



# Ameritas FLX Living Benefits Term

Life Insurance

Ameritas Life Insurance Corp.

LI 2120 6-19



## Protect the Ones You Love

While we can't always protect our family from life's struggles, we can take steps to ease the burdens created when hardships occur.

Life insurance can help you and your family be prepared if you are faced with serious medical situations or death. Purchasing term insurance is one of the easiest and most affordable ways you can financially protect your family.

### Death Benefit

The death benefit of Ameritas FLX Living Benefits Term can provide a key resource for your family if you die prematurely. It can help your family avoid making major changes like selling the family home, switching schools or changing their lifestyle. Typically your family won't owe any income taxes on this money—one of the many valuable benefits of having life insurance.

### Living Benefits

There are many unexpected events besides death that, if not properly prepared for, could cripple a family's finances in a hurry. So, in the event of a critical, chronic, or terminal illness, your policy has an accelerated death benefit rider that will protect you and your family by providing a portion of your policy's available death benefit. This living benefit option will give you access to money while you are alive and when you may need it most. These living benefits are automatically included in your policy at no additional premium charge.

### It Costs Less Than You Might Think

Most Americans (80%) overestimate the cost of term insurance.\* Your premiums are based on your age, how healthy you are and how long you want your insurance to last. If you qualify, you can purchase up to \$300,000 of life insurance protection with no physical exam or lab work. Larger amounts are available with a few simple tests and an in-person health interview, scheduled at your convenience.

\*Life Insurance Ownership in Focus U.S. Household Trends, LIMRA, 2016.



## Ratings

### A.M. Best Company

**A (Excellent)** for financial strength and operating performance. This is the third highest of A.M. Best's 13 ratings assigned.

### Standard & Poor's

**A+ (Strong)** for insurer financial strength. This is the fifth highest of Standard & Poor's 21 ratings assigned.



## Company Highlights

**4.2**

**million**  
customers\*

**\$32.6**

**billion**  
in assets under  
management\*

**\$3.0**

**billion**  
of benefits paid to  
policyholders in 2018

\*As of December 31, 2018

## The Ameritas Mutual Advantage

Ameritas is part of a mutual organization, which means we are owned by our policyholders, not shareholders. This structure helps us develop strategies and make decisions that focus on long-term financial strength rather than short-term quarterly returns. It is the foundation that has allowed us to deliver on our promises for more than 125 years.

As part of our commitment to doing what's best for our customers, we are proud to offer living benefits on many of our life insurance policies. Living benefits provide our customers with options at a critical time and fit into our mission to offer proven, trusted insurance and financial strategies. We strive to make the lives of our customers better...this is just one way we do it.



## Definition

### Qualifying Critical Illnesses

- life-threatening cancer
- stroke
- major heart attack
- end-stage renal failure
- major organ transplant
- amyotrophic lateral sclerosis (ALS)
- blindness due to diabetes
- paralysis of two or more limbs
- major burns
- coma
- aplastic anemia
- benign brain tumor
- aortic aneurysm
- heart valve replacement
- coronary artery bypass graft surgery



## Critical Illness

When a critical illness like a sudden heart attack or unexpected cancer diagnosis hits, the last thing you and your family want to worry about is money. But the reality is that when dealing with a major illness, expenses go up and income goes down. You can accelerate up to 90% of your available death benefit up to \$1.5 million maximum.

Your policy's death benefit and your life expectancy will be used to calculate the amount of your death benefit that could be advanced if you are diagnosed with a qualifying critical illness. The amount you receive will reduce the death benefit your beneficiaries will receive when you die but you can spend it any way you wish while you are living. The more serious your critical condition, the more benefit you will be eligible to receive. The amount of death benefit you ultimately choose to accelerate will be up to you – giving you options and flexibility when you need it most.

### The Impact of Living Benefits

Eduardo and Gabriella each have \$500,000 of 30-year term insurance they purchased when they bought their home 10 years ago. At age 40, Eduardo becomes ill and requires a kidney transplant. He was off work for several months and exercised the rider to help pay medical bills, the mortgage and other daily expenses.

