

Long-Term Care ServicesSM Rider comparison checklist



Comparing long-term care riders can be a daunting task. The chart below is intended to help you identify and consider most of the major factors important in considering riders for your clients.

Considerations When Choosing a Long-Term Care Rider	AXA Equitable's LTCSR ¹	Other Provider								
<p>Issue Ages:² Our issue ages are based on the monthly benefit percentage elected.</p>	<table border="1"> <thead> <tr> <th>Monthly Benefit %</th> <th>Issue Age</th> </tr> </thead> <tbody> <tr> <td>1%</td> <td>20-75</td> </tr> <tr> <td>2%</td> <td>20-75</td> </tr> <tr> <td>3%</td> <td>20-70</td> </tr> </tbody> </table>	Monthly Benefit %	Issue Age	1%	20-75	2%	20-75	3%	20-70	
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<p>Tax-Qualified Status: To be treated as a "qualified rider," a rider must comply with IRC 7702B as well as IRC 101(g). All other riders are covered only under IRC 101(g) and are deemed "Accelerated Death Benefits for Chronic Illness" riders. 101(g) riders do not cover temporary illnesses and require confirmation from a medical professional that the Insured's condition is likely to last the rest of the Insured's life.</p>	IRC 7702 B (Long-Term Care) ³									
<p>Benefit Type: Insured long-term care rider benefits are addressed in one of two basic methods, Indemnity or Reimbursement.</p> <p>Reimbursement Approach – Medical or mental condition of the Insured triggers availability of funds. Payments are limited to the lesser of the policy cap or actual expenses incurred for that long-term care. Receipts for expenses are required with payments made to the Insured or care provider. Policies with a rider of this type are not usually available to third-party owners.</p> <p>Indemnity Approach – Medical or mental condition of the Insured triggers availability of funds. Payment benefit amounts are based on policy limits alone. Usual payment limits are the lesser of the policy cap or the annual HIPAA limit.</p> <p>Policy can usually be owned by third parties, including trusts, businesses and family members.</p> <p>Payments are made to the policyowner.</p>	Indemnity									

