

LIFE | WHOLE

# Long Term Care Acceleration of Death Benefit Rider



## MetLife



## Meeting an Additional Need

with Your MetLife Promise Whole Life<sup>SM</sup> Policy



# Life. your way<sup>SM</sup>

Discover the flexibility of life insurance. Let it help you protect your family and accumulate and transfer wealth — now and in the future. Be free to live life, *your way*.

The reason so many people purchase life insurance is to ensure that after they're gone, the promises they made to their loved ones are delivered. Promises like replacing lost income, providing for the next generation, and paying for a child's or grandchild's education. The financial security life insurance helps provide is very important and, depending on your needs, whole life insurance can do more.



# Flexibility is Key

Like many people, your financial plan may include strategies for your retirement and ensuring the continued lifestyle of your family. But have you<sup>1</sup> considered a strategy for meeting long-term care needs, which can arise during your lifetime and can be both expensive and long-lasting? The Long Term Care Acceleration of Death Benefit Rider, available on MetLife's Promise Whole Life products<sup>2</sup>, may now provide a solution using your policy's death benefit.

## WHAT IS LONG-TERM CARE?

It's the care people need when they are unable to care for themselves. They may require a caregiver to assist with everyday activities of living such as dressing and bathing. This assistance may be required because they have a physical or cognitive impairment. Many people will need long-term care at some point in their lives, and in fact – two in ten people will need five or more years of long-term care services.<sup>3</sup> That's why adding this rider is something you should consider.

The **Long Term Care Acceleration of Death Benefit Rider** can help:

- Pay for expenses related to long-term care
- Remove some of the financial burden on family members
- Maintain the family's current lifestyle
- Leave other savings, such as those earmarked for retirement and legacy, untouched to continue growing

All while allowing you to choose the type of care you receive and where you receive it.

*Two in ten people will need five or more  
years of long-term care services.*

<sup>1</sup> The words "you" and "your" in this brochure refer to the situation where the owner and the insured are both the same person.

<sup>2</sup> Not available on MetLife Promise Whole Life Select 65<sup>SM</sup>.

<sup>3</sup> A Comprehensive Approach to Long-Term Services and Supports, September 23, 2013. <http://www.medicareadvocacy.org/national-commission-on-long-term-care>.

# Here's How It Works



For an additional cost, the Long Term Care Acceleration of Death Benefit Rider lets you take up to 90% of the policy's death benefit if you become chronically ill and are receiving qualified long-term care services (such as adult day care, assisted living care, or nursing home care) under a plan of care, all as defined in the rider<sup>4</sup>. As long as you remain eligible for benefits, you will receive a payment each month of a portion of the policy's death benefit, subject to the maximum monthly and lifetime benefit amounts.<sup>5</sup> You can use these monthly payments in any way you see fit. This rider can be added to most of the MetLife Promise Whole Life Products. Payment of benefits under the rider reduces the cash value of your policy and the amount available as a death benefit.

So not only do you have the guaranteed death protection and cash accumulation of a MetLife Promise Whole Life policy, you also have the option to access that death benefit while you are still living to get cash to help pay for any long-term care expenses you may someday incur.

In addition to the benefits listed above, the Long Term Care Acceleration of Death Benefit Rider:

- Doesn't require receipts for reimbursement of payment for services
- Allows you to use the benefit payments for any purpose
- Waives premiums due while benefits are being paid. The premiums for some riders will not be waived. Contact a financial professional for more information

## MANY NEEDS, LIMITED FUNDS

People generally have limited resources they can spend on protection. That's why long-term care protection sometimes takes a back seat to needs they feel are more important. But the fact remains that:

- In all five sectors (adult day care, home health agency, hospice, nursing home and residential care community), women were the highest users of long-term care services, and most of these services were provided in residential care communities (72%)<sup>6</sup>
- Among people now turning age 65, an estimated seven in ten will need long-term support and services, while two in ten will need five or more years of long-term services<sup>7</sup>
- Few Americans age 40 or older are prepared for long-term care — care that they expect to need in the future — and even fewer understand the financial costs<sup>8</sup>

The amount of time a person needs long-term care services varies by the type of care needed. On average, 35% of people surveyed used nursing home facilities for one year, while 69% used home care for two years.<sup>9</sup>

So without a plan, how would you meet the expenses if long-term care was required for the rest of your life?

