

## Life Insurance

# PLAN FOR TOMORROW LIVE FOR TODAY

Chronic Illness and Terminal Illness  
Accelerated Benefit Rider  
Policy Forms CLI-681-UL and CLI-681-WL



### Prepare now for less worry later

According to the Centers for Disease Control and Prevention, six in ten adults in the U.S. have been diagnosed with a chronic health condition; four in ten have been diagnosed with two or more. Challenges associated with these conditions are not just physical, as 90 percent of annual healthcare costs can be attributed to chronic illnesses. Are you financially prepared for an unexpected medical emergency? An illness can wreak havoc on your finances and turn your world upside down. With the Chronic Illness and Terminal Illness Accelerated Benefit Rider, you can be prepared when medical reality hits.

You can request a portion of the death benefit while living, if you are either:

- diagnosed by a licensed health care practitioner as being chronically ill within the preceding 12 months
- or
- diagnosed by a physician with a terminal illness that is reasonably expected to result in death within 24 months

### How can you use this benefit?

The owner of the policy controls how the money is spent, with no restrictions. For example, you may choose to cover medical expenses or treat your family to a vacation to alleviate stress.

- No receipts are required, as the benefit is not based on actual costs incurred
- Because the rider is attached to a life insurance policy, benefits will be paid – either by meeting the chronic or terminal illness requirements or through the death benefit

### Things to consider

- Premiums are charged up front, not taken from the death benefit
- Death benefits, policy values and loan values are reduced if an advance is paid
- Receipt of advance payments may affect eligibility for Medicaid or other government benefits or entitlements
- Advanced payments are allowed once per calendar year
- An administrative expense fee is applied to each acceleration, with a maximum charge of \$250 per acceleration

Please consult with your tax adviser or attorney about your specific situation.



Everything Insurance Should Be®

This is not a policy. For a complete statement of the coverages and exclusions, please see the policy contract. All applicants are subject to underwriting approval. Products available in most states. Chronic Illness Rider not available on all products. Neither The Cincinnati Life Insurance Company nor its affiliates or representatives offer tax or legal advice.

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The Cincinnati Life Insurance Company

# WHOLE LIFE WITH CHRONIC ILLNESS AND TERMINAL ILLNESS ACCELERATED BENEFIT RIDER

Case Study Series



## Client profile:

The client is Sarah, 53.

## The situation:

Sarah had \$100,000 in a CD. She didn't need the money at the time and intended to pass it on to her heirs. However, she liked the idea of liquidity should she need that money for medical expenses down the road.

## The problem:

One of Sarah's close friends recently was diagnosed with cancer. Sarah saw how quickly expenses could increase and began to wonder if \$100,000 would be enough if she needed long-term medical treatment. She contacted an agent for help selecting the right product. Initially, the agent thought an annuity might be the best product to fit Sarah's needs, but he decided to also offer an alternative.

## The solutions presented:

He offered Sarah two options through Cincinnati Life:

- An industry-leading fixed annuity with a Long Term Care Facility and Terminal Illness Benefit Rider
- A 10-pay Guaranteed Whole Life insurance policy with a Chronic Illness and Terminal Illness Accelerated Benefit Rider

## The decision:

Sarah chose the second option, using the \$100,000 in her CD to pay an annual premium of \$11,435 for 10 years, because it offered a:

- Tax-free death benefit of almost \$300,000, nearly three times more than the annuity
- Larger cash value than the annuity if surrendered after 10 years
- Higher annual benefit if Sarah were ever diagnosed as being chronically or terminally ill

## The takeaways:

While it is common to consider an annuity for a client with CD money, remember a well-crafted life insurance product can provide a valuable answer. The agent was able to provide solutions to the client that allowed her to select the right product for her needs.

Please remember that a life insurance product requires medical underwriting, whereas an annuity does not. Be sure to assess the general health and insurability of the client before presenting life insurance options.



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