

CARDINAL ADVISORS

## Long-Term Care Insurance (Long Version)

In the video with the same title Hans and Tom discuss the documents used on a webinar to go over the ins and outs of Long-Term Care.

| LONG-TERM CARE INSURANCE (LONG VERSION)<br>[CE FOR CPAs - 90 MINUTES] |  |  |
|---|--|--|
| <div>SS<br/><input type="checkbox"/></div>                            | <div>I. WHY CARE PLANNING?<br/>-FOR YOUR FAMILY</div>                                      | <div>Income<br/><input type="checkbox"/></div> |
| <div>MED<br/><input type="checkbox"/></div>                           | <div>II. LONG-TERM CARE INSURANCE BASICS</div>   | <div>Estate<br/><input type="checkbox"/></div> |
| <div>LTC<br/><input type="checkbox"/></div>                           | <div>III. TAX CONSIDERATIONS</div>   | <div>Taxes<br/><input type="checkbox"/></div>  |
| <div>401K/<br/>IRA<br/><input type="checkbox"/></div>                 | <div>IV. TRADITIONAL VS HYBRID/LINKED<br/>BENEFITS<br/>-8 EXAMPLES FOR A 65 YEAR OLD</div> |  |

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Aug 2023

# How Caregiving Impacts Families, Communities and Society

**Beyond Dollars 2021**  
COVID-19 Pandemic Edition

682801BRO 11/16/21

Genworth 

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Beyond Dollars is a periodic effort by Genworth to understand the experiences of Familial Caregivers and their loved ones who need assistance with activities of daily living. Survey participants qualify by either providing or receiving care over the last 12 months as part of an extended health care event.

# Caregiving: The Crisis for Which We Can Prepare

COVID-19 has disrupted lives. Schools and daycares are closing, and parents are juggling new caregiving responsibilities and their job requirements. Transmission concerns complicate how we transact and interact. The world is scrambling to address its needs in the face of new constraints.

COVID-19 has complicated loved ones' needs for care, too – restricting the ability to visit and assist. But needing and providing long-term care services has always been complicated. Genworth has conducted its Beyond Dollars study to examine the financial and emotional impacts of caregiving approximately every three years since 2010, and year after year the core story echoes and amplifies: [Caring for a loved one disrupts lives.](#)

Even among those families that did take some steps to prepare for their loved ones' care needs, the vast majority, if they had it to do over, would take those steps sooner. It is Genworth's fervent hope that this study helps more families to consider today what is possible down the road so that action that can be taken to lessen the potential negative impacts of caregiving. After all, every day until 2030, 10,000 Baby Boomers will turn 65<sup>1</sup> and seven out of ten of them will require long-term care services and support at some point.<sup>2</sup>

The need for long-term care is a crisis for which we can prepare.



<sup>1</sup> "2020 Census Will Help Policymakers Prepare for the Incoming Wave of Aging Boomers" (census.gov), site accessed 10/11/21.

<sup>2</sup> 2021 U.S. Department of Health and Human Services (<https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>). Site accessed 10/11/21.

# Caregiving in COVID-19: Key Insights

- ✓ Compared to in the Beyond Dollars 2018 Study, participants in 2021 reported **care needs are more severe and longer lasting**.
- ✓ **Fewer Care Recipients received care in a loved one's home** and Familial Caregivers reported providing less "companionship."
- ✓ **Less money was spent out-of-pocket in total, but more was spent on home modifications specifically.** And spending had a greater toll, with every potential financial impact listed – from "using savings/retirement funds" to "reducing base quality of living" – being chosen more often in 2021 compared to 2018.
- ✓ On the bright side, study participants reported the existence of **better resources, improved access to training, and more flexible work arrangements.** Employers' flexibility may have reduced the negative impact of caring for loved ones.
- ✓ **Care Recipients had prepared for their need through the purchase of insurance coverage in less than a quarter of cases.** Where Long Term Care Insurance (LTCI) was involved, parties reported less stress and lower out-of-pocket costs.



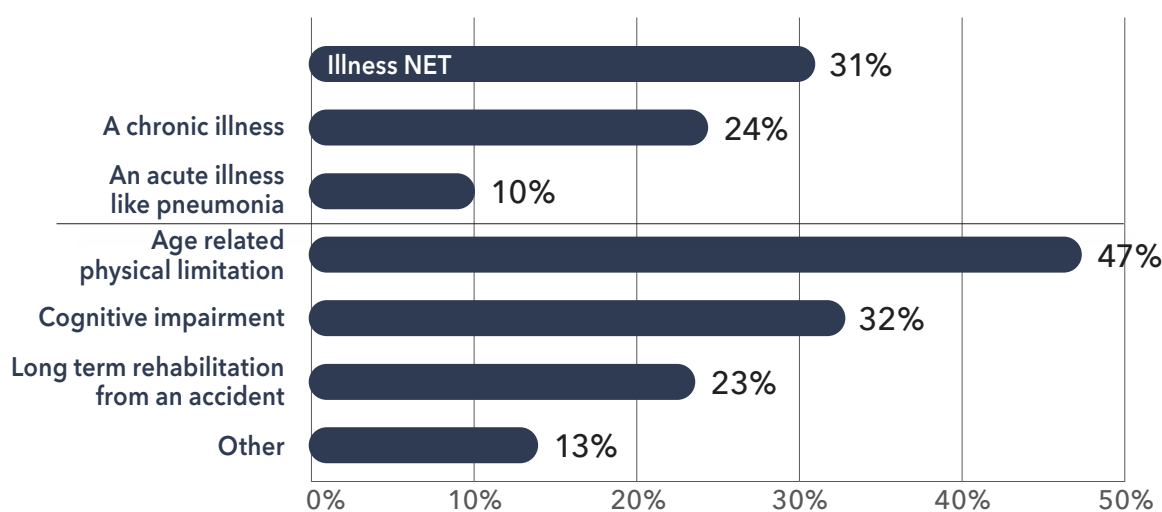
Reasons, setting and types of care vary, and needs are more severe and longer lasting.



# Care Could Be Needed for Many Reasons

More loved ones suffered from age related physical limitations (47% from 44%), cognitive impairments (32% from 26%), and accidents requiring rehab (23% from 21%) compared to in the 2018 study.

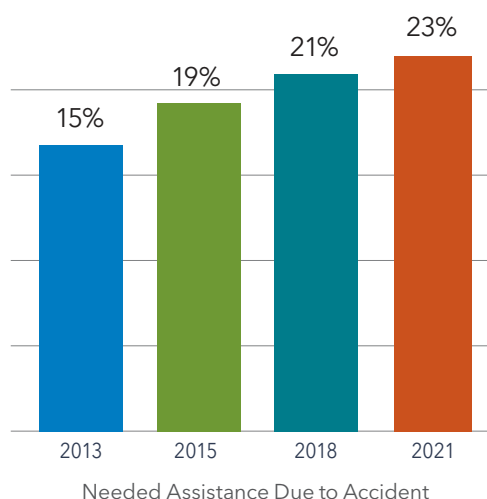
## Causes for Care 2021



Base = Caregivers (n=963)

Q25. What is/was the nature of [your/your **[PERSON]**]'s need for care?

## Accident Incidence Rising



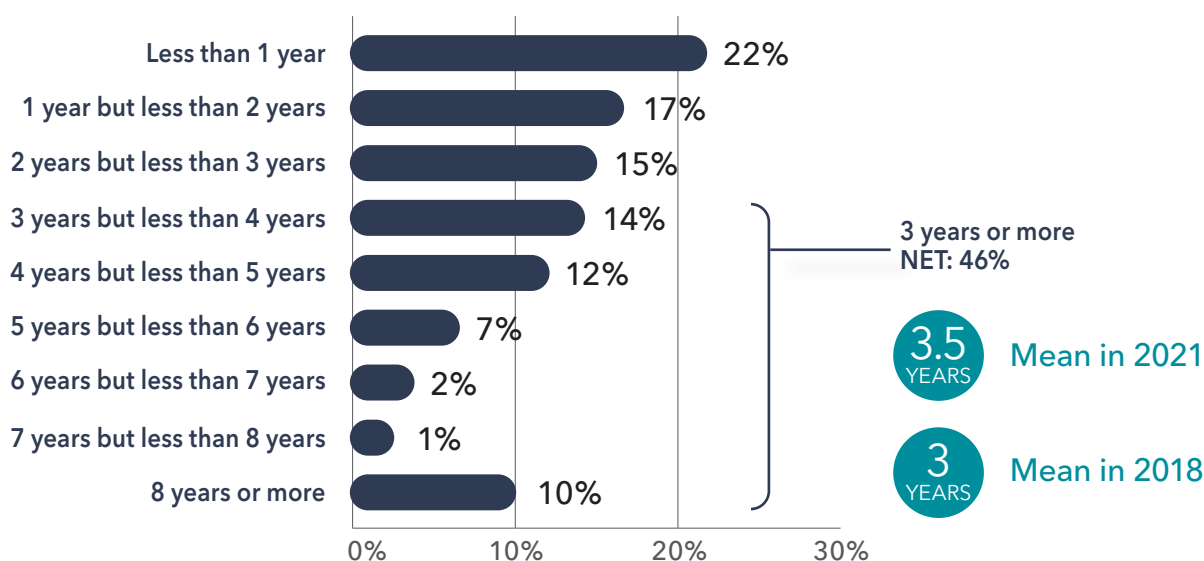
“ He fell down 3 times in a 2-month period, had a pacemaker installed, needed to go to rehabilitation home/nursing home where he passed after 5 weeks. He couldn’t rehab (walk) whatsoever, also contracted COVID there, but did not pass because of COVID. He passed from Coronary Heart Disease.”

—Care Recipient’s Daughter

# The Need Is Lasting Longer & Is More Severe

Indicating a potentially elongating need for care, in 2018, the average duration of a care event was reported to be 3 years, while, in 2021, 3.5 years was the reported average. Also in 2021, those receiving care at home required more care than previously reported in 2018.

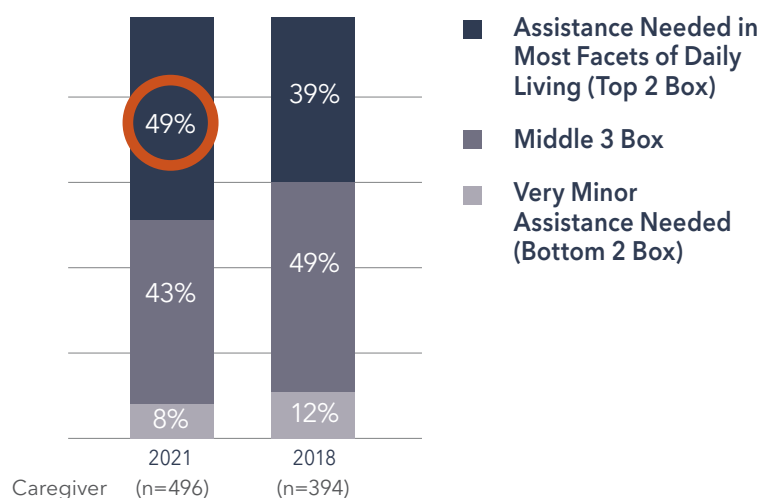
## Duration of Care Need



Base = Caregivers (n=963) / Base = Caregivers And Recipient Still Alive (n=847)^

Q23. How long did you provide care for your [PERSON]?

## Level of Care Provided



Base = Recipient Received Care At Home

Q79. What level of assistance do/did [you/they] require to continue living in [your/their] home?

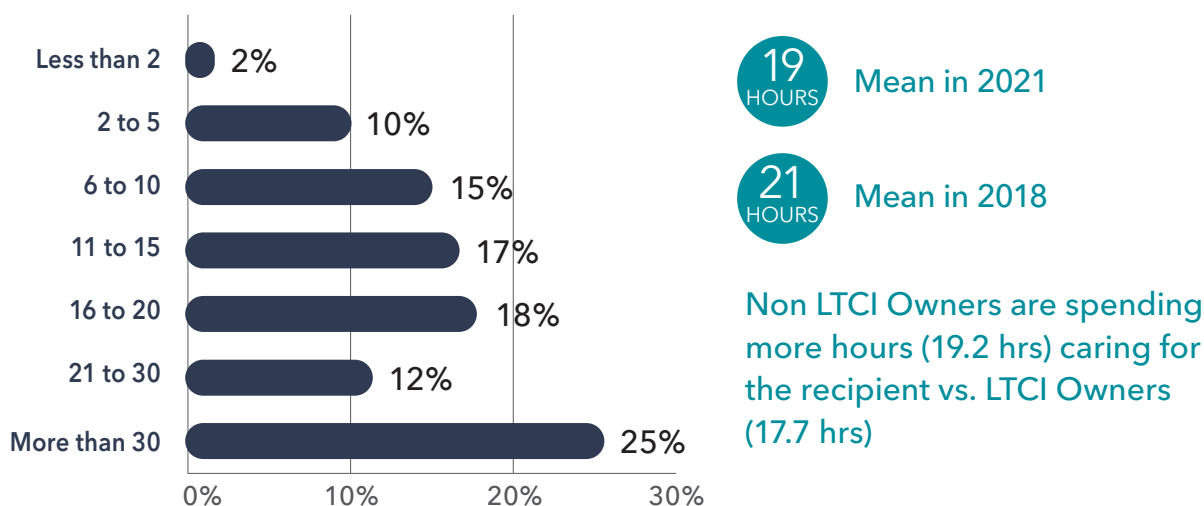
“It was difficult to make some members understand all the work involved in caring for her.”

—Care Recipient's Son

# Less Time Spent, but Less Companionship

Familial Caregivers might have spent less time providing care, but spent less “quality time.”

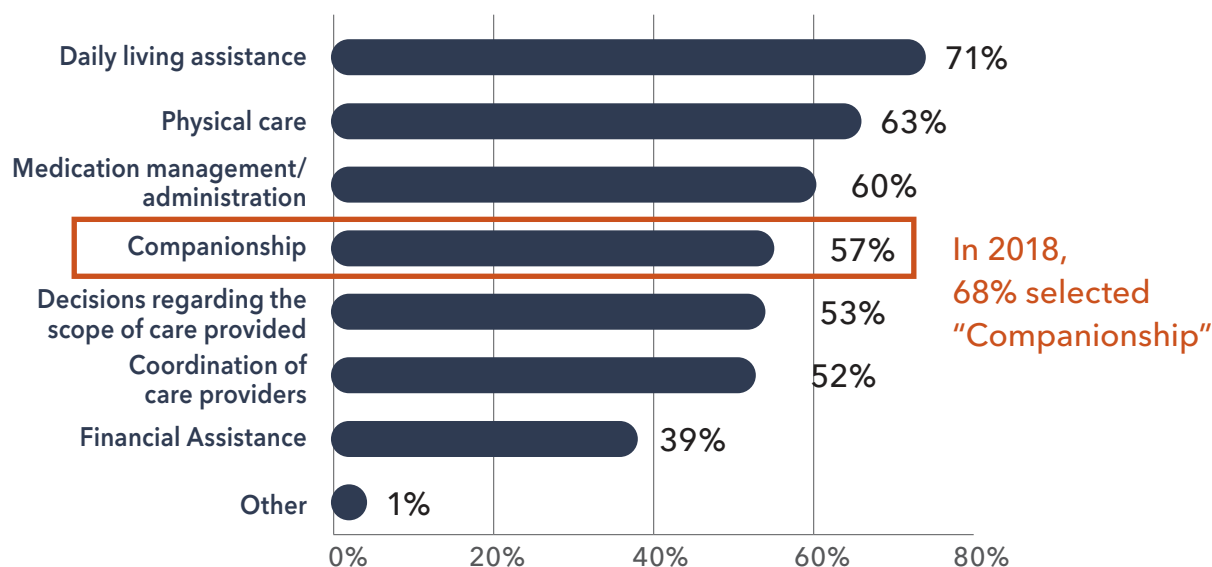
## Hours Per Week Caring



Base = Caregivers (n=963) / Base = Caregivers And Recipient Still Alive (n=764)

Q22. Approximately how many hours of your time per week on average do/did you spend in caring for your [PERSON]?

## Types of Help Caregivers Provide



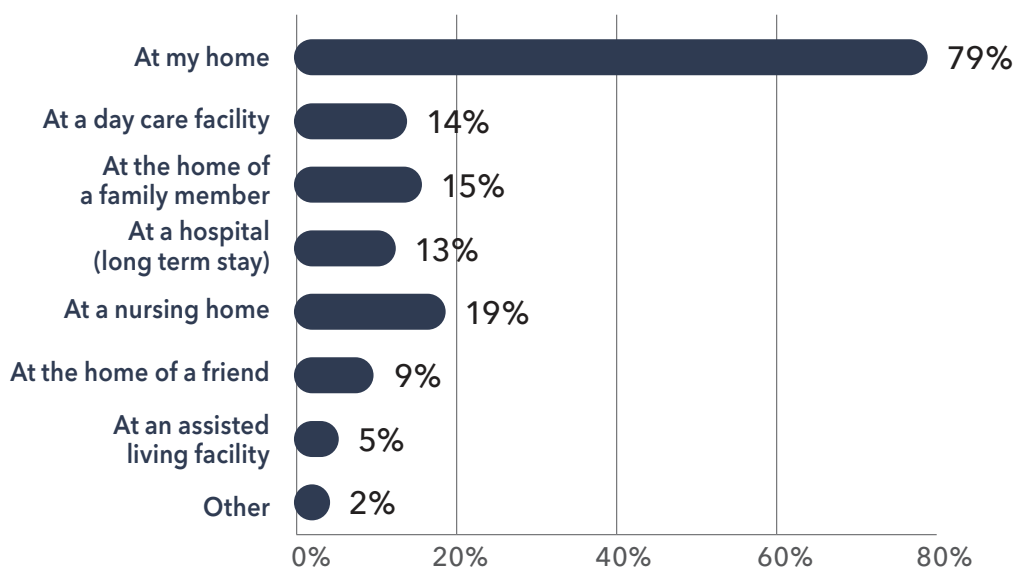
Base = Caregivers (n=963)

Q16. Which of the following types of help did you provide?

# Care at Home: Desired, Not Delivered

Care Recipients always say they prefer in-home care, and 2021 numbers match 2018 numbers for care at Recipients' homes. But significantly fewer Care Recipients in 2021 moved in with a loved one to receive care.

## Where Did They **Want** To Receive Care?



Base = Care Recipient (n=299) QNEW1. Where did you want to receive care?

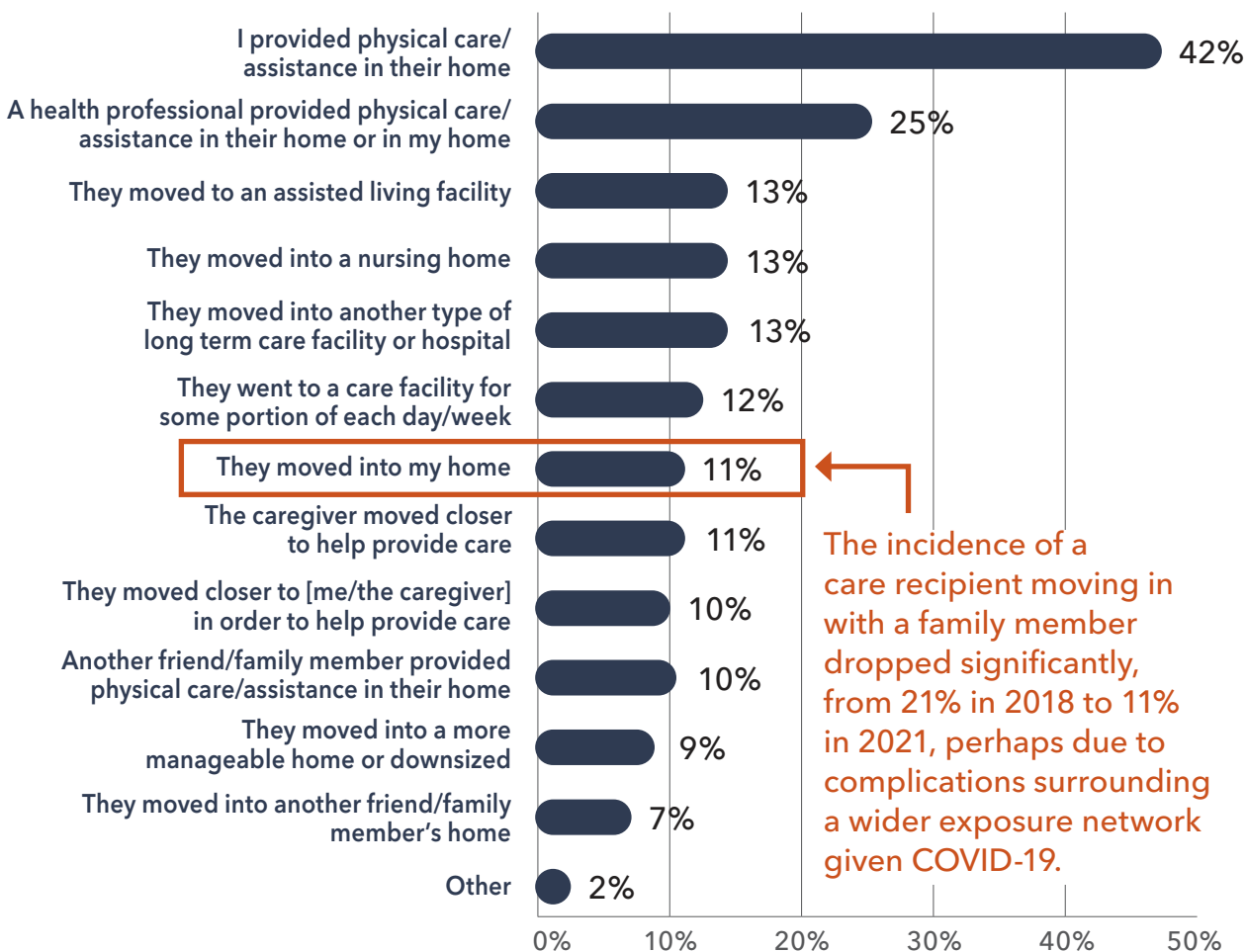
“My husband begged me not to put him in a facility.”

—Familial Caregiver



## Care at Home: Desired, Not Delivered (continued)

### Where Did They Receive Care



Base = Caregiver/Knowledgeable Family Member (n= 1,026)

Q38. Which of the following were involved in providing long term care for your [PERSON]?

# Insurance Influenced Where Care Received

LTCI Owners were more likely to go into an Assisted Living Facility<sup>1</sup> where residents may have had more space and accommodations than nursing homes typically provide.

|   | LTCI Owners<br>(n=142) | LTCI Non-Owners<br>(n=884) |
|---|------------------------|----------------------------|
| I provided physical care/assistance in their home                                   | 35%                    | 43%                        |
| A health professional provided physical care/assistance in their home or in my home | 28%                    | 24%                        |
| They moved to an assisted living facility   | 25%                    | 11%                        |
| They moved into a nursing home  | 17%                    | 12%                        |
| They moved into another type of long term care facility or hospital                 | 18%                    | 12%                        |

Owners of Long Term Care Insurance were significantly more likely than Non-Owners to receive care in an Assisted Living Facility (25% of Owners vs 11% of Non-Owners).

Non-Owners had a Familial Caregiver provide in-home assistance 43% of the time in 2021 compared to 35% of Owners.

<sup>1</sup> in CA, Residential Care Facility

There are, of course, more feelings of “guilt” associated with moving a loved one into a facility.

|   | Moved Into<br>Caregivers<br>Home<br>(n=66) | Received<br>Care At<br>Home<br>(n=370) | Received Care<br>at Day Care<br>Facility<br>(n=39)* | Moved<br>Into Assisted<br>Living<br>(n=49)* | Moved Into<br>Nursing<br>Home<br>(n=42)* |
|---|--|--|---|---|--|
| Guilt related to the limits of assistance you are able to provide | 15%  | 22%                                    | 9%  | 35%   | 40%                                      |

Base = Caregiver/Knowledgeable Family Member (n=1,026); \* Denotes Comparatively Small Base Size

Q38. Which of the following were involved in providing long term care for your [PERSON]?

Caregiving can negatively impact health and well-being.



# Who are the Caregivers?



**48 / 52%**  
FEMALE MALE



**54%**  
of Caregivers are between the ages  
of 25-54 with an average age of 51



**40%**  
of Caregivers are likely an adult child  
taking care of an aging parent



**57%**  
of Caregivers have children  
under the age of 18 at home



**72%**  
of Caregivers are married  
or in long-term partnerships



**\$69,300**  
Caregivers reported an average  
annual income of \$69,300



**31%**  
of Caregivers with children said  
caregiving negatively affected their  
relationship with their children



**43%**  
of partnered Caregivers said  
caregiving negatively affected their  
relationship with their spouse/partner



**39%**  
of Caregivers provided  
financial assistance to their loved  
one who needed care

# Caregiving Affects Mental Health

Significant portions of Familial Caregivers reported experiencing stress, less time to spend on themselves or others, negative moods, sleep deprivation, insomnia, a sense of isolation, guilt and/or weight gain as a result of providing care.

|                                      | Caregivers<br>(n=963) |
|--------------------------------------|-----------------------|
| Stress                               | 48%                   |
| <b>Less Time [NET]</b>               | <b>46%</b>            |
| Less time to take care of yourself   | 32%                   |
| Less time with children <sup>1</sup> | 19%                   |
| Less time with spouse/partner        | 19%                   |
| <b>Negative Mood [NET]</b>           | <b>42%</b>            |
| Depression                           | 24%                   |
| Mood swings                          | 20%                   |
| Resentment                           | 16%                   |
| Sleep deprivation                    | 30%                   |
| Insomnia                             | 21%                   |
| Sense of isolation                   | 19%                   |
| Guilt                                | 18%                   |
| Weight gain                          | 17%                   |

While 51% of all Caregivers indicated that the experience negatively affected their personal health and well-being, Female Caregivers were more likely than Male Caregivers to report this negative impact (59% to 43%).

<sup>1</sup> Asked of those who have children

Base = Caregiver (n=963)

Q59. Looking back, do you believe you may have experienced any of the following as a result of your [PERSON]'s need for long term care?

## Caregiving Affects Mental Health (continued)

“ I don't have a life outside of my daughter. I quit working an outside job, because of the enormous sense of guilt I felt about leaving her home all day alone and her not having a life. I gave up mine so she could have one. I'm self employed now, which is really hard. Only earn about \$750 per month (on top of her \$794 Social Security Income). It's awful to say and feel this way, but I'm thankful for COVID, because this is the first year since 2006 we haven't lived in poverty due to me shutting down my business and qualifying for pandemic unemployment. I'd be earning about \$60K yearly, if I could go back to work. It's just so hard and I'm tired and I wish I could get a break sometimes. Have some time for myself. Maybe even meet people, so I can have friends. I feel so isolated and alone.”

—Familial Caregiver



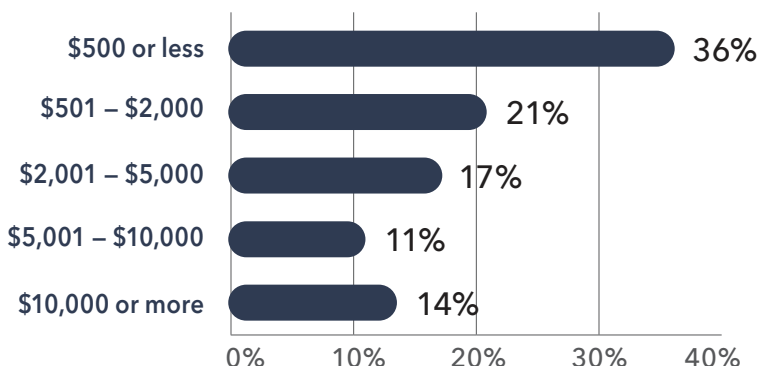
Caregivers' savings and retirement funds are at risk.



# Out-of-pocket Down; Modifications Up

Familial Caregivers might have spent less money out-of-pocket in total in 2021 compared to 2018, but spent more on home modifications specifically.

## Total Out-of-Pocket Costs



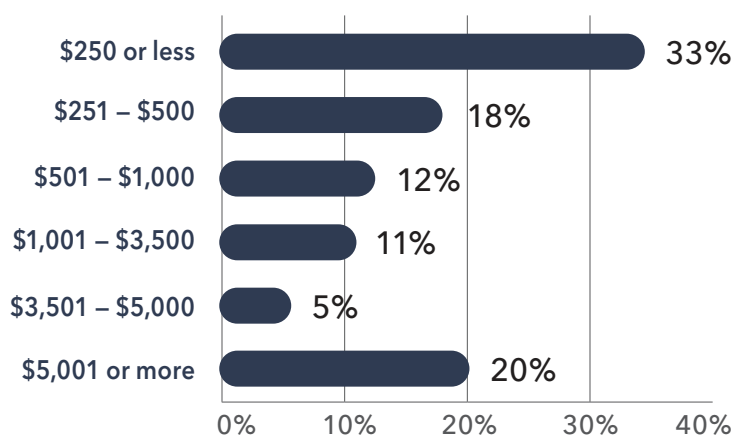
Mean in 2021: \$6,058  
Median in 2018: \$1,400

2018 Mean: \$10,423

Base = Caregiver and Provided Financial Assistance or Care Recipient

Q20. Please provide a best guess estimate of the **total** out-of-pocket expenses you have incurred related to your [PERSON]'s care.

## Approximate Cost of Modifications



Mean: \$3,923

Median: \$500

2018 Mean: \$2,726

Base = Recipient Moved Into Caregiver's Home And Modifications (n=82)

Q73. What was the approximate cost of those modifications?

# Less Money Overall, but Greater Impact

Though, again, out-of-pocket spending to address loved ones' needs was down in 2021 compared to 2018, the reported impact of that relatively lower dollar amount was significantly more detrimental to a Familial Caregiver's overall financial health in 2021.

## Financial Actions Resulting From Need to Pay for Loved One's Care

| 2021   | Caregivers<br>2021<br>(n=963) | 2018  | Caregivers<br>2018<br>(n=739) |
|--|-------------------------------|---|-------------------------------|
| Using savings/retirement funds                     | 66%                           | Using savings/retirement funds                    | 63%                           |
| Cutting back on luxury expenditures                | 63%                           | Cutting back on luxury expenditures               | 60%                           |
| Reducing contribution to savings/<br>retirement    | 54%                           | Reductions in base quality of living              | 48%                           |
| Reductions in base quality of living               | 53%                           | Reducing contribution to savings/<br>retirement   | 42%                           |
| Reducing charitable giving                         | 52%                           | Reducing charitable giving                        | 40%                           |
| Spending down funds intended for<br>inheritance    | 50%                           | Spending down funds intended for<br>inheritance   | 38%                           |
| Selling other personal possessions                 | 43%                           | Selling other personal possessions                | 35%                           |
| Using cash value inside life<br>insurance policies | 41%                           | Borrowing money from a friend or<br>family member | 31%                           |
| Borrowing money from a friend or<br>family member  | 40%                           | Taking out a loan                                 | 30%                           |
| Selling a home                                     | 39%                           | Selling a home                                    | 28%                           |

**Base = Caregivers**

Q21. Please select who was responsible for the financial related items below that directly or indirectly resulted from [you/your **[PERSON]**]'s need for long term care.

Caregivers' careers and livelihoods are impacted by providing care, but flexible work arrangements and resources are making it easier.



# More and Better Resources

Compared to 2018, Caregivers were more likely to utilize professionals in 2021 when seeking support and knowledge. Many utilized resources were deemed more helpful in 2021 versus 2018, hopefully indicating an upward trend in how society is addressing the needs of its aging population.

## What Resources Were Used?

|                                   |          |          |
|-----------------------------------|----------|----------|
| Social Workers                    | 23% 2021 | 18% 2018 |
| Financial Professionals/Companies | 20% 2021 | 17% 2018 |
| Attorneys/Elder Law Specialists   | 11% 2021 | 7% 2018  |

## Were the Resources Helpful?

|                                      |          |          |
|--------------------------------------|----------|----------|
| Television Programs                  | 70% 2021 | 42% 2018 |
| Internet-Based Social Networks       | 68% 2021 | 50% 2018 |
| Attorneys/Elder Law Specialists      | 66% 2021 | 51% 2018 |
| Financial Advisors                   | 65% 2021 | 52% 2018 |
| Non-Profit/Council on Aging          | 61% 2021 | 44% 2018 |
| Insurance Carriers                   | 56% 2021 | 41% 2018 |
| Company's Human Resources Department | 56% 2021 | 39% 2018 |

**Base = Total Respondents**

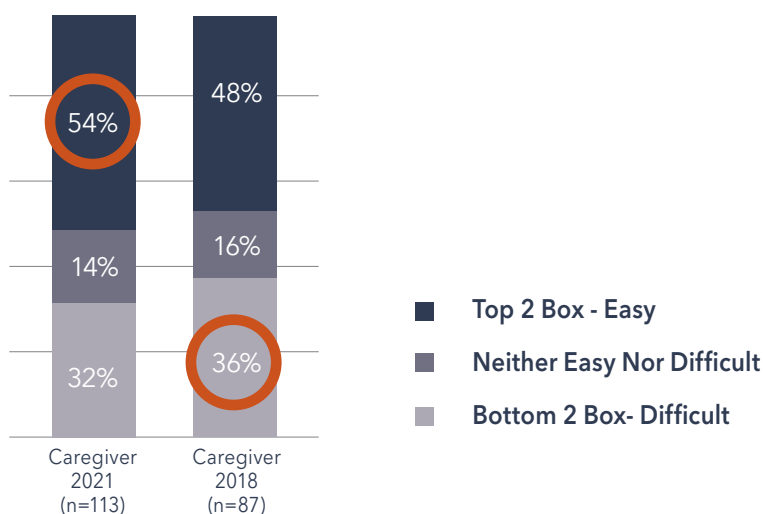
Q63. Which of the following resources did you consult for the support and knowledge you needed?

Q64. On a scale from 1 to 7 with 1 representing not at all informative/helpful and 7 representing extremely informative/helpful, please rate how informative and/or helpful the following were.

# Good Help Is Easier to Find

Finding professional care was less difficult and required less time for Familial Caregivers in 2021 vs 2018, likely due to improved online services.

## Ease of Finding Satisfactory Professional Care Providers



## How Did You Research/Evaluate Professional Care Services?



Base = Received Care From Professional Caregiver;

Base = Caregiver or Care Recipient and Received Care From Professional Caregiver

Q34. On the following scale, how easy was it to find satisfactory professional care providers?/Q35. How did you research/evaluate professional care services?

Q36. To help provide a sense of the impact of using professional care providers, please fill-in the following to the best of your ability.

## Good Help Is Easier to Find (continued)

### Average Caregiver Professionals Used & Hours Spent Researching

|  | Caregivers<br>2021<br>(n=113) | Caregivers<br>2018<br>(n=87) |
|--|-------------------------------|------------------------------|
| Average Number Of Hours Spent Researching/Evaluating Professional Caregivers | 6.8                           | 7.6                          |

“Finding a high quality facility that would seriously take care of dad wasn’t easy but we managed.”

–Familial Caregiver



**Base = Received Care From Professional Caregiver;**

**Base = Caregiver or Care Recipient and Received Care From Professional Caregiver**

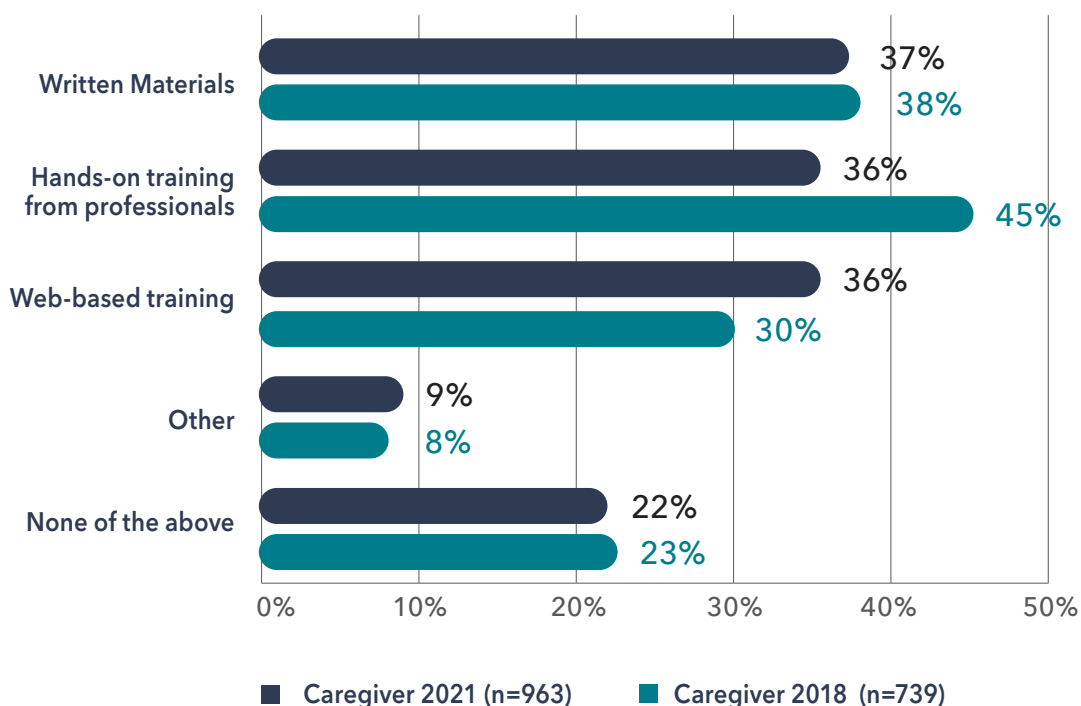
Q34. On the following scale, how easy was it to find satisfactory professional care providers?/Q35. How did you research/evaluate professional care services?

Q36. To help provide a sense of the impact of using professional care providers, please fill-in the following to the best of your ability.

# Caregivers Online & Feeling Qualified

Given COVID-19, use of web-based training went up while use of hands-on training decreased, but notably, compared to 2018, Familial Caregivers were more likely to feel “qualified” to provide the care needed of them.

## Types of Training Caregiver Received



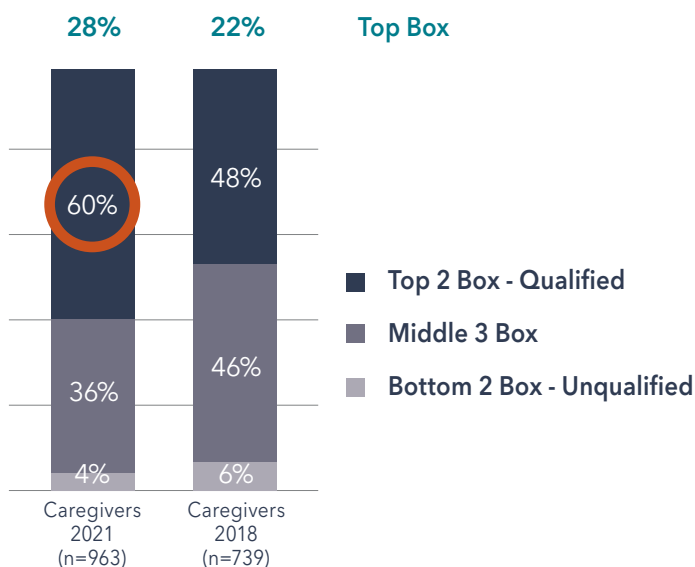
**Base = Caregiver and Provided Physical Care or Care Recipient received In-Home Care**

Q39. Which, if any, of the following ways did you receive training for the care you provided?

Q61. On a scale of 1 to 7, how qualified did/do you feel [to provide the physical care required of you/your friends and family members were that provided care for you]?

## Caregivers Online & Feeling Qualified (continued)

### How Qualified Do You Feel You Are to Provide Care?



“There’s no handbook for this, not really. And the emotion and helpless feeling isn’t something anyone can prepare you for.”

—Familial Caregiver



**Base = Caregiver and Provided Physical Care or Care Recipient received In-Home Care**

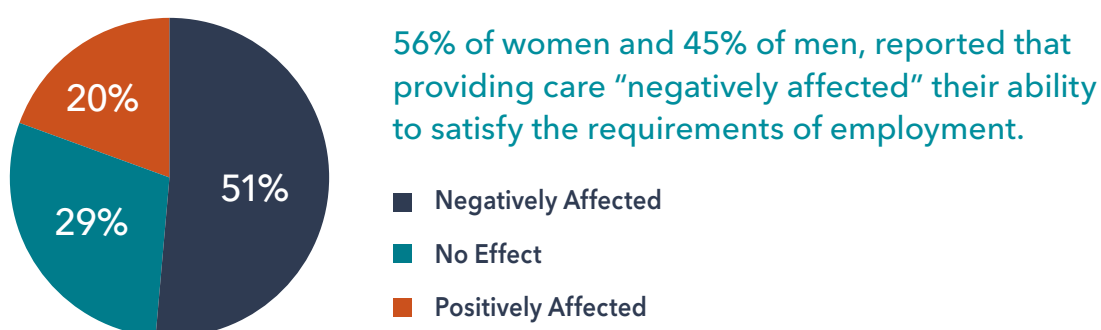
Q39. Which, if any, of the following ways did you receive training for the care you provided?

Q61. On a scale of 1 to 7, how qualified did/do you feel [to provide the physical care required of you/your friends and family members were that provided care for you]?