Would you use funds that were originally meant for retirement? Or pull from college funds for children or grandchildren?

And what about the impact to your family? Will they be able to meet your increased financial needs if extensive professional care is required? Would you even want to put them in that position?

<sup>4</sup> Certain age and state availability restrictions may apply. The policy owner can accelerate the death benefit when the insured is eligible for benefits pursuant to the rider's terms and conditions. Descriptions of policy features and riders are only partial. Please see a specimen rider for additional details. The rider is intended to be federally tax-qualified under Section 7702B(b) of the Internal Revenue Code of 1986.

<sup>5</sup> The maximum lifetime benefit amount is determined at the time of the first claim for benefits under the rider. When the monthly payments received under the rider equals the maximum lifetime benefit amount, the rider will terminate.

<sup>6</sup> CDC.gov: Long Term Care Services in the United States: 2013 Overview. [http://www.cdc.gov/nchs/data/nsltcp/long\\_term\\_care\\_services\\_2013.pdf](http://www.cdc.gov/nchs/data/nsltcp/long_term_care_services_2013.pdf).

<sup>7</sup> A Comprehensive Approach to Long-Term Services and Supports, September 23, 2013. <http://www.medicareadvocacy.org/national-commission-on-long-term-care>.

<sup>8</sup> Report: Long-Term Care in America: Expectations and Reality, 2013 Study. <http://www.longtermcarepoll.org/Pages/Polls/Report.aspx#sthash.3xvHUJw.dpuf>.

<sup>9</sup> Longtermcare.com, How Much Care Will You Need? <http://longtermcare.gov/the-basics/how-much-care-will-you-need/>. March 27, 2015

# An Expensive Possibility

The cost of long-term care can be significant. Based on national averages, just two years of home-based care might cost over \$90,000.<sup>10</sup> If you eventually need care in a nursing facility, the annual cost could easily reach \$77,380<sup>10</sup> or more. Costs can vary greatly by geographic location.

## ANNUAL COST OF CARE BY TYPE

| STATE            | AT HOME  | ADULT DAY CARE | ASSISTED LIVING/<br>RESIDENTIAL CARE<br>FACILITY | NURSING HOME/<br>FACILITY |
|------------------|----------|----------------|--------------------------------------------------|---------------------------|
| Massachusetts    | \$57,200 | \$16,900       | \$62,964                                         | \$126,290                 |
| Colorado         | \$50,336 | \$16,640       | \$39,750                                         | \$79,205                  |
| Florida          | \$42,328 | \$15,600       | \$36,000                                         | \$83,950                  |
| New York         | \$50,336 | \$19,500       | \$44,205                                         | \$124,100                 |
| Washington       | \$52,624 | \$17,443       | \$51,000                                         | \$92,345                  |
| National Average | \$45,188 | \$16,900       | \$42,000                                         | \$77,380                  |

### WHO PAYS FOR LONG-TERM CARE?

Many people believe their existing insurance plans or a government program will pay for long-term care, but this is not usually the case.

■ **Health insurance** and **Medicare** are designed to cover the cost of medical care, such as doctor's visits and hospital stays, and generally **do not** pay for long-term care

■ **Disability insurance** is designed to replace a portion of your lost income should you become disabled and unable to work

■ **To be eligible for Medicaid**, certain requirements must be met including having income and assets that do not exceed the levels mandated by each state<sup>11</sup>

■ **Personal savings** may often be the **only** available source of payment

Make sure that the financial goals for you and your family remain within reach, should you experience a long-term care need. The Long Term Care Acceleration of Death Benefit Rider can help.

<sup>10</sup> Carescout, Cost of Care Study 2014. <https://www.carescout.com/provider-data-services/cost-of-care.html>.

<sup>11</sup> Longtermcare.gov, State Medicaid Programs.

# The Details

## BECOMING ELIGIBLE

In order to be eligible for benefits, a physician must have certified, within the past 12 months, that you are “Chronically Ill,” which means that:

You are unable to perform, without substantial assistance from another person, at least two of the six Activities of Daily Living listed below for an expected period of at least 90 days due to loss of functional capacity, or that you require substantial supervision to protect you from threats to health and safety due to a severe cognitive impairment.

You must be receiving qualified long-term care services as prescribed by a physician for 90 days before a benefit will be paid. The 90 days does not need to be consecutive, but must be met within a 24-month period and it only needs to be satisfied once.