Purchase Profile	Male, age 30, Preferred nontobacco
Initial Face Amount	\$500,000
Critical Illness Amount Payable	\$151,008
Total Premiums Paid (monthly)	\$5,670
Death Benefit Remaining (if choose full amount above)	\$50,000
New Monthly Premium	\$9

The Critical Illness Amount Payable is based on a 55% reduction in life expectancy, the maximum administrative fee of \$250 and a 6% discount rate. New Monthly Premium will be reduced proportionately and will continue to be payable on the remaining face amount through the end of the level term period. The payouts and results are for illustrative purposes only and results will vary by individual at time of claim and may vary by state.



**Every 40 Seconds**

### Heart Attack or Stroke

Every 40 seconds, someone in the U.S. has a stroke or heart attack. That adds up to more than \$315 billion in direct and indirect costs.

Source: Heart disease and stroke statistics—2017 update: a report from the American Heart Association in *Circulation*, Vol. 135 Issue 10 published March 7, 2017



## Chronic Illness

A chronic illness can be both emotionally and financially exhausting for the entire family. In those situations, you can accelerate up to 90% of your available death benefit up to \$1.5 million maximum if you are unable to perform two of six activities of daily living for at least 90 days or if you have been diagnosed with a severe cognitive impairment.

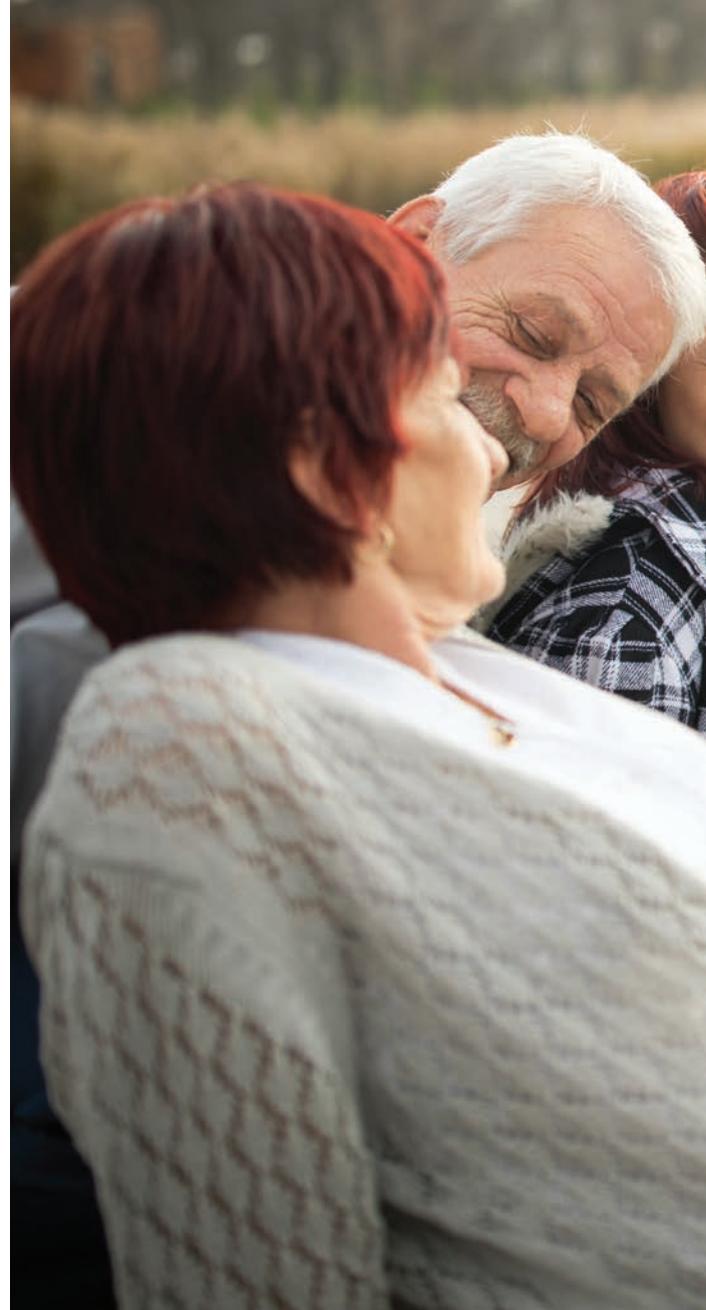
Your current death benefit and your life expectancy will be used to calculate the amount that could be advanced to you. The amount you decide to have advanced will reduce the amount your beneficiaries will receive when you die. However, the money you receive may improve your quality of life and reduce the strain on your loved ones. The more severe your chronic illness, the more benefit you will be eligible to receive.