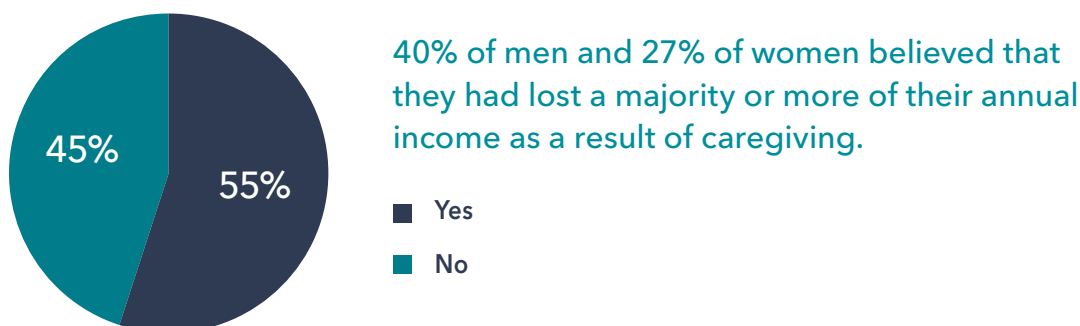
# Caregiving Negatively Affected Employment

55% of Caregivers were employed full-time when their loved one required care. 51% of these family caregivers – 56% of women and 45% of men – reported that providing care “negatively affected” their ability to satisfy the requirements of employment. Similarly, 40% of men and 27% of women believed that they had lost a majority or more of their annual income as a result of caregiving.

## Impact of Caregiving on Employment



## Was Income Lost as a Result of Caregiving?



“It was hard with work and getting appointments at times that was best for me.”

–Familial Caregiver

Base = Caregiver and Employed at time of need (n=626)

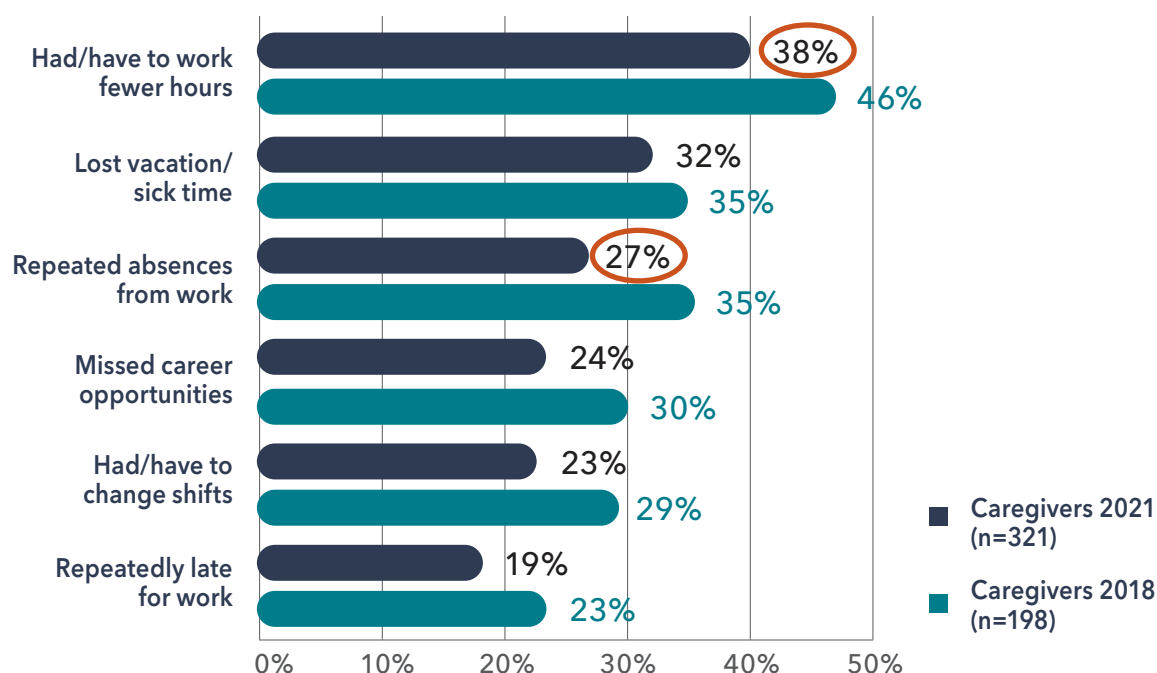
Q46. On a scale of 1 to 7 where 1 is “affected positively” and 7 is “affected negatively”, to what degree [did/does] [your long term care need/ caring for your [INSERT ANSWER FROM Q5]] impact your ability to satisfy the requirements of your employment?

Q44. Do you believe you lost income due to [your long term care need /caring for your [INSERT ANSWER FROM Q5]] (working fewer hours, leaving a job, missing career opportunities, etc.)?

# But Work Flexibility Reduced Negative Impact

The flexibility of individuals' work schedules may have made it easier to be a caregiver and an employee in 2021 compared to 2018. Reduced incidence of negative effects, fewer work hours missed, and more Caregivers moved closer to their loved ones.

## Impact of Caregiving on Employment



### Caregiver Hours of Work Missed (Per Week)

6 HOURS 2021 Average

7 HOURS 2018 Average

### Caregiver Moved Closer to Loved One

52% 2021 Percentage

26% 2018 Percentage

“I did have to give up my full time job and take on a part time one.”

—Familial Caregiver

Base = Caregiver And Negatively Affected Employment (n=293) / Base = Caregiver, Negatively Impacted Employment, And Missed Work Time (n=200)

Q47. Below are some work-related outcomes that can occur when a family member requires assistance and care. Please select all that were/are a result of caring for your [PERSON].

Q48. Approximately how many hours on average per week do/did you miss work because of caring for your [PERSON].

Q40B. Did any friends or family members move or relocate their home to be closer to you while you were receiving care?

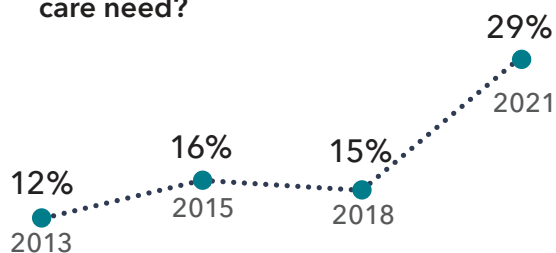
Planning helps to mitigate stress and negative impacts.



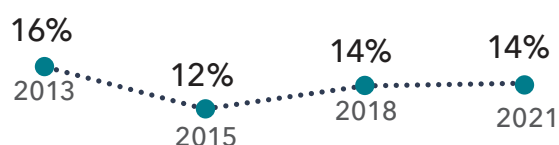
# Insurance Is Still the Step Not Taken

Belief in the importance of early planning increased during the COVID-19 pandemic, but inclination to purchase Long Term Care Insurance and utilization of its coverage has not changed.

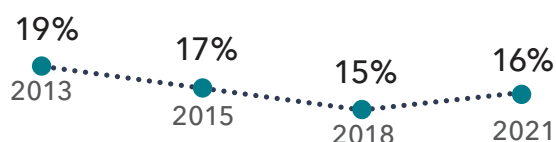
**Q: Should steps have been taken sooner to prepare for the long-term care need?**



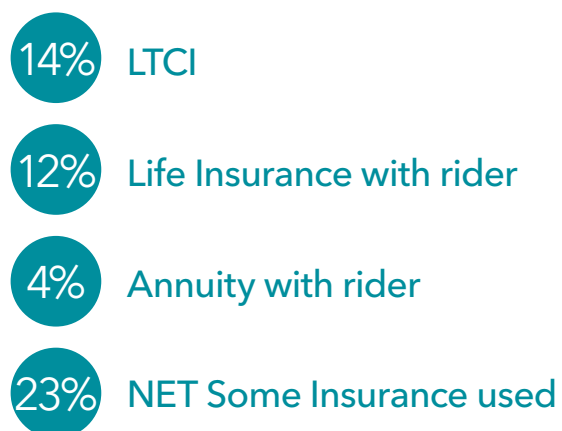
**Q: Was Long Term Care Insurance utilized to pay for care services?**



**Q: Should you have purchased insurance to cover the potential need for long-term care?**



**Q: Which of the following were utilized to pay for care services? (2021)**



**Base = Total Respondents**

Q34. Looking back, do you believe that you [or your **[PERSON]**] should have taken steps sooner to prepare for [you/your **[PERSON]**]'s long term care need?

Q65. [If you had to go through the same process all over again of providing care to your **[PERSON]**, which of the following will you want to have done/

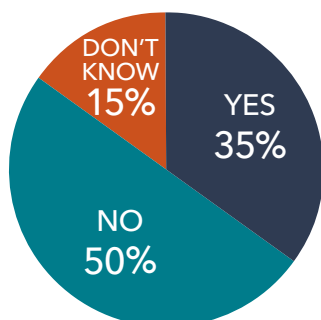
If you had to go through the same process all over again of having to receive care, which of the following will you want to have done?]

Q12. Did [you/your **[PERSON]**] utilize any of the following when [you/they] required long term care assistance?

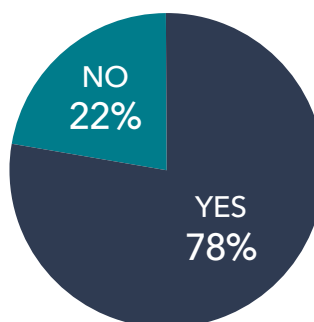
# It's Never Too Early to Plan

Even those who planned wished they'd taken steps sooner.

Planned for  
LTC Possibility



Among Those Who Made  
Plans: Should Have Taken  
Steps Sooner



“Not knowing where to start led to procrastination on doing what needed to be done.”

–Familial Caregiver

“At some point you realize that you need outside help and figuring out where this help is available & how to access it is a daunting task.”

–Familial Caregiver

“Getting in touch with the correct agencies and setting up in-home care and making sure all the schedules mesh with doctor appointments – we scrambled through all that.”

–Familial Caregiver

“I was expected to provide medical care with no knowledge including wound care, insulin shots, home IV, bathing, toileting, lifting him and carrying him, etc.”

–Familial Caregiver

**Base = Total Population**

Q33. Prior to needing care, had [you/your **[PERSON]**] ever made plans to cover this type of situation?

Q34. Looking back, do you believe that you [or your **[PERSON]**] should have taken steps sooner to prepare for [you/your **[PERSON]**]'s] long term care need?

# LTCI Is Associated With Better Planning

In situations where LTCI was used, Familial Caregivers credited their loved ones as having “planned well.” LTCI typically provides a benefit for respite care, a service Familial Caregivers lauded or regretted not having.

## Planning Perceptions With & W/o Long Term Care Insurance



## If You Had It to Do Over Again...

In cases where a loved one was receiving care at home, 25% of Familial Caregivers wished they'd been able to “make arrangements for someone to provide them a break.” This “respite care” is a benefit of Long Term Care Insurance.

“I had regular breaks from providing care for 5 years, and that helped significantly. Without that, doing this for any length of time would have been far more mentally exhausting.”

—Familial Caregiver

# LTCI Can Help Reduce Costs and Stress

Where LTCI was utilized survey participants reported fewer out-of-pocket costs and less stress.

## Out-of-Pocket Costs

**61%** **With LTCI:**  
61% reported \$500 Or Less

**48%** **Without LTCI:**  
48% reported \$500 Or Less

## Emotional Effects

**34%** **With LTCI:**  
34% associated "Stress"  
with loved one's care need

**47%** **Without LTCI:**  
47% associated "Stress"  
with loved one's care need

Care Recipients with LTCI reported that, on average, 32% of their out-of-pocket costs were reimbursed by the insurance companies.

“ I’m always stressed. I don’t do things for myself or have a life of my own.”

–Familial Caregiver in situation without Long Term Care Insurance

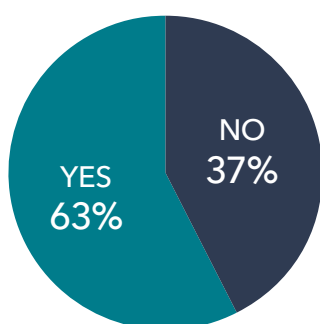
“ Finding the money to pay for outside help to come in, then realizing I could no longer afford paid help. That was hard.”

–Familial Caregiver in situation without Long Term Care Insurance

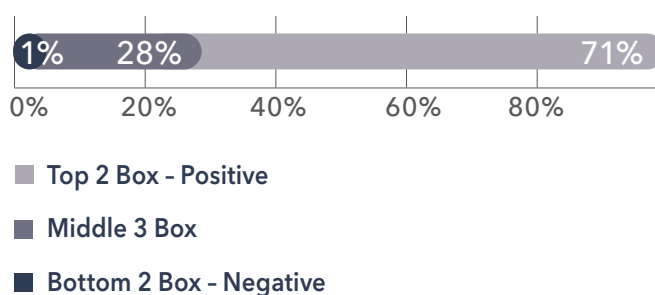
# Benefits Were Seen...

Where LTCI was used, perceptions were positive. But even where it was not, a majority of respondents believe LTCI would have improved their situation by reducing anxiety and bringing peace of mind.

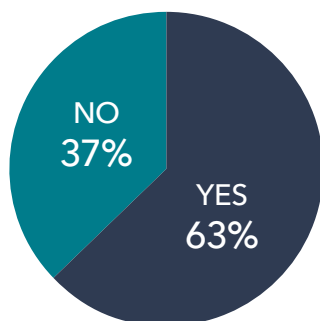
## Your Loved One Had LTCI; Do You?



## Your Loved One Had LTCI; What Is Your Impression Of LTCI?



## LTCI Would Have Benefitted Care Recipient



## Ways LTCI Would Have Benefitted Care Recipient

|   | Total<br>(n=695) |
|---|------------------|
| Peace of mind   | 46%              |
| Relief from the financial burden associated with long term care | 42%              |
| Less anxiety/More security                                      | 42%              |
| Rest easier knowing that my care would be covered               | 39%              |
| Better quality of care  | 38%              |
| Relief from stress on the family                                | 38%              |

Base = Care Recipient Was LTCI Owner (n=227); Base = Non-LTCI Group (n = 1,103) And Long Term Care Would Have Benefitted

Q126. [You reported earlier that you do not have Long Term Care Insurance coverage] From your perspective, would Long Term Care Insurance have benefited [you/your **[PERSON]**]?

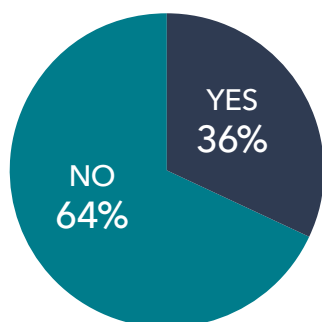
Q127. Which of the following are ways that you feel Long Term Care Insurance coverage might have benefited [you/your **[PERSON]**]?

Q116. What is your overall impression of Long Term Care Insurance? Q136. What is your overall impression of Long Term Care Insurance?

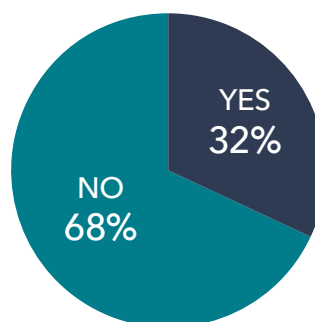
## ...But Not Seized

Caregivers in situations where Recipients did not have LTCI are unlikely to have it themselves. The number one reason why not is the perception that they “can’t afford” the coverage.

Your Loved One Did Not Have LTCI; Do You?



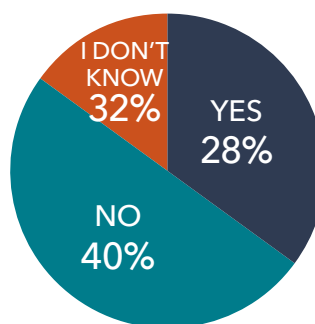
You Don't Have LTCI; Do You Have A Plan To Pay For Care?



Why Don't You Have LTCI?



Ever Look Into Purchasing LTCI?



How do you know what you can/can't afford if you haven't looked into the cost?

Base = Not LTCI Owner

Q125. Do you personally have this type of coverage?/QNew46. Do you have a plan for how you would pay for any long-term care services you could need in the future?

QNEW17. Please indicate your level of agreement with each of the following statements.

# Excuses & Advice

Breaking inaction's inertia is an obstacle. The advice from Caregivers is to hurdle it as soon as possible.

## What Those Without LTCI Say

“I haven't gotten around to it yet,”

—one Familial Caregiver said.

“I just haven't wanted to deal with it,”

—said another Family Member.

## What Familial Caregivers Who Have Benefited From LTCI Say

“Plan ahead and consider Long Term Care Insurance.”

“Prepare as early as you can and have a plan in place, if possible.”

“Open a long term care insurance policy.”

“We applied 1 year before his stroke for Long Term Care Insurance. We should have applied 10 years sooner.”

“Save money for future assisted living needs. It is difficult to try to care for elderly parents on your own. Having her in a facility to properly care for her and give her an enriching life on a daily basis is worth the cost and peace of mind.”

# About the Study

Genworth sponsored the Beyond Dollars Study in 2010, 2013, 2015, 2018 and now in 2021 to understand and share the perspectives of care recipients, familial caregivers and their wider support network.

Genworth conducted its latest Beyond Dollars Study in April 2021. The initial research population included 4,695 participants, of whom 1,325 qualified to participate based on their situations and experience. Nearly one-in-three (providing 963 completed surveys) qualified as Familial Caregivers, those individuals providing long-term care to loved ones. The study also reflects the experience and perspectives of 299 Care Recipients and 63 other Family Members with detailed knowledge of a long-term care event in their family (but not responsible for providing care).

When extrapolating to the total population of people requiring long term care services, this study looks at the responses provided by caregivers, the largest, most representative group, as opposed to the portion of survey participants qualifying as care recipients, a group that skews from the total population by nature of their physical and/or cognitive ability to participate in this online survey.

40% percent of caregivers were providing care for a parent, step-parent or parental in-law (23% for their mother, 10% for their father). 46% were caring for a spouse and 3% for a grandparent. 8% were providing long-term care for a sibling or child.

Caregivers were essentially evenly split between male and female, challenging a commonly held assumption that the caregiving role predominantly becomes women's responsibility. Their average age was 51, and 72% were married. 60% of the loved ones receiving care were women, with an average age of 61, of whom 34% were married. A dedicated effort was made to ensure the survey population was ethnically representative of the United States – resultant data shows that the experience of needing care and providing care for a loved one does not vary depending on one's ethnicity.

**For more information, visit**

[genworth.com/caregiving](https://genworth.com/caregiving)

crease or addition without providing additional evidence of insurability, or

“(B) the contract is converted after June 20, 1988, from a term life insurance contract to a life insurance contract providing coverage other than term life insurance coverage without regard to any right of the owner of the contract to such conversion.

“(4) CERTAIN EXCHANGES PERMITTED.—In the case of a modified endowment contract which—

“(A) required at least 7 annual level premium payments,

“(B) is entered into after June 20, 1988, and before the date of the enactment of this Act [Nov. 10, 1988], and

“(C) is exchanged within 3 months after such date of enactment for a life insurance contract which meets the requirements of section 7702A(b), the contract which is received in exchange for such contract shall not be treated as a modified endowment contract if the taxpayer elects, notwithstanding section 1035 of the 1986 Code, to recognize gain on such exchange.

“(5) SPECIAL RULE FOR ANNUITY CONTRACTS.—In the case of annuity contracts, the amendments made by subsection (d) [amending section 72 of this title] shall apply to contracts entered into after October 21, 1988.”

CONSTRUCTION OF 2002 AMENDMENT

Pub. L. 107-147, title IV, § 416(f), Mar. 9, 2002, 116 Stat. 55, provided that: “Paragraph (2) of section 318(a) of the Community Renewal Tax Relief Act of 2000 [H.R. 5662, as enacted by section 1(a)(7) of Pub. L. 106-554] (114 Stat. 2763A-645) [amending this section] is repealed, and clause (ii) of section 7702A(c)(3)(A) shall read and be applied as if the amendment made by such paragraph had not been enacted.”

**§ 7702B. Treatment of qualified long-term care insurance**

**(a) In general**

For purposes of this title—

(1) a qualified long-term care insurance contract shall be treated as an accident and health insurance contract,

(2) amounts (other than policyholder dividends, as defined in section 808, or premium refunds) received under a qualified long-term care insurance contract shall be treated as amounts received for personal injuries and sickness and shall be treated as reimbursement for expenses actually incurred for medical care (as defined in section 213(d)),

(3) any plan of an employer providing coverage under a qualified long-term care insurance contract shall be treated as an accident and health plan with respect to such coverage,

(4) except as provided in subsection (e)(3), amounts paid for a qualified long-term care insurance contract providing the benefits described in subsection (b)(2)(A) shall be treated as payments made for insurance for purposes of section 213(d)(1)(D), and

(5) a qualified long-term care insurance contract shall be treated as a guaranteed renewable contract subject to the rules of section 816(e).

**(b) Qualified long-term care insurance contract**

For purposes of this title—

**(1) In general**

The term “qualified long-term care insurance contract” means any insurance contract if—

(A) the only insurance protection provided under such contract is coverage of qualified long-term care services,

(B) such contract does not pay or reimburse expenses incurred for services or items to the extent that such expenses are reimbursable under title XVIII of the Social Security Act or would be so reimbursable but for the application of a deductible or coinsurance amount,

(C) such contract is guaranteed renewable,

(D) such contract does not provide for a cash surrender value or other money that can be—

(i) paid, assigned, or pledged as collateral for a loan, or

(ii) borrowed,

other than as provided in subparagraph (E) or paragraph (2)(C),

(E) all refunds of premiums, and all policyholder dividends or similar amounts, under such contract are to be applied as a reduction in future premiums or to increase future benefits, and

(F) such contract meets the requirements of subsection (g).

**(2) Special rules**

**(A) Per diem, etc. payments permitted**

A contract shall not fail to be described in subparagraph (A) or (B) of paragraph (1) by reason of payments being made on a per diem or other periodic basis without regard to the expenses incurred during the period to which the payments relate.

**(B) Special rules relating to medicare**

(i) Paragraph (1)(B) shall not apply to expenses which are reimbursable under title XVIII of the Social Security Act only as a secondary payor.

(ii) No provision of law shall be construed or applied so as to prohibit the offering of a qualified long-term care insurance contract on the basis that the contract coordinates its benefits with those provided under such title.

**(C) Refunds of premiums**

Paragraph (1)(E) shall not apply to any refund on the death of the insured, or on a complete surrender or cancellation of the contract, which cannot exceed the aggregate premiums paid under the contract. Any refund on a complete surrender or cancellation of the contract shall be includible in gross income to the extent that any deduction or exclusion was allowable with respect to the premiums.

**(c) Qualified long-term care services**

For purposes of this section—

**(1) In general**

The term “qualified long-term care services” means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care services, which—

(A) are required by a chronically ill individual, and

(B) are provided pursuant to a plan of care prescribed by a licensed health care practitioner.

**(2) Chronically ill individual****(A) In general**

The term “chronically ill individual” means any individual who has been certified by a licensed health care practitioner as—

- (i) being unable to perform (without substantial assistance from another individual) at least 2 activities of daily living for a period of at least 90 days due to a loss of functional capacity,
- (ii) having a level of disability similar (as determined under regulations prescribed by the Secretary in consultation with the Secretary of Health and Human Services) to the level of disability described in clause (i), or
- (iii) requiring substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the preceding 12-month period a licensed health care practitioner has certified that such individual meets such requirements.

**(B) Activities of daily living**

For purposes of subparagraph (A), each of the following is an activity of daily living:

- (i) Eating.
- (ii) Toileting.
- (iii) Transferring.
- (iv) Bathing.
- (v) Dressing.
- (vi) Continence.

A contract shall not be treated as a qualified long-term care insurance contract unless the determination of whether an individual is a chronically ill individual described in subparagraph (A)(i) takes into account at least 5 of such activities.

**(3) Maintenance or personal care services**

The term “maintenance or personal care services” means any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a chronically ill individual (including the protection from threats to health and safety due to severe cognitive impairment).

**(d) Licensed health care practitioner**

The term “licensed health care practitioner” means any physician (as defined in section 1861(r)(1) of the Social Security Act) and any registered professional nurse, licensed social worker, or other individual who meets such requirements as may be prescribed by the Secretary.

**(d) Aggregate payments in excess of limits****(1) In general**

If the aggregate of—

- (A) the periodic payments received for any period under all qualified long-term care insurance contracts which are treated as made for qualified long-term care services for an insured, and

(B) the periodic payments received for such period which are treated under section 101(g) as paid by reason of the death of such insured,

exceeds the per diem limitation for such period, such excess shall be includible in gross income without regard to section 72. A payment shall not be taken into account under subparagraph (B) if the insured is a terminally ill individual (as defined in section 101(g)) at the time the payment is received.

**(2) Per diem limitation**

For purposes of paragraph (1), the per diem limitation for any period is an amount equal to the excess (if any) of—

- (A) the greater of—
  - (i) the dollar amount in effect for such period under paragraph (4), or
  - (ii) the costs incurred for qualified long-term care services provided for the insured for such period, over

(B) the aggregate payments received as reimbursements (through insurance or otherwise) for qualified long-term care services provided for the insured during such period.

**(3) Aggregation rules**

For purposes of this subsection—

(A) all persons receiving periodic payments described in paragraph (1) with respect to the same insured shall be treated as 1 person, and

(B) the per diem limitation determined under paragraph (2) shall be allocated first to the insured and any remaining limitation shall be allocated among the other such persons in such manner as the Secretary shall prescribe.

**(4) Dollar amount**

The dollar amount in effect under this subsection shall be \$175 per day (or the equivalent amount in the case of payments on another periodic basis).

**(5) Inflation adjustment**

In the case of a calendar year after 1997, the dollar amount contained in paragraph (4) shall be increased at the same time and in the same manner as amounts are increased pursuant to section 213(d)(10).

**(6) Periodic payments**

For purposes of this subsection, the term “periodic payment” means any payment (whether on a periodic basis or otherwise) made without regard to the extent of the costs incurred by the payee for qualified long-term care services.

**(e) Treatment of coverage provided as part of a life insurance or annuity contract**

Except as otherwise provided in regulations prescribed by the Secretary, in the case of any long-term care insurance coverage (whether or not qualified) provided by a rider on or as part of a life insurance contract or an annuity contract—

**(1) In general**

This title shall apply as if the portion of the contract providing such coverage is a separate contract.

**(2) Denial of deduction under section 213**

No deduction shall be allowed under section 213(a) for any payment made for coverage under a qualified long-term care insurance contract if such payment is made as a charge against the cash surrender value of a life insurance contract or the cash value of an annuity contract.

**(3) Portion defined**

For purposes of this subsection, the term “portion” means only the terms and benefits under a life insurance contract or annuity contract that are in addition to the terms and benefits under the contract without regard to long-term care insurance coverage.

**(4) Annuity contracts to which paragraph (1) does not apply**

For purposes of this subsection, none of the following shall be treated as an annuity contract:

- (A) A trust described in section 401(a) which is exempt from tax under section 501(a).
- (B) A contract—
  - (i) purchased by a trust described in subparagraph (A),
  - (ii) purchased as part of a plan described in section 403(a),
  - (iii) described in section 403(b),
  - (iv) provided for employees of a life insurance company under a plan described in section 818(a)(3), or
  - (v) from an individual retirement account or an individual retirement annuity.
- (C) A contract purchased by an employer for the benefit of the employee (or the employee’s spouse).

Any dividend described in section 404(k) which is received by a participant or beneficiary shall, for purposes of this paragraph, be treated as paid under a separate contract to which subparagraph (B)(i) applies.

**(f) Treatment of certain State-maintained plans****(1) In general**

If—

- (A) an individual receives coverage for qualified long-term care services under a State long-term care plan, and
- (B) the terms of such plan would satisfy the requirements of subsection (b) were such plan an insurance contract,

such plan shall be treated as a qualified long-term care insurance contract for purposes of this title.

**(2) State long-term care plan**

For purposes of paragraph (1), the term “State long-term care plan” means any plan—

- (A) which is established and maintained by a State or an instrumentality of a State,
- (B) which provides coverage only for qualified long-term care services, and
- (C) under which such coverage is provided only to—
  - (i) employees and former employees of a State (or any political subdivision or instrumentality of a State),

- (ii) the spouses of such employees, and
- (iii) individuals bearing a relationship to such employees or spouses which is described in any of subparagraphs (A) through (G) of section 152(d)(2).

**(g) Consumer protection provisions****(1) In general**

The requirements of this subsection are met with respect to any contract if the contract meets—

- (A) the requirements of the model regulation and model Act described in paragraph (2),
- (B) the disclosure requirement of paragraph (3), and
- (C) the requirements relating to non-forfeitability under paragraph (4).

**(2) Requirements of model regulation and Act****(A) In general**

The requirements of this paragraph are met with respect to any contract if such contract meets—

**(i) Model regulation**

The following requirements of the model regulation:

- (I) Section 7A (relating to guaranteed renewal or noncancellability), and the requirements of section 6B of the model Act relating to such section 7A.
- (II) Section 7B (relating to prohibitions on limitations and exclusions).
- (III) Section 7C (relating to extension of benefits).
- (IV) Section 7D (relating to continuance or conversion of coverage).
- (V) Section 7E (relating to discontinuance and replacement of policies).
- (VI) Section 8 (relating to unintentional lapse).
- (VII) Section 9 (relating to disclosure), other than section 9F thereof.
- (VIII) Section 10 (relating to prohibitions against post-claims underwriting).
- (IX) Section 11 (relating to minimum standards).

(X) Section 12 (relating to requirement to offer inflation protection), except that any requirement for a signature on a rejection of inflation protection shall permit the signature to be on an application or on a separate form.

(XI) Section 23 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

**(ii) Model Act**

The following requirements of the model Act:

- (I) Section 6C (relating to preexisting conditions).
- (II) Section 6D (relating to prior hospitalization).

**(B) Definitions**

For purposes of this paragraph—

**(i) Model provisions**

The terms “model regulation” and “model Act” mean the long-term care in-

surance model regulation, and the long-term care insurance model Act, respectively, promulgated by the National Association of Insurance Commissioners (as adopted as of January 1993).

**(ii) Coordination**

Any provision of the model regulation or model Act listed under clause (i) or (ii) of subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision.

**(iii) Determination**

For purposes of this section and section 4980C, the determination of whether any requirement of a model regulation or the model Act has been met shall be made by the Secretary.

**(3) Disclosure requirement**

The requirement of this paragraph is met with respect to any contract if such contract meets the requirements of section 4980C(d).

**(4) Nonforfeiture requirements**

**(A) In general**

The requirements of this paragraph are met with respect to any level premium contract, if the issuer of such contract offers to the policyholder, including any group policyholder, a nonforfeiture provision meeting the requirements of subparagraph (B).

**(B) Requirements of provision**

The nonforfeiture provision required under subparagraph (A) shall meet the following requirements:

(i) The nonforfeiture provision shall be appropriately captioned.

(ii) The nonforfeiture provision shall provide for a benefit available in the event of a default in the payment of any premiums and the amount of the benefit may be adjusted subsequent to being initially granted only as necessary to reflect changes in claims, persistency, and interest as reflected in changes in rates for premium paying contracts approved by the appropriate State regulatory agency for the same contract form.

(iii) The nonforfeiture provision shall provide at least one of the following:

(I) Reduced paid-up insurance.

(II) Extended term insurance.

(III) Shortened benefit period.

(IV) Other similar offerings approved by the appropriate State regulatory agency.

**(5) Cross reference**

**For coordination of the requirements of this subsection with State requirements, see section 4980C(f).**

(Added and amended Pub. L. 104-191, title III, §§321(a), 325, Aug. 21, 1996, 110 Stat. 2054, 2063; Pub. L. 105-34, title XVI, §1602(b), (e), Aug. 5, 1997, 111 Stat. 1094; Pub. L. 105-206, title VI, §6023(28), July 22, 1998, 112 Stat. 826; Pub. L. 108-311, title II, §207(25), Oct. 4, 2004, 118 Stat. 1178; Pub. L. 109-280, title VIII, §844(c), (f), Aug. 17, 2006, 120 Stat. 1011, 1013.)

**INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS**

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.*

**REFERENCES IN TEXT**

The Social Security Act, referred to in subsec. (b)(1)(B), (2)(B)(i), is act Aug. 14, 1935, ch. 531, 49 Stat. 620, as amended. Title XVIII of the Act is classified generally to subchapter XVIII (§1395 et seq.) of chapter 7 of Title 42, The Public Health and Welfare. Section 1861(r)(1) of the Act is classified to section 1395x(r)(1) of Title 42. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

**AMENDMENTS**

2006—Subsec. (e). Pub. L. 109-280, §844(c), amended subsec. (e) generally. Prior to amendment, subsec. (e) related to treatment of coverage provided as part of a life insurance contract.

Subsec. (e)(1). Pub. L. 109-280, §844(f), substituted “title” for “section”.

2004—Subsec. (f)(2)(C)(iii). Pub. L. 108-311 substituted “subparagraphs (A) through (G) of section 152(d)(2)” for “paragraphs (1) through (8) of section 152(a)”.

1998—Subsec. (e)(2). Pub. L. 105-206 inserted “section” after “Application of” in heading.

1997—Subsec. (c)(2)(B). Pub. L. 105-34, §1602(b), inserted “described in subparagraph (A)(i)” after “chronically ill individual” in concluding provisions.

Subsec. (g)(4)(B)(ii), (iii)(IV). Pub. L. 105-34, §1602(e), substituted “appropriate State regulatory agency” for “Secretary”.

1996—Subsec. (g). Pub. L. 104-191, §325, added subsec. (g).

**EFFECTIVE DATE OF 2006 AMENDMENT**

Amendment by Pub. L. 109-280 applicable to contracts issued after Dec. 31, 1996, but only with respect to taxable years beginning after Dec. 31, 2009, except as otherwise provided, see section 844(g)(1) of Pub. L. 109-280, set out as a note under section 72 of this title.

Amendment by section 844(f) of Pub. L. 109-280 effective as if included in section 321(a) of Pub. L. 104-191, see section 844(g)(5) of Pub. L. 109-280, set out as a note under section 72 of this title.

**EFFECTIVE DATE OF 2004 AMENDMENT**

Amendment by Pub. L. 108-311 applicable to taxable years beginning after Dec. 31, 2004, see section 208 of Pub. L. 108-311, set out as a note under section 2 of this title.

**EFFECTIVE DATE OF 1997 AMENDMENT**

Amendment by Pub. L. 105-34 effective as if included in the provisions of the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191, to which such amendment relates, see section 1602(i) of Pub. L. 105-34, set out as a note under section 26 of this title.

**EFFECTIVE DATE OF 1996 AMENDMENT**

Amendment by section 325 of Pub. L. 104-191 applicable to contracts issued after Dec. 31, 1996, with provisions of section 321(f) of Pub. L. 104-191, set out as an Effective Date note below, applicable to such contracts, see section 327 of Pub. L. 104-191, set out as an Effective Date note under section 4980C of this title.

**EFFECTIVE DATE**

Section 321(f) of Pub. L. 104-191 provided that:

“(1) GENERAL EFFECTIVE DATE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this section [enacting this section and amending sections 106, 125, 807, and 4980B of this title, section 1167 of Title 29, Labor, and section 300bb-8 of Title 42, The Public

Health and Welfare] shall apply to contracts issued after December 31, 1996.

“(B) RESERVE METHOD.—The amendment made by subsection (b) [amending section 807 of this title] shall apply to contracts issued after December 31, 1997.

“(2) CONTINUATION OF EXISTING POLICIES.—In the case of any contract issued before January 1, 1997, which met the long-term care insurance requirements of the State in which the contract was situated [sic] at the time the contract was issued—

“(A) such contract shall be treated for purposes of the Internal Revenue Code of 1986 as a qualified long-term care insurance contract (as defined in section 7702B(b) of such Code), and

“(B) services provided under, or reimbursed by, such contract shall be treated for such purposes as qualified long-term care services (as defined in section 7702B(c) of such Code).

In the case of an individual who is covered on December 31, 1996, under a State long-term care plan (as defined in section 7702B(f)(2) of such Code), the terms of such plan on such date shall be treated for purposes of the preceding sentence as a contract issued on such date which met the long-term care insurance requirements of such State.

“(3) EXCHANGES OF EXISTING POLICIES.—If, after the date of enactment of this Act [Aug. 21, 1996] and before January 1, 1998, a contract providing for long-term care insurance coverage is exchanged solely for a qualified long-term care insurance contract (as defined in section 7702B(b) of such Code), no gain or loss shall be recognized on the exchange. If, in addition to a qualified long-term care insurance contract, money or other property is received in the exchange, then any gain shall be recognized to the extent of the sum of the money and the fair market value of the other property received. For purposes of this paragraph, the cancellation of a contract providing for long-term care insurance coverage and reinvestment of the cancellation proceeds in a qualified long-term care insurance contract within 60 days thereafter shall be treated as an exchange.

“(4) ISSUANCE OF CERTAIN RIDERS PERMITTED.—For purposes of applying sections 101(f), 7702, and 7702A of the Internal Revenue Code of 1986 to any contract—

“(A) the issuance of a rider which is treated as a qualified long-term care insurance contract under section 7702B, and

“(B) the addition of any provision required to conform any other long-term care rider to be so treated, shall not be treated as a modification or material change of such contract.

“(5) APPLICATION OF PER DIEM LIMITATION TO EXISTING CONTRACTS.—The amount of per diem payments made under a contract issued on or before July 31, 1996, with respect to an insured which are excludable from gross income by reason of section 7702B of the Internal Revenue Code of 1986 (as added by this section) shall not be reduced under subsection (d)(2)(B) thereof by reason of reimbursements received under a contract issued on or before such date. The preceding sentence shall cease to apply as of the date (after July 31, 1996) such contract is exchanged or there is any contract modification which results in an increase in the amount of such per diem payments or the amount of such reimbursements.”

#### LONG-TERM CARE STUDY REQUEST

Section 321(g) of Pub. L. 104-191 provided that: “The Chairman of the Committee on Ways and Means of the House of Representatives and the Chairman of the Committee on Finance of the Senate shall jointly request the National Association of Insurance Commissioners, in consultation with representatives of the insurance industry and consumer organizations, to formulate, develop, and conduct a study to determine the marketing and other effects of per diem limits on certain types of long-term care policies. If the National Association of Insurance Commissioners agrees to the

study request, the National Association of Insurance Commissioners shall report the results of its study to such committees not later than 2 years after accepting the request.”

### § 7703. Determination of marital status

#### (a) General rule

For purposes of part V of subchapter B of chapter 1 and those provisions of this title which refer to this subsection—

(1) the determination of whether an individual is married shall be made as of the close of his taxable year; except that if his spouse dies during his taxable year such determination shall be made as of the time of such death; and

(2) an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

#### (b) Certain married individuals living apart

For purposes of those provisions of this title which refer to this subsection, if—

(1) an individual who is married (within the meaning of subsection (a)) and who files a separate return maintains as his home a household which constitutes for more than one-half of the taxable year the principal place of abode of a child (within the meaning of section 152(f)(1)) with respect to whom such individual is entitled to a deduction for the taxable year under section 151 (or would be so entitled but for section 152(e)),

(2) such individual furnishes over one-half of the cost of maintaining such household during the taxable year, and

(3) during the last 6 months of the taxable year, such individual's spouse is not a member of such household,

such individual shall not be considered as married.

(Added Pub. L. 99-514, title XIII, § 1301(j)(2)(A), Oct. 22, 1986, 100 Stat. 2657; amended Pub. L. 100-647, title I, § 1018(u)(41), Nov. 10, 1988, 102 Stat. 3592; Pub. L. 108-311, title II, § 207(26), Oct. 4, 2004, 118 Stat. 1178.)

#### PRIOR PROVISIONS

Provisions relating to determination of marital status were formerly contained in section 143 of this title, prior to enactment of this section by Pub. L. 99-514.

#### AMENDMENTS

2004—Subsec. (b)(1). Pub. L. 108-311 substituted “152(f)(1)” for “151(c)(3)” and struck out “paragraph (2) or (4) of” before “section 152(e)).”

1988—Subsec. (b)(1). Pub. L. 100-647 substituted “section 151(c)(3)” for “section 151(e)(3).”

#### EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108-311 applicable to taxable years beginning after Dec. 31, 2004, see section 208 of Pub. L. 108-311, set out as a note under section 2 of this title.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

## 101(g)(1) In General

For purposes of this section, the following amounts shall be treated as an amount paid by reason of the death of an insured:

### 101(g)(1)(A)

Any amount received under a life insurance contract on the life of an insured who is a terminally ill individual.

### 101(g)(1)(B)

Any amount received under a life insurance contract on the life of an insured who is a chronically ill individual.

## 101(g)(2) Treatment of Viatical Settlements

### 101(g)(2)(A) In General

If any portion of the death benefit under a life insurance contract on the life of an insured described in paragraph (1) is sold or assigned to a viatical settlement provider, the amount paid for the sale or assignment of such portion shall be treated as an amount paid under the life insurance contract by reason of the death of such insured.

### 101(g)(2)(B) Viatical Settlement Provider

#### 101(g)(2)(B)(i) In General

The term “viatical settlement provider” means any person regularly engaged in the trade or business of purchasing, or taking assignments of, life insurance contracts on the lives of insureds described in paragraph (1) if—

#### 101(g)(2)(B)(i)(I)

Such person is licensed for such purposes (with respect to insureds described in the same subparagraph of paragraph (1) as the insured) in the State in which the insured resides, or

#### 101(g)(2)(B)(i)(II)

In the case of an insured who resides in a State not requiring the licensing of such persons for such purposes with respect to such insured, such person meets the requirements of clause (ii) or (iii), whichever applies to such insured.

### 101(g)(2)(B)(ii) **Terminally Ill Insureds**

A person meets the requirements of this clause with respect to an insured who is a terminally ill individual if such person—

#### 101(g)(2)(B)(ii)(I)

Meets the requirements of sections 8 and 9 of the Viatical Settlements Model Act of the National Association of Insurance Commissioners, and

#### 101(g)(2)(B)(ii)(II)

Meets the requirements of the Model Regulations of the National Association of Insurance Commissioners (relating to standards for evaluation of reasonable payments) in determining amounts paid by such person in connection with such purchases or assignments.