Considerations When Choosing a Long-Term Care Rider cont.	AXA Equitable's LTCSR ¹	Other Provider								
<p>Are Proof of Expenses Required During Claim? It is obvious that reimbursement models require receipts for services. Please note that some companies offering products under an indemnity model also require copies of monthly bills to continue with rider payments.</p>	No									
<p>Available with Policy Types: Long-term care riders can be added to almost all forms of permanent life insurance. The most common policy types include: Universal Life, Indexed Universal Life and Variable Life products. Companies can limit which products in their portfolio are available with the rider, as well as what circumstances will limit rider availability.</p>	Universal Life Indexed Universal Life Variable Universal Life									
<p>Impact of Claim on Policy Death Benefit: Products vary on the relationship between long-term care payments and the policy death benefit. Most common is a dollar-for-dollar reduction in the policy death benefit for payments made. With some products, the death benefit is reduced by a multiple of the benefits paid.</p>	Dollar-for-dollar									
<p>Monthly Benefit % Cap:² Long-Term Care ServicesSM Riders provide for an acceleration of the policy death benefit (up to the long-term care maximum total benefit) as monthly benefit payments when the Insured is chronically ill and receiving qualified long-term care services in accordance with a Plan of Care as defined in the rider. As an example, a 1% rider on a \$1 million policy will offer a monthly benefit cap of \$10,000. AXA Equitable's caps are shown at the right with the issue age limitation for each.</p>	<p>1%, 2%, 3%</p> <table border="1"> <thead> <tr> <th>Monthly Benefit %</th> <th>Issue Age</th> </tr> </thead> <tbody> <tr> <td>1%</td> <td>20-75</td> </tr> <tr> <td>2%</td> <td>20-75</td> </tr> <tr> <td>3%</td> <td>20-70</td> </tr> </tbody> </table>	Monthly Benefit %	Issue Age	1%	20-75	2%	20-75	3%	20-70	
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<p>Monthly Benefit Amount Limitation: Rider benefit payments are normally limited to the lesser of the policy cap or the policy benefit limitation. For reimbursement policies, the limitation is normally expenses incurred and supported by receipts. For indemnity riders, the monthly limitation is usually related to the policy maximums and the federal government's annual published HIPAA amounts (\$330 per day in 2015).</p>	<p>Up to 2 times annual HIPAA amount The lesser of (1) the Benefit Percentage times the Long-Term Care Maximum Total Benefit, and (2) 200% (100% in NY) of the applicable daily HIPAA limit times 30.</p>									
<p>Rider Can be Limited to a Portion of the Death Benefit: With many companies, the rider is applied to the full policy death benefit. AXA Equitable offers the use of an "Acceleration Percentage" to limit the maximum policy amount available for acceleration as a long-term care benefit. The amount is identified at issue and may not be changed once it has been specified. The maximum benefit amount available at issue under the terms of the LTCSR is called the "Long-Term Care Specified Amount." It is available only with Option A elections.</p>	<table border="1"> <thead> <tr> <th>Acceleration Percentage</th> <th>Death Benefit Option</th> </tr> </thead> <tbody> <tr> <td>20-100%</td> <td>A</td> </tr> <tr> <td>100%</td> <td>B</td> </tr> </tbody> </table> <p>Yes, with Option A No, with Option B</p>	Acceleration Percentage	Death Benefit Option	20-100%	A	100%	B			
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Considerations When Choosing a Long-Term Care Rider cont.	AXA Equitable's LTCSR ¹	Other Provider
<p>Rider Available with Option B: Most companies do not offer a long-term care rider with policies electing Option B, but AXA Equitable does. The policyowner has the potential to increase (or decrease) the long-term care policy cap, provided the death benefit option selected at issue is option B. The policyowner can switch back to Option A during the life of the contract.</p>	Yes	
<p>Lapse Protection While on Claim: Some policy expenses continue to be withdrawn from a life insurance policy when an Insured is on claim under a long-term care rider. Policy cash values can be reduced to zero. Will your client's policy lapse in these situations? Once an Insured is on claim for the long-term care rider, AXA Equitable's will not terminate policy coverage even if cash values go to zero.</p>	Yes	
<p>Base for Long-Term Care Rider "COI": If your client purchases a long-term care rider in conjunction with a \$1 million dollar life policy, are the costs of insurance for the rider assessed on the full \$1 million death benefit or some other amount? With AXA Equitable, the "COIs" for our rider are assessed only on the policy's "pure amount at risk." As a result, if the policy were ever to endow, charges for the long-term care rider would zero out.</p>	"pure amount at risk" only	
<p>On a current basis, COI for Rider Cease at age 100: A Cost of Insurance (COI) charge for the LTCS Rider is deducted from the Policy Account Value on each monthly anniversary while the rider is in effect until the policy anniversary nearest the Insured's attained age 100 on a current basis and attained age 121 on a guaranteed basis.</p>	Yes	
<p>Elimination Period:</p>	90 Days	
<p>Company Maximum Benefit Amount: Lifetime policy maximum dollar amount.</p>	\$5,000,000	

1 The Long-Term Care ServicesSM Rider (LTCSR) discussed here is available on permanent life insurance products issued by AXA Equitable and by MONY Life Insurance Company of America (MLOA). In Florida, this rider is called the Long-Term Care Insurance Rider, and in California, this rider is called the Comprehensive Long-Term Care Rider.

2 In Florida, the maximum issue age is 67 for the 1% and 2% Benefit Amount Percentage and 65 for the 3% Benefit Amount Percentage. Maximum monthly Benefit Amount is \$50,000.

3 Riders are subject to variation from state to state. With all carriers there are some state differences and you should be familiar with your state-approved version of each carrier's rider that you are comparing. Variations to AXA Equitable's or MLOA's Long Term Care ServicesSM Riders occur in CT, NY, FL and CA. In NY the rider only qualifies under IRC 101(g).

The Long-Term Care ServicesSM Rider is an optional rider that can be purchased for an additional charge on certain AXA Equitable and MONY Life Insurance Company of America life insurance policies.

Actual terms and conditions of the Long-Term Care ServicesSM Rider are contained in the applicable state Rider Form. The rider has exclusions and limitations under which the rider may be continued in force or discontinued. It may not be available in all jurisdictions or may vary. Please see the applicable Rider Form, life insurance product and Long-Term Care ServicesSM Rider brochures, and, in the case of variable products, the prospectus, for more detailed information.

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