### The Impact of Living Benefits

Judy and her husband purchased a 30-year, \$750,000 term policy on each of their lives before their first daughter was born. Their oldest daughter recently graduated and their youngest is a sophomore in college. Judy has lived with a degenerative muscle disorder for the past several years, and now needs assistance with everyday living activities. At age 51, they exercise the chronic illness benefit, giving them money to make modifications to their home to accommodate a wheelchair and to help pay for home health care.

Purchase Profile	Female, age 26, Standard nontobacco
Initial Face Amount	\$750,000
Chronic Illness Amount Payable	\$222,385
Total Premiums Paid (monthly)	\$23,721
Death Benefit Remaining (if choose full amount above)	\$75,000
New Monthly Premium	\$12

The Chronic Illness Amount Payable is based on a 55% reduction in life expectancy, the maximum administrative fee of \$250 and a 6% discount rate. New Monthly Premium will continue to be payable on the remaining face amount through the end of the level term period. The payouts and results are for illustrative purposes only and results will vary by individual at time of claim and may vary by state. If the chronic illness accelerated amount exceeds the limits declared by the IRS (HIPAA limits), it may be payable in installments. Exceeding the per diem limits could cause significant tax consequences. Please consult your tax advisor for full details.



## Definition

### Qualifying Chronic Illnesses

Severe cognitive impairment or the inability to perform at least two of the following activities of daily living for at least 90 days:

- dressing
- toileting
- transferring
- continence
- eating
- bathing



## Costs of Care

### Living with Alzheimer's

More than 5 million Americans are living with Alzheimer's—by 2050, it could rise as high as 16 million. A person with dementia may eventually need assistance with daily living. It's impossible to know just what kind of assistance, but whatever it is, it's likely to be expensive:

- Almost \$7,000 a month for a private room in a nursing home
- More than \$3,000 a month for care in an assisted living facility
- \$21 per hour for a home health aide
- \$19 per hour for homemaker services
- \$67 per day for services in an adult day health care center

Source: Alzheimer's Association. 2017 Alzheimer's Disease Facts and Figures. Alzheimer's & Dementia 2017;13:325-373 and <http://longtermcare.gov/costs-how-to-pay/costs-of-care/>



## Common Questions About Living Benefits

### Who are living benefits paid to?

Living benefits are paid to you, the policy owner, not the beneficiary, as they are paid while the insured is living.

### How will the living benefit be paid?

The accelerated death benefit is paid in a lump sum for a critical or terminal illness. For a chronic illness, the benefit can be paid in a lump sum or in installments. If the amount available exceeds the per diem limits declared by the IRS (HIPAA limits), you can receive the payout in installments to help reduce the tax consequences. Please consult your tax advisor for details.

### Can I choose to receive a portion of my living benefit, instead of the full amount available?

Yes, living benefits are flexible to meet your needs. You may take up to five accelerations, including a first time event, a subsequent acceleration for the same event and a reoccurrence of a previous event.

### How can I spend the living benefit I receive?

There are no restrictions on spending the money you receive as a living benefit. You are in control and can use this living benefit any way you choose.



## Terminal Illness

Sometimes we can't control what happens in life. The terminal illness benefit on your policy may help you get back some control by accelerating up to 90% of your available death benefit, up to \$1.5 million, if a doctor certifies you have 12 months or less to live. It may give you the resources you need to spend the time you have left the way you wish, or to pay for a possible life-saving experimental treatment that is not covered by health insurance.

### The Impact of Living Benefits

Five years ago Dave, age 50, retired from his manufacturing job and opened a sandwich shop, fulfilling his dream to run his own business. He took out a 15-year loan to cover start-up costs. He purchased a \$300,000 term policy to pay off his loan if something happened to him. At age 59, Dave was given nine months to live due to stage four cancer. He exercises his living benefit to get his affairs in order.