### 101(g)(2)(B)(iii) **Chronically Ill Insureds**

A person meets the requirements of this clause with respect to an insured who is a chronically ill individual if such person—

#### 101(g)(2)(B)(iii)(I)

Meets requirements similar to the requirements referred to in clause (ii)(I), and

#### 101(g)(2)(B)(iii)(II)

Meets the standards (if any) of the National Association of Insurance Commissioners for evaluating the reasonableness of amounts paid by such person in connection with such purchases or assignments with respect to chronically ill individuals.

### 101(g)(3) **Special Rules for Chronically Ill Insureds**

In the case of an insured who is a chronically ill individual—

## 101(g)(3)(A) **In General**

Paragraphs (1) and (2) shall not apply to any payment received for any period unless—

### 101(g)(3)(A)(i)

Such payment is for costs incurred by the payee (not compensated for by insurance or otherwise) for qualified long-term care services provided for the insured for such period, and

### 101(g)(3)(A)(ii)

The terms of the contract giving rise to such payment satisfy—

#### 101(g)(3)(A)(ii)(I)

The requirements of [section 7702B\(b\)\(1\)\(B\)](#), and

#### 101(g)(3)(A)(ii)(II)

The requirements (if any) applicable under subparagraph (B).

For purposes of the preceding sentence, the rule of [section 7702B\(b\)\(2\)\(B\)](#) shall apply.

## 101(g)(3)(B) **Other Requirements**

The requirements applicable under this subparagraph are—

### 101(g)(3)(B)(i)

Those requirements of [section 7702B\(g\)](#) and [section 4980C](#) which the Secretary specifies as applying to such a purchase, assignment, or other arrangement,

**101(g)(3)(B)(ii)**

Standards adopted by the National Association of Insurance Commissioners which specifically apply to chronically ill individuals (and, if such standards are adopted, the analogous requirements specified under clause (i) shall cease to apply), and

**101(g)(3)(B)(iii)**

Standards adopted by the State in which the policyholder resides (and if such standards are adopted, the analogous requirements specified under clause (i) and (subject to [section 4980C\(f\)](#)) standards under clause (ii), shall cease to apply).

**101(g)(3)(C) Per Diem Payments**

A payment shall not fail to be described in subparagraph (A) by reason of being made on a per diem or other periodic basis without regard to the expenses incurred during the period to which the payment relates.

**101(g)(3)(D) Limitation on Exclusion for Periodic Payments**

For limitation on amount of periodic payments which are treated as described in paragraph (1), see [section 7702B\(d\)](#).

**101(g)(4) Definitions**

For purposes of this subsection—

**101(g)(4)(A) Terminally Ill Individual**

The term “terminally ill individual” means an individual who has been certified by a physician as having an illness or physical condition which can reasonably be expected to result in death in 24 months or less after the date of the certification.

**101(g)(4)(B) Chronically Ill Individual**

The term “chronically ill individual” has the meaning given such term by [section 7702B\(c\)\(2\)](#); except that such term shall not include a terminally ill individual.

**101(g)(4)(C) Qualified Long-Term Care Services**

The term “qualified long-term care services” has the meaning given such term by [section 7702B\(c\)](#).

#### 101(g)(4)(D) **Physician**

The term “physician” has the meaning given to such term by section 1861(r)(1) of the Social Security Act (42 U.S.C. 1395x(r)(1)).

#### 101(g)(5) **Exception for Business-Related Policies**

This subsection shall not apply in the case of any amount paid to any taxpayer other than the insured if such taxpayer has an insurable interest with respect to the life of the insured by reason of the insured being a director, officer, or employee of the taxpayer or by reason of the insured being financially interested in any trade or business carried on by the taxpayer.

# CLTC® 2023 Tax Summary

## Tax-Qualified Long-Term Care Insurance (LTCI)

| Type of Taxpayer  | Premium Deduction<br>(Traditional Policies)  |                          |                          |                |        |             |        |             |         |             |         |                  |         |
|---|--|--------------------------|--------------------------|----------------|--------|-------------|--------|-------------|---------|-------------|---------|------------------|---------|
| Individual taxpayer who does NOT itemize  | No deduction.  |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| Individual taxpayer who itemizes deductions<br>(Schedule A)   | <p>Treated as accident and health insurance.<br/><i>IRC §7702B(a)(1)</i></p> <p>Limited to <u>lesser of actual premium paid or eligible LTCI premium</u>.<br/><i>IRC §§213(d)(1)(D), 213(d)(10)</i></p> <p>Eligible LTC premium in 2023 (indexed):</p> <table border="1"> <thead> <tr> <th>Attained age in tax year</th><th>Deductible premium limit</th></tr> </thead> <tbody> <tr> <td>Age 40 or less</td><td>\$ 480</td></tr> <tr> <td>Age 41 – 50</td><td>\$ 890</td></tr> <tr> <td>Age 51 – 60</td><td>\$1,790</td></tr> <tr> <td>Age 61 – 70</td><td>\$4,770</td></tr> <tr> <td>Age 71 and older</td><td>\$5,960</td></tr> </tbody> </table> <p>Medical expense deduction is allowable to extent that such expenses (including payment of Eligible LTCI premium) exceed 7.5% of AGI<br/><i>IRC §§213(a), 213(f)</i></p>  | Attained age in tax year | Deductible premium limit | Age 40 or less | \$ 480 | Age 41 – 50 | \$ 890 | Age 51 – 60 | \$1,790 | Age 61 – 70 | \$4,770 | Age 71 and older | \$5,960 |
| Attained age in tax year  | Deductible premium limit   |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| Age 40 or less  | \$ 480   |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| Age 41 – 50   | \$ 890   |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| Age 51 – 60   | \$1,790  |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| Age 61 – 70   | \$4,770  |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| Age 71 and older  | \$5,960  |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| HSA, HRA & MSA  | Eligible LTCI premium is a qualified medical expense.<br><i>IRC §223(d)(2)(A), 213(d)(1)(D) IRC §213(d)(1)(D)</i>  |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| Employee (W-2)<br>(NON-owner)   | <p>Premium paid by <u>employee</u> (e.g., “voluntary” or payroll deduction):</p> <ul style="list-style-type: none"> <li>May NOT be paid through pre-tax cafeteria plan. <i>IRC §125(f)</i></li> <li>May NOT be paid through FSA or similar arrangement. <i>IRC §106(c)</i></li> <li>Deductible by employee who itemizes (subject to limitations above)</li> </ul> <p>Premium paid by <u>employer</u> (ANY business type):</p> <ul style="list-style-type: none"> <li>Employer provided LTCI treated as accident and health plan. <i>IRC §7702B(a)(3)</i></li> <li>Deductible by employer - NOT limited to Eligible premium (subject to reasonable compensation). May also include spouse and other eligible tax dependents. <i>IRC §162(a)</i></li> <li>Total premium excluded from employee's income (NOT limited to Eligible premium). Not subject to FICA, etc. <i>IRC §106(a)</i></li> </ul> |                          |                          |                |        |             |        |             |         |             |         |                  |         |
| C-Corporation Shareholder / Employee (with W-2)<br><br>Including PCs and LLCs taxed as a C-corporation. | <p>Treated as employee. (See above)</p> <p>(NOTE that premiums may NOT reduce or be allocated against any individual's compensation in any form; the premiums must be a true corporate expense.)</p>   |                          |                          |                |        |             |        |             |         |             |         |                  |         |

|   |   |
|---|---|
| <p><b>“Self-employed” business owners:</b></p> <p>Sole Proprietor, Partner, S-Corporation &gt;2% Shareholder / employee (W-2).<br/>Member of an LLC or PC taxed as any of above.</p> <p><i>NOTE: Limited Liability Corporation (LLC) is a legal, not tax, entity – based on how the entity files.</i></p> | <p><b>Eligible for Self-Employed Health Insurance Deduction, which is taken “above-the-line” on Line 17 of IRS Form 1040 Schedule 1 (2021). May also include spouse or other eligible tax dependents. <i>IRC §162(l)</i></b></p> <p><b>Limited to lesser of actual premium paid or Eligible LTCI premium. <i>IRC §§213(d)(1)(D), 213(d)(10)</i></b></p> <p><b>For eligible LTCI premium in 2023 see above chart; Deduction is NOT limited to 7.5% of AGI threshold.</b></p> |
|---|---|

## Taxation of Benefits

**Reimbursement** benefits are not included in income.

*IRC§§104(a)(3), 7702B(a)(2)*

**Per diem (or indemnity)** benefits are not included in income except amounts that exceed the greater of:

- \$420 per day (2023 indexed), or
- Total qualified LTC expenses.

*IRC §§104(a)(3), 7702B(a)(2), 7702B(d)*

**Return of premium (non-forfeiture) benefits:**

- Available only upon total surrender or death.
- May not be borrowed or pledged.
- Included in gross income to extent of any deduction or exclusion allowed with respect to premium.

*IRC §7702B(b)(2)(C)*

## Linked-Benefit LTCI

LTC benefits paid from a Tax-Qualified (7702B) annuity or life insurance “linked benefit” plan are tax-free as noted above. *IRC§7702B(e)*

Cash surrenders from a LTCI linked-benefit plan that paid LTCI benefits may have a reduced cost-basis. *IRC§72(e)(11)*

Premium payments for annuity or life insurance benefits in linked-benefit LTCI plans are NOT deductible. (Separate TQ LTCI continuation rider premiums may be deductible.)

*The information contained in this summary is provided with the understanding that it is not to be interpreted as specific tax or legal advice. Neither the Corporation for Certification for Long-Term Care, LLC, nor any of its employees or CLTC® designees are authorized to give legal or tax advice. Individuals are encouraged to seek the guidance of their own qualified tax and/or legal counsel.*



LONG-TERM CARE (LTC)



LIFE INSURANCE (LI)

|                                      |   |   |                                       |                                       |   |                                    |
|--------------------------------------|---|---|---------------------------------------|---------------------------------------|---|------------------------------------|
| SS<br><input type="checkbox"/>       | TRADITIONAL LTC                             | LINKED BEN LI + LTC EXT                       | LI + RIDER                            | LI + CHRONIC ILLNESS RIDER            | LI WITH NO CHANGE CHRONIC ILLNESS RIDER | Income<br><input type="checkbox"/> |
| MED<br><input type="checkbox"/>      | PURE LTC INS                                | LI FIRST LTC BENEFITS                         | LI ONLY LTC BENEFICIARY               | PURE LI CHRONIC ILLNESS ADD ON        | PURE LI CHRONIC ILLNESS BUILT IN        | Estate<br><input type="checkbox"/> |
|                                      | LEAST EXPENSIVE PAY FOR LIFE COST CAN GO UP | USUALLY A LUMP SUM + EXT COST NO PRICE CHANGE | ANNUAL OR LIMITED PAY NO PRICE CHANGE | ANNUAL OR LIMITED PAY NO PRICE CHANGE | ANNUAL OR LIMITED PAY NO PRICE CHANGE   |                                    |
| LTC<br><input type="checkbox"/>      | NO DEATH BENEFIT                            | DEATH BENEFIT                                 | DEATH BENEFIT                         | DEATH BENEFIT                         | DEATH BENEFIT                           |                                    |
|                                      | HARDEST HEALTH QUAL                         | EASIER HEALTH QUAL - CAN USE ANNUITY          | EASIER HEALTH QUAL - CAN USE ANNUITY  | HARD HEALTH QUAL                      | HARD HEALTH QUAL                        | Taxes<br><input type="checkbox"/>  |
| 401K/IRA<br><input type="checkbox"/> | INFLATION EASY                              | INFLATION POSSIBLE                            | INFLATION LARGER BEN                  | INFLATION LARGER BEN                  | INFLATION LARGER BEN                    |                                    |
|                                      | NO LI                                       | LI = \$250,000                                | LI = \$500,000                        | LI = \$500,000                        | LI = \$500,000                          |                                    |

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**MutualCare® Custom Solution**

Tax Qualified Long-Term Care Insurance Policy Illustration

Mutual of Omaha Insurance Company

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**Designed For:**

Mr Client &amp; Mrs Client

**Presented By:****Mutual of Omaha**

Thomas Griffith

**January 9, 2023**

Investment and insurance products are not FDIC insured and have no bank guarantee.

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This is a proposal, not an offer, and is subject to underwriting. This policy may not cover all of the costs associated with long-term care incurred during the period of coverage. Please carefully review the accompanying outline of coverage for a full description of policy benefits and policy limitations and exclusions. Premium rates are subject to increase. A medical exam may be required for coverage.

ICC20465394

Thomas Griffith

Policy Form: LTC13

Ver. 3.86.0.0

North Carolina

Underwritten by Mutual of Omaha Insurance Company – Mutual of Omaha Plaza – Omaha, NE 68175

Quote 001

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# MutualCare® Custom Solution

## Tax Qualified Long-Term Care Insurance Policy Illustration

Mutual of Omaha Insurance Company

**Designed for:** Mr Client & Mrs Client

| Plan Design                        | Mr: Age 65                              | Mrs: Age 65                             |                 |
|------------------------------------|---|---|-----------------|
| Household Status                   | Partner - Both Insured                  | Partner - Both Insured                  |                 |
| Gender                             | Male                                    | Female                                  |                 |
| Rate Classification                | Select                                  | Select                                  |                 |
| Policy Limit                       | \$216,000                               | \$216,000                               |                 |
| <b>Cash Benefits (25% of HHC)</b>  | \$1,500 per month                       | \$1,500 per month                       |                 |
| Elimination Period                 | 0 Days                                  | 0 Days                                  |                 |
| Benefit Duration                   | 12 years (144 months)                   | 12 years (144 months)                   |                 |
| <b>Reimbursement Benefits:</b>     |   |   |                 |
| Nursing Home (NH)                  | Up to \$6,000 per month                 | Up to \$6,000 per month                 |                 |
| Assisted Living                    | Up to \$6,000 per month                 | Up to \$6,000 per month                 |                 |
| Home Health Care (HHC)             | Up to \$6,000 per month                 | Up to \$6,000 per month                 |                 |
| Elimination Period (Calendar Days) | 90 Days                                 | 90 Days                                 |                 |
| Benefit Duration (NH)              | 3 years (36 months)                     | 3 years (36 months)                     |                 |
| Partnership Qualified              | Yes**                                   | Yes**                                   |                 |
| <b>Inflation Protection</b>        |   |   |                 |
| Inflation Protection Benefit       | 3% Compound Lifetime with Buy Up Option | 3% Compound Lifetime with Buy Up Option |                 |
| <b>Total Premium</b>               | <b>Mr</b>                               | <b>Mrs</b>                              | <b>Combined</b> |
| 15% Partner - Both Insured Savings | -622.56                                 | -1,041.13                               | -1,663.69       |
| Your Annual Premium                | 3,527.79                                | 5,899.74                                | 9,427.53        |
| <b>Other Modes of Payment</b>      |   |   |                 |
| Annual Premium                     | 3,527.79                                | 5,899.74                                | 9,427.53        |
| Semi-Annual Premium                | 1,799.17                                | 3,008.88                                | 4,808.05        |
| Quarterly Premium                  | 917.23                                  | 1,533.93                                | 2,451.16        |
| Monthly Premium                    | 317.49                                  | 530.97                                  | 848.46          |

\*\* The coverage advertised may meet the requirements for participating in a Long-Term Care Insurance Partnership Program in some states. Under this Program, the policyholder may be able to protect assets from Medicaid spend-down requirements through a feature known as 'asset disregard'. Nothing in a policy or certificate issued by a company is a guarantee of Medicaid eligibility, nor a guarantee of any ability to disregard assets for purposes of Medicaid eligibility. Please also note that states do not take part in company-specific marketing plans, and states do not endorse specific companies or company specific policy and certificate forms. If you have any questions about the availability of this Program in your state, please contact the company or your state insurance department.

This is a proposal, not an offer, and is subject to underwriting. This policy may not cover all of the costs associated with long-term care incurred during the period of coverage. Please carefully review the accompanying outline of coverage for a full description of policy benefits and policy limitations and exclusions. Premium rates are subject to increase. A medical exam may be required for coverage.

ICC20465394

Thomas Griffith

Policy Form: LTC13

Ver. 3.86.0.0

North Carolina

Underwritten by Mutual of Omaha Insurance Company – Mutual of Omaha Plaza – Omaha, NE 68175

Quote 001

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Page 2 of 4



# MutualCare® Custom Solution

## Tax Qualified Long-Term Care Insurance Policy Illustration

Mutual of Omaha Insurance Company

Designed for: Mr Client - Age: 65

Monthly Cash Benefit (25% of HHC): \$1,500

Maximum Monthly Benefit: \$6,000

Policy Limit: \$216,000

Benefit Duration (NH): 3 years (36 months)

Rate Classification: Select

Elimination Period: 90 Calendar Days

Cash Benefit Elimination Period: 0 Days

Inflation Protection: 3% Compound Lifetime with Buy Up Option

Mode: Annual

### Break Even Analysis

| Years<br>Premium<br>Paid | Age | Annualized<br>Premium | Future Monthly<br>Benefit / Cost of<br>Care | Days on Claim to<br>Recover<br>Premiums Paid |
|--------------------------|-----|-----------------------|---|--|
| 1                        | 66  | \$3,527.79            | \$6,180                                     | 18   |
| 2                        | 67  | \$3,527.79            | \$6,365                                     | 34   |
| 3                        | 68  | \$3,527.79            | \$6,556                                     | 49   |
| 4                        | 69  | \$3,527.79            | \$6,753                                     | 63   |
| 5                        | 70  | \$3,527.79            | \$6,956                                     | 77   |
| 10                       | 75  | \$3,527.79            | \$8,064                                     | 132  |
| 15                       | 80  | \$3,527.79            | \$9,348                                     | 170  |
| 20                       | 85  | \$3,527.79            | \$10,837                                    | 196  |
| 25                       | 90  | \$3,527.79            | \$12,563                                    | 211  |
| 30                       | 95  | \$3,527.79            | \$14,564                                    | 219  |
| 35                       | 100 | \$3,527.79            | \$16,884                                    | 220  |

The "Future Monthly Benefit/Cost of Care" shows the value of the policy's "Maximum Monthly Benefit" over time based on the Maximum Monthly Benefit and Inflation Protection option selected, as indicated at the top of this page. This illustration assumes that actual covered expenses are equal to or greater than your Maximum Monthly Benefit and that the full Maximum Monthly Benefit is paid for each month on claim. The "Days on Claim to Recover Premium Paid" figures are calculated by taking the total premium paid divided by the "Future Monthly Benefit/Cost of Care" multiplied by 30.

**The premiums above are based on the coverage illustrated on page 2.**

This is a proposal, not an offer, and is subject to underwriting. This policy may not cover all of the costs associated with long-term care incurred during the period of coverage. Please carefully review the accompanying outline of coverage for a full description of policy benefits and policy limitations and exclusions. Premium rates are subject to increase. A medical exam may be required for coverage.

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Thomas Griffith

Policy Form: LTC13

Ver. 3.86.0.0

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# MutualCare® Custom Solution

## Tax Qualified Long-Term Care Insurance Policy Illustration

Mutual of Omaha Insurance Company

|  |   |
|--|---|
| Designed for: Mrs Client - Age: 65         | Rate Classification: Select                                   |
| Monthly Cash Benefit (25% of HHC): \$1,500 | Elimination Period: 90 Calendar Days                          |
| Maximum Monthly Benefit: \$6,000           | Cash Benefit Elimination Period: 0 Days                       |
| Policy Limit: \$216,000                    | Inflation Protection: 3% Compound Lifetime with Buy Up Option |
| Benefit Duration (NH): 3 years (36 months) | Mode: Annual  |

### Break Even Analysis

| Years<br>Premium<br>Paid | Age | Annualized<br>Premium | Future Monthly<br>Benefit / Cost of<br>Care | Days on Claim to<br>Recover<br>Premiums Paid |
|--------------------------|-----|-----------------------|---|--|
| 1                        | 66  | \$5,899.74            | \$6,180                                     | 29   |
| 2                        | 67  | \$5,899.74            | \$6,365                                     | 56   |
| 3                        | 68  | \$5,899.74            | \$6,556                                     | 81   |
| 4                        | 69  | \$5,899.74            | \$6,753                                     | 105  |
| 5                        | 70  | \$5,899.74            | \$6,956                                     | 128  |
| 10                       | 75  | \$5,899.74            | \$8,064                                     | 220  |
| 15                       | 80  | \$5,899.74            | \$9,348                                     | 285  |
| 20                       | 85  | \$5,899.74            | \$10,837                                    | 327  |
| 25                       | 90  | \$5,899.74            | \$12,563                                    | 353  |
| 30                       | 95  | \$5,899.74            | \$14,564                                    | 365  |
| 35                       | 100 | \$5,899.74            | \$16,884                                    | 367  |

The "Future Monthly Benefit/Cost of Care" shows the value of the policy's "Maximum Monthly Benefit" over time based on the Maximum Monthly Benefit and Inflation Protection option selected, as indicated at the top of this page. This illustration assumes that actual covered expenses are equal to or greater than your Maximum Monthly Benefit and that the full Maximum Monthly Benefit is paid for each month on claim. The "Days on Claim to Recover Premium Paid" figures are calculated by taking the total premium paid divided by the "Future Monthly Benefit/Cost of Care" multiplied by 30.

**The premiums above are based on the coverage illustrated on page 2.**

This is a proposal, not an offer, and is subject to underwriting. This policy may not cover all of the costs associated with long-term care incurred during the period of coverage. Please carefully review the accompanying outline of coverage for a full description of policy benefits and policy limitations and exclusions. Premium rates are subject to increase. A medical exam may be required for coverage.

ICC20465394

Thomas Griffith

Policy Form: LTC13

Ver. 3.86.0.0

North Carolina

Underwritten by Mutual of Omaha Insurance Company – Mutual of Omaha Plaza – Omaha, NE 68175

Quote 001

01/09/2023 6:02 PM

Page 4 of 4

# Asset Care<sup>®</sup>

## Prepared for:

Valued Client  
Spouse

## Presented by:

THOMAS ROBERT GRIFFITH

## Contact Information:

2530 Meridian Parkway  
Suite 100  
Durham, NC 27713  
(919) 535-8261

June 02, 2023

|               |                             |   |   |                         |
|---------------|-----------------------------|---|---|-------------------------|
| NOT A DEPOSIT | NOT FDIC OR<br>NCUA INSURED | NOT BANK OR<br>CREDIT UNION<br>GUARANTEED | NOT INSURED BY<br>ANY FEDERAL<br>GOVERNMENT<br>AGENCY | MAY GO DOWN IN<br>VALUE |
|---------------|-----------------------------|---|---|-------------------------|

*Products and financial services provided by*  
**THE STATE LIFE INSURANCE COMPANY<sup>®</sup>** | a **ONEAMERICA<sup>®</sup>** company  
*One American Square, P.O. Box 406 | Indianapolis, IN 46206-0406*

The contact listed is not an affiliate of the companies of OneAmerica.

# How does Asset Care work?

55/151

## Funding your LTC



- Funding: 401k, IRA, 403b
- Guaranteed cash value growth
- Optional COB rider can extend LTC benefits beyond the base face amount



\$199,999

401k, IRA, 403b



\$25,000

10-Pay Whole Life Premium (Annually)



\$225,123

Whole Life Face Amount

## More than just nursing home care

Long-term care (LTC) is intended to provide support to those who need assistance due to severe cognitive impairment, or help completing Activities of Daily Living (ADLs) like eating or bathing. Our LTC solutions can help you pay for almost any level of care, ranging from local care during the day to more specialized support:

- Home health care
- Assisted living
- Nursing home
- Adult day care
- Hospice

**Note:** Benefits will be paid monthly up to the monthly benefit limit based on the actual number of days the insured is confined or receiving qualified long-term care services.

## Benefits beyond traditional LTC

This suite of whole life-based products can help you retain your independence, preserve your dignity and leave a legacy for your loved ones by offering:

- Tax-free LTC benefits
- A death benefit

## Benefit triggers\*



You cannot perform at least two of six Activities of Daily Living (ADLs), which include bathing, maintaining continence, dressing yourself, eating/feeding yourself, toileting (including getting on and off a toilet) and transferring (for example, from a bed to a chair).



You require care as a result of a severe cognitive impairment (such as Alzheimer's disease).

\*To be eligible for benefits, the insured must be a chronically ill individual with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner.

## Elimination Period

90 days is the elimination period to access LTC benefits once you have a benefit trigger. However, Home Health Care is available after 0 days.

**Note:** Not all features and benefits of the policy are shown here. For additional details of all features and benefits, please see the policy.

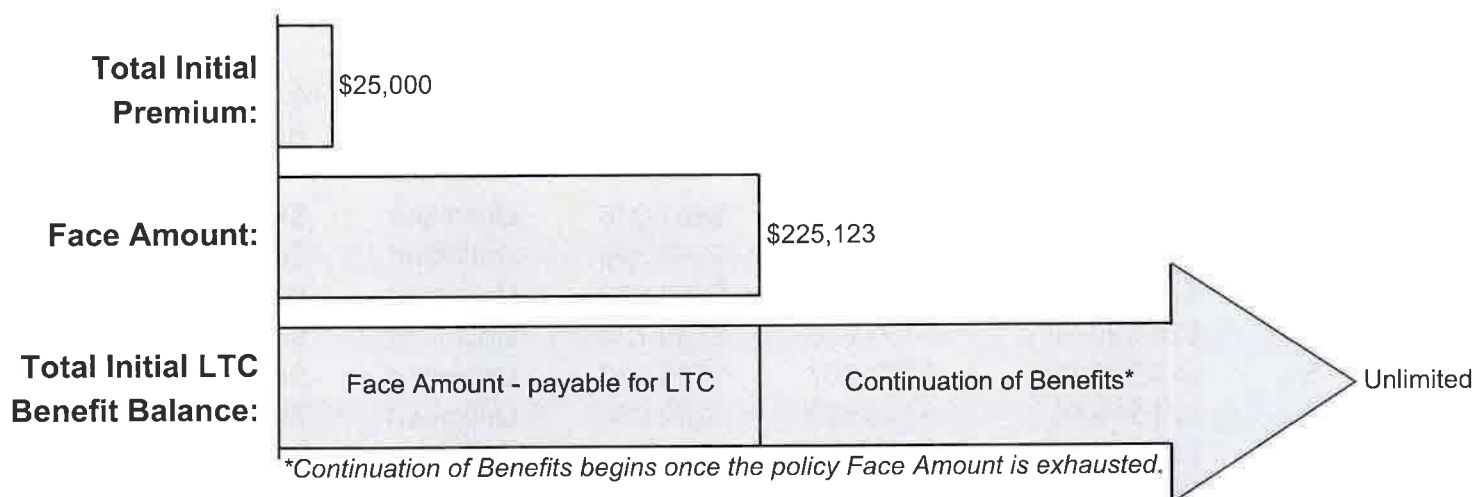
# Asset Care<sup>®</sup>

## Asset Care Annuity Funding Whole Life

State: NC

Prepared for: Valued Client  
Male, 65  
Preferred Non-Tobacco

Spouse  
Female, 65  
Preferred Non-Tobacco



**Initial LTC Benefit Limit,  
For One or Both Individuals:**

\$13,507 Monthly (\$6,754 Monthly, per person)

**End of Year 10 LTC Benefit Limit,  
For One or Both Individuals:**

\$13,508 Monthly (\$6,754 Monthly, per person)

### Premiums:

Single Pay Annuity Premium - \$199,999

10-Pay Life Premium\*\*\* - \$11,778

10-Pay LTC Premium\*\*\* - \$13,221

\*\*\*Automatically funded by withdrawals from Single Pay Annuity. See Ledger page for details.

### Features and Benefits:

Benefit Period - 33 Months AOB<sup>1</sup> / Lifetime COB<sup>2</sup>

Inflation Option - 0% AOB<sup>1</sup> / 0% COB<sup>2</sup>

Inflation Duration - N/A

Guaranteed Cash Value

Waiver of Premium

<sup>1</sup> Acceleration of Benefits

<sup>2</sup> Continuation of Benefits

# Asset Care®

## Asset Care Annuity Funding Whole Life

State: NC

Prepared for: Valued Client  
Male, 65  
Preferred Non-Tobacco

Spouse  
Female, 65  
Preferred Non-Tobacco

Single Premium: \$199,999.36

| End of<br>Policy<br>Year | Life Premium /<br>Annuity<br>Withdrawal* | Total Cash<br>Surrender<br>Value | Total<br>Death<br>Benefit | Total LTC<br>Balance | AOB<br>Monthly<br>Benefit<br>Limit | COB<br>Monthly<br>Benefit<br>Limit |
|--------------------------|--|----------------------------------|---------------------------|----------------------|------------------------------------|------------------------------------|
| 1                        | \$24,999.92                              | \$160,847                        | \$401,878                 | Unlimited            | \$6,754                            | \$6,754                            |
| 2                        | \$24,999.92                              | \$151,581                        | \$378,396                 | Unlimited            | \$6,754                            | \$6,754                            |
| 3                        | \$24,999.92                              | \$143,734                        | \$354,678                 | Unlimited            | \$6,754                            | \$6,754                            |
| 4                        | \$24,999.92                              | \$135,636                        | \$330,724                 | Unlimited            | \$6,754                            | \$6,754                            |
| 5                        | \$24,999.92                              | \$127,287                        | \$306,530                 | Unlimited            | \$6,754                            | \$6,754                            |
| 6                        | \$24,999.92                              | \$118,692                        | \$282,094                 | Unlimited            | \$6,754                            | \$6,754                            |
| 7                        | \$24,999.92                              | \$109,856                        | \$257,414                 | Unlimited            | \$6,754                            | \$6,754                            |
| 8                        | \$24,999.92                              | \$100,785                        | \$232,487                 | Unlimited            | \$6,754                            | \$6,754                            |
| 9                        | \$24,999.92                              | \$109,117                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 10                       | \$24,999.92                              | \$125,209                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 11                       | \$0.00                                   | \$129,473                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 12                       | \$0.00                                   | \$133,795                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 13                       | \$0.00                                   | \$138,162                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 14                       | \$0.00                                   | \$142,555                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 15                       | \$0.00                                   | \$146,954                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 20                       | \$0.00                                   | \$168,185                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 25                       | \$0.00                                   | \$185,461                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 30                       | \$0.00                                   | \$197,093                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 35                       | \$0.00                                   | \$204,788                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 40                       | \$0.00                                   | \$208,903                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 45                       | \$0.00                                   | \$212,163                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 50                       | \$0.00                                   | \$214,846                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 55                       | \$0.00                                   | \$216,987                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |
| 56                       | \$0.00                                   | \$225,123                        | \$225,123                 | Unlimited            | \$6,754                            | \$6,754                            |

Table assumes policy and rider remain in force and values have not been decreased by any loan balance or withdrawals made through a given year.

**\*Values do not reflect any withholding for taxes. If tax withholding is not waived, the life insurance policy will be issued using the net income generated from the annuity minus withholding and will have a smaller face amount and LTC benefits than illustrated.**

# Asset Care<sup>®</sup>

## Asset Care Annuity Funding Whole Life

State: NC

Prepared for: Valued Client  
Male, 65  
Preferred Non-Tobacco

Spouse  
Female, 65  
Preferred Non-Tobacco

| End of<br>Policy<br>Year | Life Cash<br>Surrender<br>Value | Annuity Cash<br>Surrender<br>Value | Total Cash<br>Surrender<br>Value | Face<br>Amount | Annuity<br>Account<br>Value | Total<br>Death<br>Benefit |
|--------------------------|---------------------------------|------------------------------------|----------------------------------|----------------|-----------------------------|---------------------------|
| 1                        | \$0                             | \$160,847                          | \$160,847                        | \$225,123      | \$176,755                   | \$401,878                 |
| 2                        | \$10,570                        | \$141,011                          | \$151,581                        | \$225,123      | \$153,273                   | \$378,396                 |
| 3                        | \$23,248                        | \$120,486                          | \$143,734                        | \$225,123      | \$129,555                   | \$354,678                 |
| 4                        | \$36,371                        | \$99,265                           | \$135,636                        | \$225,123      | \$105,601                   | \$330,724                 |
| 5                        | \$49,950                        | \$77,337                           | \$127,287                        | \$225,123      | \$81,407                    | \$306,530                 |
| 6                        | \$64,000                        | \$54,692                           | \$118,692                        | \$225,123      | \$56,971                    | \$282,094                 |
| 7                        | \$78,534                        | \$31,322                           | \$109,856                        | \$225,123      | \$32,291                    | \$257,414                 |
| 8                        | \$93,568                        | \$7,217                            | \$100,785                        | \$225,123      | \$7,364                     | \$232,487                 |
| 9                        | \$109,117                       | \$0                                | \$109,117                        | \$225,123      | \$0                         | \$225,123                 |
| 10                       | \$125,209                       | \$0                                | \$125,209                        | \$225,123      | \$0                         | \$225,123                 |
| 11                       | \$129,473                       | \$0                                | \$129,473                        | \$225,123      | \$0                         | \$225,123                 |
| 12                       | \$133,795                       | \$0                                | \$133,795                        | \$225,123      | \$0                         | \$225,123                 |
| 13                       | \$138,162                       | \$0                                | \$138,162                        | \$225,123      | \$0                         | \$225,123                 |
| 14                       | \$142,555                       | \$0                                | \$142,555                        | \$225,123      | \$0                         | \$225,123                 |
| 15                       | \$146,954                       | \$0                                | \$146,954                        | \$225,123      | \$0                         | \$225,123                 |

**State:** NC

**Prepared for:** Valued Client  
Male, 65  
Preferred Non-Tobacco

Spouse  
Female, 65  
Preferred Non-Tobacco

### Long-Term Care (LTC) and Inflation Protection Rider (IPR) Options

| AOB Duration | AOB IPR | COB Duration | COB IPR | Total Initial Premium (No Inflation) | Total Initial Premium (20 Year IPR) | Total Initial Premium (Lifetime IPR) |
|--------------|---------|--------------|---------|--------------------------------------|-------------------------------------|--------------------------------------|
| 33 Months    | None    | No COB       | No COB  | \$14,610                             | N/A                                 | N/A                                  |
|              |         | 33 Months    | None    | \$18,847                             | N/A                                 | N/A                                  |
|              |         |              | 3%      | N/A                                  | \$22,452                            | \$23,753                             |
|              |         |              | 5%      | N/A                                  | \$25,916                            | \$29,437                             |
|              |         | Lifetime     | None    | \$25,000                             | N/A                                 | N/A                                  |
|              |         |              | 3%      | N/A                                  | \$34,048                            | \$37,796                             |
|              |         |              | 5%      | N/A                                  | \$42,602                            | \$52,868                             |
|              | 3%      | No COB       | No COB  | N/A                                  | \$21,859                            | \$23,836                             |
|              |         | 33 Months    | 3%      | N/A                                  | \$29,700                            | \$32,978                             |
|              |         | Lifetime     |         | N/A                                  | \$41,297                            | \$47,021                             |
|              | 5%      | No COB       | No COB  | N/A                                  | \$29,210                            | \$34,439                             |
|              |         | 33 Months    | 5%      | N/A                                  | \$40,515                            | \$49,266                             |
|              |         | Lifetime     |         | N/A                                  | \$57,202                            | \$72,697                             |

The values shown in this table represent LTC premium options and include life premium.

# Asset Care®

## Asset Care Annuity Funding Whole Life

State: NC

Prepared for: Valued Client

Male, 65

Preferred Non-Tobacco

Spouse

Female, 65

Preferred Non-Tobacco

|  |                        |                                    |            |
|--|------------------------|------------------------------------|------------|
| Policy Number:                           | N/A                    | Acceleration of Benefits Duration: | 33 Months  |
| Product Funding Option:                  | Single Premium Annuity | AOB Inflation:                     | None       |
| Payment Period:                          | 10-Pay                 | Continuation of Benefits:          | Yes        |
| Return of Premium:                       | N/A                    | COB Duration:                      | Lifetime   |
| Tax Qualification:                       | Qualified              | COB Payment Option:                | 10-Pay     |
| Input Method:                            | Annuity Premium Amount | COB Inflation:                     | None       |
| Premium Amount:                          | N/A                    | Include COB Rider in Premium:      | Yes        |
| Face Amount:                             | \$225,123.00           | Inflation Protection Duration:     | N/A        |
| Monthly LTC Benefit:                     | N/A                    | Premium Drop-In Rider:             | N/A        |
| Annuity Premium Amount:                  | \$200,000.00           | Total Premium Drop-In Amount:      | N/A        |
| Life Premium Amount:                     | N/A                    | Nonforfeiture Rider:               | No         |
| Policyholder pays Life premium directly: | N/A                    | Quote Date:                        | 06/02/2023 |
| Starting year 1 through year:            | N/A                    |                                    |            |

### Client Disclosures:

• OneAmerica® is the marketing name for companies of OneAmerica. Products issued and underwritten by The State Life Insurance Company\* (State Life), Indianapolis, IN, a OneAmerica® company that offers the Care Solutions product suite. Asset Care form numbers: ICC18 L302 SP JT, ICC18 R537, ICC18 R538, ICC18 R535, ICC18 SA39, ICC18 R540. • Asset Care is a whole life insurance or whole life and annuity combination that allows access to 100% of the life policy death benefit for qualifying LTC expenses (paid monthly). • Asset Care is issued and medically underwritten by State Life. Asset Care may require a medical exam depending upon age and face amount. • All guarantees are subject to the claims-paying ability of State Life. Premiums are not guaranteed until the policy is issued. • This is a non-cancellable policy. • Provided content is for overview and informational purposes only and is not intended as and should not be relied upon as individualized tax, legal, fiduciary, or investment advice. • The rates shown for Asset Care are based on several factors including health factors of the proposed insured and optional riders chosen. Quoted rates may vary based on changes in the proposed insured's health status. • A minimum premium amount is required. Care Solutions premiums may be funded with a single premium or, depending on the funding option, paid annually, semi-annually, quarterly, or monthly. There are charges for all modes except annual. • Surrender charges apply for surrender benefits drawn from the account value, except as specifically stated in the contract. • Some optional riders, such as the Continuation of Benefits (COB) Rider for Long-Term Care, are available with this product for additional premium. • Not all ages and/or options are available on this quote. • For additional options, please see your policy or financial services professional. • Exclusions are as follows: A) Care or services: 1. provided by an immediate family member or partner of an insured or owner or for which no charge is normally made in the absence of insurance, unless: (a) Family member is a regular employee of the service or care provider furnishing the service or care; (b) The service or care provider receives the payment for the service or care; and (c) Family member receives no compensation other than the normal compensation for an employee in his or her job category. 2. for which no charge is made in the absence of insurance. 3. That result from an attempt at suicide (while sane or insane) or an intentionally self-inflicted injury 4. Is provided outside of the United States, its territories, and Canada except as specified in the International Facility Benefit provision. (The Continuation of Benefits Rider does not include an International Facility Benefit provision). B) Treatment provided in a governmental facility (unless we are otherwise required by law to pay the benefit); C) Participation in a felony, riot or insurrection or involvement in an illegal occupation; D) Services or supplies for which benefits are available under Medicare or other governmental program (except Medicaid), any State or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law; E) Services received while Rider is not in force except as provided in the Extension of Benefits provision. • A pre-existing condition means a condition for which medical treatment was recommended by, or received from, a provider of health care services within six (6) months preceding the issue date. We will not reduce or deny any Claim under this Rider because of a Pre-Existing Condition disclosed on the application. Any loss occurring within six (6) months after the Issue Date with respect to a Pre-Existing Condition not disclosed on the application will not be covered. • The total period of time for making a late payment is 65 days. • The Acceleration of Benefits and Continuation of Benefits Riders are intended to be federally tax-qualified as defined by the Internal Revenue Code of 1986, §7702B(b).

**SecureCare III**

Long-Term Care and Nonparticipating  
Whole Life Insurance

Insurance products issued by:  
MINNESOTA LIFE INSURANCE COMPANY

## Your proposal for **SecureCare™ III**

a linked benefit product with cash indemnity long-term care benefits

Prepared for: Show Note  
Prepared by: HANS E SCHEIL JR  
2530 Meridian Pkwy, Ste 100  
Durham, NC 27713

Date: Hans@CardinalGuide.com  
04-07-2023



Insurance products issued by:  
**Minnesota Life  
Insurance Company**

## Important information about your proposal

**Thank you for considering Securian for your long-term care (LTC) planning needs.**

This proposal was customized for you based on the following information:

|   |   |
|---|---|
| <b>Proposed insured</b>                             | <b>Show Note</b> , Male, age 65, Standard Non-Tobacco   |
| <b>Premiums</b>                                     | \$100,000.00 single premium paid<br>A detailed premium report is available on the next page of your proposal. |
| <b>Total LTC benefit period</b>                     | 8 years   |
| <b>Premium Waiver for LTC Agreement</b>             | No  |
| <b>Day 1: LTC benefits</b>                          | <b>Total:</b> \$621,180.48<br><b>Monthly:</b> \$6,470.63<br><b>Annual:</b> \$77,647.56                        |
| <b>Age 85: LTC benefits</b>                         | <b>Total:</b> \$621,180.48<br><b>Monthly:</b> \$6,470.63<br><b>Annual:</b> \$77,647.56                        |
| <b>Elimination period</b>                           | 90 calendar days from date insured is certified as chronically ill  |
| <b>Face amount<sup>1</sup></b>                      | \$155,295   |
| <b>Guaranteed minimum death benefit<sup>2</sup></b> | \$10,000  |
| <b>Return of premium option<sup>3</sup></b>         | LTC Boost   |
| <b>Modified Endowment Contract (MEC)</b>            | Yes   |

This is a life insurance proposal, not a contract. Any policy loans and partial surrenders will affect policy values and may require additional payments to avoid policy termination.

Please review your policy for a complete description of all policy features and benefits.

<sup>1</sup> The face amount does not reflect the minimum death benefit under the Internal Revenue Code (IRC), which may provide higher death proceeds. See the death benefit column in the "Your policy's guaranteed values" section for death proceeds that include the minimum death benefit.

