

Frequently Asked Questions

Accelerated Death Benefit for Chronic Illness Plus Rider

Available with
Symetra's Permanent Life Insurance

Not a bank or credit union deposit, obligation or guarantee	May lose value
Not FDIC or NCUA/NCUSIF insured	Not insured by any federal government agency

Frequently Asked Questions

Who can apply for this rider?

The policyowner can apply for the Accelerated Death Benefit for Chronic Illness Plus Rider if the proposed insured is between the ages of 20 and 80. Approval is based on underwriter discretion, but typically cases which are rated Table 4/D or better, have no flat extras greater than \$5 per \$1,000 and have no combination of table rating and flat extra ratings are acceptable. The proposed insured must reside in the United States at the time of application.

What are the underwriting requirements?

The Accelerated Death Benefit for Chronic Illness Plus Rider must be requested on the life insurance application, and a supplemental Accelerated Death Benefit for Chronic Illness Plus application must be submitted with it. In addition to normal underwriting guidelines, a prescription check will be performed on the proposed insured, and additional requirements may be necessary.

What are the rider's rate classes?

If the proposed insured is approved for the rider, the rider will be issued at the same rate class as the base policy. Note that the proposed insured may be declined for the rider but still qualify for coverage under the base policy.

How is the rider cost processed?

The illustrated premium includes the added cost of the rider. A charge for the rider is deducted each month from the policy's value. For Symetra UL-G and Symetra Protector IUL policies, the Lapse Protection Value, a notional value¹ that protects the policy's guarantee, will also be reduced by a separate monthly charge.

How do you qualify to receive a benefit?

Anytime after the effective date of the rider, provided the insured is certified by a licensed health care practitioner during the prior 12-month period as being unable to perform at least two of the six activities of daily living for a period of at least 90 days due to a loss of functional capacity, or having a severe cognitive impairment that requires substantial supervision to ensure the health and safety of him or herself.² To avoid any gaps and continue receiving benefit payments, recertification is required prior to the end of each 12-month period.

Is there a waiting period for benefits to begin?

There is no waiting period for benefits. Once we receive certification of a qualifying event, we will begin making payments on the monthly anniversary after the claim is approved.

Can benefits be received if the insured is residing outside of the United States?

Yes. However, the licensed health care practitioner must reside and practice within the United States, and the benefit payments must be sent to an address or a financial institution located within the U.S.

What needs to be submitted in order to process a claim?

In addition to certification from a licensed health care practitioner, the insured must authorize the release of his or her medical records and the policyowner must complete a claim form with the written consent of all irrevocable beneficiaries and assignees to the payment of the benefit.

Are receipts of medical care needed?

No. Symetra does not require submitted receipts to receive this benefit.

What is the maximum monthly benefit amount that can be received?

The monthly benefit is the lesser of 2% of the policy death benefit at the time of claim and the IRS per diem limit times 30. The IRS per diem may fluctuate annually due to inflation. The IRS per diem limit for 2019 is \$370.

Example 1:

For a policy with a \$400,000 death benefit, the maximum monthly benefit for 2019 would be \$8,000, as it would not be capped by 2% of the death benefit. The calculation is as follows:

*The lesser of [$\$400,000 \times 2\% = \$8,000$]
and [$\$370 \times 30 = \$11,100$] = \$8,000*

Example 2:

For a policy with a \$1,000,000 death benefit, the maximum monthly benefit for 2019 would be \$11,100, as it would be capped by the IRS per diem times 30. The calculation is as follows:

*The lesser of [$\$1,000,000 \times 2\% = \$20,000$] and
[$\$370 \times 30 = \$11,100$] = \$11,100*

How is the policy death benefit affected if the rider is accelerated?

The policy death benefit will be reduced dollar-for-dollar of benefits received.

How are Policy Values affected if the rider is accelerated?

The Policy Value and Lapse Protection Value, if applicable, will be reduced at the time the payment is made.

Do premiums still need to be paid while benefits are being received?

