

# GROWING LTC RIDER BENEFITS CAN HELP A GROWING PROBLEM

## LONG TERM CARE RIDER

**We're committed to helping customers identify and overcome a major hurdle facing their financial futures, the rising cost of health care. And we'll continue to do so with innovative, flexible, competitive life insurance products designed with your clients in mind.**

A Transamerica Financial Foundation IUL® (FFIUL) index universal life insurance policy with a Long Term Care Rider enables clients to accelerate a portion of the policy's death benefit to help pay monthly expenses they may incur for qualified long term care services.

But what truly makes the rider different is that the LTC Rider specified amount is always equal to the policy's face amount. This means that if the policy death benefit increases, so does the LTC Rider benefit. It combines the protection of a death benefit along with an LTC benefit. The advantage of choosing an increasing death benefit option is that it can potentially increase the LTC Rider benefit base, in turn increasing the amount available for qualified long term care expenses in the future.

The chart below shows hypothetical illustrations of how the death and LTC benefits for a Transamerica FFIUL policy might compare to other industry leaders.

FEMALE, AGE 40, PREFERRED ELITE. PREMIUMS PAID TO AGE 65	\$5,000 annual premium (\$417 per month)		
	Transamerica FFIUL <sup>2</sup>	Nationwide IUL Accumulator II <sup>3</sup>	Pacific Life PDX2 <sup>4</sup>
Initial face amount	<b>\$252,714</b>	\$174,613	\$160,514
Initial LTC benefit	<b>\$252,714</b>	\$174,613	\$160,514
Non-guaranteed death benefit in policy year 26	<b>\$530,562</b>	\$428,270	\$376,995
Non-guaranteed LTC benefit in policy year 26	<b>\$530,562</b>	\$174,613	\$160,514
Illustrated death benefit in policy year 26 using guaranteed assumptions	<b>\$302,361</b>	\$202,168	\$182,099
Illustrated LTC benefit in policy year 26 using guaranteed assumptions	<b>\$302,361</b>	\$174,613	\$160,514
Non-guaranteed LTC monthly benefit payable Min of 2% or HIPAA cap <sup>1</sup>	<b>\$10,611</b>	\$3,492	\$3,210
Illustrated LTC monthly benefit payable Min of 2% or HIPAA cap using guaranteed assumptions <sup>1</sup>	<b>\$6,047</b>	\$3,492	\$3,210

The data is based on the most current illustration software for all the companies represented here as of May 28, 2019.

**For Financial Professional Use Only. Not For Use With the Public.**

## INDEX CAPS AND LTC RIDER BENEFITS

- Transamerica's high cap rates — 13.75% for the S&P 500® Index Account and 15% for the Global Index Account — offer greater potential for policy value accumulation
- To date, we have never lowered our cap rates on the FFIUL
- We have a guaranteed<sup>5</sup> floor of 0.75%; most carriers' guaranteed index rates are 0.0%
- LTC Rider Coverage up to \$2,000,000
- LTC Rider, Base Insured Rider, and Critical Illness Accelerated Death Benefit Rider available on the same policy
- Our LTC Rider benefit has the potential to grow over time when the increasing death benefit option is selected on the base policy.<sup>6</sup> Available on policies that choose the increasing death benefit option, which will result in higher fees and charges over the life of the policy.
- Even if the entire death benefit is accelerated to pay for qualified long term care, a residual death benefit will be paid to help loved ones cover final expenses<sup>7</sup>

People want to live long, healthy lives with the financial means to do so. They're concerned about healthcare costs, retirement readiness, and protecting their family's quality of life. We're committed to helping them prepare for every part of that future — because a secure financial strategy is about more than dollars and cents. After all, what good is wealth if you're not healthy enough to enjoy it?



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**Call our dedicated team of licensed sales professionals for an illustration or to discuss this product for your clients.**

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<sup>1</sup>Long term care rider benefit is the lesser of 2% of the LTC Rider specified amount, or the HIPAA per diem amount multiplied by the number of days in the month.

<sup>2</sup>Illustration based on maximum illustrated rate of 7.75%

<sup>3</sup>Illustration based on maximum illustrated rate of 5.76%

<sup>4</sup>Illustration based on maximum illustrated rate of 5.76%

<sup>5</sup>Guarantees are based on the claims paying ability of the issuing company.

<sup>6</sup>The increasing death benefit option will result in higher monthly deductions over the life of the policy than the level death benefit option.

<sup>7</sup>Available if the insured did not recover from the condition and was eligible for LTC benefits at the time of death. The residual death benefit is the lesser of 10% of the policy's lowest face amount since inception, minus any outstanding loans, or \$10,000.

### **Not available in New York.**

The Transamerica FFIUL and LTC Rider have separate underwriting. A client may be rated differently on the base policy and rider.

Rates and values will differ based on age, gender, and health rating of the insured. Clients should receive a customized illustration in order to fully compare guaranteed and non-guaranteed elements.

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