## THE ACTIVITIES OF DAILY LIVING ARE DEFINED AS:

1. **Bathing:** Washing oneself by sponge bath, or in a tub or shower, including getting into or out of the tub or shower.
2. **Continence:** Ability to maintain control of bowel and bladder function; or, when not able to maintain control of bowel or bladder function, the ability to perform related personal hygiene (including caring for catheter or colostomy bag).
3. **Dressing:** Putting on and taking off all items of clothing and any required braces, fasteners, or artificial limbs.
4. **Eating:** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by feeding tube or intravenously.
5. **Toileting:** Getting to and from the toilet, getting on and off the toilet, and performing related personal hygiene.
6. **Transferring:** Moving into or out of a bed, chair or wheelchair.

## ACCESSING YOUR BENEFIT

Under this rider, you decide how much the benefit amount will be as long as it is, at least \$500 (subject to state variations) and does not exceed the maximum monthly long-term care benefit amount that is allowed for your claim. You may change the amount requested, within the minimum and maximum limits.<sup>12</sup>

<sup>12</sup> The maximum monthly allowed long-term care benefit amount is at least the minimum monthly benefit of \$500 and no more than the lesser: of 1) the monthly equivalent of the Internal Revenue Service (“IRS”) per diem dollar limit in effect for the month for which the benefit is paid; or 2) the greater of 2% of the net death benefit. The maximum monthly benefit will be calculated at the time of claim. The maximum monthly benefit for each claim will be reduced whenever a transaction, other than a payment of the monthly benefit, reduces the eligible proceeds. In addition, the maximum monthly benefit may change if the IRS changes the per diem limitation. The payment of a long-term care benefit reduces the cash value and the amount available as a death benefit of your policy.





*Few Americans age 40 or older are prepared for long-term care — care that they expect to need in the future — and even fewer understand the financial costs.*

# Let's see how this benefit can be used at various ages:

Below is an example of a male, age 45, with a MetLife Promise Whole Life policy on his own life with a \$1,000,000 death benefit with the Long Term Care Acceleration of Death Benefit Rider. He will be able to accelerate up to 90% of his policy's eligible death benefit (in general, the death benefit less any outstanding loans). This money can be used to help cover the costs of ongoing care associated with his long-term care needs or for other purposes.

The maximum lifetime benefit amount is 90% of the eligible death benefit or \$10 million, whichever is less. In the examples shown below, the client has requested a 50% acceleration of the maximum monthly benefit.

The following charts show how 12 months of benefit payments under the rider would work, and the impact the payments would have on the policy values.

| METLIFE PROMISE WHOLE LIFE — \$1,000,000 FACE AMOUNT (GUARANTEED VALUES) |                                                                                         |                                                                                         |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Attained age at time of claim                                            | If policyholder starts receiving benefits at age 55 and receives benefits for 12 months | If policyholder starts receiving benefits at age 85 and receives benefits for 12 months |
| Issue Date of Policy                                                     | January 1, 2015                                                                         |                                                                                         |
| Total Death Benefit before claim                                         | \$1,000,000                                                                             | \$1,000,000                                                                             |
| Total Cash Value before claim                                            | \$134,000                                                                               | \$737,000                                                                               |
| Annual Guaranteed Premium before claim <sup>13</sup>                     | \$20,530                                                                                | \$20,530                                                                                |
| MAXIMUM LIFETIME BENEFIT AND CLAIM INFORMATION                           |                                                                                         |                                                                                         |
| Maximum Lifetime Benefit Amount                                          | \$900,000                                                                               | \$900,000                                                                               |
| Amount Policyholder will receive after 12 months of benefit payments     | \$59,400                                                                                | \$59,400                                                                                |
| IMPACT TO POLICY VALUES AFTER 12 MONTHS OF BENEFIT PAYMENTS              |                                                                                         |                                                                                         |
| Total Death Benefit                                                      | \$940,600                                                                               | \$940,600                                                                               |
| Total Cash Value                                                         | \$126,040                                                                               | \$693,222                                                                               |
| Annual Premium being waived <sup>14</sup>                                | \$19,238                                                                                | \$19,238                                                                                |

<sup>13</sup> Premiums for the rider are guaranteed renewable and MetLife has the right to raise premiums on a class basis.

