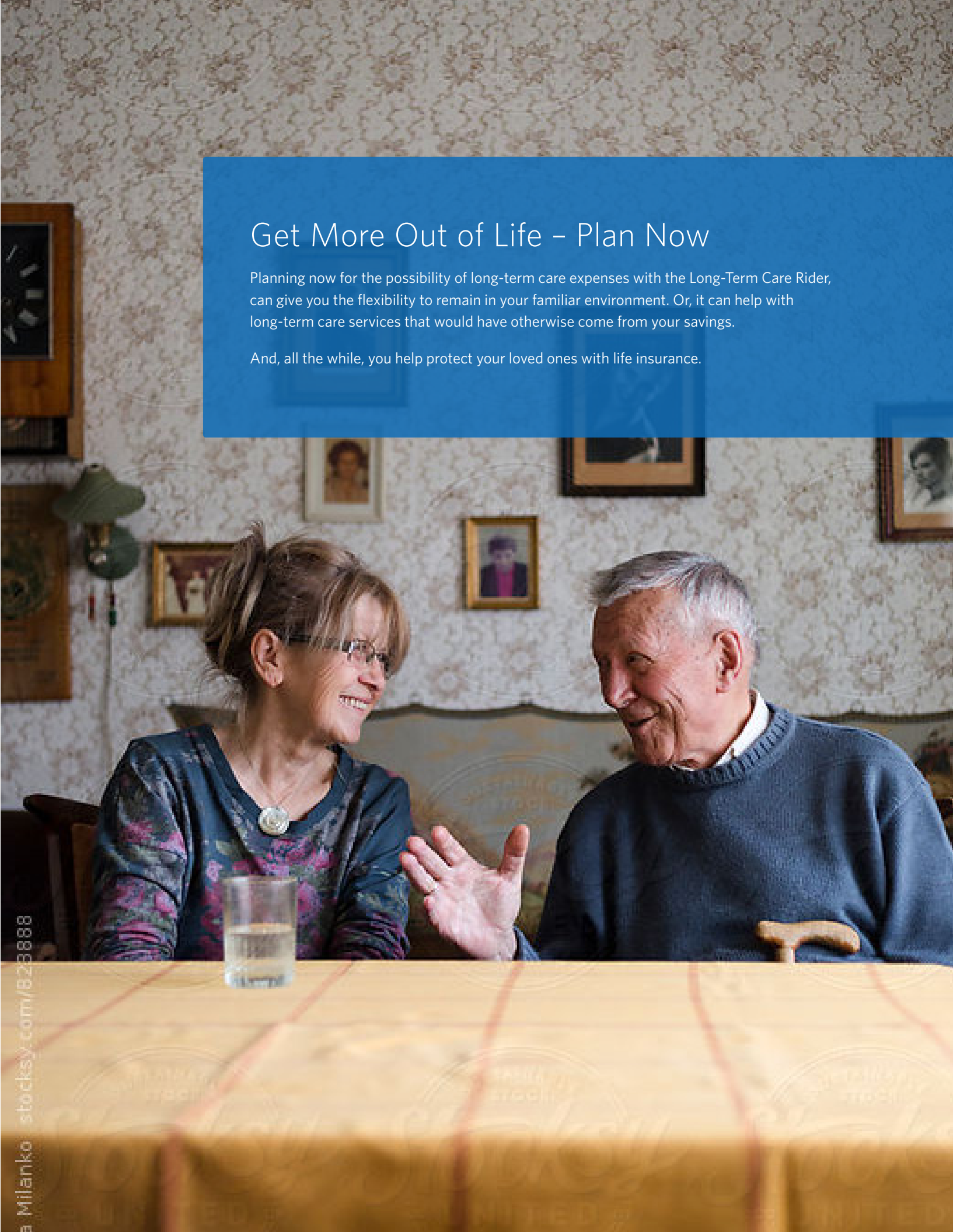
The Accelerated Death Benefit Rider costs you nothing, unless you need it. Here’s how it works: If you become chronically ill, as defined in the rider, and choose to request an acceleration of your death benefit, you will then be charged. The charge is based on your remaining life expectancy and the Moody’s Corporate Bond Yield average (capped at 6 percent), and a \$100 fee.