Once the policyowner is receiving benefit payments, all policy charges will be waived and no further premium payments will be required. If annual recertification does not occur, benefit payments will stop and policy charges will begin again on the next monthly deduction.

What is the cumulative maximum amount that can be accelerated?

Up to 100% of the policy death benefit at the time of claim can be accelerated.

What will happen to the policy if all of the death benefit available under the rider is accelerated?

Once the entire accessible amount of death benefit has been accelerated, the policy will remain in-force until the insured's death, at which time a \$5,000 residual death benefit will be paid to the beneficiary upon proof of death.

Is the receipt of benefits under this rider a taxable event?

Benefits received pursuant to this rider are generally received tax-free under IRC 101(g) to the extent they do not exceed the maximum IRS per diem. However, it is important to discuss all implications of accelerated death benefits with a tax advisor, including receipt of benefits from multiple policies and/or other sources and the impact the availability of benefits may have on government programs. Additionally, there are some instances where rider proceeds may be taxable. Examples of these include:

- If benefits from this policy and/or other similar policies exceed the IRS per diem limit.
- If expenses incurred do not meet the definition of "Qualified Expenses" as defined by the IRS.³

Will Symetra Life Insurance Company send a tax form when benefits are received?

Yes. Each year that an accelerated death benefit is paid, Symetra will send the policyowner a 1099-LTC form.

Can this rider be added after policy issue?

No. This rider is only available at the time of issue.

If the policy lapses, can the rider be reinstated?

Yes. However, additional underwriting may be required.

Can a Symetra term policy be converted into a permanent Symetra policy with this rider?

This optional rider is available on certain permanent plans offered for conversion. However, any application for the rider will require full underwriting.

What will happen if there is a loan on the policy when the rider is accelerated?

A portion of each accelerated benefit will be used to pay back the policy's outstanding loan. If any outstanding loan is not paid off, loan interest charges will continue to accrue, which will increase the indebtedness and the net death benefit on the policy will decrease accordingly.

Can a policy with this rider be owned by a corporation or trust?

A corporation or a trust can be the owner of a policy with this rider and, as such, will receive any accelerated benefit paid under the rider. When the insured and policyowner are not the same (e.g., a policy owned by an irrevocable life insurance trust), the policyowner should consult with a qualified tax advisor to ensure there are no unintended income or estate tax consequences related to the availability of funds to the insured. Additionally, if the policyowner has an insurable interest in the insured's life based on certain business or financial relationships, the rider's benefits may be subject to income tax.

Are there any other policy restrictions when receiving benefits from this rider?

Yes. If accelerated death benefits are actively being received through this rider, there can be no changes made to the policy face amount, no changes in death benefit options and no requests for new loans or partial withdrawals. Also, once this rider is exercised and benefits have started to be paid, the Accelerated Death Benefit for Terminal Illness Rider is no longer available.

Can this rider be used with the inherent Accelerated Death Benefit for Chronic Illness Rider?

Yes. Depending on each individual's unique circumstances, the inherent Accelerated Death Benefit for Chronic Illness Rider can be used to access a larger initial lump-sum benefit, followed by ongoing benefits under the Accelerated Death Benefit for Chronic Illness Plus Rider. However, if the inherent Accelerated Death Benefit for Chronic Illness Rider benefit is accelerated, it would reduce the available death benefit to be accelerated through the Accelerated Death Benefit for Chronic Illness Plus Rider.

Please contact your insurance professional if you have additional questions or need further assistance.

Life insurance is issued by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004-5135. Not available in all U.S. states or any U.S. territory.

Symetra Accumulator IUL and Symetra Protector IUL are flexible premium adjustable life insurance policies with index-linked interest options. In most states, the policy form number for Symetra Accumulator IUL is ICC17_LC1 and for Symetra Protector IUL it is ICC18_LC2.

Symetra UL-G and CAUL are flexible premium universal life insurance policies. Policy form number is ICC14_LC2 in most states.

Policy riders are not available in all U.S. states or any U.S. territory, and terms and conditions may vary by state in which they are available.

