



# Customizing life insurance is as easy as A-B-R

According to the Centers for Disease Control and Prevention, the average U.S. life expectancy is now 78.6 years. As longevity becomes an increasingly important aspect of planning for the future, consumers are forced with the difficult task of determining how to address life's "what ifs." Rather than choosing between protecting their loved ones at death or protecting themselves while living, offer clients the best of both worlds.

## *What are accelerated benefit riders (ABRs)?*

Accelerated benefits riders, also commonly known as living benefit riders, allow life insurance policyholders to use their policies to pay for chronic, critical and terminal illness.

## *How are ABRs applied?*

ABRs may be available in the form of a separate optional rider on a policy for a fee or may be included inherently in the policy for no additional cost.

## *How do ABRs work?*

ABRs give policyholders expedited access to a life insurance policy's death benefit in specific circumstances, such as experiencing the inability to perform Activities of Daily Living (ADLs) independently, developing a chronic or terminal illness, experiencing severe cognitive impairment, or being confined to a qualified care facility.

## *How may the funds accessible through ABRs be used?*

Some policies may have time restrictions on how quickly funds can become accessible for living benefit use, while others do not. Funds may be used for reimbursement of hospital bills, travel for care, renovations to help the person stay in the home, lost income for the individual or caregiver, or other circumstances as specified by the policy.

## *Why choose ABRs?*

94.9% percent of adults age 60 and older have at least one chronic condition.<sup>1</sup>

70% of those who reach age 65 will need care services at some point in their lives.<sup>2</sup>

A nursing home stay could cost from \$220 to over \$1,150 per day, depending on location.<sup>3</sup>

**Show clients that life insurance doesn't have to be a "use it or lose it" proposition. With ABRs, you can help them customize coverage to address needs in life and at death.**

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### **FOR AGENT USE ONLY. NOT FOR USE WITH THE GENERAL PUBLIC.**

<sup>1</sup> "The Inequities in the Cost of Chronic Disease: Why It Matters for Older Adults." National Council on Aging, April 21, 2022.

<sup>2</sup> Administration for Community Living website, managed by the U.S. Department of Health and Human Services.

<sup>3</sup> Genworth's Cost of Care Survey 2023.

Policy guarantees are backed by the claims-paying ability of the issuing insurance company.

An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that provides the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments may affect eligibility for Medicaid or other benefit programs.

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code. Agents may not give tax, legal, accounting or investment advice. Individuals should consult with a professional specializing in these areas regarding the applicability of this information to his/her situation.