The maximum rider benefit can be as much as 80 percent of the specified amount (with a \$1 million cap) and can be taken as often as once a year. The maximum amount that can be requested in a single year for chronic illness is capped by the IRS per diem limit at the time when you request an acceleration of your death benefit.

Get More Out of Life – Plan Now

Planning now for the possibility of long-term care expenses with the Long-Term Care Rider, can give you the flexibility to remain in your familiar environment. Or, it can help with long-term care services that would have otherwise come from your savings.

And, all the while, you help protect your loved ones with life insurance.



© iStockphoto.com/B2B8888  
a Milanko

<sup>3</sup> Refund is limited to 50 percent of the policy’s lowest specified amount and is reduced by any previous withdrawals and outstanding loans.

[MutualofOmaha.com](https://MutualofOmaha.com)

**INSURANCE** | Medicare Supplement | Life | Employee Benefits

United of Omaha Life Insurance Company, 3300 Mutual of Omaha Plaza, Omaha, NE 68175.

**This is a solicitation of a life insurance policy with a long-term care rider. A licensed insurance agent/producer will contact you.**

[The Long-Term Care Rider is available on Income Advantage<sup>SM</sup> IUL and Life Protection Advantage<sup>SM</sup> IUL policies issued by United of Omaha Life Insurance Company.] The applicable life insurance product brochure must accompany this Long-Term Care Rider brochure. This rider should not be the sole basis to purchase any life insurance policy.

Base plans, riders and product features may not be available in all states and may vary by state. This brochure is only a brief summary of some of the key features of this rider. For more complete information, you should refer to the form of the rider. We strongly urge you to thoroughly review all of these items and to discuss any questions you have with our licensed agent/producer or with your own professional advisors, as appropriate.

The policy and rider have exclusions and limitations.

Benefits may be provided by a combination of the policy and riders and are subject to underwriting. A medical exam may be required for coverage.

This rider is intended to be a federally tax-qualified long-term care insurance contract under section 7702B of the internal revenue code of 1986, as amended. The maximum income-tax-free LTC benefits are based on benefits paid from all sources. This means that benefit payments received under this rider could be taxable if you receive LTC benefit payments from other sources.

The information in this brochure should not be construed as tax or legal advice. Consult with your tax or legal professional for details and guidelines specific to your situation.

This rider is guaranteed renewable. This means we may not, on our own, cancel or reduce the coverage it provides. This rider will remain in force subject to this rider's provisions, as long as the life insurance policy to which it is attached remains in force and the required rider charges are paid.

LTC Rider benefits may not cover all the expenses associated with the insured's long-term care needs.

LTC Rider benefits are paid to the policyowner upon the insured meeting the criteria for receiving long-term care services (as defined in the rider). If the policyowner is someone other than the insured, we cannot guarantee the policyowner will use the benefits to pay for the long-term care services.

All guarantees subject to the financial strengths and claims-paying ability of the issuing insurance company.

[Income Advantage<sup>SM</sup> – Sex Distinct Policy Forms: ICC15L123P, or state equivalent. Unisex Policy Forms: ICC15L124P, or state equivalent. Life Protection Advantage<sup>SM</sup> – Sex Distinct Policy Forms: ICC17L152P, or state equivalent. Unisex Policy Forms: ICC17L153P, or state equivalent.]

Rider Form Numbers: Long-Term Care, Sex Distinct: ICC17L166R and Unisex: ICC17L169R. Accelerated Death Benefit for Chronic Illness, ICC13L099R, or state equivalent. Enhanced Surrender Value (GRO), ICC14L125R, or state equivalent.

Life insurance and annuity products are not a deposit, not FDIC insured, not insured by any federal government agency, not guaranteed by the bank, not a condition of any banking activity, may lose value and the bank may not condition an extension of credit on either: 1) The consumer's purchase of an insurance product or annuity from the bank or any of its affiliates; or 2) The consumer's agreement not to obtain, or a prohibition on the consumer from obtaining, an insurance product or annuity from an unaffiliated entity.