

# Accelerated Death Benefit Rider for Chronic and Terminal Illness



Chronic and Terminal Illnesses are all-too-common in today's world. In addition to causing a significant emotional toll, such illnesses can also create financial strain. Paying medical bills and covering living expenses could prove difficult during these challenging times. That's why Mutual Trust's life insurance policies offer an Accelerated Death Benefit Rider that gives you the opportunity to access a portion of your policy's death benefit during your lifetime in the event of permanent chronic or terminal illness.

Available at no additional premium, Mutual Trust whole life policies are issued with the Accelerated Death Benefit Rider for both Chronic and Terminal Illness. Term policies offer the Accelerated Death Benefit Rider for Terminal Illness, also at no additional premium.\* The riders are available on policies for insureds up to age 75 with some restrictions related to underwriting risk assessment and face amount.

Since accelerated benefits are payable prior to death, the face amount will be reduced by more than the amount received. There is an administrative fee when either benefit is elected.

Our Accelerated Death Benefit Rider is not long-term care insurance. In fact, you don't even need to use the money you receive for healthcare costs. You can use it for any purpose you choose.

There is flexibility in the amount of death benefit available for acceleration. Additionally, you can elect how to receive funds—in a lump sum or in a series of equal payments on an established schedule.

## Acceleration Due to Chronic Illness

The Accelerated Death Benefit Rider for Chronic Illness provides the opportunity to accelerate a maximum

of 24% of your policy's eligible face amount or up to \$240,000 per year (minimum 5%, or \$10,000).

To accelerate benefits under the chronic illness provision, insureds must, for 90 consecutive days, be certified in writing by a physician as being permanently:

- Unable to perform at least two Activities of Daily Living (eating, bathing, dressing, toileting, transferring and continence) without substantial assistance, or
- Requiring substantial supervision to protect themselves from threats to health and safety due to severe cognitive impairment.\*\*

A hypothetical example of how this benefit works and the impact that it could have on policy values is provided on the other side.

## Chronic Illness Accelerated Death Benefit Rider—Hypothetical Situation

Female, age 60, Preferred Non-Tobacco purchases a \$250,000 death benefit Horizon Value™ life insurance policy. At age 85, she applies for and is approved for benefits under the Accelerated Death Benefit Chronic Illness Rider. She decides to accelerate 10% of the death benefit.

| Initial Death Benefit | Age at 1 <sup>st</sup> Acceleration | Election Amount | Amount Received at 1 <sup>st</sup> Acceleration | Death Benefit After 1 <sup>st</sup> Acceleration |
|-----------------------|-------------------------------------|-----------------|---|--|
| \$250,000             | 85                                  | \$25,000        | \$25,000  | \$218,113  |

The Insured provides certification of permanent chronic illness and elects an additional 10% acceleration a year later and the year after that for a total of three accelerations.

| Death Benefit after 1 <sup>st</sup> Acceleration | Age at 2 <sup>nd</sup> Acceleration | Election Amount | Amount Received at 2 <sup>nd</sup> Acceleration | Death Benefit After 2 <sup>nd</sup> Acceleration |
|--|-------------------------------------|-----------------|---|--|
| \$218,113  | 86                                  | \$25,000        | \$25,000  | \$186,945  |

| Death Benefit after 2 <sup>nd</sup> Acceleration | Age at 3 <sup>rd</sup> Acceleration | Election Amount | Amount Received at 3 <sup>rd</sup> Acceleration | Death Benefit After 3 <sup>rd</sup> Acceleration |
|--|-------------------------------------|-----------------|---|--|
| \$186,945  | 87                                  | \$25,000        | \$25,000  | \$156,575  |

### Note about Hypothetical Situation above:

- The information presented is hypothetical and is not intended to project or predict actual results
- These values are representative only and may or not be equal to the actual values
- Assumes no policy loans
- Not applicable in California

## Acceleration Due to Terminal Illness

To qualify for acceleration under the Terminal Illness provision, the insured must be certified in writing by a physician to have a non-correctable medical condition for which life expectancy, assuming ordinary and reasonable medical care, is 12 months or less. The minimum election is the lesser of 50% of the eligible face amount or \$10,000; the maximum is 50% of the eligible face amount up to \$250,000.\*\*

**Life's unpredictable.** Things happen and sometimes you have to change your plans. While decisions like whether to accelerate death benefits can be difficult, it's good to know that with Mutual Trust you have the choice.

For more information, contact your Mutual Trust Representative today.

\* Administrative fees apply when the benefit is used.

\*\* See rider language for full rider provisions, conditions and details.

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