<sup>2</sup> Guaranteed minimum death benefit is the lesser of \$10,000 or 10% of the base face amount.

<sup>3</sup> Upon surrender, the policy owner will receive the surrender value proceeds. The surrender value proceeds may not equal the sum of premiums paid. Surrenders are subject to the return of premium option selected and the premium vesting schedule (if applicable). The death proceeds, return of premium amount and long-term care benefit amount depend, in part, on the return of premium option you select on your policy application. This option cannot be changed after your policy is issued. For more information regarding return of premium options, please consult with your financial professional.

## Detailed premium report

The Internal Revenue Service adopted rules that allow, under certain conditions, for the deduction of tax-qualified long-term care insurance premiums. The premiums associated with the tax-qualified riders of a linked-benefit product fall under these guidelines. Individuals may be eligible to deduct long-term care premiums if they itemize deductions. If an individual takes the standard deduction, they would not be eligible to deduct any qualified premiums. Please note: funds coming from a 1035 exchange are not tax deductible.

### Total premium:\$100,000.00

Face amount: \$60,998.39

Acceleration for LTC Agreement: \$23,965.15

Extension of LTC Agreement: \$15,036.46

### Return of premium option<sup>4</sup>

In this proposal, you selected LTC Boost as your return of premium option. This maximizes the leverage on your premium dollars to increase your LTC benefit. If you cancel your policy, you will receive a return of premium equivalent to your policy's guaranteed cash value at the time of surrender. Please refer to "Your policy's guaranteed values" pages to see your policy's surrender value for a specific year.

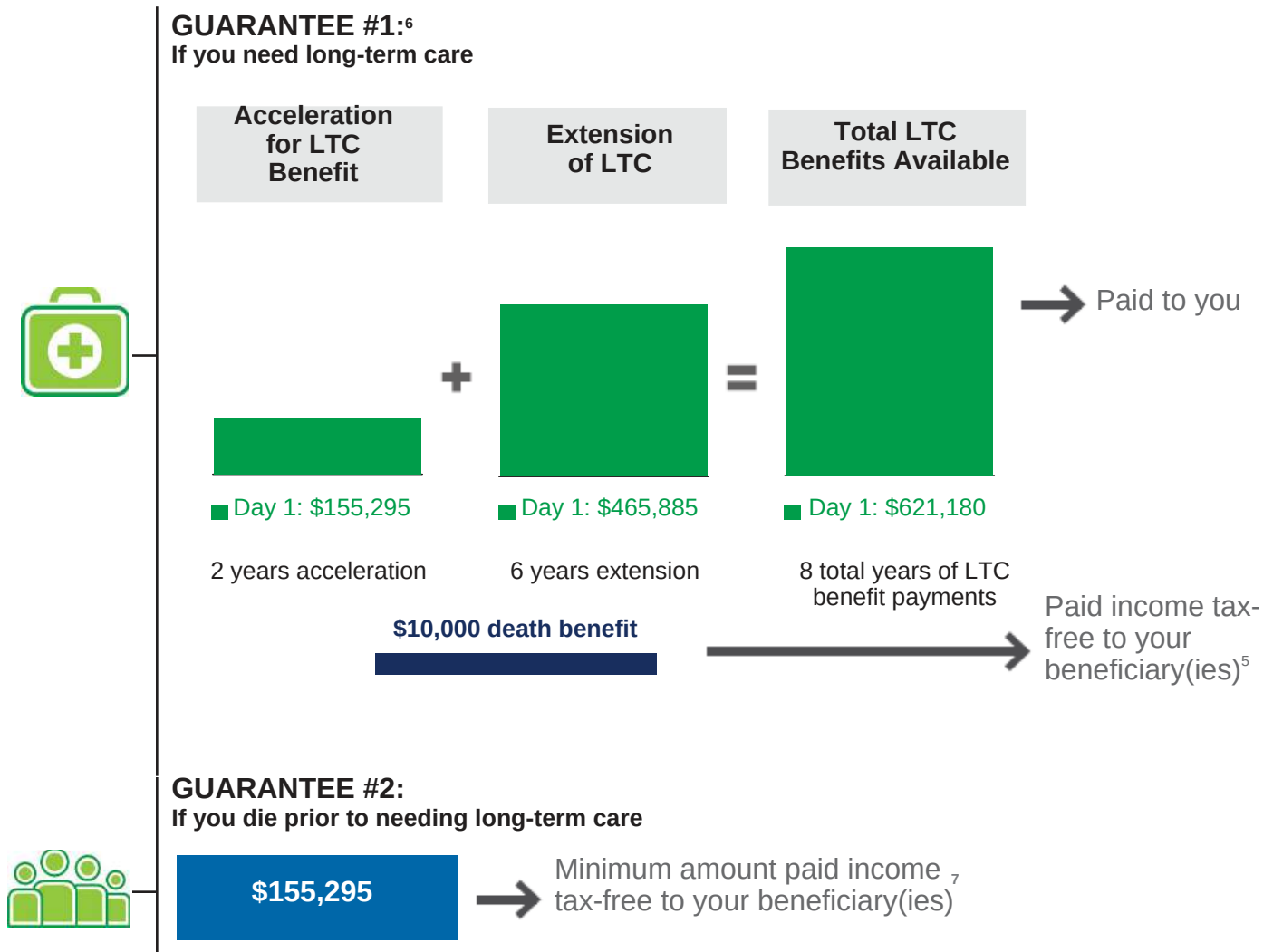
Therefore, the longer you maintain your policy, the greater your potential premium refund. The return of premium benefit is only available upon full policy surrender. Please refer to "Your policy's guaranteed values" pages to see your policy's surrender value for a specific year.

<sup>4</sup> The death proceeds, return of premium amount and long-term care benefit amount depend, in part, on the return of premium option you select on your policy application. For more information regarding return of premium options, please consult with your financial professional.

# How SecureCare III works for your benefit

Whether you need care or not, you're guaranteed benefits:<sup>5</sup>

\$100,000.00 single premium



<sup>5</sup> If owner/insured are different, the death benefit will be paid upon death of the insured and the long-term care benefits will be paid upon the insured meeting eligibility requirements.

<sup>6</sup> The long-term care amount may be reduced by any terminal illness benefit payments. If the policy has an outstanding loan, a portion of each long-term care benefit payment will be applied to repay the loan. Under certain circumstances, benefits may be taxable. Please consult with your tax advisor.

<sup>7</sup> This figure represents the death benefit we calculate taking into consideration the premium paid that is allocated to the death benefit and applicable requirements under the IRC. The amount paid will be reduced by any terminal illness benefit payments, premium due, and any indebtedness. Under certain circumstances, benefits may be taxable. Please consult with your tax advisor.



**GUARANTEE #3:**  
If you want money back

**LTC Boost**

See page 3 for a description of the return of premium option.

---

## One product. Many benefits.

**SecureCare III offers guaranteed protection for the future - no matter what it holds.**

### The power of cash indemnity

You can use SecureCare III's cash indemnity long-term care benefits however you want - with no fine print or restrictions. The benefit is yours to spend or save however you choose. Your long-term care benefit can support you in a wide variety of care situations, including, but certainly not limited to:

- Adult day care
- Assisted living
- Bed reservation
- International benefits
- Caregiver training
- Home health care
- Home modification
- Hospice
- Household services
- Informal care
- Nursing home care
- Respite care

Once you become eligible for benefits, you can choose to receive an amount up to your maximum monthly benefit payment - even if your expenses are less. If you choose to receive less than the monthly maximum, the difference stays in your policy, extending your benefit period.

### International benefits

If you need care while abroad, you can access 100% of your total LTC benefit pool and you can receive up to 50% of your maximum monthly cash indemnity benefit. If you return to the United States, you would be able to receive up to the full maximum monthly benefit.<sup>8</sup>

### Terminal illness benefits

If you are certified as terminally ill by a licensed health care practitioner, meaning you have a life expectancy of 12 months or less, you may accelerate a portion of your policy's face amount to use as needed.

<sup>8</sup> Qualified long-term care services received outside the United States, its territories or possessions are limited to the non-United States monthly benefit limit. If the insured returns to the United States, the non-United States monthly benefit limit will no longer apply.

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## Securian Financial's Care Management Program™

### You're in control, but you're not alone

Our Care Management team makes the transition from needing care to getting care as smooth as possible.

Our team is available whenever you need us, not just when you're on claim. We can help explain your policy and its benefits, guide you through the claims process and discover care resources in your area. Our program is designed to help you put your SecureCare III policy into action so you can get the care you choose - when you need it most.

We'll help you understand the requirements you need to meet to receive your LTC benefit - and guide you through the process.

### How you qualify for LTC benefits

1. You must be certified by a licensed health care practitioner within the preceding 12-month period as being a chronically ill individual. Our network of licensed health care professionals will work with your care providers to get the information we need to certify your condition as chronically ill. If more is needed, we will reach out to you over the phone or meet you in person.
2. You must be prescribed care services in a plan of care. If you are certified as chronically ill, you'll be paired with a care manager who will help you create a plan of care to address your needs. While we need your plan of care on file as part of your claim, we will not monitor or enforce any of the services listed in your plan. We're here to support your care - never dictate it.
3. You must satisfy your elimination period, which begins on the date you're certified as chronically ill and lasts 90 calendar days. So if you submit a claim 90 days after you are diagnosed and your claim is approved, you would already have satisfied your elimination period and could receive benefits immediately.
4. Your policy must be in force.

## Your policy's guaranteed values

|      |     |                |                 |               | LONG-TERM CARE BENEFITS |          |         |                               |
|------|-----|----------------|-----------------|---------------|-------------------------|----------|---------|-------------------------------|
|      |     |                |                 |               | Inflation option: None  |          |         |                               |
| Year | Age | Annual Premium | Surrender value | Death benefit | Total                   | Annual   | Monthly | Internal Rate of Return (IRR) |
| 1    | 65  | \$100,000      | \$82,297        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 122.86%                       |
| 2    | 66  | \$0            | \$84,522        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 61.56%                        |
| 3    | 67  | \$0            | \$86,780        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 43.53%                        |
| 4    | 68  | \$0            | \$89,070        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 34.21%                        |
| 5    | 69  | \$0            | \$91,387        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 28.37%                        |
|      |     |                |                 |               |                         |          |         |                               |
| 6    | 70  | \$0            | \$93,723        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 24.31%                        |
| 7    | 71  | \$0            | \$96,071        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 21.31%                        |
| 8    | 72  | \$0            | \$98,422        | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 19.00%                        |
| 9    | 73  | \$0            | \$100,768       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 17.15%                        |
| 10   | 74  | \$0            | \$103,104       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 15.63%                        |
|      |     |                |                 |               |                         |          |         |                               |
| 11   | 75  | \$0            | \$105,428       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 14.37%                        |
| 12   | 76  | \$0            | \$107,740       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 13.30%                        |
| 13   | 77  | \$0            | \$110,037       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 12.38%                        |
| 14   | 78  | \$0            | \$112,316       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 11.58%                        |
| 15   | 79  | \$0            | \$114,571       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 10.88%                        |
|      |     |                |                 |               |                         |          |         |                               |
| 16   | 80  | \$0            | \$116,790       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 10.26%                        |
| 17   | 81  | \$0            | \$118,966       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 9.71%                         |
| 18   | 82  | \$0            | \$121,092       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 9.21%                         |
| 19   | 83  | \$0            | \$123,155       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 8.77%                         |
| 20   | 84  | \$0            | \$125,141       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 8.36%                         |
|      |     |                |                 |               |                         |          |         |                               |
| 21   | 85  | \$0            | \$127,035       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 7.99%                         |
| 22   | 86  | \$0            | \$128,820       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 7.65%                         |
| 23   | 87  | \$0            | \$130,479       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 7.34%                         |
| 24   | 88  | \$0            | \$132,003       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 7.06%                         |
| 25   | 89  | \$0            | \$133,388       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 6.79%                         |
|      |     |                |                 |               |                         |          |         |                               |
| 26   | 90  | \$0            | \$134,638       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 6.55%                         |
| 27   | 91  | \$0            | \$135,766       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 6.32%                         |
| 28   | 92  | \$0            | \$136,788       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 6.11%                         |
| 29   | 93  | \$0            | \$137,730       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 5.91%                         |
| 30   | 94  | \$0            | \$138,637       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 5.72%                         |

Surrender value and death benefit columns reflect end-of-year values. Age and long-term care benefits reflect beginning-of-year values.

## Your policy's guaranteed values

| Year | Age | Annual Premium | Surrender value | Death benefit | LONG-TERM CARE BENEFITS |          |         |                               |
|------|-----|----------------|-----------------|---------------|-------------------------|----------|---------|-------------------------------|
|      |     |                |                 |               | Inflation option: None  |          |         |                               |
|      |     |                |                 |               | Total                   | Annual   | Monthly | Internal Rate of Return (IRR) |
| 31   | 95  | \$0            | \$139,521       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 5.55%                         |
| 32   | 96  | \$0            | \$140,355       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 5.39%                         |
| 33   | 97  | \$0            | \$141,134       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 5.23%                         |
| 34   | 98  | \$0            | \$141,848       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 5.08%                         |
| 35   | 99  | \$0            | \$142,488       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.95%                         |
|      |     |                |                 |               |                         |          |         |                               |
| 36   | 100 | \$0            | \$143,059       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.82%                         |
| 37   | 101 | \$0            | \$143,578       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.69%                         |
| 38   | 102 | \$0            | \$144,049       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.57%                         |
| 39   | 103 | \$0            | \$144,479       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.46%                         |
| 40   | 104 | \$0            | \$144,885       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.35%                         |
|      |     |                |                 |               |                         |          |         |                               |
| 41   | 105 | \$0            | \$145,302       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.25%                         |
| 42   | 106 | \$0            | \$145,741       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.16%                         |
| 43   | 107 | \$0            | \$146,164       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 4.06%                         |
| 44   | 108 | \$0            | \$146,569       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.97%                         |
| 45   | 109 | \$0            | \$146,958       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.89%                         |
|      |     |                |                 |               |                         |          |         |                               |
| 46   | 110 | \$0            | \$147,332       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.81%                         |
| 47   | 111 | \$0            | \$147,689       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.73%                         |
| 48   | 112 | \$0            | \$148,032       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.66%                         |
| 49   | 113 | \$0            | \$148,360       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.58%                         |
| 50   | 114 | \$0            | \$148,674       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.51%                         |
|      |     |                |                 |               |                         |          |         |                               |
| 51   | 115 | \$0            | \$148,974       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.45%                         |
| 52   | 116 | \$0            | \$149,261       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.38%                         |
| 53   | 117 | \$0            | \$149,534       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.32%                         |
| 54   | 118 | \$0            | \$149,795       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.26%                         |
| 55   | 119 | \$0            | \$150,043       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.21%                         |
|      |     |                |                 |               |                         |          |         |                               |
| 56   | 120 | \$0            | \$155,295       | \$155,295     | \$621,180               | \$77,648 | \$6,471 | 3.15%                         |

Surrender value and death benefit columns reflect end-of-year values. Age and long-term care benefits reflect beginning-of-year values.

## Quick quote

This page shows all possible policy options and values based on a \$100,000.00 single premium with the LTC boost return to premium option.

**All values and benefits are guaranteed**

| LTC benefit period | Inflation option | Face amount | Day 1: maximum LTC monthly benefit | Day 1: total LTC benefit | Age 85: maximum LTC monthly benefit | Age 85: total LTC benefit | Total LTC crossover age <sup>11</sup> |
|--------------------|------------------|-------------|------------------------------------|--------------------------|-------------------------------------|---------------------------|---------------------------------------|
| 4 years            | None             | \$166,156   | \$6,923                            | \$332,312                | \$6,923                             | \$332,312                 | N/A                                   |
| 4 years            | 3% Simple        | \$134,808   | \$5,617                            | \$281,749                | \$8,987                             | \$443,518                 | 72                                    |
| 4 years            | 3% Compound      | \$129,894   | \$5,412                            | \$271,714                | \$9,775                             | \$490,746                 | 72                                    |
| 4 years            | 5% Simple        | \$120,455   | \$5,019                            | \$258,978                | \$10,038                            | \$499,888                 | 72                                    |
| 4 years            | 5% Compound      | \$86,150    | \$3,590                            | \$185,659                | \$9,524                             | \$492,608                 | 77                                    |
| 5 years            | None             | \$162,943   | \$6,789                            | \$407,358                | \$6,789                             | \$407,358                 | N/A                                   |
| 5 years            | 3% Simple        | \$131,228   | \$5,468                            | \$347,754                | \$8,749                             | \$544,596                 | 72                                    |
| 5 years            | 3% Compound      | \$126,263   | \$5,261                            | \$335,174                | \$9,502                             | \$605,362                 | 72                                    |
| 5 years            | 5% Simple        | \$116,863   | \$4,869                            | \$321,374                | \$9,739                             | \$613,532                 | 71                                    |
| 5 years            | 5% Compound      | \$82,819    | \$3,451                            | \$228,814                | \$9,156                             | \$607,112                 | 77                                    |
| 6 years            | None             | \$161,247   | \$6,719                            | \$483,741                | \$6,719                             | \$483,741                 | N/A                                   |
| 6 years            | 3% Simple        | \$129,356   | \$5,390                            | \$417,173                | \$8,624                             | \$650,014                 | 71                                    |
| 6 years            | 3% Compound      | \$124,362   | \$5,182                            | \$402,212                | \$9,359                             | \$726,440                 | 72                                    |
| 6 years            | 5% Simple        | \$114,992   | \$4,791                            | \$388,098                | \$9,583                             | \$733,074                 | 71                                    |
| 6 years            | 5% Compound      | \$81,096    | \$3,379                            | \$275,804                | \$8,965                             | \$731,790                 | 77                                    |
| 7 years            | None             | \$157,789   | \$6,575                            | \$552,262                | \$6,575                             | \$552,262                 | N/A                                   |
| 7 years            | 3% Simple        | \$123,416   | \$5,142                            | \$470,832                | \$8,228                             | \$730,005                 | 72                                    |
| 7 years            | 3% Compound      | \$118,194   | \$4,925                            | \$452,829                | \$8,895                             | \$817,859                 | 72                                    |
| 7 years            | 5% Simple        | \$108,489   | \$4,520                            | \$436,669                | \$9,041                             | \$816,381                 | 72                                    |
| 7 years            | 5% Compound      | \$74,562    | \$3,107                            | \$303,542                | \$8,243                             | \$805,388                 | 78                                    |
| 8 years            | None             | \$155,295   | \$6,471                            | \$621,180                | \$6,471                             | \$621,180                 | N/A                                   |
| 8 years            | 3% Simple        | \$119,246   | \$4,969                            | \$527,067                | \$7,950                             | \$813,258                 | 72                                    |
| 8 years            | 3% Compound      | \$113,892   | \$4,746                            | \$506,383                | \$8,571                             | \$914,584                 | 72                                    |
| 8 years            | 5% Simple        | \$103,998   | \$4,333                            | \$488,791                | \$8,667                             | \$904,783                 | 72                                    |
| 8 years            | 5% Compound      | \$70,238    | \$2,927                            | \$335,355                | \$7,765                             | \$889,797                 | 78                                    |

<sup>11</sup>The age at which the total LTC benefit with the indicated inflation option exceeds the total LTC benefit with no inflation option.

## Alternative design options

In this proposal, you selected:

| LTC benefit duration | Payment schedule | Inflation protection option | Return of premium option | Day 1: total LTC benefit | Age 85: total LTC benefit |
|----------------------|------------------|-----------------------------|--------------------------|--------------------------|---------------------------|
| 8 years              | Single-pay       | None                        | LTC Boost                | \$621,180                | \$621,180                 |

### Alternative premium schedules

The table below shows the different annual premium payment amounts that would provide the same day 1 and age 85 LTC benefit pools as currently illustrated.

| Payment schedule | Annual premium | Total premium |
|------------------|----------------|---------------|
| Single-pay       | \$99,999.91    | \$99,999.91   |
| 5 years          | \$21,986.14    | \$109,930.70  |
| 7 years          | \$16,965.01    | \$118,755.07  |
| 10 years         | \$12,699.41    | \$126,994.10  |
| 15 years         | \$10,222.59    | \$153,338.85  |

### Alternative return of premium options

The table below shows how each return of premium option would impact your LTC benefit pool.

|           | Day 1: total LTC benefit | Age 85: total LTC benefit | Day 1: surrender value | Age 85: surrender value |
|-----------|--------------------------|---------------------------|------------------------|-------------------------|
| Vesting   | \$531,832                | \$531,832                 | \$80,000               | \$108,763               |
| 75%       | \$596,136                | \$596,136                 | \$76,876               | \$121,913               |
| LTC Boost | \$621,180                | \$621,180                 | \$80,106               | \$127,035               |

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## Taxation of life insurance contracts

This information is a general discussion of the relevant federal tax laws. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. This information is provided to support the promotion or marketing of ideas that may benefit a taxpayer. Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances.

A policy will qualify as life insurance under Internal Revenue Code Section 7702 if it meets the Cash Value Accumulation Test.

Failure to qualify as life insurance will have adverse tax consequences.

### Cash Value Accumulation Test

This proposal uses the Cash Value Accumulation Test, which requires the death benefit to be sufficiently higher than the cash value. The ratio of death benefit to cash value is determined by the insured's age, gender, and underwriting class.

The Cash Value Accumulation Test does not place limits on the amount of premium that can be paid, as long as there is a minimum death benefit maintained above the contract's cash value.

### Modified Endowment Contracts

The Technical and Miscellaneous Revenue Act (TAMRA) of 1988 classifies some policies as Modified Endowment Contracts (MECs). Distributions from Modified Endowment Contracts, excluding death benefit payments, are taxed differently and may be subject to a 10% IRS penalty tax. The annual maximum premium that can be paid in order to avoid Modified Endowment Contract status in the first seven years of the policy is referred to as the "maximum non-MEC annual premium."

The federal income tax consequences of a MEC can be significant. Distributions from a MEC, including surrenders, withdrawals, policy loans, and certain assignments or transfers of ownership, are taxed to the extent of gain in the policy and may be subject to additional penalties. Generally, gain in the policy is the excess, if any, of the cash value, not reduced by policy debt, over the policy cost basis. Consult your tax advisor for further details.

## Key terms and definitions

|   |  |
|---|--|
| <b>Age</b>  | The insured's issue age at last birthday.  |
| <b>Benefit eligibility requirements</b>                           | Eligibility requirements include:<br>1. The insured must be certified as a chronically ill individual; and<br>2. The insured must be prescribed qualified long-term services under the Acceleration for Long-Term Care Agreement, which are specified in a plan of care; and<br>3. The plan of care must be submitted to Minnesota Life; and<br>4. The long-term care elimination period must be satisfied; and<br>5. The Acceleration for Long-Term Care Agreement must be in force.  |
| <b>Benefits outside the U.S.</b>                                  | Benefits outside the U.S. Qualified long-term care services prescribed outside of the United States, its territories or possessions are limited to the non-United States monthly benefit limit. If the insured returns to the United States, the non-United States monthly benefit limit will no longer apply.   |
| <b>Cash value</b>   | The cash value of your policy, as of the date to which all premiums due have been paid, is the cash value shown for that date in the Table of Guaranteed Cash Values on the policy data pages. If premiums are paid other than annually, the cash value and the surrender value for the insurance provided by this policy and any attached agreements will be adjusted proportionally.   |
| <b>Chronically ill</b>  | To be considered a "chronically ill individual," a licensed health care practitioner must certify within the preceding 12-month period that the insured:<br>1. Is unable to perform, without substantial assistance from another person, at least two activities of daily living (bathing, getting dressed, eating, continence, toileting, transferring) due to a loss of functional capacity for a period of at least 90 days; OR<br>2. Requires substantial supervision to protect the insured from threats to health and safety due to severe cognitive impairment. |
| <b>Death benefit</b>  | On the date of the insured's death, the death benefit for this policy is equal to the greater of:<br>1. The face amount<br>2. The minimum death benefit required for this policy to be qualified as life insurance under IRC Section 7702.   |
| <b>Face amount</b>  | The amount you specify at issue. The face amount is used to determine the death benefit and amount of long-term care benefits available under this policy and attached riders.   |
| <b>Total long-term care benefit Internal Rate of Return (IRR)</b> | The rate of return that must be earned on the illustrated premium outlay on an after-tax basis in order to equal the guaranteed policy values.   |
| <b>Long-term care benefits (total, annual, monthly)</b>           | The amount available to you if you become chronically ill.   |
| <b>Long-term care benefit period</b>                              | The total period of time your long-term care benefits will be paid under your policy if the maximum benefit amount is taken each month.  |
| <b>Long-term care elimination period</b>                          | The long-term care elimination period is 90 calendar days from the date the insured is certified as chronically ill by a licensed health care professional. Home modification (up to \$5,000) and caregiver training (up to \$1,000) are accessible during the long-term care elimination period. The long-term care elimination period must only be satisfied once during the life of the contract.   |
| <b>Minimum death benefit</b>                                      | The guaranteed minimum death benefit is paid in the event that the policy's face amount is fully accelerated to provide LTC benefits. This benefit is available even if, and after, 100% of the LTC benefits are paid. Guaranteed minimum death benefit is the lesser of \$10,000 or 10% of the base face amount.  |
| <b>Premium</b>  | The amount of money you intend to pay.   |

## Key terms and definitions

|                                 |   |
|---------------------------------|---|
| <b>Return of premium</b>        | Upon surrender, you will receive the greater of the surrender value proceeds. The surrender value proceeds may not equal the sum of premiums paid. Surrenders are subject to the return of premium option selected and the premium vesting schedule (if applicable).  |
| <b>Return of premium value</b>  | The return of premium value is equal to the guaranteed cash value.  |
| <b>Surrender value proceeds</b> | <p>The amount payable to the owner when the policy is surrendered is equal to the greatest of (1), (2) or (3), where:</p> <ol style="list-style-type: none"> <li>1. is the cash value; minus             <ol style="list-style-type: none"> <li>a. any death benefit that has been accelerated for terminal illness; minus</li> <li>b. any payments provided by additional agreements; minus</li> <li>c. any indebtedness</li> </ol> </li> <li>2. is the return of premium value; plus             <ol style="list-style-type: none"> <li>a. any return of premium value provided by additional agreements; minus</li> <li>b. any death benefit that has been accelerated for terminal illness; minus</li> <li>c. any payments provided by additional agreements; minus</li> <li>d. any indebtedness</li> </ol> </li> <li>3. is zero</li> </ol> |

This is a hypothetical proposal based upon information provided by you (the customer) or your financial professional. Securian Financial Group and its subsidiaries are not responsible for the accuracy of the information provided. The proposal and related materials should not be considered investment advice by Securian or a recommendation to engage in (or refrain from) a particular course of action. If you are looking for investment advice or recommendations, please contact your financial professional.

Insurance policy guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

The purpose of this material is the solicitation of insurance. An insurance agent or company will contact you.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods.

The death proceeds will be reduced by a long-term care or terminal illness benefit payment. Please consult a tax advisor regarding long-term care benefit payments, terminal illness benefit payments, or when taking a loan or withdrawal from a life insurance contract.

Policy loans may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit.

This policy is non-cancellable. This means that we may not, on our own, cancel or reduce coverage provided by this policy as long as all scheduled premiums are paid when due.

Even if premiums are paid benefits, values, periods of coverage, and premiums are indeterminate and it is possible that the policy may lapse before the death of the insured due to policy loans. Taking a policy loan may have tax consequences. Please consult your tax advisor.

The Acceleration for Long-Term Care Agreement and Extension of Long-Term Care Agreement are tax-qualified long-term care agreements that cover care such as nursing care, home and community based care, and informal care as defined in the agreements. These agreements provide for the payment of a monthly benefit for qualified long-term care services. These agreements are intended to provide tax qualified long-term care benefits under section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under this agreement may be taxable.

The optional Long-Term Care Inflation Protection Agreement is available with 3% simple interest, 3% compound interest, 5% simple interest or 5% compound interest.

This information is meant to help you understand the SecureCare III policy, not as a means to compare with other products. The amount of benefits provided will depend upon the benefits selected and the charges will vary as such. The following provisions may not apply or may vary depending on the state in which you live at time of policy issue. Please refer to your state's Outline of Coverage for the exact language in your state.

#### EXCLUSIONS AND LIMITATIONS

Eligibility for long-term care benefits includes satisfying a 90-day elimination period. This is a period of time (90 days) during which no long-term care benefits are payable following the date the insured is

determined to be eligible for benefits. You are not eligible to receive benefits if your long-term care service needs are caused directly or indirectly by, result in whole or in part, from or during, or there is contribution from:

- alcoholism or drug addiction; or
- war or any act of war, while the insured is serving in the military, naval or air forces of any country at war, whether declared or undeclared; or
- active service in the armed forces or units auxiliary thereto; or
- the insured's active participation in a riot, insurrection or terrorist activity; or
- committing or attempting to commit a felony; or
- any attempt at suicide, or intentionally self-inflicted injury, while sane or insane.

#### PRE-EXISTING CONDITION LIMITATIONS

Pre-existing condition limitations refers to any condition or disease for which the insured received medical advice or treatment within six (6) months preceding the effective date of the Acceleration for Long-Term Care Agreement for that same condition or disease or a related condition or disease. We will not pay benefits for a pre-existing condition or disease that is not disclosed in the application for a period of six months from the effective date of this agreement. A pre-existing condition during the first six months that the agreement is in force will not be counted toward the satisfaction of the long-term care elimination period.

SecureCare III may not be available in all states. For costs and further details of coverage, including the terms and conditions under which the policy may be continued in force, contact your agent/representative.

SecureCare III may not cover all of the costs associated with long-term care or terminal illness that the insured incurs. This product is generally not subject to health insurance requirements. This product is not a state approved Partnership for Long Term Care Program product, and is not a Medicare Supplement policy. Receipt of a long-term care or terminal illness benefit payment under this product may adversely affect eligibility for Medicaid or other government benefits or entitlements.

#### POLICY FORM NUMBERS

ICC20-20212, 20-20212 and any state variations; Acceleration for Long-Term Care Agreement ICC21-20220, 21-20220 and any state variations; Extension of Long-Term Care Agreement ICC21-20221, 21-20221 and any state variations; Long-Term Care Inflation Protection Agreement ICC21-20222, 21-20222 and any state variations; Premium Waiver for LTC Agreement is ICC21-20223 and any state variations.

#### INSURANCE PRODUCTS ARE ISSUED BY MINNESOTA LIFE

**INSURANCE COMPANY** in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its affiliates.

**Not a deposit - Not FDIC/NCUA insured - Not insured by any federal government agency - Not guaranteed by any bank or credit union**



**SecureCare III**Long-Term Care and Nonparticipating  
Whole Life InsuranceInsurance products issued by:  
MINNESOTA LIFE INSURANCE COMPANY

## Your proposal for **SecureCare™ III**

a linked benefit product with cash indemnity long-term care benefits

Prepared for: Show Note  
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04-07-2023



Insurance products issued by:  
**Minnesota Life  
Insurance Company**

## Important information about your proposal

**Thank you for considering Securian for your long-term care (LTC) planning needs.**

This proposal was customized for you based on the following information:

|   |   |
|---|---|
| <b>Proposed insured</b>                             | Show Note, Female, age 65, Standard Non-Tobacco   |
| <b>Premiums</b>                                     | \$100,000.00 single premium paid<br>A detailed premium report is available on the next page of your proposal. |
| <b>Total LTC benefit period</b>                     | 8 years   |
| <b>Premium Waiver for LTC Agreement</b>             | No  |
| <b>Day 1: LTC benefits</b>                          | <b>Total:</b> \$540,096.00<br><b>Monthly:</b> \$5,626.00<br><b>Annual:</b> \$67,512.00                        |
| <b>Age 85: LTC benefits</b>                         | <b>Total:</b> \$540,096.00<br><b>Monthly:</b> \$5,626.00<br><b>Annual:</b> \$67,512.00                        |
| <b>Elimination period</b>                           | 90 calendar days from date insured is certified as chronically ill  |
| <b>Face amount<sup>1</sup></b>                      | \$135,024   |
| <b>Guaranteed minimum death benefit<sup>2</sup></b> | \$10,000  |
| <b>Return of premium option<sup>3</sup></b>         | LTC Boost   |
| <b>Modified Endowment Contract (MEC)</b>            | Yes   |

This is a life insurance proposal, not a contract. Any policy loans and partial surrenders will affect policy values and may require additional payments to avoid policy termination.

Please review your policy for a complete description of all policy features and benefits.

<sup>1</sup> The face amount does not reflect the minimum death benefit under the Internal Revenue Code (IRC), which may provide higher death proceeds. See the death benefit column in the "Your policy's guaranteed values" section for death proceeds that include the minimum death benefit.

<sup>2</sup> Guaranteed minimum death benefit is the lesser of \$10,000 or 10% of the base face amount.

<sup>3</sup> Upon surrender, the policy owner will receive the surrender value proceeds. The surrender value proceeds may not equal the sum of premiums paid. Surrenders are subject to the return of premium option selected and the premium vesting schedule (if applicable). The death proceeds, return of premium amount and long-term care benefit amount depend, in part, on the return of premium option you select on your policy application. This option cannot be changed after your policy is issued. For more information regarding return of premium options, please consult with your financial professional.

## Detailed premium report

The Internal Revenue Service adopted rules that allow, under certain conditions, for the deduction of tax-qualified long-term care insurance premiums. The premiums associated with the tax-qualified riders of a linked-benefit product fall under these guidelines. Individuals may be eligible to deduct long-term care premiums if they itemize deductions. If an individual takes the standard deduction, they would not be eligible to deduct any qualified premiums. Please note: funds coming from a 1035 exchange are not tax deductible.

### Total premium:\$100,000.00

Face amount: \$50,414.19

Acceleration for LTC Agreement: \$24,616.19

Extension of LTC Agreement: \$24,969.62

### Return of premium option<sup>4</sup>

In this proposal, you selected LTC Boost as your return of premium option. This maximizes the leverage on your premium dollars to increase your LTC benefit. If you cancel your policy, you will receive a return of premium equivalent to your policy's guaranteed cash value at the time of surrender. Please refer to "Your policy's guaranteed values" pages to see your policy's surrender value for a specific year.

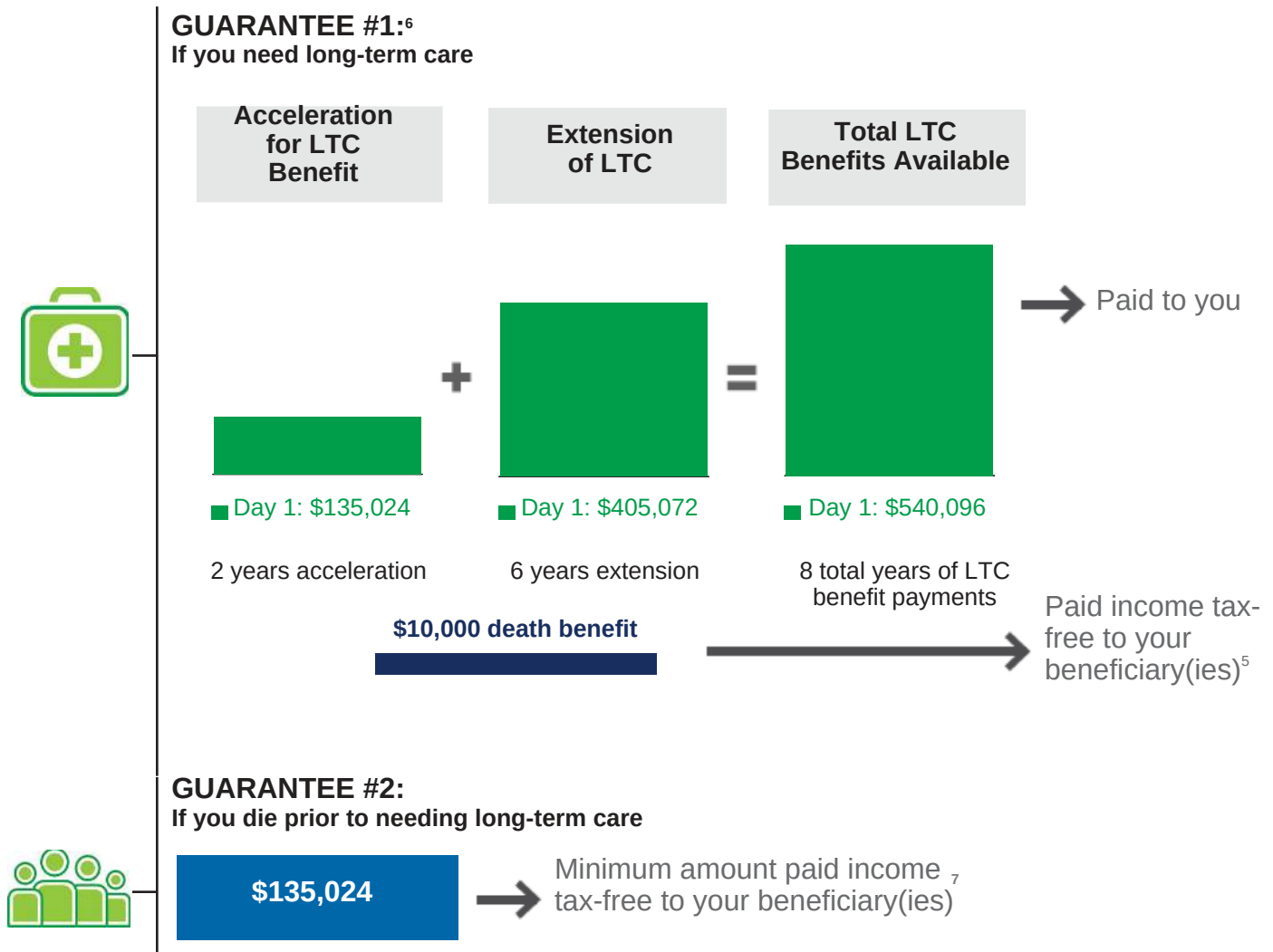
Therefore, the longer you maintain your policy, the greater your potential premium refund. The return of premium benefit is only available upon full policy surrender. Please refer to "Your policy's guaranteed values" pages to see your policy's surrender value for a specific year.

<sup>4</sup> The death proceeds, return of premium amount and long-term care benefit amount depend, in part, on the return of premium option you select on your policy application. For more information regarding return of premium options, please consult with your financial professional.

# How SecureCare III works for your benefit

Whether you need care or not, you're guaranteed benefits:<sup>5</sup>

\$100,000.00 single premium



<sup>5</sup> If owner/insured are different, the death benefit will be paid upon death of the insured and the long-term care benefits will be paid upon the insured meeting eligibility requirements.

<sup>6</sup> The long-term care amount may be reduced by any terminal illness benefit payments. If the policy has an outstanding loan, a portion of each long-term care benefit payment will be applied to repay the loan. Under certain circumstances, benefits may be taxable. Please consult with your tax advisor.

<sup>7</sup> This figure represents the death benefit we calculate taking into consideration the premium paid that is allocated to the death benefit and applicable requirements under the IRC. The amount paid will be reduced by any terminal illness benefit payments, premium due, and any indebtedness. Under certain circumstances, benefits may be taxable. Please consult with your tax advisor.

**GUARANTEE #3:**  
If you want money back**LTC Boost**

See page 3 for a description of the return of premium option.

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## One product. Many benefits.

**SecureCare III offers guaranteed protection for the future - no matter what it holds.**

### The power of cash indemnity

You can use SecureCare III's cash indemnity long-term care benefits however you want - with no fine print or restrictions. The benefit is yours to spend or save however you choose. Your long-term care benefit can support you in a wide variety of care situations, including, but certainly not limited to:

- Adult day care
- Assisted living
- Bed reservation
- International benefits
- Caregiver training
- Home health care
- Home modification
- Hospice
- Household services
- Informal care
- Nursing home care
- Respite care

Once you become eligible for benefits, you can choose to receive an amount up to your maximum monthly benefit payment - even if your expenses are less. If you choose to receive less than the monthly maximum, the difference stays in your policy, extending your benefit period.

### International benefits

If you need care while abroad, you can access 100% of your total LTC benefit pool and you can receive up to 50% of your maximum monthly cash indemnity benefit. If you return to the United States, you would be able to receive up to the full maximum monthly benefit.<sup>8</sup>

### Terminal illness benefits

If you are certified as terminally ill by a licensed health care practitioner, meaning you have a life expectancy of 12 months or less, you may accelerate a portion of your policy's face amount to use as needed.

<sup>8</sup> Qualified long-term care services received outside the United States, its territories or possessions are limited to the non-United States monthly benefit limit. If the insured returns to the United States, the non-United States monthly benefit limit will no longer apply.

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## Securian Financial's Care Management Program™

### You're in control, but you're not alone

Our Care Management team makes the transition from needing care to getting care as smooth as possible.

Our team is available whenever you need us, not just when you're on claim. We can help explain your policy and its benefits, guide you through the claims process and discover care resources in your area. Our program is designed to help you put your SecureCare III policy into action so you can get the care you choose - when you need it most.

We'll help you understand the requirements you need to meet to receive your LTC benefit - and guide you through the process.

### How you qualify for LTC benefits

1. You must be certified by a licensed health care practitioner within the preceding 12-month period as being a chronically ill individual. Our network of licensed health care professionals will work with your care providers to get the information we need to certify your condition as chronically ill. If more is needed, we will reach out to you over the phone or meet you in person.
2. You must be prescribed care services in a plan of care. If you are certified as chronically ill, you'll be paired with a care manager who will help you create a plan of care to address your needs. While we need your plan of care on file as part of your claim, we will not monitor or enforce any of the services listed in your plan. We're here to support your care - never dictate it.
3. You must satisfy your elimination period, which begins on the date you're certified as chronically ill and lasts 90 calendar days. So if you submit a claim 90 days after you are diagnosed and your claim is approved, you would already have satisfied your elimination period and could receive benefits immediately.
4. Your policy must be in force.