Purchase Profile	Male, age 50, Standard nontobacco
Initial Face Amount	\$300,000
Terminal Amount Payable	\$252,502
Total Premiums Paid (monthly)	\$11,548
Face Amount Remaining	\$30,000
New Monthly Premium	\$15

The Terminal Illness Amount Payable is based on a one-year life expectancy, the maximum administrative fee of \$250 and a 6% discount rate. New Monthly Premium has been reduced proportionately and will continue to be payable on the remaining face amount through the end of the level term period. The payouts and results are for illustrative purposes only and results will vary by individual at time of claim and may vary by state.

### How much living benefit I will receive?

There is not a set amount. It is based on the severity of your illness/condition and your life expectancy. If you exercise the accelerated death benefit rider, the company prepares a quote, which provides the amount you can receive based on the face amount you choose to accelerate, your current age, your current life expectancy and the accelerated benefit interest rate in effect. At that point, you can decide how much, if any, living benefit amount you want to receive.



## Purchase Protection

You can safeguard those you care about from the financial hardships your serious illness or death would cause by purchasing life insurance. Choosing the amount that is right for you and your family's financial situation is key.

### How Much You Will Need?

There are multiple ways to figure this out. To help keep it simple, consider this popular tool, called the **DIME** method.

**D** Other than a mortgage, how much, if any, do you have in **debt**? (Consider credit cards, student loans, car payments, other loans, etc.) \_\_\_\_\_

**I** If something happened to you, how much **income** would your family need each month to pay their everyday expenses? How many years would you want to provide that income? (Consider things like utilities, daycare, groceries, insurance and entertainment. Would it be \$2,500, \$5,000 or even more?)  
\_\_\_\_\_ x 12 x \_\_\_\_\_ years = \_\_\_\_\_

**M** How much **mortgage**, if any, do you owe on your home? \_\_\_\_\_

**E** How much to cover any **education** and/or final **expenses**? \_\_\_\_\_

**Total Need** \_\_\_\_\_

Next, determine how long you want your protection to last—10, 15, 20, 25 or 30 years. The period you choose helps determine the amount you'll pay for your insurance. It is also how long your premiums are guaranteed to stay the same.



## More Flexibility

Ameritas FLX Living Benefits Term can help you be prepared for unexpected death or medical situations. It also gives you the flexibility you need to change your life insurance protection too. In general, if your needs change and you decide you want permanent protection, during your initial term or up to age 65 (whichever is less) you can convert all or part of your policy to a selected Ameritas permanent policy without underwriting.





## Optional Benefits

Customize your policy by adding optional benefits called policy riders.

- **Children's Insurance**

This rider provides \$25,000 of life insurance for each of your children for one fee. Later in life, your children can convert their coverage to permanent protection. Available to parents age 18 to 55.

- **Waiver of Premium**

This rider waives the policy's premium if you are totally disabled. How long the premium is waived depends on when the disability occurs. This feature is available to people age 18 to 55.

- **Accidental Death Benefit**

This rider will provide an additional \$25,000 to \$100,000 to your beneficiaries if your death is an accident. Available from age 18 to 60 or 65, depending on the length of your coverage.





Ameritas FLX Living Benefits Term (form 3019) and its Accelerated Death Benefit Rider (form ICC16 CCTIABR) are issued by Ameritas Life Insurance Corp. Policy and riders may vary and may not be available in all states.

This information is provided by Ameritas®, which is a marketing name for subsidiaries of Ameritas Mutual Holding Company, including, but not limited to, Ameritas Life Insurance Corp., located at 5900 O Street, Lincoln, NE 68510 and Ameritas Life Insurance Corp. of New York, located at 1350 Broadway, Suite 2201, New York, NY 10018. Ameritas Life Insurance Corp. of New York is licensed in New York. Each company is solely responsible for its own financial condition and contractual obligations. For more information about Ameritas®, visit [ameritas.com](http://ameritas.com).

Ameritas® and the bison design are registered service marks of Ameritas Life Insurance Corp. Fulfilling life® is a registered service mark of affiliate Ameritas Holding Company.

© 2019 Ameritas Mutual Holding Company