<sup>14</sup> While we are making Monthly LTC benefit payments, we will waive any premiums due under the Policy (which includes rider premiums) that are not already being waived unless such premiums would be used to purchase additional insurance on the Insured.





| METLIFE PROMISE WHOLE LIFE — \$1,000,000 FACE AMOUNT (NON-GUARANTEED VALUES) |                                                                                         |                                                                                          |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Attained age at time of claim                                                | If policyholder starts receiving benefits at age 55 and receives benefits for 12 months | If policyholder starts receiving benefits at age 85 and receives benefits for 12 months. |
| Issue Date of Policy                                                         | January 1, 2015                                                                         |                                                                                          |
| Total Death Benefit before claim <sup>15</sup>                               | \$1,101,062                                                                             | \$2,720,781                                                                              |
| Total Cash Value before claim                                                | \$174,597                                                                               | \$2,144,496                                                                              |
| Annual Non-guaranteed Premium before claim                                   | \$19,890                                                                                | \$19,890                                                                                 |
| MAXIMUM LIFETIME BENEFIT AND CLAIM INFORMATION                               |                                                                                         |                                                                                          |
| Maximum Lifetime Benefit Amount                                              | \$990,956                                                                               | \$2,448,703                                                                              |
| Amount Policyholder will receive after 12 months of benefit payments         | \$59,400                                                                                | \$59,400                                                                                 |
| IMPACT TO POLICY VALUES AFTER 12 MONTHS OF BENEFIT PAYMENTS                  |                                                                                         |                                                                                          |
| Total Death Benefit                                                          | \$1,041,662                                                                             | \$2,661,381                                                                              |
| Total Cash Value                                                             | \$164,296                                                                               | \$2,097,677                                                                              |
| Annual Premium being waved <sup>16</sup>                                     | \$18,820                                                                                | \$19,457                                                                                 |

<sup>15</sup> Dividends, which are not guaranteed, have been used to purchase additional insurance. Other dividend options are available.

<sup>16</sup> While we are making Monthly LTC benefit payments, we will waive any premiums due under the Policy (which includes rider premiums) that are not already being waived unless such premiums would be used to purchase additional insurance on the Insured.







# Protect Against Two Needs with One Policy

## Using the Long Term Care Acceleration of Death Benefit Rider from MetLife.

### MEETING OUR CLIENTS' NEEDS FOR LIFE

As one of the most recognized and trusted life insurance providers, MetLife has kept its promises, met its obligations and remains a strong, trusted source of protection.

Ask a financial professional for more details about the Long Term Care Acceleration of Death Benefit Rider offered on MetLife Promise Whole Life products. Benefits received from the Long Term Care Acceleration of Death Benefit Rider may not satisfy all of your long-term care needs.

Any benefits received under this rider may adversely affect the recipient's eligibility for public assistance programs and the benefits received under this rider may be taxable.

The MetLife Insurance Company USA (MetLife) Long Term Care Insurance rider is guaranteed renewable. This means that once the rider is issued, and as long as premiums are current, it cannot be canceled due to an increase in your age or a change in your health. Premium rates can only be raised as the result of a rate increase made on a class-wide basis in the state where the policy is issued and in accordance with applicable state law.

MetLife's policies contain certain exclusions, limitations, elimination periods, reductions of benefits and terms for keeping them in-force. For complete costs and details, please contact a financial professional.

This advertisement describes coverage offered by MetLife. Subject to state availability, the Long Term Care Acceleration of Death Benefit Rider is offered on certain MetLife Promise Whole Life policies. Underwriting is necessary for both the life insurance policy and the rider, coverage for the life insurance policy and the rider may also require a medical examination.

Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax or accounting advice. Clients should confer with their qualified legal, tax and accounting advisors as appropriate.

MetLife Promise Whole Life, MetLife Promise Whole Life 120, MetLife Promise Whole Life Select 10 and MetLife Promise Whole Life Select 20 are issued by MetLife Insurance Company USA generally on Policy Form 5E-12-10 in all jurisdictions except New York. All guarantees are subject to the claims-paying ability and financial strength of the issuing insurance company.

#### **Whole Life Insurance Products are:**

- Not A Deposit • Not FDIC-Insured • Not Insured By Any Federal Government Agency
- Not Guaranteed by Any Bank or Credit Union





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