## Your policy's guaranteed values

|      |     |                |                 |               | LONG-TERM CARE BENEFITS |          |         |                               |
|------|-----|----------------|-----------------|---------------|-------------------------|----------|---------|-------------------------------|
|      |     |                |                 |               | Inflation option: None  |          |         |                               |
| Year | Age | Annual Premium | Surrender value | Death benefit | Total                   | Annual   | Monthly | Internal Rate of Return (IRR) |
| 5    | 69  | \$500,000      | \$664,000       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 22.83%                        |
| 2    | 66  | \$0            | \$684,000       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 97.09%                        |
| 1    | 68  | \$0            | \$6,488         | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 13.9%                         |
| 7    | 63  | \$0            | \$85,491        | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 10.33%                        |
| 9    | 61  | \$0            | \$81,479        | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 29.87%                        |
| 6    | 80  | \$0            | \$89,480        | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 22.51%                        |
| 8    | 85  | \$0            | \$884,222       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 5.77%                         |
| 3    | 82  | \$0            | \$8,403         | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 58.16%                        |
| 1    | 81  | \$0            | \$324,200       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 59.6%                         |
| 50   | 87  | \$0            | \$374,200       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 57.12%                        |
| 55   | 89  | \$0            | \$364,580       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 51.58%                        |
| 52   | 86  | \$0            | \$334,718       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 52.20%                        |
| 51   | 88  | \$0            | \$,049,999      | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 55.16%                        |
| 57   | 83  | \$0            | \$,246,655      | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 50.61%                        |
| 59   | 81  | \$0            | \$,748,700      | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 50.61%                        |
| 56   | 30  | \$0            | \$,648,320      | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 5.71%                         |
| 58   | 35  | \$0            | \$,348,300      | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 3.2%                          |
| 53   | 32  | \$0            | \$500,487       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 3.78%                         |
| 51   | 31  | \$0            | \$502,410       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 3.06%                         |
| 20   | 37  | \$0            | \$507,460       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 8.6%                          |
| 25   | 39  | \$0            | \$5064,000      | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 8.19%                         |
| 22   | 36  | \$0            | \$503,429       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 8.07%                         |
| 21   | 38  | \$0            | \$50,488        | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 6.86%                         |
| 27   | 33  | \$0            | \$555,477       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 6.90%                         |
| 29   | 31  | \$0            | \$552,421       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 6.26%                         |
| 26   | 30  | \$0            | \$557,453       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 6.01%                         |
| 28   | 35  | \$0            | \$559,417       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 9.32%                         |
| 23   | 32  | \$0            | \$556,485       | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 9.61%                         |
| 21   | 31  | \$0            | \$5584,790      | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 9.77%                         |
| 10   | 37  | \$0            | \$55,487        | \$519,027     | \$970,406               | \$68,452 | \$9,426 | 9.28%                         |

Surrender value and death benefit columns reflect end-of-year values. Age and long-term care benefits reflect beginning-of-year values.

## Your policy's guaranteed values

|      |     |                |                 |               | LONG-TERM CARE BENEFITS |         |         |                               |
|------|-----|----------------|-----------------|---------------|-------------------------|---------|---------|-------------------------------|
|      |     |                |                 |               | Inflation option: None  |         |         |                               |
| Year | Age | Annual Premium | Surrender value | Death benefit | Total                   | Annual  | Monthly | Internal Rate of Return (IRR) |
| 15   | , 9 | \$0            | \$520477        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 9.55%                         |
| 12   | , 6 | \$0            | \$525412        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7., 6%                        |
| 11   | , 8 | \$0            | \$5224010       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.32%                         |
| 17   | , 3 | \$0            | \$5224823       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.63%                         |
| 19   | , , | \$0            | \$521455        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.96%                         |
|      |     |                |                 |               |                         |         |         |                               |
| 16   | 500 | \$0            | \$5274, 7       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.77%                         |
| 18   | 505 | \$0            | \$5274659       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.12%                         |
| 13   | 502 | \$0            | \$5294083       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.22%                         |
| 1,   | 501 | \$0            | \$5294, 9       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.55%                         |
| 70   | 507 | \$0            | \$52948,        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 7.05%                         |
|      |     |                |                 |               |                         |         |         |                               |
| 75   | 509 | \$0            | \$52649,        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1., 2%                        |
| 72   | 506 | \$0            | \$526490        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.31%                         |
| 71   | 508 | \$0            | \$5284029       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.89%                         |
| 77   | 503 | \$0            | \$528437        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.66%                         |
| 79   | 50, | \$0            | \$528410        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.9, %                        |
|      |     |                |                 |               |                         |         |         |                               |
| 76   | 550 | \$0            | \$5234060       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.95%                         |
| 78   | 555 | \$0            | \$523488        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.77%                         |
| 73   | 552 | \$0            | \$5234635       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.18%                         |
| 7,   | 551 | \$0            | \$5234 85       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.10%                         |
| 90   | 557 | \$0            | \$52, 42,       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.27%                         |
|      |     |                |                 |               |                         |         |         |                               |
| 95   | 559 | \$0            | \$52, 457       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.53%                         |
| 92   | 556 | \$0            | \$52, 463       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.52%                         |
| 91   | 558 | \$0            | \$51040,        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.06%                         |
| 97   | 553 | \$0            | \$510421,       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 1.05%                         |
| 99   | 55, | \$0            | \$5104793       | \$519027      | \$9704, 6               | \$68452 | \$9426  | 2., 6%                        |
|      |     |                |                 |               |                         |         |         |                               |
| 96   | 520 | \$0            | \$519027        | \$519027      | \$9704, 6               | \$68452 | \$9426  | 2., 5%                        |

Surrender value and death benefit columns reflect end-of-year values. Age and long-term care benefits reflect beginning-of-year values.

## Quick quote

This page shows all possible policy options and values based on a \$100,000.00 single premium with the LTC boost return to premium option.

**All values and benefits are guaranteed**

| LTC benefit period | Inflation option | Face amount | Day 1: maximum LTC monthly benefit | Day 1: total LTC benefit | Age 85: maximum LTC monthly benefit | Age 85: total LTC benefit | Total LTC crossover age <sup>11</sup> |
|--------------------|------------------|-------------|------------------------------------|--------------------------|-------------------------------------|---------------------------|---------------------------------------|
| 4 years            | None             | \$329,832   | \$6,923                            | \$157,615                | \$6,923                             | \$157,615                 | N/A                                   |
| 4 years            | 1% Simple        | \$337,266   | \$9,780                            | \$097,871                | \$4,743                             | \$171,140                 | 49                                    |
| 4 years            | 1% Compound      | \$331,839   | \$9,490                            | \$018,548                | \$8,262                             | \$907,772                 | 49                                    |
| 4 years            | 2% Simple        | \$359,212   | \$9,126                            | \$009,425                | \$8,433                             | \$911,805                 | 49                                    |
| 4 years            | 2% Compound      | \$67,840    | \$0,733                            | \$325,247                | \$4,402                             | \$177,215                 | 85                                    |
| 5 years            | None             | \$397,529   | \$6,033                            | \$140,612                | \$6,033                             | \$140,612                 | N/A                                   |
| 5 years            | 1% Simple        | \$331,627   | \$9,416                            | \$153,374                | \$4,244                             | \$943,686                 | 49                                    |
| 5 years            | 1% Compound      | \$354,759   | \$9,976                            | \$086,917                | \$8,305                             | \$234,195                 | 49                                    |
| 5 years            | 2% Simple        | \$78,816    | \$9,338                            | \$043,477                | \$8,016                             | \$238,887                 | 49                                    |
| 5 years            | 2% Compound      | \$62,357    | \$0,431                            | \$347,882                | \$4,378                             | \$944,088                 | 85                                    |
| 6 years            | None             | \$392,207   | \$6,569                            | \$916,284                | \$6,569                             | \$916,284                 | N/A                                   |
| 6 years            | 1% Simple        | \$335,571   | \$9,284                            | \$122,525                | \$4,195                             | \$221,034                 | 49                                    |
| 6 years            | 1% Compound      | \$359,119   | \$9,194                            | \$114,918                | \$4,820                             | \$657,925                 | 49                                    |
| 6 years            | 2% Simple        | \$72,937    | \$1,746                            | \$100,517                | \$4,720                             | \$658,076                 | 49                                    |
| 6 years            | 2% Compound      | \$60,044    | \$0,272                            | \$033,853                | \$6,882                             | \$263,740                 | 85                                    |
| 7 years            | None             | \$317,114   | \$2,856                            | \$984,685                | \$2,856                             | \$984,685                 | N/A                                   |
| 7 years            | 1% Simple        | \$350,301   | \$9,022                            | \$187,655                | \$6,858                             | \$659,528                 | 42                                    |
| 7 years            | 1% Compound      | \$76,094    | \$9,535                            | \$168,492                | \$4,091                             | \$662,779                 | 42                                    |
| 7 years            | 2% Simple        | \$84,180    | \$1,693                            | \$123,431                | \$4,080                             | \$624,225                 | 49                                    |
| 7 years            | 2% Compound      | \$22,190    | \$0,156                            | \$002,078                | \$6,338                             | \$274,483                 | 83                                    |
| 8 years            | None             | \$312,509   | \$2,606                            | \$295,576                | \$2,606                             | \$295,576                 | N/A                                   |
| 8 years            | 1% Simple        | \$76,836    | \$9,519                            | \$904,704                | \$6,929                             | \$665,082                 | 42                                    |
| 8 years            | 1% Compound      | \$75,738    | \$1,488                            | \$959,014                | \$6,890                             | \$415,576                 | 42                                    |
| 8 years            | 2% Simple        | \$80,314    | \$1,900                            | \$186,599                | \$6,892                             | \$439,270                 | 42                                    |
| 8 years            | 2% Compound      | \$23,590    | \$0,304                            | \$091,451                | \$2,691                             | \$696,636                 | 80                                    |

<sup>11</sup>The age at which the total LTC benefit with the indicated inflation option exceeds the total LTC benefit with no inflation option.

## Alternative design options

In this proposal, you selected:

| LTC benefit duration | Payment schedule | Inflation protection option | Return of premium option | Day 1: total LTC benefit | Age 85: total LTC benefit |
|----------------------|------------------|-----------------------------|--------------------------|--------------------------|---------------------------|
| 8 years              | Single-pay       | None                        | LTC Boost                | \$621,180                | \$621,180                 |

### Alternative premium schedules

The table below shows the different annual premium payment amounts that would provide the same day 1 and age 85 LTC benefit pools as currently illustrated.

| Payment schedule | Annual premium | Total premium |
|------------------|----------------|---------------|
| Single-pay       | \$100,000.15   | \$100,000.15  |
| 6 years          | \$97,000.00    | \$718,330.00  |
| 7 years          | \$70,000.00    | \$770,000.00  |
| 71 years         | \$79,670.00    | \$796,700.00  |
| 76 years         | \$8,860.00     | \$728,300.00  |

### Alternative return of premium options

The table below shows how each return of premium option would impact your LTC benefit pool.

|           | Day 1: total LTC benefit | Age 85: total LTC benefit | Day 1: surrender value | Age 85: surrender value |
|-----------|--------------------------|---------------------------|------------------------|-------------------------|
| Vesting   | \$226,130                | \$226,130                 | \$1,111                | \$711,111               |
| 6%        | \$679,170                | \$679,170                 | \$6,111                | \$717,116               |
| LTC Boost | \$540,096                | \$540,096                 | \$64,257               | \$106,399               |

## Taxation of life insurance contracts

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### Cash Value Accumulation Test

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### Modified Endowment Contracts

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## Key terms and definitions

|   |  |
|---|--|
| <b>Age</b>  | The insured's issue age at last birthday.  |
| <b>Benefit eligibility requirements</b>                           | Eligibility requirements include:<br>1. The insured must be certified as a chronically ill individual; and<br>2. The insured must be prescribed qualified long-term services under the Acceleration for Long-Term Care Agreement, which are specified in a plan of care; and<br>3. The plan of care must be submitted to Minnesota Life; and<br>4. The long-term care elimination period must be satisfied; and<br>5. The Acceleration for Long-Term Care Agreement must be in force.  |
| <b>Benefits outside the U.S.</b>                                  | Benefits outside the U.S. Qualified long-term care services prescribed outside of the United States, its territories or possessions are limited to the non-United States monthly benefit limit. If the insured returns to the United States, the non-United States monthly benefit limit will no longer apply.   |
| <b>Cash value</b>   | The cash value of your policy, as of the date to which all premiums due have been paid, is the cash value shown for that date in the Table of Guaranteed Cash Values on the policy data pages. If premiums are paid other than annually, the cash value and the surrender value for the insurance provided by this policy and any attached agreements will be adjusted proportionally.   |
| <b>Chronically ill</b>  | To be considered a "chronically ill individual," a licensed health care practitioner must certify within the preceding 12-month period that the insured:<br>1. Is unable to perform, without substantial assistance from another person, at least two activities of daily living (bathing, getting dressed, eating, continence, toileting, transferring) due to a loss of functional capacity for a period of at least 90 days; OR<br>2. Requires substantial supervision to protect the insured from threats to health and safety due to severe cognitive impairment. |
| <b>Death benefit</b>  | On the date of the insured's death, the death benefit for this policy is equal to the greater of:<br>1. The face amount<br>2. The minimum death benefit required for this policy to be qualified as life insurance under IRC Section 7702.   |
| <b>Face amount</b>  | The amount you specify at issue. The face amount is used to determine the death benefit and amount of long-term care benefits available under this policy and attached riders.   |
| <b>Total long-term care benefit Internal Rate of Return (IRR)</b> | The rate of return that must be earned on the illustrated premium outlay on an after-tax basis in order to equal the guaranteed policy values.   |
| <b>Long-term care benefits (total, annual, monthly)</b>           | The amount available to you if you become chronically ill.   |
| <b>Long-term care benefit period</b>                              | The total period of time your long-term care benefits will be paid under your policy if the maximum benefit amount is taken each month.  |
| <b>Long-term care elimination period</b>                          | The long-term care elimination period is 90 calendar days from the date the insured is certified as chronically ill by a licensed health care professional. Home modification (up to \$5,000) and caregiver training (up to \$1,000) are accessible during the long-term care elimination period. The long-term care elimination period must only be satisfied once during the life of the contract.   |
| <b>Minimum death benefit</b>                                      | The guaranteed minimum death benefit is paid in the event that the policy's face amount is fully accelerated to provide LTC benefits. This benefit is available even if, and after, 100% of the LTC benefits are paid. Guaranteed minimum death benefit is the lesser of \$10,000 or 10% of the base face amount.  |
| <b>Premium</b>  | The amount of money you intend to pay.   |

## Key terms and definitions

|                                 |   |
|---------------------------------|---|
| <b>Return of premium</b>        | Upon surrender, you will receive the greater of the surrender value proceeds. The surrender value proceeds may not equal the sum of premiums paid. Surrenders are subject to the return of premium option selected and the premium vesting schedule (if applicable).  |
| <b>Return of premium value</b>  | The return of premium value is equal to the guaranteed cash value.  |
| <b>Surrender value proceeds</b> | <p>The amount payable to the owner when the policy is surrendered is equal to the greatest of (1), (2) or (3), where:</p> <ol style="list-style-type: none"> <li>1. is the cash value; minus             <ol style="list-style-type: none"> <li>a. any death benefit that has been accelerated for terminal illness; minus</li> <li>b. any payments provided by additional agreements; minus</li> <li>c. any indebtedness</li> </ol> </li> <li>2. is the return of premium value; plus             <ol style="list-style-type: none"> <li>a. any return of premium value provided by additional agreements; minus</li> <li>b. any death benefit that has been accelerated for terminal illness; minus</li> <li>c. any payments provided by additional agreements; minus</li> <li>d. any indebtedness</li> </ol> </li> <li>3. is zero</li> </ol> |

This is a hypothetical proposal based upon information provided by you (the customer) or your financial professional. Securian Financial Group and its subsidiaries are not responsible for the accuracy of the information provided. The proposal and related materials should not be considered investment advice by Securian or a recommendation to engage in (or refrain from) a particular course of action. If you are looking for investment advice or recommendations, please contact your financial professional.

Insurance policy guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

The purpose of this material is the solicitation of insurance. An insurance agent or company will contact you.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods.

The death proceeds will be reduced by a long-term care or terminal illness benefit payment. Please consult a tax advisor regarding long-term care benefit payments, terminal illness benefit payments, or when taking a loan or withdrawal from a life insurance contract.

Policy loans may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit.

This policy is non-cancellable. This means that we may not, on our own, cancel or reduce coverage provided by this policy as long as all scheduled premiums are paid when due.

Even if premiums are paid benefits, values, periods of coverage, and premiums are indeterminate and it is possible that the policy may lapse before the death of the insured due to policy loans. Taking a policy loan may have tax consequences. Please consult your tax advisor.

The Acceleration for Long-Term Care Agreement and Extension of Long-Term Care Agreement are tax-qualified long-term care agreements that cover care such as nursing care, home and community based care, and informal care as defined in the agreements. These agreements provide for the payment of a monthly benefit for qualified long-term care services. These agreements are intended to provide tax qualified long-term care benefits under section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under this agreement may be taxable.

The optional Long-Term Care Inflation Protection Agreement is available with 3% simple interest, 3% compound interest, 5% simple interest or 5% compound interest.

This information is meant to help you understand the SecureCare III policy, not as a means to compare with other products. The amount of benefits provided will depend upon the benefits selected and the charges will vary as such. The following provisions may not apply or may vary depending on the state in which you live at time of policy issue. Please refer to your state's Outline of Coverage for the exact language in your state.

#### EXCLUSIONS AND LIMITATIONS

Eligibility for long-term care benefits includes satisfying a 90-day elimination period. This is a period of time (90 days) during which no long-term care benefits are payable following the date the insured is

determined to be eligible for benefits. You are not eligible to receive benefits if your long-term care service needs are caused directly or indirectly by, result in whole or in part, from or during, or there is contribution from:

- alcoholism or drug addiction; or
- war or any act of war, while the insured is serving in the military, naval or air forces of any country at war, whether declared or undeclared; or
- active service in the armed forces or units auxiliary thereto; or
- the insured's active participation in a riot, insurrection or terrorist activity; or
- committing or attempting to commit a felony; or
- any attempt at suicide, or intentionally self-inflicted injury, while sane or insane.

#### PRE-EXISTING CONDITION LIMITATIONS

Pre-existing condition limitations refers to any condition or disease for which the insured received medical advice or treatment within six (6) months preceding the effective date of the Acceleration for Long-Term Care Agreement for that same condition or disease or a related condition or disease. We will not pay benefits for a pre-existing condition or disease that is not disclosed in the application for a period of six months from the effective date of this agreement. A pre-existing condition during the first six months that the agreement is in force will not be counted toward the satisfaction of the long-term care elimination period.

SecureCare III may not be available in all states. For costs and further details of coverage, including the terms and conditions under which the policy may be continued in force, contact your agent/representative.

SecureCare III may not cover all of the costs associated with long-term care or terminal illness that the insured incurs. This product is generally not subject to health insurance requirements. This product is not a state approved Partnership for Long Term Care Program product, and is not a Medicare Supplement policy. Receipt of a long-term care or terminal illness benefit payment under this product may adversely affect eligibility for Medicaid or other government benefits or entitlements.

#### POLICY FORM NUMBERS

ICC20-20212, 20-20212 and any state variations; Acceleration for Long-Term Care Agreement ICC21-20220, 21-20220 and any state variations; Extension of Long-Term Care Agreement ICC21-20221, 21-20221 and any state variations; Long-Term Care Inflation Protection Agreement ICC21-20222, 21-20222 and any state variations; Premium Waiver for LTC Agreement is ICC21-20223 and any state variations.

#### INSURANCE PRODUCTS ARE ISSUED BY MINNESOTA LIFE

**INSURANCE COMPANY** in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

Securian Financial is the marketing name for Securian Financial Group, Inc., and its affiliates.

**Not a deposit - Not FDIC/NCUA insured - Not insured by any federal government agency - Not guaranteed by any bank or credit union**



# Annuity Care<sup>®</sup>



## Annuity Care<sup>®</sup> Illustration

Single Premium Deferred Annuity  
with Long-Term Care Accumulated Value

**Presented on:**  
March 21, 2023

**Prepared for:**  
Valued Client

**Prepared by:**  
THOMAS ROBERT GRIFFITH  
2530 Meridian Parkway  
Suite 100  
Durham, NC 27713  
(919) 535-8261

NOT A  
DEPOSIT

NOT FDIC OR  
NCUSIF INSURED

NOT  
GUARANTEED  
BY THE  
INSTITUTION

NOT INSURED BY  
ANY FEDERAL  
GOVERNMENT  
AGENCY

MAY GO DOWN  
IN VALUE

*Products and financial services provided by:*

The State Life Insurance Company<sup>®</sup> | **a OneAmerica<sup>®</sup> company**  
*One American Square, P.O. Box 6062 | Indianapolis, IN 46206-6062*

THIS ILLUSTRATION IS NOT AN OFFER TO CONTRACT

## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:

Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

**Single Premium Deferred Annuity with Long-Term Care Accumulated Value, SA34 (NC) TQ-R**

**Description of Contract:** Annuity Care is a single premium deferred fixed interest annuity that combines long-term asset growth and long-term care (LTC) benefits. This LTC benefit is built-in to the annuity, providing you with a combination of annuity value and additional long-term care benefits should you need them. This annuity initially credits interest to your Contract Premium at two interest rates. One rate is applied to the Long-Term Care Accumulated Value (LTC AV) and the other rate is applied to the Accumulated Value (AV). These funds are linked – a withdrawal from one will reduce the other proportionally so that when one fund is reduced to zero value, the other is also reduced to zero and the contract ends. Also available is an optional Continuation of Benefits (COB) for LTC. This option allows for continued benefit payment of covered expenses for qualified LTC services.

**Other Things You Should Know About This Contract:**

**Contract Premium:** The single amount you pay for this contract.

**Interest Rates:** The Contract Premium grows as the Accumulated Value (AV) with a guaranteed minimum interest rate. At the same time, the Contract Premium grows at a higher interest rate for the Long-Term Care Accumulated Value (LTC AV), the amount used for qualified LTC expenses.

**Guaranteed Interest Rate:** Accumulated Value (AV): For the first contract year, the guaranteed and projected (non-guaranteed) interest rates are both 3.50%. After the first contract year, the guaranteed interest rate on the AV is 2.95%. LTC Accumulated Value (LTC AV): For the first five contract years, the guaranteed interest rate and the projected (non-guaranteed) interest rate are both 4.00%. After the fifth contract year, the guaranteed interest rate on the LTC AV is 2.95%. The rates in your contract may differ from this illustration.

**Projected (Non-Guaranteed) Interest Rate:** Accumulated Value (AV): The projected (non-guaranteed) interest rate on the AV in all years is 3.50%. LTC Accumulated Value (LTC AV): The projected (non-guaranteed) interest rate on the LTC AV is 4.00% through year 20, then 3.50% thereafter. This reflects the default interest rate strategy based on your age.

**Tax Information:** The values illustrated do not reflect withdrawals. All AV withdrawals are subject to federal income tax, to the extent of the gain in the contract. Withdrawals prior to the owner reaching age 59 1/2 will generally be subject to an additional 10 percent federal income tax penalty. LTC AV withdrawals are considered federally tax-qualified and income tax-free as a reduction in basis. This illustration should not be relied on for tax advice. Any tax issues regarding this illustration or the contract should be reviewed with the owner's tax advisors.

THIS ILLUSTRATION IS NOT AN OFFER TO CONTRACT

## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:

Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

**Cash Surrender Value:** The AV, minus any surrender charges, is available to the owner upon surrender of the contract. Surrender charges are waived on partial surrenders up to 10% of your AV (as of the beginning of the contract year) after the first contract year. Full surrenders within 12 months of a partial surrender will result in a recapture of the waived surrender charges. Any partial surrender from the AV proportionally reduces the LTCAV. Surrender charges will be waived on qualifying LTC withdrawals from the LTCAV. Upon full surrender, these charges will be deducted in the first nine years as follows:

| Contract Year    | 1  | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9  | 10+ |
|------------------|----|----|----|----|----|----|----|----|----|-----|
| Surrender Charge | 8% | 8% | 8% | 7% | 6% | 5% | 4% | 3% | 2% | 0%  |

**LTC Accumulated Value:** The amount available for payment of covered expenses for qualifying long-term care services incurred under the contract.

**LTC Monthly Benefit:** The amount payment will be based upon is the amount of actual expenses incurred for qualifying long-term care covered expenses up to the Monthly LTC Limit. The Monthly LTC Limit is equal to the LTCAV divided by 34.5.

**LTC Withdrawals:** The LTCAV can be used by the owner to pay qualified LTC expenses incurred by the annuitant(s) or eligible person after a 7-day waiting period is met. LTC withdrawals can be requested from the LTCAV for the actual monthly expenses for qualified LTC services up to the Monthly LTC Limit. An outline of coverage will be provided to you with the eligibility requirements, exclusions and limitations. The LTCAV is no longer available if you elect either a full surrender or annuitization of the contract. The withdrawal period for the LTCAV is 36 months. When LTC withdrawals are paid from the LTCAV, the AV is reduced on a proportional basis.

**Please refer to the Annuity Disclosure and the Annuity Buyer's Guide, available from your insurance producer or the Company at your request.**

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## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:  
Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

## Guaranteed Interest Rates

| End of Contract Year | Age | Accumulated Value | Cash Surrender Value | LTC Accumulated Value | LTC Monthly Benefit Limit |
|----------------------|-----|-------------------|----------------------|-----------------------|---------------------------|
| 1                    | 66  | \$103,500         | \$95,220             | \$104,000             | \$3,014                   |
| 2                    | 67  | \$106,553         | \$98,029             | \$108,160             | \$3,135                   |
| 3                    | 68  | \$109,697         | \$100,921            | \$112,486             | \$3,260                   |
| 4                    | 69  | \$112,933         | \$105,027            | \$116,986             | \$3,391                   |
| 5                    | 70  | \$116,264         | \$109,288            | \$121,665             | \$3,527                   |
| 6                    | 71  | \$119,694         | \$113,709            | \$125,254             | \$3,631                   |
| 7                    | 72  | \$123,225         | \$118,296            | \$128,949             | \$3,738                   |
| 8                    | 73  | \$126,860         | \$123,054            | \$132,753             | \$3,848                   |
| 9                    | 74  | \$130,602         | \$127,990            | \$136,670             | \$3,961                   |
| 10                   | 75  | \$134,455         | \$134,455            | \$140,701             | \$4,078                   |
| 15                   | 80  | \$155,492         | \$155,492            | \$162,716             | \$4,716                   |
| 20                   | 85  | \$179,821         | \$179,821            | \$188,175             | \$5,454                   |
| 25                   | 90  | \$207,957         | \$207,957            | \$217,617             | \$6,308                   |
| 30                   | 95  | \$240,494         | \$240,494            | \$251,667             | \$7,295                   |
| 34                   | 99  | \$270,153         | \$270,153            | \$282,703             | \$8,194                   |

**Guaranteed assumptions:** Accumulated Value 3.50% in year 1, 2.95% in years 2 and thereafter; LTC Accumulated Value 4.00% in years 1 through 5, 2.95% in years 6 and thereafter.

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## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:  
Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

## Projected (Non-Guaranteed) Interest Rates

| End of Contract Year | Age | Accumulated Value | Cash Surrender Value | LTC Accumulated Value | LTC Monthly Benefit Limit |
|----------------------|-----|-------------------|----------------------|-----------------------|---------------------------|
| 1                    | 66  | \$103,500         | \$95,220             | \$104,000             | \$3,014                   |
| 2                    | 67  | \$107,123         | \$98,553             | \$108,160             | \$3,135                   |
| 3                    | 68  | \$110,872         | \$102,002            | \$112,486             | \$3,260                   |
| 4                    | 69  | \$114,752         | \$106,720            | \$116,986             | \$3,391                   |
| 5                    | 70  | \$118,769         | \$111,643            | \$121,665             | \$3,527                   |
| 6                    | 71  | \$122,926         | \$116,779            | \$126,532             | \$3,668                   |
| 7                    | 72  | \$127,228         | \$122,139            | \$131,593             | \$3,814                   |
| 8                    | 73  | \$131,681         | \$127,730            | \$136,857             | \$3,967                   |
| 9                    | 74  | \$136,290         | \$133,564            | \$142,331             | \$4,126                   |
| 10                   | 75  | \$141,060         | \$141,060            | \$148,024             | \$4,291                   |
| 15                   | 80  | \$167,535         | \$167,535            | \$180,094             | \$5,220                   |
| 20                   | 85  | \$198,979         | \$198,979            | \$219,112             | \$6,351                   |
| 25                   | 90  | \$236,324         | \$236,324            | \$260,237             | \$7,543                   |
| 30                   | 95  | \$280,679         | \$280,679            | \$309,080             | \$8,959                   |
| 34                   | 99  | \$322,086         | \$322,086            | \$354,676             | \$10,280                  |

**Non-Guaranteed assumptions:** Accumulated Value 3.50%; LTC Accumulated Value 4.00% for the first 20 Years and 3.50% thereafter. This is an illustration, not a contract. Non-Guaranteed interest rates are subject to change. As a result, the actual values may be more or less favorable than those illustrated.

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## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:

Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

**Annuity Payment Options:**

This single premium annuity contract is a deferred annuity contract. This annuity contract guarantees an annuity income stream of payments upon the Maturity Date. Since payouts begin at a future date, you don't pay taxes on the interest the annuity earns until the contract value is paid to you. The contract provides a choice of settlement options, shown below, so you can choose an income stream that is appropriate for your needs. The automatic annuity option is Installments for Life with a Period Certain of 10 years.

The annuity payment options available are:

Installments for a Period Certain

Installments for Life

Installments of Life with a Period Certain

Joint and Survivor for Life

Joint and Survivor for Life with a Period Certain

This annuity payment estimation is based on annuitization occurring in contract year 10:

|   | Guaranteed Monthly Payment | Non-Guaranteed Monthly Payment |
|---|----------------------------|--------------------------------|
| Annuitized Value                          | \$134,455                  | \$141,060                      |
| Income Rate per \$1,000                   | \$4.61                     | \$4.61                         |
| Life Annuity with 120 Guaranteed Payments | \$619.84                   | \$650.29                       |

The amount of the monthly payment will be based on the cash surrender value. The LTCAV is no longer available if either a full contract surrender or annuitization is elected.

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## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:

Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will  
be paid no later than upon issuance of  
the contract.

Presented by: THOMAS ROBERT GRIFFITH

**Optional LTC Benefits:**

**Optional Continuation of Benefits for Long-Term Care (COB):** The COB will continue coverage of qualifying long-term care expenses under the contract. The coverage under the COB becomes effective after the LTC Accumulated Value reaches zero due to the payment of 36 times the Initial Monthly LTC Limit paid out over a period of not less than 36 months.

**COB Monthly Benefit:** The COB Monthly Benefit Limit can be the same as the Initial Monthly LTC Limit or you can choose to select the Maximum COB Monthly LTC Limit Available, which is based on the Optional Inflation Protection selected.

**COB Balance:** The amount available under the Continuation of Benefits, which is available only when long-term care payments have reduced the LTCAV to zero (0).

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## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:

Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

|  | Base Contract |    | Base Contract +<br>Optional Continuous<br>Pay COB for LTC |
|--|---------------|----|---|
| Initial LTC<br>Accumulated Value   | \$100,000     |    | \$100,000   |
| Total LTC Benefit Period   | 36 Months     |    | 72 Months   |
| Monthly LTC Limit Divisor  | 34.5          |    | 34.5  |
| Initial Monthly Benefit Limit<br><i>Home Health Care, LTC Facility,<br/>Assisted Living Facility, Adult Day Care<br/>(see Outline of Coverage)</i> | \$2,899       | OR | \$2,899 (Base)<br>\$2,899 (COB)                           |
| Optional Inflation Protection  | N/A           |    | 0% Compound   |
| Waiting Period   | 7 Days        |    | 7 Days  |
| 1st Year Premium   | \$100,000     |    | \$100,437.81  |
| Subsequent Annual Premium  | \$0.00        |    | \$437.81 (annually)                                       |

### Base Contract + LTC Continuation of Benefits

| Base Contract                                       |           |   |                                |
|---|-----------|---|--------------------------------|
|   |           |   |                                |
| LTC Benefits  | \$100,000 | + | Optional COB for LTC \$104,364 |
|   |           |   | = \$204,364                    |
| Non-cancelable premium guaranteed to never increase |           |   |                                |

Benefits and values are based on Projected (Non-Guaranteed) rates, assume no withdrawals, and are based on the premium shown. More Continuation of Benefits for LTC information is located under the Optional LTC Benefits section of this illustration.

Withdrawals from the LTC Accumulated Value are considered federally tax-qualified and income tax-free as a reduction in basis. COB payments are considered federally tax-qualified and income tax-free.

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## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:

Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

### Continuation of Benefits for Long-Term Care Initial Long-Term Care Monthly Benefit Limit: \$2,899.00

#### Without Nonforfeiture Benefit

| PREMIUMS FOR:             | Inflation Protection |             |             |
|---------------------------|----------------------|-------------|-------------|
|                           | 0%                   | 3%          | 5%          |
| Guaranteed Single Premium |                      |             |             |
| 36 Months Coverage        | \$6,392.73           | \$14,108.36 | \$21,757.43 |
| Lifetime Coverage         | \$12,959.31          | \$28,649.48 | \$43,939.71 |
| Guaranteed Annual Premium |                      |             |             |
| 36 Months Coverage        | \$437.81             | \$968.61    | \$1,501.02  |
| Lifetime Coverage         | \$926.00             | \$2,074.79  | \$3,192.38  |
| Guaranteed 10-Pay Premium |                      |             |             |
| 36 Months Coverage        | \$723.18             | \$1,577.93  | \$2,462.24  |
| Lifetime Coverage         | \$1,482.55           | \$3,262.07  | \$5,011.24  |

### Projected Monthly Long-Term Care Benefit Amounts Available Based on 0% Inflation

| Year | Rider Benefit Amount |
|------|----------------------|
| 10   | \$2,899              |
| 20   | \$2,899              |

THIS ILLUSTRATION IS NOT AN OFFER TO CONTRACT

## Single Premium Deferred Annuity with Long-Term Care Accumulated Value - Illustration

Prepared for:  
Valued Client

Gender: Male

Age: 65

State: NC

Contract Premium: \$100,000.00

Initial Monthly LTC Limit: \$2,898.55

Annuity Type: Non-Qualified

It is assumed the single premium will be paid no later than upon issuance of the contract.

Presented by: THOMAS ROBERT GRIFFITH

### Annuity Care Plus Optional Continuation of Benefits for LTC Projected Monthly LTC Benefit Amounts Available

Based On 0% Inflation  
36 Months Benefits

| Contract Year | COB Monthly Benefit Amount | Total Potential COB Benefits |
|---------------|----------------------------|------------------------------|
| 1             | \$2,899.00                 | \$104,364.00                 |
| 2             | \$2,899.00                 | \$104,364.00                 |
| 3             | \$2,899.00                 | \$104,364.00                 |
| 4             | \$2,899.00                 | \$104,364.00                 |
| 5             | \$2,899.00                 | \$104,364.00                 |
| 6             | \$2,899.00                 | \$104,364.00                 |
| 7             | \$2,899.00                 | \$104,364.00                 |
| 8             | \$2,899.00                 | \$104,364.00                 |
| 9             | \$2,899.00                 | \$104,364.00                 |
| 10            | \$2,899.00                 | \$104,364.00                 |
| 11            | \$2,899.00                 | \$104,364.00                 |
| 12            | \$2,899.00                 | \$104,364.00                 |
| 13            | \$2,899.00                 | \$104,364.00                 |
| 14            | \$2,899.00                 | \$104,364.00                 |
| 15            | \$2,899.00                 | \$104,364.00                 |
| 20            | \$2,899.00                 | \$104,364.00                 |
| 25            | \$2,899.00                 | \$104,364.00                 |
| 30            | \$2,899.00                 | \$104,364.00                 |
| 34            | \$2,899.00                 | \$104,364.00                 |

This table assumes the contract and COB for LTC remain in force and no withdrawals have been made through given year.

THIS ILLUSTRATION IS NOT AN OFFER TO CONTRACT

## Annuity Care<sup>®</sup>



### Annuity Care<sup>®</sup> Illustration

Single Premium Deferred Annuity  
with Long-Term Care Accumulated Value

**Disclaimer:** This is a solicitation of insurance. An insurance representative will contact you. This contract may not cover all of the costs associated with long-term care incurred by a covered person during the period of coverage. Please review the accompanying outlines of coverage for a full description of benefits, eligibility, limitations and exclusions. *The State Life Insurance Company, Indianapolis Indiana* will do limited medical underwriting to determine that an applicant is eligible for coverage. To be eligible for LTC benefits, the covered person must be a chronically ill individual with qualified long-term care services provided pursuant to a plan of care prescribed by a licensed health care practitioner.

THIS ILLUSTRATION IS NOT AN OFFER TO CONTRACT

**Client Information**

Covered Person: Valued Client  
Gender: Male

Date of Birth:

Age: 65

**Policy Information**

Annuity Type:

Non-Qualified

Input Method:

Annuity Premium Amount

Annuity Premium Amount:

\$100,000.00

**Benefit Information**

Continuation of Benefits:

Yes

Inflation Option:

0%

Payment Option:

Continuous Pay

Nonforfeiture Option:

No

Benefit Period:

36 Months

COB Monthly Benefit Selected:

Same as Base Monthly LTC Benefit

Original Illustration Date:

03/21/2023

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THIS ILLUSTRATION IS NOT AN OFFER TO CONTRACT

# Hypothetical Illustration



## ForeCare Fixed Annuity With Long-Term Care Benefits

Issued by Forethought Life Insurance Company

Prepared For: **Valued Client**  
 Age: **65**  
 State of Issue: **North Carolina**

Prepared On: **March 21, 2023**

Prepared By: **Guest FIA** Firm Name:

Input Summary: Premium: **\$100,000**  
 LTC Coverage: **Single Life - Premier**  
 LTC Inflation Rider: **Not Included**  
 LTC Nonforfeiture Rider: **Not Included**  
 Married 2 Buy Discount: **Not Included**

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Introduction

## What is this document?

This is an illustration intended to help you understand how your fixed annuity Contract works. It is not intended to predict performance and is not a guarantee of future performance. It depicts how the Contract will perform and respond under certain assumptions that may or may not come true. **This illustration is not a fixed annuity contract.**

## About ForeCare Fixed Annuity

ForeCare is a fixed annuity with long-term care benefits that provides two or three times (depending on underwriting eligibility) the amount of contract value in long-term care coverage to spend on qualified long-term care expenses. Unlike a traditional long-term care product, with ForeCare any contract value not used for long-term care expenses can be passed to your beneficiaries as a death benefit. The additional long-term care coverage in excess of the contract value is only available to use for a qualified long-term care benefit and will not become part of the contract value or death benefit.

Fixed annuities are long-term insurance products designed for retirement purposes, in which all interest and capital gains accumulate tax-deferred.

**Guarantees are based on the claims-paying ability of Forethought Life Insurance Company. Death benefits may be subject to ordinary income taxes, and may be included in the contract owner's gross estate for estate tax purposes.**

## Where to find additional product information

In addition to the Disclosure Document, you can find more information about ForeCare in the product kit. The kit contains a product detail sheet and client guide that describe the product features and benefits.

These materials are interdependent and together will give you a more complete picture of the benefits of ForeCare as well as the associated risks, costs and tradeoffs.

## About Global Atlantic

Global Atlantic Financial Group is a leader in the U.S. life insurance and annuity industry, serving the needs of individuals and institutions. With differentiated investment and risk management capabilities, deep client relationships, and a strong financial foundation, the company has established a track record of delivering proven, value-added solutions and long-term growth. Global Atlantic is a majority-owned subsidiary of KKR, a leading global investment firm that offers asset management and capital markets solutions across multiple strategies.

**This illustration is accompanied by our Disclosure Document. The Disclosure Document contains information regarding the fixed annuity contract, which should be considered carefully before purchasing. Please read the Disclosure Document carefully before purchasing.**

**For a list of key terms, please see the Key Terms and Definitions section.**

**THIS IS AN ILLUSTRATION ONLY. AN ILLUSTRATION IS NOT INTENDED TO PREDICT ACTUAL PERFORMANCE. INTEREST RATES, DIVIDENDS, OR VALUES THAT ARE SET FORTH IN THE ILLUSTRATION ARE NOT GUARANTEED, EXCEPT FOR THOSE ITEMS CLEARLY LABELED AS GUARANTEED.**

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Snapshot

|                                   |                       |                                  |           |  |              |
|-----------------------------------|-----------------------|----------------------------------|-----------|--|--------------|
| <b>Insured's Name/Gender/Age:</b> | Valued Client/Male/65 | <b>Premium:</b>                  | \$100,000 | <b>LTC Rider Monthly Charge</b> (per \$1 of Contract Value): | \$0.00125    |
| <b>State of Issue:</b>            | North Carolina        | <b>Withdrawal Charge Period:</b> | 9 Year    | <b>LTC Inflation Rider:</b>                                  | Not Included |
|                                   |                       | <b>Guaranteed Rate Period:</b>   | 1 Year    | <b>LTC Nonforfeiture Rider:</b>                              | Not Included |

## Interest Rate Guarantee

|  |        |
|--|--------|
| Guaranteed Rate Period                     | 1 Year |
| Contract Year 1 Total Annual Interest Rate | 4.50%  |
| Minimum Guaranteed Rate (years 2-9)        | 1.00%  |
| Minimum Guaranteed Rate (years 10+)        | 0.10%  |

## Coverage Summary

|   |  |
|---|--|
| LTC Coverage                                      | Single Life - Premier<br>(3X contract value) |
| Scheduled Accelerated Benefit Period <sup>1</sup> | 24 months                                    |
| Scheduled Extended Benefit Period <sup>1</sup>    | 48 months                                    |
| Total Scheduled Benefit Period <sup>1</sup>       | 72 months                                    |

## Withdrawal Charge Schedule

| Contract Year       | 1  | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9  | 10+ |
|---------------------|----|----|----|----|----|----|----|----|----|-----|
| Withdrawal Charge % | 8% | 8% | 7% | 6% | 5% | 4% | 3% | 2% | 1% | 0%  |

The current interest rate is guaranteed for the first Contract Year. Renewal interest rates will be declared at the beginning of each following Contract Year and will never be less than the Minimum Guaranteed Rate.