A rider is a provision of the policy that may have additional costs, limitations, potential benefits and features that should never be confused with the base policy itself. Before evaluating the benefits of a rider, carefully examine the policy to which it is attached.

Life insurance policies contain exclusions, limitations, reductions of benefits and terms for keeping them in-force. Please call your insurance professional for complete details.

The Accelerated Death Benefit for Chronic Illness Rider is usually issued under policy form number ICC16_LE6 for Symetra Accumulator IUL and Protector IUL policies. For Symetra UL-G and CAUL policies, it's usually issued under form number ICC15_LE1 and under the name "Chronic Illness Rider." This rider is only available for issue ages 20-85 and not available on rated policies. The amount of the death benefit that's accelerated, plus any accrued interest, will be secured by a lien against the base policy death benefit. Upon the death of the insured, the death benefit will be reduced by the amount of the lien, and the remaining death benefit will be paid. Exercising this rider will prohibit the policyholder from exercising the inherent Accelerated Death Benefit for Terminal Illness Rider (also called "Terminal Illness Rider" for Symetra UL-G and CAUL policies).

The Accelerated Death Benefit for Chronic Illness Plus Rider is usually issued under form number ICC16_LE7 for Symetra Accumulator IUL and Protector IUL policies. For Symetra UL-G and CAUL policies, it's usually issued under form number ICC15_LE4 and under the name "Chronic Illness Plus Rider." This rider is only available for issue ages 20-80, and if elected, additional underwriting will be required and the rider rate class will be the same as on the base policy. It's possible that the insured is approved for the base policy, but declined for this rider based on the rider underwriting results. If a policyholder requests an increase in face amount, it's possible that the base policy increase is approved but the rider increase is declined. If the rider increase is declined, no subsequent rider increase requests will be allowed. This rider is not available on policies with ratings worse than Table 4, with annual flat extras exceeding \$5 per \$1,000, or with both flat extras and table rates. This rider is an additional accelerated benefit to the inherent Accelerated Death Benefit for Chronic Illness Rider (also called "Chronic Illness Rider" for Symetra UL-G and CAUL policies). Exercising this rider will prohibit the policyholder from exercising the inherent Accelerated Death Benefit for Terminal Illness Rider (also called "Terminal Illness Rider" for Symetra UL-G and CAUL policies).

Receipt of benefits under this rider may be taxable, especially if the insured does not have a prescribed plan of care. You should consult with your personal tax or legal advisor before applying for this benefit. You may also lose your right to receive certain public funds such as Medicare, Medicaid, Social Security, Supplemental Security Income, and possibly others. This benefit is intended to qualify as an accelerated death benefit under section 101(g) of the Internal Revenue Code. The death benefit value and loan value will be reduced if an accelerated death benefit is paid. There is no restriction on the use of proceeds of these accelerated death benefits.

A rider is a provision of the policy that may have additional costs, limitations, potential benefits and features that should never be confused with the base policy itself. Before evaluating the benefits of a rider, carefully examine the policy to which it is attached.

Guarantees and benefits are subject to the claims-paying ability of Symetra Life Insurance Company.

¹ To ensure that your policy is properly funded to support the guarantee, Symetra Life Insurance Company utilizes a notional or reference value that we refer to as Lapse Protection Value. The Lapse Protection Value is a calculation that we use to determine whether or not the Lapse Protection Benefit is in effect. If the amount of your Lapse Protection Value is greater than or equal to zero and the policy cash surrender value exceeds your policy's loan value, then the Lapse Protection Benefit is in effect. Any period when your Lapse Protection Benefit is in effect is known as the Lapse Protection Benefit Period.

² "Cognitive impairment" generally means a loss or deterioration in a person's intellectual capacity and includes diseases like Alzheimer's and various forms of irreversible dementia. "Activities of daily living" generally means routine daily self-care activities, such as getting dressed, eating, using the bathroom and getting in and out of bed.

³ Qualified expenses mean costs incurred for the necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services needed by a chronically ill individual.



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