In no case will the monthly rider charges for the Long Term Care Benefit coverage cause a reduction in the end of a Contract Month's Contract Value below the prior Contract Month's ending Contract Value reduced by the month's withdrawals.

The non-guaranteed illustration assumes the annuity's current interest rate will not change. It is likely that it will change and actual values will be higher or lower than those in this illustration but will not be less than the minimum guarantees.

The non-guaranteed values in this illustration are **not** guarantees or even estimates of the amounts you can expect from your annuity. Please review the entire attached Disclosure Document and Buyer's Guide provided with your Annuity Contract for more detailed information.

**Guarantees are based on the claims-paying ability of Forethought Life Insurance Company.**

<sup>1</sup> Actual benefit periods are likely to vary from scheduled benefit periods due to (a) interest credits, (b) use of benefits by joint insureds when applicable, (c) monthly benefit payments that are less than the maximum benefit, and (d) the Optional Inflation Rider when applicable.

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Guaranteed Assumptions

|                                   |                       |                                  |           |  |              |
|-----------------------------------|-----------------------|----------------------------------|-----------|--|--------------|
| <b>Insured's Name/Gender/Age:</b> | Valued Client/Male/65 | <b>Premium:</b>                  | \$100,000 | <b>LTC Rider Monthly Charge</b> (per \$1 of Contract Value): | \$0.00125    |
| <b>State of Issue:</b>            | North Carolina        | <b>Withdrawal Charge Period:</b> | 9 Year    | <b>LTC Inflation Rider:</b>                                  | Not Included |
|                                   |                       | <b>Guaranteed Rate Period:</b>   | 1 Year    | <b>LTC Nonforfeiture Rider:</b>                              | Not Included |

| Contract Year | Insured Age |               |                 |                            |                                |  | LTC Coverage <sup>3</sup>            |                          |                   |                                       |
|---------------|-------------|---------------|-----------------|----------------------------|--------------------------------|--|--------------------------------------|--------------------------|-------------------|---------------------------------------|
|               |             | Interest Rate | Interest Credit | Rider Charges <sup>1</sup> | Contract Value / Death Benefit | Contract Withdrawal Value <sup>2</sup> | Accelerated Benefit / Contract Value | Maximum Extended Benefit | Total LTC Benefit | Maximum Monthly Benefit (per Insured) |
| 1             | 65-66       | 4.50%         | \$4,463         | \$1,520                    | \$102,943                      | \$94,708                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 2             | 66-67       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$94,708                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 3             | 67-68       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$95,737                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 4             | 68-69       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$96,767                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 5             | 69-70       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$97,796                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 6             | 70-71       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$98,826                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 7             | 71-72       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$99,855                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 8             | 72-73       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$100,884                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 9             | 73-74       | 1.00%         | \$1,023         | \$1,544                    | \$102,943                      | \$101,914                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 10            | 74-75       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$102,943                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 11            | 75-76       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$105,418                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 12            | 76-77       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$108,157                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 13            | 77-78       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$110,970                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 14            | 78-79       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$113,859                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 15            | 79-80       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$116,825                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 16            | 80-81       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$119,872                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 17            | 81-82       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$123,001                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 18            | 82-83       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$126,215                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 19            | 83-84       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$129,515                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 20            | 84-85       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$132,904                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 25            | 89-90       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$151,274                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 30            | 94-95       | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$172,262                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 35            | 99-100      | 0.10%         | \$103           | \$1,544                    | \$102,943                      | \$196,240                              | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |

Illustrated values based upon minimum guaranteed crediting rates. Values shown as end of year and assume no prior withdrawals and no prior LTC benefit payments.

<sup>1</sup> The rider charges shown are prior to any adjustment that may be applicable in a month. The contract value at month-end is never reduced below the contract value at the prior month-end (less any applicable withdrawals) due to the cost of the long-term care benefits rider.

<sup>2</sup> Does not include impact of any applicable Market Value Adjustment (MVA)

<sup>3</sup> LTC Benefit Coverage ignores the impact of subsequent interest credits and subsequent inflation rider increases, if applicable. Maximum Monthly Benefit assuming Elimination Period has been met at point in time shown. The monthly benefit payable may not exceed the actual expenses incurred by the insured for Qualified Long Term Care expenses in the month. The Maximum Monthly Benefit in a month is reduced proportionately for the number of days in a month in which no Qualified Long Term Care services were received by the insured. For contracts with joint insureds, each Joint Insured is eligible to receive the Maximum Monthly Benefit for Qualified Long Term Care expenses; however, the total of all Joint Insured's benefits will not exceed the Total LTC Benefit shown above.

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Non-Guaranteed Assumptions

|                                   |                       |                                  |           |  |              |
|-----------------------------------|-----------------------|----------------------------------|-----------|--|--------------|
| <b>Insured's Name/Gender/Age:</b> | Valued Client/Male/65 | <b>Premium:</b>                  | \$100,000 | <b>LTC Rider Monthly Charge</b> (per \$1 of Contract Value): | \$0.00125    |
| <b>State of Issue:</b>            | North Carolina        | <b>Withdrawal Charge Period:</b> | 9 Year    | <b>LTC Inflation Rider:</b>                                  | Not Included |
|                                   |                       | <b>Guaranteed Rate Period:</b>   | 1 Year    | <b>LTC Nonforfeiture Rider:</b>                              | Not Included |

| Contract Year | Insured Age |               |                 |                            |                                |  | LTC Coverage <sup>3</sup>            |                          |                   |                                       |
|---------------|-------------|---------------|-----------------|----------------------------|--------------------------------|--|--------------------------------------|--------------------------|-------------------|---------------------------------------|
|               |             | Interest Rate | Interest Credit | Rider Charges <sup>1</sup> | Contract Value / Death Benefit | Contract Withdrawal Value <sup>2</sup> | Accelerated Benefit / Contract Value | Maximum Extended Benefit | Total LTC Benefit | Maximum Monthly Benefit (per Insured) |
| 1             | 65-66       | 4.50%         | \$4,463         | \$1,520                    | \$102,943                      | \$94,708                               | \$102,943                            | \$205,886                | \$308,830         | \$4,289                               |
| 2             | 66-67       | 4.50%         | \$4,595         | \$1,565                    | \$105,973                      | \$97,495                               | \$105,973                            | \$211,946                | \$317,919         | \$4,416                               |
| 3             | 67-68       | 4.50%         | \$4,730         | \$1,611                    | \$109,092                      | \$101,456                              | \$109,092                            | \$218,184                | \$327,276         | \$4,546                               |
| 4             | 68-69       | 4.50%         | \$4,869         | \$1,658                    | \$112,303                      | \$105,565                              | \$112,303                            | \$224,606                | \$336,909         | \$4,679                               |
| 5             | 69-70       | 4.50%         | \$5,012         | \$1,707                    | \$115,608                      | \$109,828                              | \$115,608                            | \$231,217                | \$346,825         | \$4,817                               |
| 6             | 70-71       | 4.50%         | \$5,160         | \$1,757                    | \$119,011                      | \$114,250                              | \$119,011                            | \$238,022                | \$357,033         | \$4,959                               |
| 7             | 71-72       | 4.50%         | \$5,312         | \$1,809                    | \$122,514                      | \$118,838                              | \$122,514                            | \$245,027                | \$367,541         | \$5,105                               |
| 8             | 72-73       | 4.50%         | \$5,468         | \$1,862                    | \$126,120                      | \$123,597                              | \$126,120                            | \$252,239                | \$378,359         | \$5,255                               |
| 9             | 73-74       | 4.50%         | \$5,629         | \$1,917                    | \$129,832                      | \$128,533                              | \$129,832                            | \$259,663                | \$389,495         | \$5,410                               |
| 10            | 74-75       | 4.50%         | \$5,795         | \$1,974                    | \$133,653                      | \$133,653                              | \$133,653                            | \$267,306                | \$400,958         | \$5,569                               |
| 11            | 75-76       | 4.50%         | \$5,965         | \$2,032                    | \$137,586                      | \$137,586                              | \$137,586                            | \$275,173                | \$412,759         | \$5,733                               |
| 12            | 76-77       | 4.50%         | \$6,141         | \$2,091                    | \$141,636                      | \$141,636                              | \$141,636                            | \$283,272                | \$424,908         | \$5,901                               |
| 13            | 77-78       | 4.50%         | \$6,322         | \$2,153                    | \$145,805                      | \$145,805                              | \$145,805                            | \$291,609                | \$437,414         | \$6,075                               |
| 14            | 78-79       | 4.50%         | \$6,508         | \$2,216                    | \$150,096                      | \$150,096                              | \$150,096                            | \$300,192                | \$450,288         | \$6,254                               |
| 15            | 79-80       | 4.50%         | \$6,699         | \$2,282                    | \$154,514                      | \$154,514                              | \$154,514                            | \$309,027                | \$463,541         | \$6,438                               |
| 16            | 80-81       | 4.50%         | \$6,897         | \$2,349                    | \$159,061                      | \$159,061                              | \$159,061                            | \$318,123                | \$477,184         | \$6,628                               |
| 17            | 81-82       | 4.50%         | \$7,099         | \$2,418                    | \$163,743                      | \$163,743                              | \$163,743                            | \$327,486                | \$491,229         | \$6,823                               |
| 18            | 82-83       | 4.50%         | \$7,308         | \$2,489                    | \$168,562                      | \$168,562                              | \$168,562                            | \$337,125                | \$505,687         | \$7,023                               |
| 19            | 83-84       | 4.50%         | \$7,524         | \$2,562                    | \$173,523                      | \$173,523                              | \$173,523                            | \$347,047                | \$520,570         | \$7,230                               |
| 20            | 84-85       | 4.50%         | \$7,745         | \$2,638                    | \$178,631                      | \$178,631                              | \$178,631                            | \$357,261                | \$535,892         | \$7,443                               |
| 25            | 89-90       | 4.50%         | \$8,954         | \$3,049                    | \$206,512                      | \$206,512                              | \$206,512                            | \$413,024                | \$619,536         | \$8,605                               |
| 30            | 94-95       | 4.50%         | \$10,351        | \$3,525                    | \$238,745                      | \$238,745                              | \$238,745                            | \$477,490                | \$716,234         | \$9,948                               |
| 35            | 99-100      | 4.50%         | \$11,967        | \$4,076                    | \$276,009                      | \$276,009                              | \$276,009                            | \$552,018                | \$828,026         | \$11,500                              |

Illustrated values based upon non-guaranteed crediting rates. Values shown as end of year and assume no prior withdrawals and no prior LTC benefit payments.

<sup>1</sup> The rider charges shown are prior to any adjustment that may be applicable in a month. The contract value at month-end is never reduced below the contract value at the prior month-end (less any applicable withdrawals) due to the cost of the long-term care benefits rider.

<sup>2</sup> Does not include impact of any applicable Market Value Adjustment (MVA)

<sup>3</sup> LTC Benefit Coverage ignores the impact of subsequent interest credits and subsequent inflation rider increases, if applicable. Maximum Monthly Benefit assuming Elimination Period has been met at point in time shown. The monthly benefit payable may not exceed the actual expenses incurred by the insured for Qualified Long Term Care expenses in the month. The Maximum Monthly Benefit in a month is reduced proportionately for the number of days in a month in which no Qualified Long Term Care services were received by the insured. For contracts with joint insureds, each Joint Insured is eligible to receive the Maximum Monthly Benefit for Qualified Long Term Care expenses; however, the total of all Joint Insured's benefits will not exceed the Total LTC Benefit shown above.

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Market Value Adjustment Example

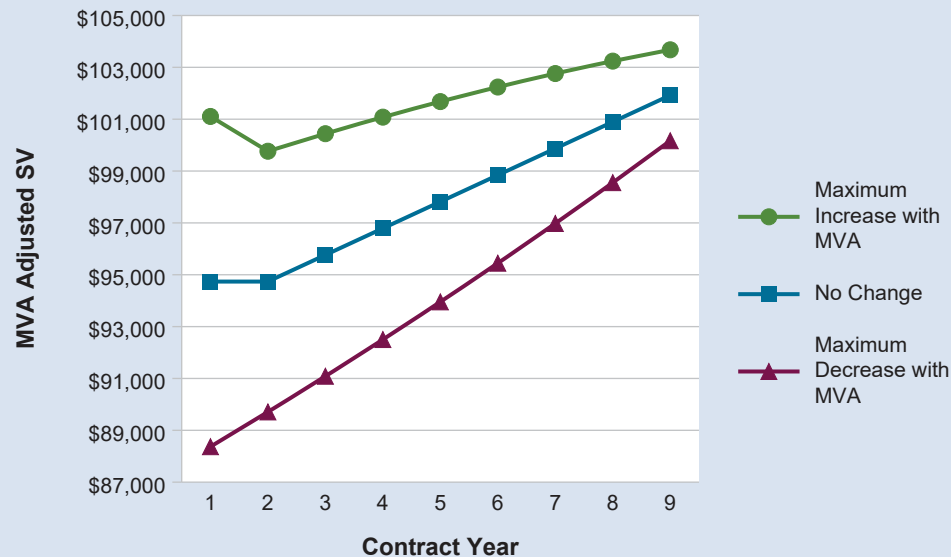
|                                   |                       |                                  |           |  |              |
|-----------------------------------|-----------------------|----------------------------------|-----------|--|--------------|
| <b>Insured's Name/Gender/Age:</b> | Valued Client/Male/65 | <b>Premium:</b>                  | \$100,000 | <b>LTC Rider Monthly Charge</b> (per \$1 of Contract Value): | \$0.00125    |
| <b>State of Issue:</b>            | North Carolina        | <b>Withdrawal Charge Period:</b> | 9 Year    | <b>LTC Inflation Rider:</b>                                  | Not Included |
|                                   |                       | <b>Guaranteed Rate Period:</b>   | 1 Year    | <b>LTC Nonforfeiture Rider:</b>                              | Not Included |

When you make a withdrawal the amount you receive may be increased or decreased by a Market Value Adjustment (MVA). If interest rates on which the MVA is based go up after you buy your annuity, the MVA likely will decrease the amount you receive. If interest rates go down, the MVA will likely increase the amount you receive.

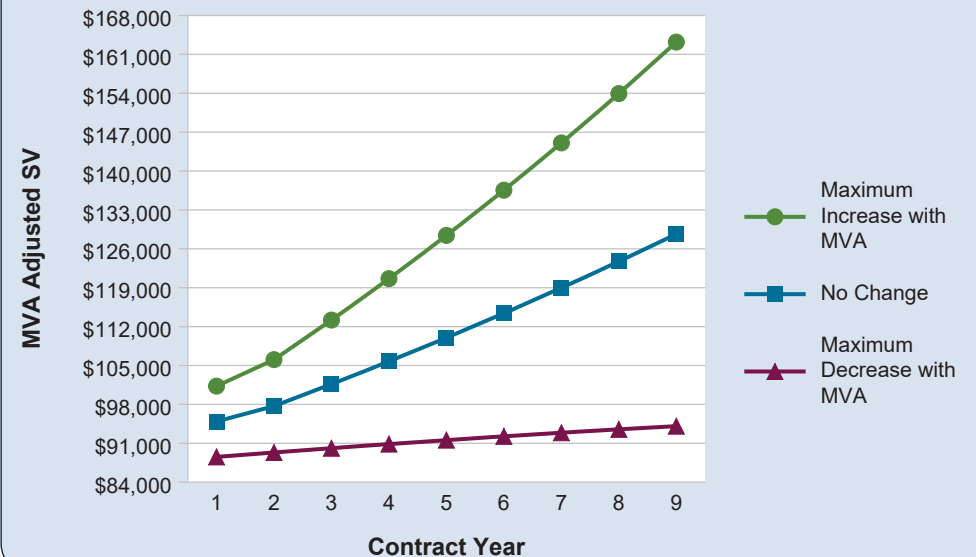
A Market Value Adjustment is applied only during the withdrawal charge period to both full withdrawals and to partial withdrawals in excess of the Free Withdrawal Amount. A MVA does not apply upon the death of an owner, or upon LTC monthly benefit payments.

The graphs below show MVA-adjusted Contract Withdrawal Values (CWV) during the first 9 years of the contract under the same assumptions as illustrated on the Guaranteed and Non-Guaranteed Assumptions scenarios in your illustration. All values are shown net of Withdrawal Charges. The green line indicates the most that the MVA will increase the amount you can receive. The blue line shows the value assuming the MVA reference rate\* does not change. The red line indicates the most that the MVA will decrease the amount you can receive.

**Hypothetical CWV with MVA and Guaranteed Elements**



**Hypothetical CWV with MVA and Non-Guaranteed Elements**



\* The "MVA reference rate" on any date is equal to the 'Total Composite Yield-to-Worst of the Dow Jones Corporate Bond Index<sup>SM</sup> two business days before that date. The Dow Jones Corporate Bond Index<sup>SM</sup> measures the return of readily tradable, high-grade U.S. corporate bonds and is priced daily. This index is unmanaged and is not available for direct investing.

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Annuity Income Options and Illustrated Monthly Income Values

|                                   |                       |                                  |           |  |              |
|-----------------------------------|-----------------------|----------------------------------|-----------|--|--------------|
| <b>Insured's Name/Gender/Age:</b> | Valued Client/Male/65 | <b>Premium:</b>                  | \$100,000 | <b>LTC Rider Monthly Charge</b> (per \$1 of Contract Value): | \$0.00125    |
| <b>State of Issue:</b>            | North Carolina        | <b>Withdrawal Charge Period:</b> | 9 Year    | <b>LTC Inflation Rider:</b>                                  | Not Included |
|                                   |                       | <b>Guaranteed Rate Period:</b>   | 1 Year    | <b>LTC Nonforfeiture Rider:</b>                              | Not Included |

This annuity is designed to pay an income that can be guaranteed to last as long as the Annuitant lives. When annuity income payments are to begin, the income payment amounts will be determined by applying an annuity income rate to the annuity Contract Withdrawal Value.

## Available Annuity Options

Life Annuity

Life Annuity with 10 Years of Annuity Payments Guaranteed

Life Annuity with 20 Years of Annuity Payments Guaranteed

Joint and Last Survivor Annuity

Joint and Last Survivor Annuity with 10 Years of Annuity Payments Guaranteed

Guaranteed Payment Period

Guaranteed Payment Period Not to Exceed Life Expectancy

## Hypothetical Annuity Income Illustration

The following hypothetical annuity income quotes are based on annuitization taking place at the later of age 70 or 10 years after issue and at the maturity date. The maturity date is the contract anniversary on or immediately following the oldest owner's, or annuitant's in the case of a non-natural owner, 100th birthday, however, clients may elect to annuitize at any time following the first contract anniversary\*.

### Annuity Income Options Based on Rates Guaranteed in the Contract and Guaranteed Elements

| Annuity Income Option                                     | Assumed Owner Age when Payments Start / Gender | Surrender Value | Based on Rates Guaranteed in the Contract                |                        |
|---|--|-----------------|--|------------------------|
|   |  |                 | Monthly Annuity Income Rate Per \$1,000 of Account Value | Monthly Annuity Income |
| Life Annuity with 10 Years of Annuity Payments Guaranteed | 75/M   | \$102,943       | \$5.38   | \$554                  |
| Life Annuity with 10 Years of Annuity Payments Guaranteed | 100/M  | \$196,240       | \$8.74   | \$1,715                |

### Annuity Income Options Based on Rates Guaranteed in the Contract and Non-Guaranteed Elements

| Annuity Income Option                                     | Assumed Owner Age when Payments Start / Gender | Surrender Value | Based on Rates Guaranteed in the Contract                |                        |
|---|--|-----------------|--|------------------------|
|   |  |                 | Monthly Annuity Income Rate Per \$1,000 of Account Value | Monthly Annuity Income |
| Life Annuity with 10 Years of Annuity Payments Guaranteed | 75/M   | \$133,653       | \$5.38   | \$719                  |
| Life Annuity with 10 Years of Annuity Payments Guaranteed | 100/M  | \$276,009       | \$8.74   | \$2,412                |

Surrender Values utilized for Guaranteed Element income options can be located on the Guaranteed Assumptions portion of your illustration while Surrender Values utilized for Non-Guaranteed Element income options can be located on the Non-Guaranteed Assumptions portion of your illustration.

\* State variations may apply

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Key Terms and Definitions

## Accelerated Benefit

Long-Term Care Benefits payable will be paid first as Accelerated Benefits and will reduce the Contract Value and remaining Accelerated Benefits.

## Age

The issue ages for ForeCare are 50-80. This illustration assumes Insured, Owner and Annuitant are the same. The illustration is based on the age of the Oldest Owner.

## Contract Value / Death Benefit

This is the amount of accumulated Premium at the end of each Contract Year, prior to receiving annuity payments. It is also the amount available upon the Owner's death, if it occurs before the annuity payments begin. The Death Benefit is not affected by withdrawal charges or the MVA.

## Contract Withdrawal Value

The amount available at the end of each year if you surrender the Contract after deduction of any Withdrawal Charge before application of any positive or negative MVA. See Snapshot page for table of Withdrawal Charges.

## Contract Year

All values are shown as of the end of the contract year displayed except Monthly Benefit Payments. Monthly Benefit Payments, when illustrated, are assumed to take place at the beginning of each month.

## Interest Credit

This is the amount of interest earned and credited to the policy during the contract year shown.

## Interest Rate

The rates of interest shown are annual rates which are credited daily based on the Contract Value. The rates of interest shown for the Non-Guaranteed values are based on the current initial interest crediting rates. Current interest crediting rates are declared by Forethought Life Insurance Company. For the purpose of this illustration, the Company's current initial interest rate is used to calculate the illustrated values after the first Contract Year. Any actual renewal interest rates will very likely NOT be the same as the illustrated renewal interest rates.

## Maximum Extended Benefit

Long-Term Care Benefits payable will be paid first as Accelerated Benefits, described herein. When Accelerated Benefits have been exhausted, Long-Term Care Benefits will continue to be paid as Extended Benefits.

## Maximum Monthly Benefit

This is the Maximum Monthly LTC benefit assuming Insured(s) have met Elimination Period at point in time shown. The monthly benefit payable may not exceed the lesser of (a) the Maximum Monthly Benefit, and (b) the actual expense incurred by the insured for Qualified Long Term Care Expenses in the month. The Maximum Monthly Benefit in a month is reduced proportionately for the number of days in a month in which no Qualified Long Term Care services were received by the insured. For Contracts with Joint Insureds, each Joint Insured is eligible to receive the Maximum Monthly Benefit for Qualified Long Term Care expenses; however, the total of all Joint Insureds' benefits will not exceed the Total Benefit shown above over the life of the contract.

## Optional Inflation Protection Benefit Rider

This rider increases the Maximum Monthly Benefit provided under the Rider for Long-Term Care Benefits to reflect five percent annual compound inflation. The remaining unused Maximum Extended Benefit Amount will also be increased to reflect five percent annual compound interest; however, the remaining unused Accelerated Benefits balance will not be increased to reflect five percent annual compound interest. There is a charge for this rider. This rider can only be purchased if the Rider for Long-Term Care Benefits is purchased.

## Optional Nonforfeiture Benefit Rider

This rider provides continued long-term care coverage over a shortened benefit period upon termination of the Rider for Long-Term Care Benefits. This rider can only be purchased if the Rider for Long-Term Care Benefits is purchased.

## Rider for Long-Term Care Benefits

This rider provides up to two or three times (depending on underwriting eligibility) the amount of Contract Value in long-term care coverage to spend on qualified Long-Term care expenses. Benefits are subject to the maximum

monthly benefit. These benefits are only available to use for a qualified Long-Term care benefit and will not become part of the Contract Value or the Death Benefit. Withdrawals, other than for qualified long-term care expenses, will adversely affect the amount of coverage in the future. This rider provides for the monthly payment of Long-Term Care Benefits when an Insured receives Qualified Long-Term Care Services, subject to the applicable Elimination Period and Waiting Period, if any, while he or she is a Chronically Ill Individual. Benefits are payable first under the Accelerated Benefit provision of the rider until the Accelerated Benefit is exhausted. Then benefits are payable under the Extended Benefit provision of the rider. The Accelerated Benefit pays Monthly Benefit Payments for Qualified Long-Term Care Services that reduce Your Contract Value without Withdrawal Charges or Market Value Adjustments. The Extended Benefit pays Monthly Benefit Payments for Qualified Long-Term Care Services during the Extended Benefit Period, after the Accelerated Benefit is exhausted. There is a monthly fee for the long-term care rider. Therefore, the annuity return will be less than the declared interest rate, due to payment of the Long-Term Care rider fee. However, even after deduction of the rider fee, the Contract Value at month end will not be less than the Contract Value at the prior month end, less any applicable withdrawals.

## Rider Charges

There is a monthly rider charge deducted from your Contract Value for the long term care benefit. The amount of the charge depends on your age at the time of issue and is applied to the Contract Value at the beginning of each month. Please see the ForeCare Disclosure Statement for additional details. The long term care rider charge will be waived while you make withdrawals to pay for long term care. There is a one-time charge at issue for the Optional Inflation and Non-Forfeiture coverages, if these riders are selected.

## Total LTC Benefit

This is the total Long-Term Care Benefit coverage, equal to the sum of Accelerated Benefits and the Maximum Extended Benefit Amount.

# ForeCare Fixed Annuity

With Long-Term Care Benefits

Hypothetical Illustration: Important Information

Global Atlantic Financial Group (Global Atlantic) is the marketing name for The Global Atlantic Financial Group LLC and its subsidiaries, including Forethought Life Insurance Company and Accordia Life and Annuity Company. Each subsidiary is responsible for its own financial and contractual obligations. These subsidiaries are not authorized to do business in New York.

ForeCare is a single premium tax-deferred annuity with qualified long term care benefits issued by Forethought Life Insurance Company, 10 West Market Street, Suite 2300, Indianapolis, Indiana. Forethought Life Insurance Company is a subsidiary of Global Atlantic Financial Group Limited. Available in most states with Contract FA1101SPDA-01 with Rider for Long Term Care Benefits Form LTC2000-01, Optional Inflation Protection Benefit Rider Form LTC2001-01, and Optional Nonforfeiture Benefit Rider Form LTC2002-01. It is not available for IRA and Roth IRA plans.

**Guarantees are based on the claims-paying ability of Forethought Life Insurance Company and assume compliance with the product's benefit rules, as applicable.**

**Products and features are subject to state availability and variations. Read the Contract for complete details.**

A fixed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses.

This information is written in connection with the promotion or marketing of the matter(s) addressed in this material. The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice. As with all matters of a tax or legal nature, you should consult a tax or legal counsel for advice.

Withdrawals, taken for purposes other than qualified long-term care benefits and Rider for Long Term Care Benefit costs, will reduce the total amount available for long-term care benefits on a pro-rata basis. A tax advisor should be consulted prior to taking withdrawals. A withdrawal in excess of the Free Withdrawal Amount\* (other than for long-term care benefits and costs) may be subject to Withdrawal Charges and Market Value Adjustments (state variations apply). Withdrawals of taxable amounts are subject to a 10% IRS federal tax penalty if taken before age 59½. Cash withdrawals and annuitization options may impact subsequent long-term care coverage. Long-Term Care Rider charges and benefits paid are not taxable if the Contract Value is used for long-term care benefits.

**This illustration should not be considered a guarantee or estimate of amounts to be paid. Illustrated Values assume that Forethought's current interest crediting rates will continue unchanged. This is NOT likely to occur and actual results may be more or less favorable than those shown in this illustration. Please refer to the Disclosure Documents and Buyer's Guide for more detailed information about your annuity.**

\*Free Withdrawal Amount: In any Contract Year, you may withdraw the greater of the two following values in that policy year without a Withdrawal Charge or Market Value Adjustments.

- Sum of the monthly payments for Qualified Long-Term Care services.
- 10% of the beginning of the year's Contract Value.

**Applicant Acknowledgement**

By signing below, I certify that I have received and reviewed a copy of this illustration and understand the long term nature of the annuity Contract for which I am applying. I acknowledge that I have been provided a copy of the ForeCare Disclosure Statement as well as a Buyer's Guide which contains important information about the ForeCare annuity. I also acknowledge and agree that my agent has informed me of the elements of this long-term care annuity which are guaranteed as well as the elements of this long-term care annuity which are not guaranteed. Further, I acknowledge that any non-guaranteed elements of the annuity that I am applying for are subject to change and may result in annuity Contract Values and benefits which are higher or lower than those shown on the illustration.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant(s)

**Agent Acknowledgement**

I certify that this illustration has been presented to the Applicant and that I have explained that all non-guaranteed elements illustrated are subject to change. I have made no statements that are inconsistent with the illustration.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Agent

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Preferred  
Coverage Ratio: 315%  
Initial Premium: \$100,000

## Do you have a plan allowing you to age in place?

**7 out of 10** people will require long-term care in their lifetime.<sup>1</sup>

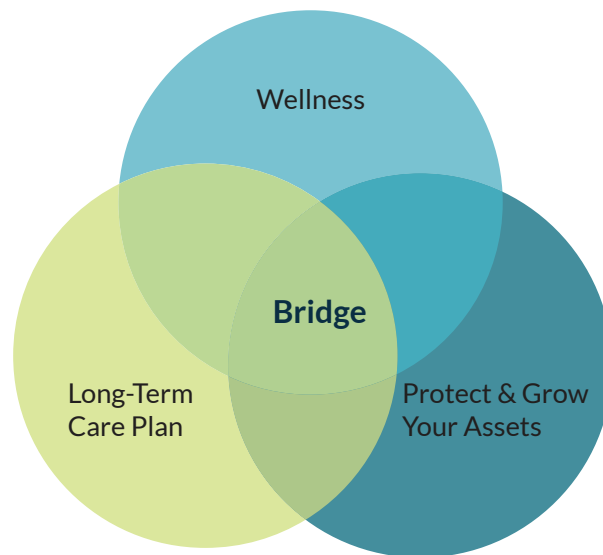
**66%** say healthcare and long-term care costs are their **primary worry**.<sup>2</sup>

**88%** of adults between ages 50-80 want to **age in place**.<sup>3</sup>

Everyone wants an active, independent lifestyle and protection from the high cost of long-term care.

Yet, planning for wellness and financial goals normally involves distinctly different disciplines.

Now they're connected, with **Bridge**.



THIS IS A SOLICITATION OF LONG-TERM CARE INSURANCE BY EQUITRUST LIFE INSURANCE COMPANY AND AN AGENT/INSURANCE PRODUCER MAY CONTACT YOU.

The EquiTrust Fixed Annuity is a flexible premium deferred annuity Contract which is primarily intended for long-term care funding. All examples provided in this Calculator are hypothetical and are based upon the information provided by you. This Calculator is not part of your Contract and is not meant to be a substitute for your Contract or Illustration.

1. 2020 U.S. Department of Health and Human Services (<https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>)  
2. Edward Jones, The Four Pillars of The New Retirement: What a Difference a Year Makes, August, 2020  
3. University of Michigan, Older Adults Preparedness to Age in Place, April 2022

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Preferred  
Coverage Ratio: 315%  
Initial Premium: \$100,000

## Better Wellness

To make successful aging more achievable, EquiTrust has partnered with Assured Allies to offer the NeverStop Wellness Program.

NeverStop combines data, technology, and a science-based approach to shift the aging trajectory and reduce the risks of premature, age-related decline. Plus it offers access to personalized health plans, a health coach and the opportunity to earn additional long-term care coverage through active participation.



## Financial wellness, now.

Bridge offers a multi-purpose solution to provide benefits if you need aging related care and the opportunity for accumulation if you don't.

# Bridge

Index Annuity with Long-Term Care and Wellness Benefits

117/151



Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Preferred  
Coverage Ratio: 315%  
Initial Premium: \$100,000

## Better Access

Have you considered the impact that long-term care services could have on your financial security?

### Cost Per Month for Skilled Care (median cost)

**\$7,908** semiprivate nursing home room<sup>4</sup>

**\$5,148** home health aid<sup>4</sup>

**\$4,500** assisted living<sup>4</sup>

### Traditional Long-Term Care Insurance

**\$4,867** per month (\$160/day): maximum typical payout for nursing care (for up to 3 years commonly)<sup>5</sup>

**\$3,750** per year: average premium for a 65-year-old couple (\$313/month)<sup>5</sup>

**\$0** residual value

## Bridge vs. Savings Account

80% of people do not have a solution to cover costs associated with assistance with activities of daily living.<sup>6</sup>

The cost for skilled care can quickly exhaust financial resources. Bridge provides monthly benefits for long-term care expenses that may far exceed your premium. You have peace of mind knowing you have funds set aside for aging related expenses, plus a wellness program empowering you to determine where and how you age.

Based on Claim  
Age: 85

Premium:  
\$100,000

Bridge Monthly  
Benefit:  
\$7,801

How long your money would last with Bridge (in months)

60

How long your money would last self-funding (in months)

23

37

Difference in how long your money **COULD** last (in months)

This example is hypothetical and intended to show the difference between receiving Bridge payments to cover long-term care services versus paying for those services out of premium accumulated at a rate of 3.00%. The self-funding numbers ignore the impact of taxes.

4. Genworth, 2021 Cost of Care Report, January 31, 2022

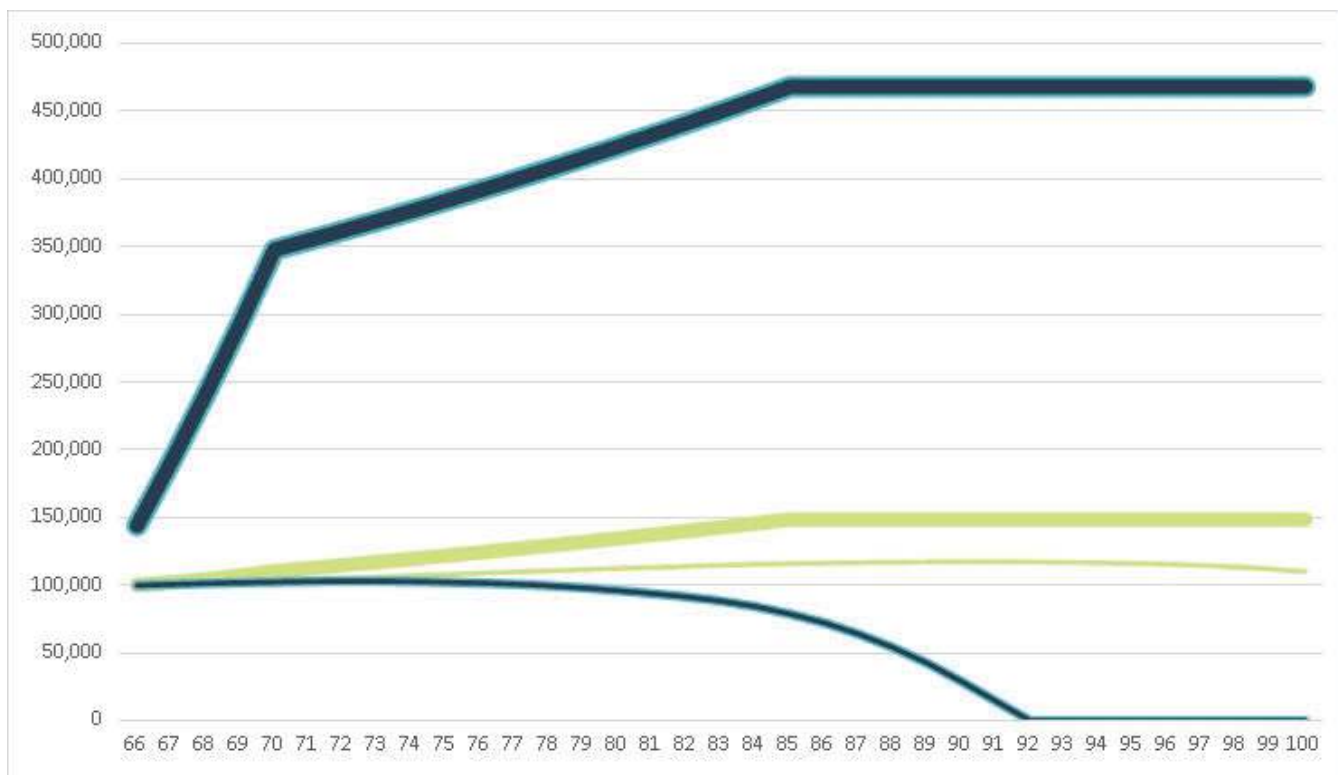
5. AARP, 5 Things You Should Know About Long-Term Care Insurance, March 1, 2018

6. Nationwide Insurance, Half of Americans fear falling more than cancer and want to age in home without stairs, November 17, 2021

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Preferred  
Coverage Ratio: 315%  
Initial Premium: \$100,000

## Coverage Ratio vs. Guaranteed Accumulation Value



**Max Coverage Ratio: 315%**

■ Guaranteed Vested Benefit Base

— Guaranteed Accumulation Value

**Selected Coverage Ratio: 315%**

■ Guaranteed Vested Benefit Base

— Guaranteed Accumulation Value

**Min Coverage Ratio: 100%**

■ Guaranteed Vested Benefit Base

— Guaranteed Accumulation Value

The Coverage Ratio provides additional long-term care coverage (depending on underwriting eligibility) above the amount of the contract value. The additional coverage is only available to use for long-term care Qualified services and will not become part of the Accumulation Value or the Death Benefit. The amounts in the graph assume no withdrawals are taken and 100% of the premium is allocated to the Fixed Account at the guaranteed interest rate of 1.00%.

Maximum Coverage Ratio may be lower based on Underwriting Class, Age and/or selection of optional Inflation Protection Rider.

Prepared For:  
 State: NC  
 Prepared on: 6/16/2023  
 Issue Age: 65

Risk Class: Preferred  
 Coverage Ratio: 315%  
 Initial Premium: \$100,000

### Summary of Monthly Benefits

|             |     | Minimum Coverage Ratio (100%)  | Selected Coverage Ratio (315%) | Maximum Coverage Ratio (315%)  |
|-------------|-----|--------------------------------|--------------------------------|--------------------------------|
| End of Year | Age | Guaranteed LTC Monthly Benefit | Guaranteed LTC Monthly Benefit | Guaranteed LTC Monthly Benefit |
| 1           | 66  | \$1,672                        | \$2,402                        | \$2,402                        |
| 2           | 67  | \$1,701                        | \$3,192                        | \$3,192                        |
| 3           | 68  | \$1,739                        | \$4,019                        | \$4,019                        |
| 4           | 69  | \$1,785                        | \$4,886                        | \$4,886                        |
| 5           | 70  | \$1,840                        | \$5,796                        | \$5,796                        |
| 6           | 71  | \$1,877                        | \$5,912                        | \$5,912                        |
| 7           | 72  | \$1,914                        | \$6,031                        | \$6,031                        |
| 8           | 73  | \$1,953                        | \$6,151                        | \$6,151                        |
| 9           | 74  | \$1,992                        | \$6,274                        | \$6,274                        |
| 10          | 75  | \$2,032                        | \$6,400                        | \$6,400                        |
| 11          | 76  | \$2,072                        | \$6,528                        | \$6,528                        |
| 12          | 77  | \$2,114                        | \$6,658                        | \$6,658                        |
| 13          | 78  | \$2,156                        | \$6,791                        | \$6,791                        |
| 14          | 79  | \$2,199                        | \$6,927                        | \$6,927                        |
| 15          | 80  | \$2,243                        | \$7,066                        | \$7,066                        |
| 16          | 81  | \$2,288                        | \$7,207                        | \$7,207                        |
| 17          | 82  | \$2,334                        | \$7,351                        | \$7,351                        |
| 18          | 83  | \$2,380                        | \$7,498                        | \$7,498                        |
| 19          | 84  | \$2,428                        | \$7,648                        | \$7,648                        |
| 20          | 85  | \$2,477                        | \$7,801                        | \$7,801                        |
| 30          | 95  | \$2,477                        | \$7,801                        | \$7,801                        |
| 35          | 100 | \$2,477                        | \$7,801                        | \$7,801                        |

The amounts shown must be used for long-term care Qualified services. The amounts assume no withdrawals are taken and 100% of the premium is allocated to the Fixed Account at the guaranteed interest rate of 1.00%. This is not an offer, Contract or promise of future performance. Long-term care coverage is subject to the terms and conditions of the Rider.

Maximum Coverage Ratio may be lower based on Underwriting Class, Age and/or selection of optional Inflation Protection Rider.

# Bridge

Index Annuity with Long-Term Care and Wellness Benefits

120/151



Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Preferred  
Coverage Ratio: 315%  
Initial Premium: \$100,000

## Better Life

Bridge can help you delay or avoid your need for long-term care services.

Active participation in NeverStop Wellness and completion of the recommended Healthy Actions can help reduce the risk of age-related decline, so you can live independently longer.

If you don't need long-term care benefits during your lifetime, the value of the underlying annuity may be available to you or your beneficiary.



## Learn More About Bridge

[Neverstop Wellness Video](#)

[Assured Digital Underwriting Video](#)

Your agent can help you find the right balance between anticipated long-term care benefits and the value of your annuity account.

Hans Scheil  
919-535-8261

Contract issued on Form Series ICC12-ET-EIA-2000(11-21) or ET-EIA-2000(12-21). Riders issued on ICC17-ET-FIXED-MVA(02-17); ICC18-430-NHW(06-18) or 430-NHW(08-03); ICC16-ET-TI(10-16) or ET-TI(10-16). Long-Term Care Rider issued on ET-LTC(04-22). NeverStop Wellness Rider issued on ET-WEL(11-21).

ANNUITY AND INSURANCE PRODUCTS ARE NOT DEPOSITS NOR ARE THEY GUARANTEED BY ANY BANK. THEY ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY OTHER AGENCY OF THE FEDERAL GOVERNMENT. CERTAIN PRODUCTS MAY LOSE VALUE.

Guarantees are based on the claims-paying ability of EquiTrust.

This Rider is intended to be federally tax-qualified long-term care insurance under section 7702B of the Internal Revenue Code of 1986, as amended.

The Long-Term Care and Wellness Riders may be terminated by a written request from the Owner. The Rider will also terminate when the requirements specified for the Owner are no longer met, when the Owner or Annuitant is changed, when the Contract is surrendered, upon the death of the Owner, upon election of a Payment Plan (annuitization), when the Accumulation Value becomes \$0 due to non-LTC partial withdrawals, upon spousal continuation, or upon the date all long-term care benefits available under the rider have been paid.

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Standard  
Coverage Ratio: 215%  
Initial Premium: \$100,000

## Do you have a plan allowing you to age in place?

**7 out of 10** people will require long-term care in their lifetime.<sup>1</sup>

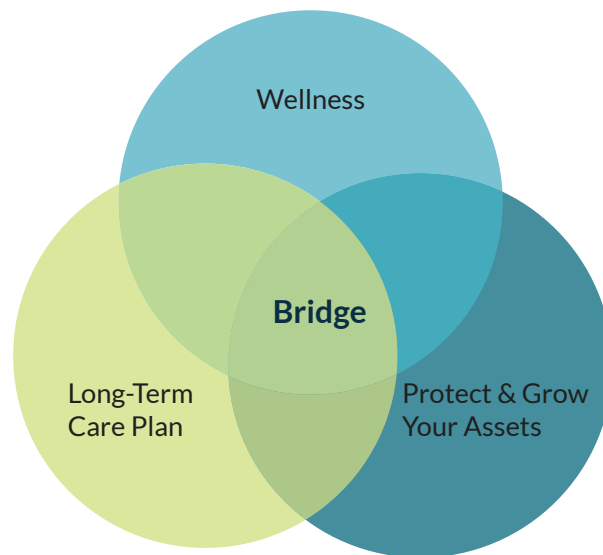
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Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Standard  
Coverage Ratio: 215%  
Initial Premium: \$100,000

## Better Wellness

To make successful aging more achievable, EquiTrust has partnered with Assured Allies to offer the NeverStop Wellness Program.

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## Financial wellness, now.

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Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Standard  
Coverage Ratio: 215%  
Initial Premium: \$100,000

## Better Access

Have you considered the impact that long-term care services could have on your financial security?

### Cost Per Month for Skilled Care (median cost)

**\$7,908** semiprivate nursing home room<sup>4</sup>

**\$5,148** home health aid<sup>4</sup>

**\$4,500** assisted living<sup>4</sup>

### Traditional Long-Term Care Insurance

**\$4,867** per month (\$160/day): maximum typical payout for nursing care (for up to 3 years commonly)<sup>5</sup>

**\$3,750** per year: average premium for a 65-year-old couple (\$313/month)<sup>5</sup>

**\$0** residual value

## Bridge vs. Savings Account

80% of people do not have a solution to cover costs associated with assistance with activities of daily living.<sup>6</sup>

The cost for skilled care can quickly exhaust financial resources. Bridge provides monthly benefits for long-term care expenses that may far exceed your premium. You have peace of mind knowing you have funds set aside for aging related expenses, plus a wellness program empowering you to determine where and how you age.

Based on Claim  
Age: 85

Premium:  
\$100,000

Bridge Monthly  
Benefit:  
\$5,325

How long your money would last with Bridge (in months)

**60**

How long your money would last self-funding (in months)

**33**

**27**

Difference in how long your money **COULD** last (in months)

This example is hypothetical and intended to show the difference between receiving Bridge payments to cover long-term care services versus paying for those services out of premium accumulated at a rate of 3.00%. The self-funding numbers ignore the impact of taxes.

4. Genworth, 2021 Cost of Care Report, January 31, 2022

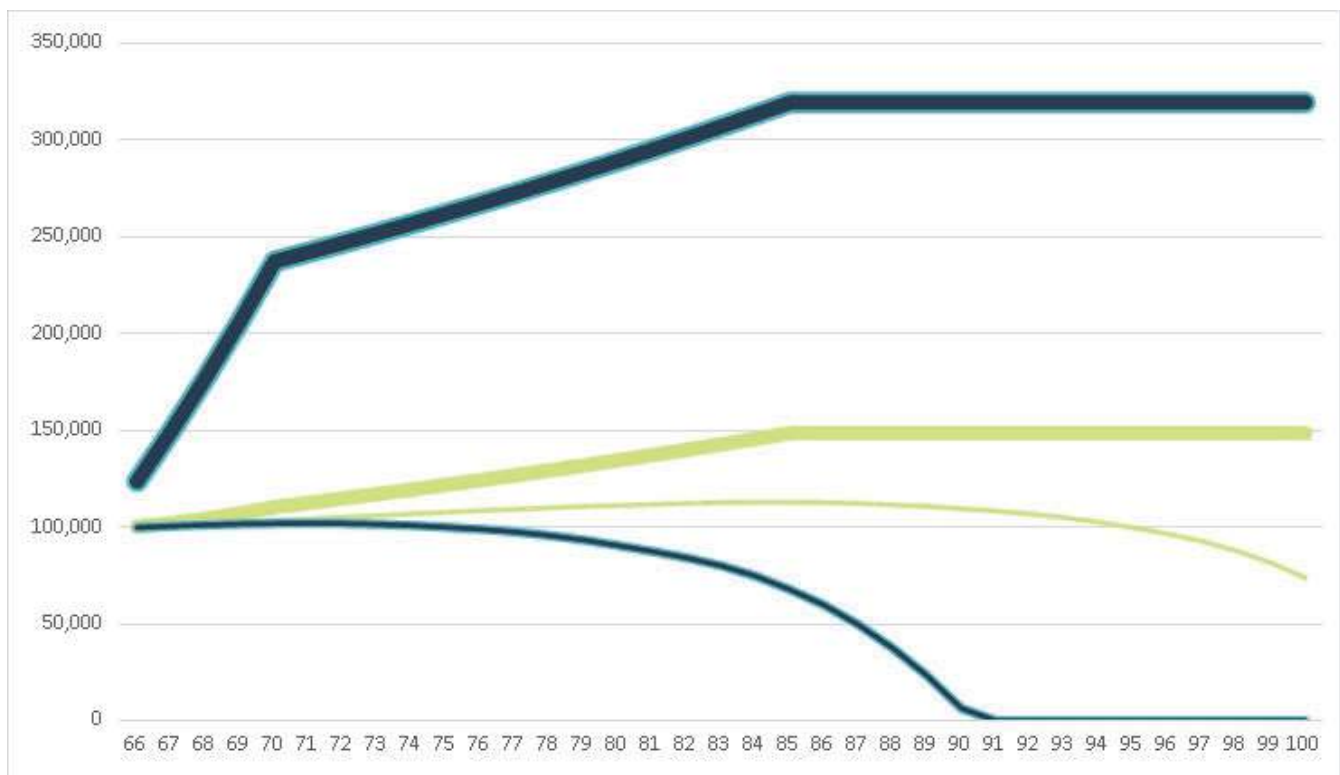
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6. Nationwide Insurance, Half of Americans fear falling more than cancer and want to age in home without stairs, November 17, 2021

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Standard  
Coverage Ratio: 215%  
Initial Premium: \$100,000

## Coverage Ratio vs. Guaranteed Accumulation Value



### Max Coverage Ratio: 215%

■ Guaranteed Vested Benefit Base  
— Guaranteed Accumulation Value

### Selected Coverage Ratio: 215%

■ Guaranteed Vested Benefit Base  
— Guaranteed Accumulation Value

### Min Coverage Ratio: 100%

■ Guaranteed Vested Benefit Base  
— Guaranteed Accumulation Value

The Coverage Ratio provides additional long-term care coverage (depending on underwriting eligibility) above the amount of the contract value. The additional coverage is only available to use for long-term care Qualified services and will not become part of the Accumulation Value or the Death Benefit. The amounts in the graph assume no withdrawals are taken and 100% of the premium is allocated to the Fixed Account at the guaranteed interest rate of 1.00%.

Maximum Coverage Ratio may be lower based on Underwriting Class, Age and/or selection of optional Inflation Protection Rider.

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Standard  
Coverage Ratio: 215%  
Initial Premium: \$100,000

## Summary of Monthly Benefits

|             |     | Minimum Coverage Ratio (100%)  | Selected Coverage Ratio (215%) | Maximum Coverage Ratio (215%)  |
|-------------|-----|--------------------------------|--------------------------------|--------------------------------|
| End of Year | Age | Guaranteed LTC Monthly Benefit | Guaranteed LTC Monthly Benefit | Guaranteed LTC Monthly Benefit |
| 1           | 66  | \$1,672                        | \$2,062                        | \$2,062                        |
| 2           | 67  | \$1,701                        | \$2,497                        | \$2,497                        |
| 3           | 68  | \$1,739                        | \$2,957                        | \$2,957                        |
| 4           | 69  | \$1,785                        | \$3,442                        | \$3,442                        |
| 5           | 70  | \$1,840                        | \$3,956                        | \$3,956                        |
| 6           | 71  | \$1,877                        | \$4,035                        | \$4,035                        |
| 7           | 72  | \$1,914                        | \$4,116                        | \$4,116                        |
| 8           | 73  | \$1,953                        | \$4,198                        | \$4,198                        |
| 9           | 74  | \$1,992                        | \$4,282                        | \$4,282                        |
| 10          | 75  | \$2,032                        | \$4,368                        | \$4,368                        |
| 11          | 76  | \$2,072                        | \$4,455                        | \$4,455                        |
| 12          | 77  | \$2,114                        | \$4,545                        | \$4,545                        |
| 13          | 78  | \$2,156                        | \$4,635                        | \$4,635                        |
| 14          | 79  | \$2,199                        | \$4,728                        | \$4,728                        |
| 15          | 80  | \$2,243                        | \$4,823                        | \$4,823                        |
| 16          | 81  | \$2,288                        | \$4,919                        | \$4,919                        |
| 17          | 82  | \$2,334                        | \$5,018                        | \$5,018                        |
| 18          | 83  | \$2,380                        | \$5,118                        | \$5,118                        |
| 19          | 84  | \$2,428                        | \$5,220                        | \$5,220                        |
| 20          | 85  | \$2,477                        | \$5,325                        | \$5,325                        |
| 30          | 95  | \$2,477                        | \$5,325                        | \$5,325                        |
| 35          | 100 | \$2,477                        | \$5,325                        | \$5,325                        |

The amounts shown must be used for long-term care Qualified services. The amounts assume no withdrawals are taken and 100% of the premium is allocated to the Fixed Account at the guaranteed interest rate of 1.00%. This is not an offer, Contract or promise of future performance. Long-term care coverage is subject to the terms and conditions of the Rider.

Maximum Coverage Ratio may be lower based on Underwriting Class, Age and/or selection of optional Inflation Protection Rider.

# Bridge

Index Annuity with Long-Term Care and Wellness Benefits

126/151



Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Standard  
Coverage Ratio: 215%  
Initial Premium: \$100,000

## Better Life

Bridge can help you delay or avoid your need for long-term care services.

Active participation in NeverStop Wellness and completion of the recommended Healthy Actions can help reduce the risk of age-related decline, so you can live independently longer.

If you don't need long-term care benefits during your lifetime, the value of the underlying annuity may be available to you or your beneficiary.



## Learn More About Bridge

[Neverstop Wellness Video](#)

[Assured Digital Underwriting Video](#)

Your agent can help you find the right balance between anticipated long-term care benefits and the value of your annuity account.

Hans Scheil  
919-535-8261

Contract issued on Form Series ICC12-ET-EIA-2000(11-21) or ET-EIA-2000(12-21). Riders issued on ICC17-ET-FIXED-MVA(02-17); ICC18-430-NHW(06-18) or 430-NHW(08-03); ICC16-ET-TI(10-16) or ET-TI(10-16). Long-Term Care Rider issued on ET-LTC(04-22). NeverStop Wellness Rider issued on ET-WEL(11-21).

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Guarantees are based on the claims-paying ability of EquiTrust.

This Rider is intended to be federally tax-qualified long-term care insurance under section 7702B of the Internal Revenue Code of 1986, as amended.

The Long-Term Care and Wellness Riders may be terminated by a written request from the Owner. The Rider will also terminate when the requirements specified for the Owner are no longer met, when the Owner or Annuitant is changed, when the Contract is surrendered, upon the death of the Owner, upon election of a Payment Plan (annuitization), when the Accumulation Value becomes \$0 due to non-LTC partial withdrawals, upon spousal continuation, or upon the date all long-term care benefits available under the rider have been paid.

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Secure  
Coverage Ratio: 140%  
Initial Premium: \$100,000

## Do you have a plan allowing you to age in place?

**7 out of 10** people will require long-term care in their lifetime.<sup>1</sup>

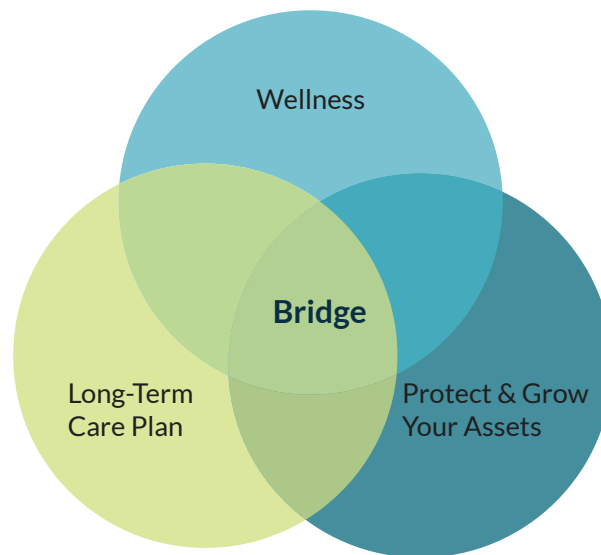
**66%** say healthcare and long-term care costs are their **primary worry**.<sup>2</sup>

**88%** of adults between ages 50-80 want to **age in place**.<sup>3</sup>

Everyone wants an active, independent lifestyle and protection from the high cost of long-term care.

Yet, planning for wellness and financial goals normally involves distinctly different disciplines.

Now they're connected, with **Bridge**.



THIS IS A SOLICITATION OF LONG-TERM CARE INSURANCE BY EQUITRUST LIFE INSURANCE COMPANY AND AN AGENT/INSURANCE PRODUCER MAY CONTACT YOU.

The EquiTrust Fixed Annuity is a flexible premium deferred annuity Contract which is primarily intended for long-term care funding. All examples provided in this Calculator are hypothetical and are based upon the information provided by you. This Calculator is not part of your Contract and is not meant to be a substitute for your Contract or Illustration.

1. 2020 U.S. Department of Health and Human Services (<https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>)  
2. Edward Jones, The Four Pillars of The New Retirement: What a Difference a Year Makes, August, 2020  
3. University of Michigan, Older Adults Preparedness to Age in Place, April 2022

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Secure  
Coverage Ratio: 140%  
Initial Premium: \$100,000

## Better Wellness

To make successful aging more achievable, EquiTrust has partnered with Assured Allies to offer the NeverStop Wellness Program.

NeverStop combines data, technology, and a science-based approach to shift the aging trajectory and reduce the risks of premature, age-related decline. Plus it offers access to personalized health plans, a health coach and the opportunity to earn additional long-term care coverage through active participation.



## Financial wellness, now.

Bridge offers a multi-purpose solution to provide benefits if you need aging related care and the opportunity for accumulation if you don't.

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Secure  
Coverage Ratio: 140%  
Initial Premium: \$100,000

## Better Access

Have you considered the impact that long-term care services could have on your financial security?

### Cost Per Month for Skilled Care (median cost)

**\$7,908** semiprivate nursing home room<sup>4</sup>

**\$5,148** home health aid<sup>4</sup>

**\$4,500** assisted living<sup>4</sup>

### Traditional Long-Term Care Insurance

**\$4,867** per month (\$160/day): maximum typical payout for nursing care (for up to 3 years commonly)<sup>5</sup>

**\$3,750** per year: average premium for a 65-year-old couple (\$313/month)<sup>5</sup>

**\$0** residual value

## Bridge vs. Savings Account

80% of people do not have a solution to cover costs associated with assistance with activities of daily living.<sup>6</sup>

The cost for skilled care can quickly exhaust financial resources. Bridge provides monthly benefits for long-term care expenses that may far exceed your premium. You have peace of mind knowing you have funds set aside for aging related expenses, plus a wellness program empowering you to determine where and how you age.

Based on Claim  
Age: 85

Premium:  
\$100,000

Bridge Monthly  
Benefit:  
\$3,467

How long your money would last with Bridge (in months)

**60**

How long your money would last self-funding (in months)

**52**

**8**

Difference in how long your money **COULD** last (in months)

This example is hypothetical and intended to show the difference between receiving Bridge payments to cover long-term care services versus paying for those services out of premium accumulated at a rate of 3.00%. The self-funding numbers ignore the impact of taxes.

4. Genworth, 2021 Cost of Care Report, January 31, 2022

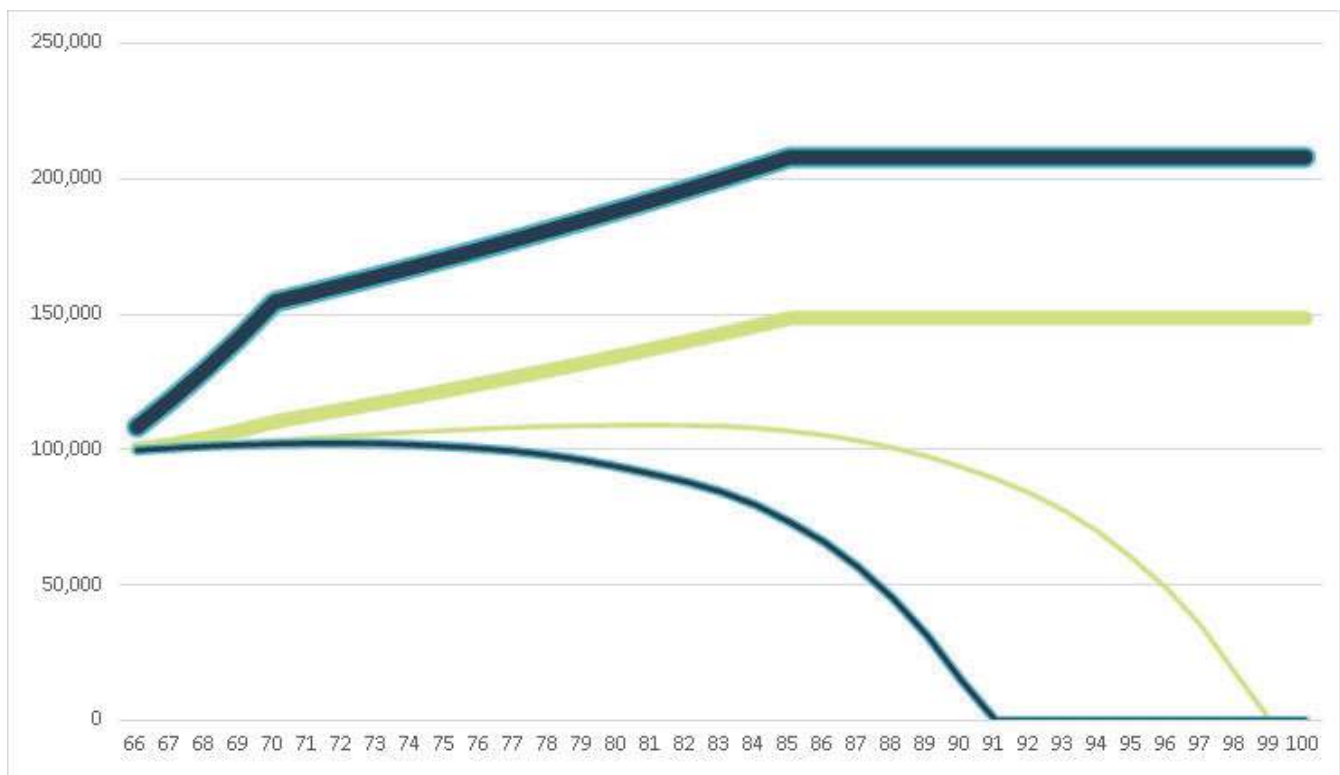
5. AARP, 5 Things You Should Know About Long-Term Care Insurance, March 1, 2018

6. Nationwide Insurance, Half of Americans fear falling more than cancer and want to age in home without stairs, November 17, 2021

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Secure  
Coverage Ratio: 140%  
Initial Premium: \$100,000

## Coverage Ratio vs. Guaranteed Accumulation Value



### Max Coverage Ratio: 140%

■ Guaranteed Vested Benefit Base  
— Guaranteed Accumulation Value

### Selected Coverage Ratio: 140%

■ Guaranteed Vested Benefit Base  
— Guaranteed Accumulation Value

### Min Coverage Ratio: 100%

■ Guaranteed Vested Benefit Base  
— Guaranteed Accumulation Value

The Coverage Ratio provides additional long-term care coverage (depending on underwriting eligibility) above the amount of the contract value. The additional coverage is only available to use for long-term care Qualified services and will not become part of the Accumulation Value or the Death Benefit. The amounts in the graph assume no withdrawals are taken and 100% of the premium is allocated to the Fixed Account at the guaranteed interest rate of 1.00%.

Maximum Coverage Ratio may be lower based on Underwriting Class, Age and/or selection of optional Inflation Protection Rider.

Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Secure  
Coverage Ratio: 140%  
Initial Premium: \$100,000

## Summary of Monthly Benefits

|             |     | Minimum Coverage Ratio (100%)  | Selected Coverage Ratio (140%) | Maximum Coverage Ratio (140%)  |
|-------------|-----|--------------------------------|--------------------------------|--------------------------------|
| End of Year | Age | Guaranteed LTC Monthly Benefit | Guaranteed LTC Monthly Benefit | Guaranteed LTC Monthly Benefit |
| 1           | 66  | \$1,672                        | \$1,807                        | \$1,807                        |
| 2           | 67  | \$1,701                        | \$1,977                        | \$1,977                        |
| 3           | 68  | \$1,739                        | \$2,161                        | \$2,161                        |
| 4           | 69  | \$1,785                        | \$2,360                        | \$2,360                        |
| 5           | 70  | \$1,840                        | \$2,576                        | \$2,576                        |
| 6           | 71  | \$1,877                        | \$2,628                        | \$2,628                        |
| 7           | 72  | \$1,914                        | \$2,680                        | \$2,680                        |
| 8           | 73  | \$1,953                        | \$2,734                        | \$2,734                        |
| 9           | 74  | \$1,992                        | \$2,789                        | \$2,789                        |
| 10          | 75  | \$2,032                        | \$2,844                        | \$2,844                        |
| 11          | 76  | \$2,072                        | \$2,901                        | \$2,901                        |
| 12          | 77  | \$2,114                        | \$2,959                        | \$2,959                        |
| 13          | 78  | \$2,156                        | \$3,018                        | \$3,018                        |
| 14          | 79  | \$2,199                        | \$3,079                        | \$3,079                        |
| 15          | 80  | \$2,243                        | \$3,140                        | \$3,140                        |
| 16          | 81  | \$2,288                        | \$3,203                        | \$3,203                        |
| 17          | 82  | \$2,334                        | \$3,267                        | \$3,267                        |
| 18          | 83  | \$2,380                        | \$3,333                        | \$3,333                        |
| 19          | 84  | \$2,428                        | \$3,399                        | \$3,399                        |
| 20          | 85  | \$2,477                        | \$3,467                        | \$3,467                        |
| 30          | 95  | \$2,477                        | \$3,467                        | \$3,467                        |
| 35          | 100 | \$2,477                        | \$3,467                        | \$3,467                        |

The amounts shown must be used for long-term care Qualified services. The amounts assume no withdrawals are taken and 100% of the premium is allocated to the Fixed Account at the guaranteed interest rate of 1.00%. This is not an offer, Contract or promise of future performance. Long-term care coverage is subject to the terms and conditions of the Rider.

Maximum Coverage Ratio may be lower based on Underwriting Class, Age and/or selection of optional Inflation Protection Rider.

# Bridge

Index Annuity with Long-Term Care and Wellness Benefits

132/151



Prepared For:  
State: NC  
Prepared on: 6/16/2023  
Issue Age: 65

Risk Class: Secure  
Coverage Ratio: 140%  
Initial Premium: \$100,000

## Better Life

Bridge can help you delay or avoid your need for long-term care services.

Active participation in NeverStop Wellness and completion of the recommended Healthy Actions can help reduce the risk of age-related decline, so you can live independently longer.

If you don't need long-term care benefits during your lifetime, the value of the underlying annuity may be available to you or your beneficiary.



## Learn More About Bridge

[Neverstop Wellness Video](#)

[Assured Digital Underwriting Video](#)

Your agent can help you find the right balance between anticipated long-term care benefits and the value of your annuity account.

Hans Scheil  
919-535-8261

Contract issued on Form Series ICC12-ET-EIA-2000(11-21) or ET-EIA-2000(12-21). Riders issued on ICC17-ET-FIXED-MVA(02-17); ICC18-430-NHW(06-18) or 430-NHW(08-03); ICC16-ET-TI(10-16) or ET-TI(10-16). Long-Term Care Rider issued on ET-LTC(04-22). NeverStop Wellness Rider issued on ET-WEL(11-21).

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Guarantees are based on the claims-paying ability of EquiTrust.

This Rider is intended to be federally tax-qualified long-term care insurance under section 7702B of the Internal Revenue Code of 1986, as amended.

The Long-Term Care and Wellness Riders may be terminated by a written request from the Owner. The Rider will also terminate when the requirements specified for the Owner are no longer met, when the Owner or Annuitant is changed, when the Contract is surrendered, upon the death of the Owner, upon election of a Payment Plan (annuitization), when the Accumulation Value becomes \$0 due to non-LTC partial withdrawals, upon spousal continuation, or upon the date all long-term care benefits available under the rider have been paid.

**Annuity**

8300 Mills Civic Parkway  
West Des Moines, IA 50266  
**MidlandNational.com**



133/151  
**MIDLAND  
NATIONAL®**  
A **Sammons** Financial Company

Personalized Hypothetical Illustration

# **MNL Income Planning Annuity<sup>SM</sup>**

Issued by Midland National® Life Insurance Company

Single Premium Deferred Annuity  
Qualified Contract

***Prepared for:***

Owner: Valued Client  
Issue State: NC

***Agent/Representative:***

HANS SCHEIL  
Date Prepared: 04/18/2023

**FOR ILLUSTRATED VALUES, GO TO PAGE 7****GENERAL PRODUCT TERMS**

Listed below are some basic terms and their definitions. Please refer to the product brochure and disclosure for more information.

**PREMIUM**

The amount paid into the annuity contract.

**ACCUMULATION VALUE**

The premiums and interest credited, if any, less withdrawals and any applicable rider charges.

**DEATH BENEFIT**

The Death Benefit is equal to the accumulation value (including any partial interest credits), but will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the contract is delivered.

**MARKET VALUE ADJUSTMENT (MVA)**

May be applied during the Surrender Charge Period. See the MVA section at the end of this illustration for more information.

**SURRENDER VALUE**

The amount that is available at the time of surrender. The surrender value is equal to the Accumulation Value, subject to the MVA, if any, less applicable surrender charges, and applicable state premium taxes. The surrender value will never be less than the minimum requirements set forth by state laws, at the time of issue, in the state where the contract is delivered.

**SURRENDER CHARGES**

A surrender charge is assessed on any amount withdrawn, whether as a partial or full surrender, that exceeds the penalty-free withdrawal amount. However, surrender charges on any portion of an IRS required minimum distribution are waived by current company practice.<sup>1</sup>

**Surrender Charge Schedule Years 1 to 10**

10%, 10%, 10%, 10%, 10%, 9%, 8%, 6%, 4%, 2%

**PENALTY-FREE WITHDRAWALS**

Once per year beginning in the first contract year, you may take a penalty-free withdrawal (also known as a penalty-free partial surrender), without surrender charges, or MVA, of up to 5% of your Initial Premium. On IRS required minimum distributions (RMDs) exceeding the available penalty-free allowance, surrender charges, and MVA will be waived by current company practice.<sup>1</sup>

**WITHDRAWAL AND ANNUITY PAY-OUT OPTIONS**

Prior to the Maturity Date (the contract anniversary when the Annuitant is age 115) you may withdraw from the value of your Contract in the following ways:

- 1) At any time prior to the Maturity Date, you may surrender the Contract for its surrender value.
- 2) After the first Contract Year and upon your request, you may select a pay-out option as provided in your Contract. Your payment amount will be calculated based on your surrender value at the time the pay-out option is elected. By current company practice,<sup>1</sup> additional options may be available based on your Accumulation Value at the time the pay-out option is elected.
- 3) After the Surrender Charge Period, full and partial surrenders may be taken without Surrender Charges.

On your Maturity Date, the pay-out options available include: Life options, Joint and Survivor options and Period Certain options. An example of a 10 year Period Certain based on Guaranteed Values is shown below.

|            | Accumulation<br>Value at Maturity | Monthly<br>Factor/\$1000 | Monthly Annuity<br>Income |
|------------|-----------------------------------|--------------------------|---------------------------|
| Guaranteed | \$0.00                            | 8.96                     | \$0.00                    |

**INDEX ACCOUNT**

Some or all of your premium may be allocated to the Index Account, which offers several different indexes and crediting methods.

**ILLUSTRATION SNAPSHOT**

Covered Person (Age): **Valued Client (65)**  
 JT Covered Person (Age): **Joint Covered (65)**  
 Premium: **\$100,000.00**  
 Agent Name: **HANS SCHEIL**  
 State: **NC**

**ILLUSTRATED WITHDRAWALS**

LPA beginning in Contract Year: **16**

**GLWB FEATURE DETAILS**

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

This illustration is not valid unless all pages are present.

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## GENERAL PRODUCT TERMS (continued)

### FIXED ACCOUNT

Premium allocated to the Fixed Account will earn the current interest rate, which is credited daily.

### CREDITED INTEREST RATE (INTEREST CREDIT)

The rate of interest credited from the Fixed Account and Index Account(s) to the Accumulation Value.

### CREDITING METHOD DURATIONS

Crediting method durations may be referred to as "Terms" and show a specified duration for that Term in your Contract. Please refer to your Contract for additional details.

### ANNUAL POINT-TO-POINT WITH PARTICIPATION RATE

This method measures index growth using two points in time; the beginning index value and the ending index value. Index-linked gains are calculated based on the growth between these two values multiplied by a participation rate. The annual interest credit will never be less than zero.

### TWO YEAR POINT-TO-POINT WITH PARTICIPATION

This method measures index growth using two points in time; the beginning index value and the ending index value at the end of the two-year term. Index-linked gains are calculated based on the growth between these two values multiplied by a participation rate. The interest credit is credited at the end of the two-year term and will never be less than zero.

### ANNUAL POINT-TO-POINT WITH INDEX MARGIN

This method measures index growth using two points in time; the beginning index value and the ending index value. Index-linked gains are calculated based on the difference between these two values less an Index Margin. The annual interest credit will never be less than zero.

### TWO YEAR POINT-TO-POINT WITH INDEX MARGIN

This method measures index growth using two points in time; the beginning index value and the index value at the end of the two-year term. Index-linked gains are calculated based on the growth between these two values less the annual index margin multiplied by two (which is the term length). The interest credit is credited at the end of the two-year term and will never be less than zero.

### MONTHLY POINT-TO-POINT WITH INDEX CAP

This method uses the monthly changes in the index, subject to a monthly Index Cap Rate, and is based on the sum of all the monthly percentage changes in the index—which could be positive or negative. On each contract anniversary, these monthly changes, each not to exceed the monthly Index Cap Rate, are added together to determine the interest credit for that year. Negative monthly returns have no downside limit and will reduce the interest credit, but the annual interest credit will never be less than zero.

### ANNUAL POINT-TO-POINT WITH INDEX CAP RATE

This method measures index growth using two points in time; the beginning index value and the ending index value. Index-linked gains are calculated based on the difference between these two values. The index growth, if any, is then subject to an Index Cap Rate. The annual interest credit will never be less than zero.

### INVERSE PERFORMANCE TRIGGER WITH DECLARED PERFORMANCE RATE

The Inverse Performance Trigger (or Annual Declared Rate Negative Performance Option) credits a Declared Performance Rate of interest when the index stays the same or goes down throughout the year. The applied rate will never be less than zero, and will never be more than the Declared Performance Rate.

#### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

#### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

#### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

## GENERAL PRODUCT TERMS (continued)

### DAILY AVERAGE WITH INDEX MARGIN

This method for determining any interest credit uses a Daily Average calculation to determine a percentage gain or loss in the index during your Contract Year. This is done by comparing the difference between the index on the first day of the Contract Year and the Index Daily Average during the year (usually 252 trading days), less an Index Margin. The annual interest credit will never be less than zero.

## PROJECTED ILLUSTRATED VALUES

This illustration assumes the index will repeat historical performance and that the annuity's current non-guaranteed elements, such as Index Caps, Index Margins, Participation Rates or other interest crediting adjustments, will not change. It is likely that the index will not repeat historical performance, the non-guaranteed elements will change, and actual values will be higher or lower than those in this illustration but will not be less than the minimum guarantees. The values in this illustration are not guarantees or even estimates of the amounts you can expect from your annuity. The following indexes have existed for less than ten years: S&P MARC 5% ER, Fidelity MFY 5% ER. Because these indexes do not have actual historical values for a period of ten years or more, the performance shown is determined by applying the current index methodology to the underlying historical financial data. Please review the disclosure document provided with your illustration and Buyer's Guide for more detailed information. All rates are effective as of the date of this illustration and are subject to change at any time.

#### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

#### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

#### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

This illustration is not valid unless all pages are present.

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## GUARANTEED LIFETIME WITHDRAWAL BENEFIT FEATURE (GLWB)

The Guaranteed Lifetime Withdrawal Benefit (GLWB) is included automatically and is designed as a way to generate income payments for life (called Lifetime Payment Amounts (LPA)) without incurring a surrender charge or MVA, even if the Accumulation Value is reduced to zero.

### NET PREMIUM

The Net Premium is used as the basis for calculating the Lifetime Payment Amounts. This value is not the basis for calculating the Death Benefit or penalty-free withdrawals and cannot be withdrawn as a lump sum. Withdrawals will reduce the Net Premium. The Net Premium initially equals 100% of your premium.

### RIDER CHARGE

The Rider Charge is calculated by multiplying the Rider Charge Percentage by the Initial Premium on each Contract Anniversary. This amount will be taken from your Contract's Accumulation Value on each Contract Anniversary as long as the rider is in effect.

### LIFETIME PAYMENT AMOUNT (LPA)

Once elected, this is the amount that may be received each contract year for the life of the Covered Person(s) even if the Accumulation Value is reduced to zero. Future Lifetime Payment Amounts will not change if withdrawals taken are never more than the Lifetime Payment Amount (or RMD if greater).

### LPA MULTIPLIER BENEFIT

The Lifetime Payment Amount will be multiplied by 2 for up to five years of payments when Multiplier Benefit Conditions and Limitations are met. You are able to receive the LPA Multiplier Benefit when the Covered Person cannot perform 2 out of 6 activities of daily living when each annual payment is due. This benefit is not available when the Accumulation Value equals zero.

#### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

#### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

#### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

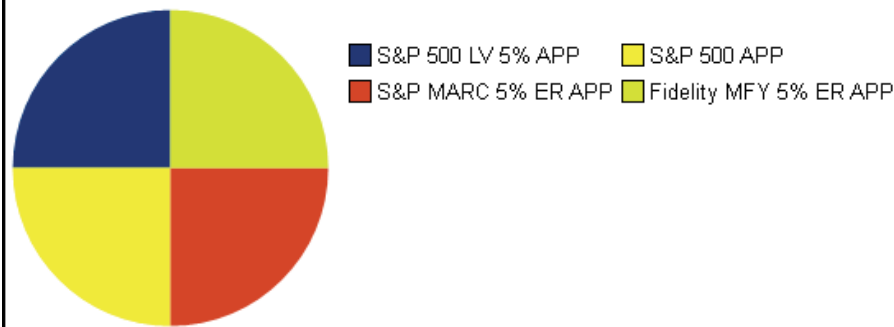
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Page 5 of 15

ALLOCATION SELECTION INFORMATION

| Allocation Option                                   | Current Declared Rate             | Allocation Percentage |
|---|-----------------------------------|-----------------------|
| S&P 500 Low Volatility Daily Risk Control 5% (APP)  | 2.00% Annual Index Margin         | 25%                   |
| S&P 500 Annual Point-to-Point (APP)                 | 25.00% Annual Participation Rate  | 25%                   |
| S&P Multi-Asset Risk Control 5% Excess Return (APP) | 100.00% Annual Participation Rate | 25%                   |
| Fidelity MFY 5% ER (APP)                            | 0.00% Annual Index Margin         | 25%                   |

SELECTED ALLOCATION



S&P MARC 5% ER is the S&P Multi-Asset Risk Control 5% Excess Return Index.

Fidelity MFY 5% ER is the Fidelity Multifactor Yield Index 5% ER.

S&P 500 LV 5% is the S&P 500 Low Volatility Daily Risk Control 5% Index.

ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

## GUARANTEED ANNUITY CONTRACT VALUES

**Annual Effective Rate: 0.00%<sup>+</sup>**

**Annual Effective Rate for the First Ten Years: 0.00%<sup>\*</sup>**

This chart illustrates values based on 0% growth, current rider charge, selected withdrawals and the initial allocation. The Accumulation Value reflects rider charges.

| END OF YEAR               | Youngest Covered Person Start Age/End Age | Premium                          | Annual Withdrawals <sup>1</sup> (Beginning of Year) | Accumulation Value / Death Benefit | Death Benefit | Minimum Guaranteed Surrender Value | Credited Interest Rate <sup>1</sup> | GLWB Features |  |                             |
|---------------------------|---|----------------------------------|---|------------------------------------|---------------|------------------------------------|-------------------------------------|---------------|--|-----------------------------|
|                           |   |                                  |   |                                    |               |                                    |                                     | Net Premium   | Level Lifetime Payment Amount <sup>#</sup> | LPA Multiplier <sup>□</sup> |
| <b>At Issue</b>           | <b>65</b>                                 | \$100,000                        |   | \$100,000                          |               |                                    |                                     | \$100,000     | \$5,490                                    | \$0                         |
| <b>1</b>                  | <b>65 / 66</b>                            | -                                | \$0   | \$98,750                           | \$98,750      | \$90,081                           | 0.00%                               | \$100,000     | \$6,180                                    | \$0                         |
| <b>2</b>                  | <b>66 / 67</b>                            | \$0                              | \$0   | \$97,500                           | \$97,500      | \$92,739                           | 0.00%                               | \$100,000     | \$6,960                                    | \$13,920                    |
| <b>3</b>                  | <b>67 / 68</b>                            | \$0                              | \$0   | \$96,250                           | \$96,250      | \$95,474                           | 0.00%                               | \$100,000     | \$7,700                                    | \$15,400                    |
| <b>4</b>                  | <b>68 / 69</b>                            | \$0                              | \$0   | \$95,000                           | \$98,291      | \$98,291                           | 0.00%                               | \$100,000     | \$8,510                                    | \$17,020                    |
| <b>5</b>                  | <b>69 / 70</b>                            | \$0                              | \$0   | \$93,750                           | \$101,191     | \$101,191                          | 0.00%                               | \$100,000     | \$9,370                                    | \$18,740                    |
| <b>6</b>                  | <b>70 / 71</b>                            | \$0                              | \$0   | \$92,500                           | \$104,176     | \$104,176                          | 0.00%                               | \$100,000     | \$10,150                                   | \$20,300                    |
| <b>7</b>                  | <b>71 / 72</b>                            | \$0                              | \$0   | \$91,250                           | \$107,249     | \$107,249                          | 0.00%                               | \$100,000     | \$10,930                                   | \$21,860                    |
| <b>8</b>                  | <b>72 / 73</b>                            | \$0                              | \$0   | \$90,000                           | \$110,413     | \$110,413                          | 0.00%                               | \$100,000     | \$11,460                                   | \$22,920                    |
| <b>9</b>                  | <b>73 / 74</b>                            | \$0                              | \$0   | \$88,750                           | \$113,670     | \$113,670                          | 0.00%                               | \$100,000     | \$12,070                                   | \$24,140                    |
| <b>10</b>                 | <b>74 / 75</b>                            | \$0                              | \$0   | \$87,500                           | \$117,023     | \$117,023                          | 0.00%                               | \$100,000     | \$12,780                                   | \$25,560                    |
| <b>11</b>                 | <b>75 / 76</b>                            | \$0                              | \$0   | \$86,250                           | \$120,475     | \$120,475                          | 0.00%                               | \$100,000     | \$13,270                                   | \$26,540                    |
| <b>12</b>                 | <b>76 / 77</b>                            | \$0                              | \$0   | \$85,000                           | \$124,029     | \$124,029                          | 0.00%                               | \$100,000     | \$13,740                                   | \$27,480                    |
| <b>13</b>                 | <b>77 / 78</b>                            | \$0                              | \$0   | \$83,750                           | \$127,688     | \$127,688                          | 0.00%                               | \$100,000     | \$14,230                                   | \$28,460                    |
| <b>14</b>                 | <b>78 / 79</b>                            | \$0                              | \$0   | \$82,500                           | \$131,455     | \$131,455                          | 0.00%                               | \$100,000     | \$14,710                                   | \$29,420                    |
| <b>15</b>                 | <b>79 / 80</b>                            | \$0                              | \$0   | \$81,250                           | \$135,333     | \$135,333                          | 0.00%                               | \$100,000     | \$15,200                                   | \$30,400                    |
| <b>16</b>                 | <b>80 / 81</b>                            | \$0                              | \$15,200  | \$64,800                           | \$123,677     | \$123,677                          | 0.00%                               | -             | \$15,200                                   | \$30,400                    |
| <b>17</b>                 | <b>81 / 82</b>                            | \$0                              | \$15,200  | \$48,350                           | \$111,677     | \$111,677                          | 0.00%                               | -             | \$15,200                                   | \$30,400                    |
| <b>18</b>                 | <b>82 / 83</b>                            | \$0                              | \$15,200  | \$31,900                           | \$99,323      | \$99,323                           | 0.00%                               | -             | \$15,200                                   | \$30,400                    |
| <b>19</b>                 | <b>83 / 84</b>                            | \$0                              | \$15,200  | \$15,450                           | \$86,605      | \$86,605                           | 0.00%                               | -             | \$15,200                                   | \$30,400                    |
| <b>20</b>                 | <b>84 / 85</b>                            | \$0                              | \$15,200  | \$0                                | \$0           | \$0                                | 0.00%                               | -             | \$15,200                                   | \$0                         |
| <b>30</b>                 | <b>94 / 95</b>                            | \$0                              | \$15,200  | \$0                                | \$0           | \$0                                | 0.00%                               | -             | \$15,200                                   | \$0                         |
| <b>50</b>                 | <b>114 / 115</b>                          | \$0                              | \$15,200  | \$0                                | \$0           | \$0                                | 0.00%                               | -             | \$15,200                                   | \$0                         |
| <b>Total Withdrawals:</b> |   | <b>First 30 Yrs: Cumulative:</b> | <b>\$228,000</b>                                    | <b>\$532,000</b>                   |               |                                    | <b>0.00%+</b>                       |               |  |                             |

### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

<sup>+</sup> Annual Effective Rate over first 10 years.

<sup>#</sup> At the start of lifetime income, annual payments are reflected in the Annual Withdrawals column.

<sup>□</sup> Must meet eligibility requirements. See page 5.

<sup>1</sup> Credited Interest Rate does not reflect the rider charge.

<sup>1</sup> Subject to any applicable penalty-free withdrawal provisions.

Illustration Date: **04/18/2023**

This illustration is not valid unless all pages are present.

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## NON-GUARANTEED ANNUITY CONTRACT VALUES MOST RECENT PERIOD from 12/31/2012 to 12/31/2022

**Annual Effective Rate: 4.29%<sup>+</sup>**

**Annual Effective Rate for the First Ten Years: 4.29%<sup>\*</sup>**

This chart illustrates values based on the 10 most recent years of historical index performance, current rider charge, selected withdrawals, the initial allocation and current rates. The Accumulation Value reflects rider charges. Please refer to page 7 for Guaranteed Annuity Contract Values.

| END OF YEAR        | Youngest Covered Person Start Age/End Age | Premium                   | Annual Withdrawals <sup>1</sup> (Beginning of Year) | Accumulation Value / Death Benefit | Death Benefit | Surrender Value <sup>^</sup> | Credited Interest Rate <sup>**</sup> | GLWB Features |  |                             |
|--------------------|---|---------------------------|---|------------------------------------|---------------|------------------------------|--------------------------------------|---------------|--|-----------------------------|
|                    |   |                           |   |                                    |               |                              |                                      | Net Premium   | Level Lifetime Payment Amount <sup>#</sup> | LPA Multiplier <sup>□</sup> |
| At Issue           | 65  | \$100,000                 |   | \$100,000                          |               |                              |                                      | \$100,000     | \$5,490                                    | \$0                         |
| 1                  | 65 / 66                                   | -                         | \$0   | \$104,093                          | \$104,093     | \$94,183                     | 5.34%                                | \$100,000     | \$6,180                                    | \$0                         |
| 2                  | 66 / 67                                   | \$0                       | \$0   | \$109,375                          | \$109,375     | \$98,938                     | 6.28%                                | \$100,000     | \$6,960                                    | \$13,920                    |
| 3                  | 67 / 68                                   | \$0                       | \$0   | \$108,125                          | \$108,125     | \$97,813                     | 0.00%                                | \$100,000     | \$7,700                                    | \$15,400                    |
| 4                  | 68 / 69                                   | \$0                       | \$0   | \$111,072                          | \$111,072     | \$100,465                    | 3.88%                                | \$100,000     | \$8,510                                    | \$17,020                    |
| 5                  | 69 / 70                                   | \$0                       | \$0   | \$119,634                          | \$119,634     | \$108,171                    | 8.83%                                | \$100,000     | \$9,370                                    | \$18,740                    |
| 6                  | 70 / 71                                   | \$0                       | \$0   | \$118,384                          | \$118,384     | \$108,180                    | 0.00%                                | \$100,000     | \$10,150                                   | \$20,300                    |
| 7                  | 71 / 72                                   | \$0                       | \$0   | \$129,942                          | \$129,942     | \$119,947                    | 10.82%                               | \$100,000     | \$10,930                                   | \$21,860                    |
| 8                  | 72 / 73                                   | \$0                       | \$0   | \$134,089                          | \$134,089     | \$126,344                    | 4.15%                                | \$100,000     | \$11,460                                   | \$22,920                    |
| 9                  | 73 / 74                                   | \$0                       | \$0   | \$138,485                          | \$138,485     | \$133,146                    | 4.21%                                | \$100,000     | \$12,070                                   | \$24,140                    |
| 10                 | 74 / 75                                   | \$0                       | \$0   | \$137,235                          | \$137,235     | \$137,235                    | 0.00%                                | \$100,000     | \$12,780                                   | \$25,560                    |
| 11                 | 75 / 76                                   | \$0                       | \$0   | \$141,894                          | \$141,894     | \$141,894                    | 4.31%                                | \$100,000     | \$13,270                                   | \$26,540                    |
| 12                 | 76 / 77                                   | \$0                       | \$0   | \$146,756                          | \$146,756     | \$146,756                    | 4.31%                                | \$100,000     | \$13,740                                   | \$27,480                    |
| 13                 | 77 / 78                                   | \$0                       | \$0   | \$151,831                          | \$151,831     | \$151,831                    | 4.31%                                | \$100,000     | \$14,230                                   | \$28,460                    |
| 14                 | 78 / 79                                   | \$0                       | \$0   | \$157,128                          | \$157,128     | \$157,128                    | 4.31%                                | \$100,000     | \$14,710                                   | \$29,420                    |
| 15                 | 79 / 80                                   | \$0                       | \$0   | \$162,657                          | \$162,657     | \$162,657                    | 4.31%                                | \$100,000     | \$15,200                                   | \$30,400                    |
| 16                 | 80 / 81                                   | \$0                       | \$15,200  | \$152,572                          | \$152,572     | \$152,572                    | 4.32%                                | -             | \$15,200                                   | \$30,400                    |
| 17                 | 81 / 82                                   | \$0                       | \$15,200  | \$142,054                          | \$142,054     | \$142,054                    | 4.32%                                | -             | \$15,200                                   | \$30,400                    |
| 18                 | 82 / 83                                   | \$0                       | \$15,200  | \$131,085                          | \$131,085     | \$131,085                    | 4.32%                                | -             | \$15,200                                   | \$30,400                    |
| 19                 | 83 / 84                                   | \$0                       | \$15,200  | \$119,645                          | \$119,645     | \$119,645                    | 4.32%                                | -             | \$15,200                                   | \$30,400                    |
| 20                 | 84 / 85                                   | \$0                       | \$15,200  | \$107,713                          | \$107,713     | \$107,713                    | 4.33%                                | -             | \$15,200                                   | \$30,400                    |
| 30                 | 94 / 95                                   | \$0                       | \$15,200  | \$0                                | \$0           | \$0                          | 0.00%                                | -             | \$15,200                                   | \$0                         |
| 50                 | 114 / 115                                 | \$0                       | \$15,200  | \$0                                | \$0           | \$0                          | 0.00%                                | -             | \$15,200                                   | \$0                         |
| Total Withdrawals: |   | First 30 Yrs: Cumulative: | \$228,000<br>\$532,000                              |                                    |               |                              | 4.29%+                               |               |  |                             |

### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

+ Annual Effective Rate over first 10 years.

<sup>^</sup> Does not reflect applicable Market Value Adjustment (MVA). See page 13 for more information.

<sup>#</sup> At the start of lifetime income, annual payments are reflected in the Annual Withdrawals column.

<sup>□</sup> Must meet eligibility requirements. See page 5.

<sup>\*</sup> Credited Interest Rate does not reflect the rider charge.

<sup>\*</sup> During years 11+ the annual effective rate over the first 10 years is used for the credited interest rate.

<sup>1</sup> Subject to any applicable penalty-free withdrawal provisions.

Illustration Date: **04/18/2023**

This illustration is not valid unless all pages are present.

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## ADDITIONAL SUPPLEMENTAL ILLUSTRATION FIXED 5.00% RETURN

**Annual Effective Rate: 5.00%<sup>+</sup>**

**Annual Effective Rate for the First Ten Years: 5.00%<sup>\*</sup>**

This chart illustrates values assuming a 5.00% credited interest rate regardless of allocation, current rider charge and selected withdrawals. Please refer to page 7 for Guaranteed Annuity Contract Values.

| END OF YEAR        | Youngest Covered Person Start Age/End Age | Premium                   | Annual Withdrawals <sup>1</sup> (Beginning of Year) | Accumulation Value / Death Benefit | Death Benefit | Surrender Value <sup>^</sup> | Credited Interest Rate <sup>**</sup> | GLWB Features |  |                             |
|--------------------|---|---------------------------|---|------------------------------------|---------------|------------------------------|--------------------------------------|---------------|--|-----------------------------|
|                    |   |                           |   |                                    |               |                              |                                      | Net Premium   | Level Lifetime Payment Amount <sup>#</sup> | LPA Multiplier <sup>□</sup> |
| At Issue           | 65  | \$100,000                 |   | \$100,000                          |               |                              |                                      | \$100,000     | \$5,490                                    | \$0                         |
| 1                  | 65 / 66                                   | -                         | \$0   | \$103,750                          | \$103,750     | \$93,875                     | 5.00%                                | \$100,000     | \$6,180                                    | \$0                         |
| 2                  | 66 / 67                                   | \$0                       | \$0   | \$107,688                          | \$107,688     | \$97,419                     | 5.00%                                | \$100,000     | \$6,960                                    | \$13,920                    |
| 3                  | 67 / 68                                   | \$0                       | \$0   | \$111,822                          | \$111,822     | \$101,140                    | 5.00%                                | \$100,000     | \$7,700                                    | \$15,400                    |
| 4                  | 68 / 69                                   | \$0                       | \$0   | \$116,163                          | \$116,163     | \$105,047                    | 5.00%                                | \$100,000     | \$8,510                                    | \$17,020                    |
| 5                  | 69 / 70                                   | \$0                       | \$0   | \$120,721                          | \$120,721     | \$109,149                    | 5.00%                                | \$100,000     | \$9,370                                    | \$18,740                    |
| 6                  | 70 / 71                                   | \$0                       | \$0   | \$125,507                          | \$125,507     | \$114,662                    | 5.00%                                | \$100,000     | \$10,150                                   | \$20,300                    |
| 7                  | 71 / 72                                   | \$0                       | \$0   | \$130,533                          | \$130,533     | \$120,490                    | 5.00%                                | \$100,000     | \$10,930                                   | \$21,860                    |
| 8                  | 72 / 73                                   | \$0                       | \$0   | \$135,809                          | \$135,809     | \$127,961                    | 5.00%                                | \$100,000     | \$11,460                                   | \$22,920                    |
| 9                  | 73 / 74                                   | \$0                       | \$0   | \$141,350                          | \$141,350     | \$135,896                    | 5.00%                                | \$100,000     | \$12,070                                   | \$24,140                    |
| 10                 | 74 / 75                                   | \$0                       | \$0   | \$147,167                          | \$147,167     | \$147,167                    | 5.00%                                | \$100,000     | \$12,780                                   | \$25,560                    |
| 11                 | 75 / 76                                   | \$0                       | \$0   | \$153,275                          | \$153,275     | \$153,275                    | 5.00%                                | \$100,000     | \$13,270                                   | \$26,540                    |
| 12                 | 76 / 77                                   | \$0                       | \$0   | \$159,689                          | \$159,689     | \$159,689                    | 5.00%                                | \$100,000     | \$13,740                                   | \$27,480                    |
| 13                 | 77 / 78                                   | \$0                       | \$0   | \$166,424                          | \$166,424     | \$166,424                    | 5.00%                                | \$100,000     | \$14,230                                   | \$28,460                    |
| 14                 | 78 / 79                                   | \$0                       | \$0   | \$173,495                          | \$173,495     | \$173,495                    | 5.00%                                | \$100,000     | \$14,710                                   | \$29,420                    |
| 15                 | 79 / 80                                   | \$0                       | \$0   | \$180,920                          | \$180,920     | \$180,920                    | 5.00%                                | \$100,000     | \$15,200                                   | \$30,400                    |
| 16                 | 80 / 81                                   | \$0                       | \$15,200  | \$172,756                          | \$172,756     | \$172,756                    | 5.00%                                | -             | \$15,200                                   | \$30,400                    |
| 17                 | 81 / 82                                   | \$0                       | \$15,200  | \$164,183                          | \$164,183     | \$164,183                    | 5.00%                                | -             | \$15,200                                   | \$30,400                    |
| 18                 | 82 / 83                                   | \$0                       | \$15,200  | \$155,183                          | \$155,183     | \$155,183                    | 5.00%                                | -             | \$15,200                                   | \$30,400                    |
| 19                 | 83 / 84                                   | \$0                       | \$15,200  | \$145,732                          | \$145,732     | \$145,732                    | 5.00%                                | -             | \$15,200                                   | \$30,400                    |
| 20                 | 84 / 85                                   | \$0                       | \$15,200  | \$135,808                          | \$135,808     | \$135,808                    | 5.00%                                | -             | \$15,200                                   | \$30,400                    |
| 30                 | 94 / 95                                   | \$0                       | \$15,200  | \$4,752                            | \$4,752       | \$4,752                      | 5.00%                                | -             | \$15,200                                   | \$30,400                    |
| 50                 | 114 / 115                                 | \$0                       | \$15,200  | \$0                                | \$0           | \$0                          | 0.00%                                | -             | \$15,200                                   | \$0                         |
| Total Withdrawals: |   | First 30 Yrs: Cumulative: | \$228,000<br>\$532,000                              |                                    |               |                              | 5.00%+                               |               |  |                             |

### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

<sup>+</sup> Annual Effective Rate over first 10 years.

<sup>^</sup> Does not reflect applicable Market Value Adjustment (MVA). See page 13 for more information.

<sup>#</sup> At the start of lifetime income, annual payments are reflected in the Annual Withdrawals column.

<sup>□</sup> Must meet eligibility requirements. See page 5.

<sup>\*</sup> Credited Interest Rate does not reflect the rider charge.

<sup>♦</sup> During years 11+ the annual effective rate over the first 10 years is used for the credited interest rate.

<sup>1</sup> Subject to any applicable penalty-free withdrawal provisions.

Illustration Date: **04/18/2023**

This illustration is not valid unless all pages are present.

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## NON-GUARANTEED ANNUITY CONTRACT VALUES INDEX GROWTH PERIOD COMPARISON - MOST RECENT, HIGH, LOW

The Annual Effective Rates reflect initial allocations and application of current Index Strategy Rates to historical index returns, unless otherwise noted. The Accumulation Value reflects rider charges and selected withdrawal activity.

**Annual Effective Rate Most Recent: 4.29%<sup>+</sup>**

**Annual Effective Rate Highest: 5.71%<sup>+</sup>**

**Annual Effective Rate Lowest: 3.75%<sup>+</sup>**

| Contract Year   | MOST RECENT             |                    |             |                                | HIGHEST                 |                    |             |                                | LOWEST                  |                    |             |                                |
|-----------------|-------------------------|--------------------|-------------|--------------------------------|-------------------------|--------------------|-------------|--------------------------------|-------------------------|--------------------|-------------|--------------------------------|
|                 | Credited Interest Rate* | Accumulation Value | Net Premium | Level Lifetime Payment Amount# | Credited Interest Rate* | Accumulation Value | Net Premium | Level Lifetime Payment Amount# | Credited Interest Rate* | Accumulation Value | Net Premium | Level Lifetime Payment Amount# |
| <b>At Issue</b> |                         | \$100,000          | \$100,000   | \$5,490                        |                         | \$100,000          | \$100,000   | \$5,490                        |                         | \$100,000          | \$100,000   | \$5,490                        |
| <b>1</b>        | 5.34%                   | \$104,093          | \$100,000   | \$6,180                        | 7.19%                   | \$105,940          | \$100,000   | \$6,180                        | 1.69%                   | \$100,440          | \$100,000   | \$6,180                        |
| <b>2</b>        | 6.28%                   | \$109,375          | \$100,000   | \$6,960                        | 7.94%                   | \$113,104          | \$100,000   | \$6,960                        | 4.40%                   | \$103,609          | \$100,000   | \$6,960                        |
| <b>3</b>        | 0.00%                   | \$108,125          | \$100,000   | \$7,700                        | 4.55%                   | \$117,004          | \$100,000   | \$7,700                        | 2.98%                   | \$105,447          | \$100,000   | \$7,700                        |
| <b>4</b>        | 3.88%                   | \$111,072          | \$100,000   | \$8,510                        | 2.37%                   | \$118,528          | \$100,000   | \$8,510                        | 4.26%                   | \$108,689          | \$100,000   | \$8,510                        |
| <b>5</b>        | 8.83%                   | \$119,634          | \$100,000   | \$9,370                        | 6.29%                   | \$124,736          | \$100,000   | \$9,370                        | 4.99%                   | \$112,865          | \$100,000   | \$9,370                        |
| <b>6</b>        | 0.00%                   | \$118,384          | \$100,000   | \$10,150                       | 4.11%                   | \$128,609          | \$100,000   | \$10,150                       | 1.52%                   | \$113,327          | \$100,000   | \$10,150                       |
| <b>7</b>        | 10.82%                  | \$129,942          | \$100,000   | \$10,930                       | 3.49%                   | \$131,845          | \$100,000   | \$10,930                       | 10.70%                  | \$124,199          | \$100,000   | \$10,930                       |
| <b>8</b>        | 4.15%                   | \$134,089          | \$100,000   | \$11,460                       | 9.69%                   | \$143,369          | \$100,000   | \$11,460                       | 5.21%                   | \$129,415          | \$100,000   | \$11,460                       |
| <b>9</b>        | 4.21%                   | \$138,485          | \$100,000   | \$12,070                       | 3.82%                   | \$147,602          | \$100,000   | \$12,070                       | 1.01%                   | \$129,478          | \$100,000   | \$12,070                       |
| <b>10</b>       | 0.00%                   | \$137,235          | \$100,000   | \$12,780                       | 7.91%                   | \$158,021          | \$100,000   | \$12,780                       | 1.10%                   | \$129,648          | \$100,000   | \$12,780                       |

**Annual Effective Rate 10 Years: 4.29%**

**Annual Effective Rate 10 Years: 5.71%**

**Annual Effective Rate 10 Years: 3.75%**

| Index              | Highest Index Growth Period | Lowest Index Growth Period |
|--------------------|-----------------------------|----------------------------|
| S&P 500 LV 5%      | 12/31/2011 to 12/31/2021    | 12/31/2006 to 12/31/2016   |
| S&P 500            | 12/31/2011 to 12/31/2021    | 12/31/2006 to 12/31/2016   |
| S&P MARC 5% ER     | 12/31/2002 to 12/31/2012    | 12/31/2012 to 12/31/2022   |
| Fidelity MFY 5% ER | 12/31/2009 to 12/31/2019    | 12/31/2012 to 12/31/2022   |

### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

<sup>+</sup> Annual Effective Rate over 10 years.

<sup>\*</sup> Credited Interest Rate does not reflect the rider charge.

<sup>#</sup> At the start of lifetime income, annual payments are reflected in the Annual Withdrawals column (Annual Withdrawals not shown on this page).

Illustration Date: **04/18/2023**

This illustration is not valid unless all pages are present.

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## CREDITED INTEREST RATES BY INDEX - MOST RECENT, HIGH, LOW

This chart shows the Interest Credited Rate for non-guaranteed contract values shown on the previous page. This rate does not reflect the rider charge.

| Alloc. %    | Index Return       |            |                |                    | INDEX OPTION BASED INTEREST CREDIT |            |                |                    | Total Credited Interest |
|-------------|--------------------|------------|----------------|--------------------|------------------------------------|------------|----------------|--------------------|-------------------------|
|             | S&P 500 LV 5%      | S&P 500    | S&P MARC 5% ER | Fidelity MFY 5% ER | S&P 500 LV 5%                      | S&P 500    | S&P MARC 5% ER | Fidelity MFY 5% ER |                         |
|             | APP Margin         | APP Margin | APP P-Rate     | APP P-Rate         | APP Margin                         | APP P-Rate | APP P-Rate     | APP Margin         |                         |
|             | 25%                | 25%        | 25%            | 25%                | 25%                                | 25%        | 25%            | 25%                |                         |
| <b>YEAR</b> | <b>MOST RECENT</b> |            |                |                    | <b>HIGHEST</b>                     |            |                |                    |                         |
| 1           | 11.51%             | 29.60%     | -3.08%         | 4.46%              | 9.51%                              | 7.40%      | 0.00%          | 4.46%              | 5.34%                   |
| 2           | 7.01%              | 11.39%     | 6.48%          | 10.93%             | 5.01%                              | 2.85%      | 6.48%          | 10.93%             | 6.28%                   |
| 3           | -0.12%             | -0.73%     | -2.92%         | -2.47%             | 0.00%                              | 0.00%      | 0.00%          | 0.00%              | 0.00%                   |
| 4           | 4.45%              | 9.54%      | 4.32%          | 6.33%              | 2.45%                              | 2.38%      | 4.32%          | 6.33%              | 3.88%                   |
| 5           | 13.94%             | 19.42%     | 10.71%         | 7.83%              | 11.94%                             | 4.85%      | 10.71%         | 7.83%              | 8.83%                   |
| 6           | 0.63%              | -6.24%     | -3.30%         | -0.53%             | 0.00%                              | 0.00%      | 0.00%          | 0.00%              | 0.00%                   |
| 7           | 12.40%             | 28.88%     | 13.70%         | 11.78%             | 10.40%                             | 7.22%      | 13.70%         | 11.78%             | 10.82%                  |
| 8           | 0.89%              | 16.26%     | 8.28%          | 4.42%              | 0.00%                              | 4.06%      | 8.28%          | 4.42%              | 4.15%                   |
| 9           | 8.85%              | 26.89%     | 0.28%          | 3.43%              | 6.85%                              | 6.72%      | 0.28%          | 3.43%              | 4.21%                   |
| 10          | -1.75%             | -19.44%    | -9.20%         | -11.65%            | 0.00%                              | 0.00%      | 0.00%          | 0.00%              | 0.00%                   |
| <b>YEAR</b> | <b>HIGHEST</b>     |            |                |                    | <b>LOWEST</b>                      |            |                |                    |                         |
| 1           | 5.17%              | 13.41%     | 10.42%         | 11.82%             | 3.17%                              | 3.35%      | 10.42%         | 11.82%             | 7.19%                   |
| 2           | 11.51%             | 29.60%     | 4.71%          | 10.19%             | 9.51%                              | 7.40%      | 4.71%          | 10.19%             | 7.94%                   |
| 3           | 7.01%              | 11.39%     | 2.93%          | 7.19%              | 5.01%                              | 2.85%      | 2.93%          | 7.19%              | 4.55%                   |
| 4           | -0.12%             | -0.73%     | 4.69%          | 4.46%              | 0.00%                              | 0.00%      | 4.69%          | 4.46%              | 2.37%                   |
| 5           | 4.45%              | 9.54%      | 8.40%          | 10.93%             | 2.45%                              | 2.38%      | 8.40%          | 10.93%             | 6.29%                   |
| 6           | 13.94%             | 19.42%     | 1.07%          | -2.47%             | 11.94%                             | 4.85%      | 1.07%          | 0.00%              | 4.11%                   |
| 7           | 0.63%              | -6.24%     | 6.91%          | 6.33%              | 0.00%                              | 0.00%      | 6.91%          | 6.33%              | 3.49%                   |
| 8           | 12.40%             | 28.88%     | 13.17%         | 7.83%              | 10.40%                             | 7.22%      | 13.17%         | 7.83%              | 9.69%                   |
| 9           | 0.89%              | 16.26%     | 11.18%         | -0.53%             | 0.00%                              | 4.06%      | 11.18%         | 0.00%              | 3.82%                   |
| 10          | 8.85%              | 26.89%     | 5.95%          | 11.78%             | 6.85%                              | 6.72%      | 5.95%          | 11.78%             | 7.91%                   |
| <b>YEAR</b> | <b>LOWEST</b>      |            |                |                    | <b>HIGHEST</b>                     |            |                |                    |                         |
| 1           | 3.42%              | 3.53%      | -3.08%         | 4.46%              | 1.42%                              | 0.88%      | 0.00%          | 4.46%              | 1.69%                   |
| 2           | -1.70%             | -38.49%    | 6.48%          | 10.93%             | 0.00%                              | 0.00%      | 6.48%          | 10.93%             | 4.40%                   |
| 3           | 8.65%              | 23.45%     | -2.92%         | -2.47%             | 6.65%                              | 5.86%      | 0.00%          | 0.00%              | 2.98%                   |
| 4           | 5.03%              | 12.78%     | 4.32%          | 6.33%              | 3.03%                              | 3.20%      | 4.32%          | 6.33%              | 4.26%                   |
| 5           | 3.09%              | 0.00%      | 10.71%         | 7.83%              | 1.09%                              | 0.00%      | 10.71%         | 7.83%              | 4.99%                   |
| 6           | 5.17%              | 13.41%     | -3.30%         | -0.53%             | 3.17%                              | 3.35%      | 0.00%          | 0.00%              | 1.52%                   |
| 7           | 11.51%             | 29.60%     | 13.70%         | 11.78%             | 9.51%                              | 7.40%      | 13.70%         | 11.78%             | 10.70%                  |
| 8           | 7.01%              | 11.39%     | 8.28%          | 4.42%              | 5.01%                              | 2.85%      | 8.28%          | 4.42%              | 5.21%                   |
| 9           | -0.12%             | -0.73%     | 0.28%          | 3.43%              | 0.00%                              | 0.00%      | 0.28%          | 3.43%              | 1.01%                   |
| 10          | 4.45%              | 9.54%      | -9.20%         | -11.65%            | 2.45%                              | 2.38%      | 0.00%          | 0.00%              | 1.10%                   |

| Abbreviation | Definition            |
|--------------|-----------------------|
| APP          | Annual Point-to-Point |

### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
 JT Covered Person (Age): **Joint Covered (65)**  
 Premium: **\$100,000.00**  
 Agent Name: **HANS SCHEIL**  
 State: **NC**

### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

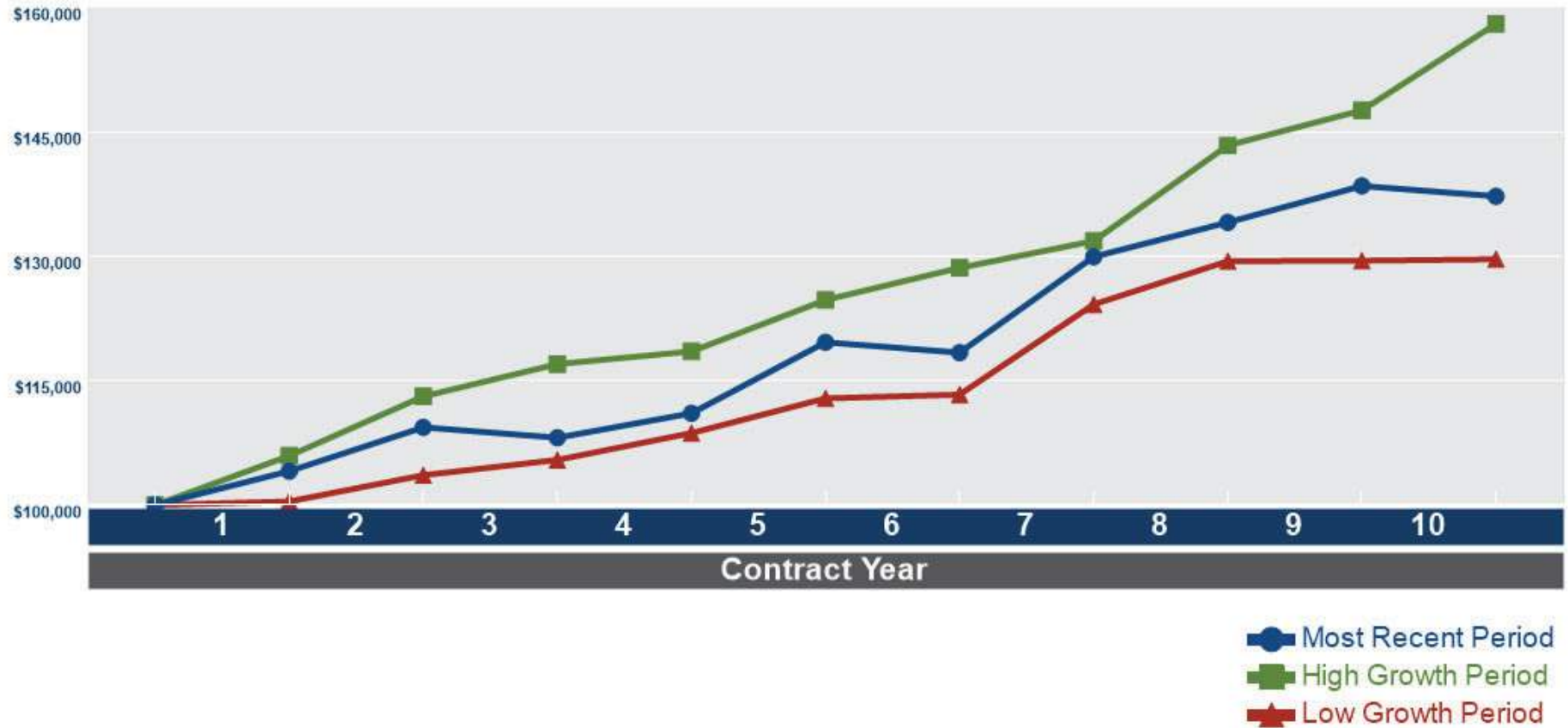
Illustration Date: **04/18/2023**

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## Projected Accumulation Value Based on Current Rates Over a 10 year Period

This graph shows the projected Accumulation Values based on historical index performance determined by the three historical indexing periods, the initial allocation, current rider charge, withdrawal selections and current rates shown on page 6 of the illustration. Please refer to page 7 for Guaranteed Annuity Contract Values.



### ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

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## MARKET VALUE ADJUSTMENT (MVA)

Your contract also includes a market value adjustment feature—which may decrease or increase your surrender value depending on the change in the market value adjustment external index rate since your annuity purchase. Due to the mechanics of a market value adjustment, surrender values generally decrease as the market value adjustment external index rate rises or remains constant. When the market value adjustment external index rate decreases enough over time, the surrender value generally increases. However, the market value adjustment is limited to the surrender charge or the interest credited to the accumulation value.

After the MVA is applied, the surrender value will never be less than the Minimum Guaranteed Surrender Value or greater than the Accumulation Value.

Market value adjustments are applied only during the surrender charge period to surrenders in excess of the penalty-free amount.

The graph below shows the projected surrender value under sample MVA scenarios as described below during the surrender charge period of the Contract based on the initial premium amount and the assumption that there are no partial surrenders.

**Hypothetical Surrender Values Reflecting MVA**



### ILLUSTRATION SNAPSHOT

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 Premium: **\$100,000.00**  
 Agent Name: **HANS SCHEIL**  
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### ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

### GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

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# MNL Income Planning Annuity<sup>SM</sup>

Single Premium Deferred Annuity  
Qualified Contract



Fixed Index Annuities are not a direct investment in the stock market. They are long-term insurance products with guarantees backed by the issuing company. They provide the potential for interest to be credited based in part on the performance of specific indices, without the risk of loss of premium due to market downturns or fluctuation. Although Fixed Index Annuities guarantee no loss of premium due to market downturns, deductions from your Accumulation Value for additional optional benefit riders could under certain scenarios exceed interest credited to your Accumulation Value, which would result in loss of premium. They may not be appropriate for all clients. Interest credits to a fixed index annuity will not mirror the actual performance of the relevant index.

Withdrawals taken prior to age 59 1/2 may be subject to IRS penalties.

Premium taxes: Accumulation Value will be reduced for premium taxes as required by the state of residence. These taxes are not reflected in the illustrated values.

The MNL Income Planning Annuity<sup>SM</sup> 10 is issued on base contract form AS200A/ICC19-AS200A or appropriate state variation including all applicable endorsements and riders by Midland National<sup>®</sup> Life Insurance Company, West Des Moines, IA. This product, its features and riders may not be available in all states.

Based on the current interpretation of the Model Regulation adopted by AL, CO, IA, MD, ME, MO, NH, OH, RI and WV, Midland National is not illustrating the S&P Marc 5% ER index in these states. This illustration may not be used in those states.

The S&P<sup>®</sup> Multi-Asset Risk Control 5% Excess Return is managed to a volatility target, and as a result the index performance will not match the performance of any other index or the markets in general since volatility control tends to reduce both the rate of negative performance and positive performance of the underlying index, thereby creating more stabilized performance. The S&P<sup>®</sup> Multi-Asset Risk Control 5% Excess Return has been in existence since 3/27/2017. Ending values in years prior to inception are determined by S&P Dow Jones Indices LLC or its affiliates ("SPDJI") using the same methodology as used currently.

Based on the current interpretation of the Model Regulation adopted by AL, AZ, CO, IA, MD, ME, MO, NH, OH, RI and WV, Midland National is not illustrating the Fidelity Multifactor Yield Index 5% ER in these states. This illustration may not be used in those states.

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The "S&P 500<sup>®</sup>", "S&P Multi-Asset Risk Control 5% Excess Return", "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% Index", "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 8% Index", ("Indices") are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and have been licensed for use by Midland National<sup>®</sup> Life Insurance Company ("the Company"). Standard & Poor's<sup>®</sup> and S&P<sup>®</sup> are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The trademarks have been licensed to SPDJI and have been sublicensed for use for certain purposes by the Company. MNL Income Planning Annuity<sup>SM</sup> ("Product") is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices does not make any representation or warranty, express or implied, to the owners of the MNL Income Planning Annuity<sup>SM</sup> or any member of the public regarding the advisability of investing in securities generally or in this Product particularly or the ability of these Indices to track general market performance. S&P Dow Jones Indices only relationship to Midland National with respect to these Indices is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices and/or its licensors. The Indices are determined, composed and calculated by S&P Dow Jones Indices without regard to Midland National or the Product. S&P Dow Jones Indices has no obligation to take the needs of the Company or the owners of this Product into consideration in determining, composing or calculating these Indices. S&P Dow Jones Indices is not responsible for and have not participated in the determination of the prices, and amount of MNL Income Planning Annuity<sup>SM</sup> or the timing of the issuance or sale of this Product or in the determination or calculation of the equation by which the Product is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of the Product. There is no assurance that investment products based on these Indices will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

The "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% Index" and "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 8% Index" are managed to a volatility target, and as a result their index performance will not match the performance of any other index or the markets in general since volatility control tends to reduce both the rate of negative performance and positive performance of the underlying index, thereby creating more stabilized performance. "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 5% Index" and "S&P 500<sup>®</sup> Low Volatility Daily Risk Control 8% Index" have been in existence since Aug. 18, 2011. Ending values in years prior to inception are determined by S&P Dow Jones Indices LLC or its affiliates ("SPDJI") using the same methodology as used currently

## ILLUSTRATION SNAPSHOT

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JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

## ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

## GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

This illustration is not valid unless all pages are present.

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# MNL Income Planning Annuity<sup>SM</sup>

Single Premium Deferred Annuity  
Qualified Contract



## Continued

The Fidelity Multifactor Yield Index 5% ER (the "Index") is a multi-asset index, offering exposure to companies with attractive valuations, high quality profiles, positive momentum signals, lower volatility and higher dividend yield than the broader market, as well as U.S. treasuries, which may reduce volatility over time. Fidelity is a registered trademark of FMR LLC. Fidelity Product Services LLC ("FPS") has licensed this index for use for certain purposes to Midland National® Life Insurance Company (the "Company") on behalf of the MNL Income Planning Annuity<sup>SM</sup>. The Index is the exclusive property of FPS and is made and compiled without regard to the needs, including, but not limited to, the suitability needs, of the Company, the MNL Income Planning Annuity<sup>SM</sup>, or owners of the MNL Income Planning Annuity<sup>SM</sup>. The MNL Income Planning Annuity<sup>SM</sup> is not sold, sponsored, endorsed or promoted by FPS or any other party involved in, or related to, making or compiling the Index. The Company exercises sole discretion in determining whether and how the MNL Income Planning Annuity<sup>SM</sup> will be linked to the value of the Index. FPS does not provide investment advice to owners of the MNL Income Planning Annuity<sup>SM</sup>, nor to any other person or entity with respect to the Index and in no event shall any MNL Income Planning Annuity<sup>SM</sup> contract owner be deemed to be a client of FPS.

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The Fidelity Multifactor Yield Index 5% ER strives to create enhanced and stable returns through investing in proven equity factors, while applying excess return and daily volatility control methodologies. The equity component of the index diversifies across six factor indices with fixed weights to each. The Fidelity Multifactor Yield Index 5% ER adds an element of risk control by allocating daily between stocks, as represented by the six equity factor indices, and a dynamic bond overlay which consists of 10-year Treasury Note futures and potentially cash. Because this index is managed to a volatility target, the index performance will not match the weighted underlying performance of the six equity factor indices. Typically, the volatility control tends to reduce the rate of negative performance and positive performance of the weighted value of the underlying indices – thus creating more stabilized performance. The Fidelity Multifactor Yield Index 5% ER value is available at the following website: <https://go.fidelity.com/FIDMFY>

We reserve the right to add, remove or revise availability of the Fidelity Multifactor Yield Index 5% ER, or to substitute a different published benchmark should the Company, in its discretion, determine that the use of the Fidelity Multifactor Yield Index 5% ER no longer is commercially reasonable. The Fidelity Multifactor Yield Index 5% ER does not constitute a purchase of or direct investment in the index, or in the underlying components of the index. All references to Fidelity Multifactor Yield Index 5% ER values are used with the permission of Fidelity Product Services LLC and have been provided for informational purposes only. Fidelity accepts no liability or responsibility for the accuracy of the prices or the underlying components to which the prices may be referenced.

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<sup>1</sup> A feature offered "by current company practice" is not a contractual guarantee of this annuity contract and can be removed or changed at any time.

## ILLUSTRATION SNAPSHOT

Covered Person (Age): **Valued Client (65)**  
JT Covered Person (Age): **Joint Covered (65)**  
Premium: **\$100,000.00**  
Agent Name: **HANS SCHEIL**  
State: **NC**

## ILLUSTRATED WITHDRAWALS

LPA beginning in Contract Year: **16**

## GLWB FEATURE DETAILS

Annual Charge: **1.25% of Initial Premium**

Illustration Date: **04/18/2023**

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MNL Income Planning Annuity

Input Summary Report

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|   |  |                              |                  |                |            |                |
|---|--|------------------------------|------------------|----------------|------------|----------------|
| Producer                                |  |                              |                  |                |            |                |
| Producer                                |  | HANS SCHEIL                  |                  |                |            |                |
| Owner Information                       |  |                              |                  |                |            |                |
| Owner Information                       |  |                              |                  |                |            |                |
| Owner Type                              |  | Same as Annuitant(s)         |                  |                |            |                |
| Client Name                             |  | Valued Client                |                  |                |            |                |
| Gender                                  |  | Male                         |                  |                |            |                |
| Issue Age                               |  | 65                           |                  |                |            |                |
| Jurisdiction                            |  | NC                           |                  |                |            |                |
| Annuitant Information                   |  |                              |                  |                |            |                |
| Annuitant Type                          |  | Individual                   |                  |                |            |                |
| Client Name                             |  | Valued Client                |                  |                |            |                |
| Gender                                  |  | Male                         |                  |                |            |                |
| Issue Age                               |  | 65                           |                  |                |            |                |
| Illustration                            |  |                              |                  |                |            |                |
| Period Illustrated                      |  | Accumulation Only            |                  |                |            |                |
| Illustration Effective Date             |  | 04/18/2023                   |                  |                |            |                |
| Market                                  |  | Qualified                    |                  |                |            |                |
| Accumulation Benefits                   |  |                              |                  |                |            |                |
| Guaranteed Minimum Accumulation Benefit |  | False                        |                  |                |            |                |
| Guaranteed Minimum Withdrawal Benefit   |  | True                         |                  | Lifetime       |            |                |
| Guaranteed Minimum Income Benefit       |  | False                        |                  |                |            |                |
| Guaranteed Minimum Death Benefit        |  | Account Value                |                  |                |            |                |
| Initial Contribution                    |  |                              |                  |                |            |                |
| Amount                                  |  | \$100,000                    |                  |                |            |                |
| 1035 Exchange Amount                    |  | \$0                          |                  |                |            |                |
| 1035 Exchange Basis                     |  | \$0                          |                  |                |            |                |
| Periodic Payments                       |  |                              |                  |                |            |                |
| Mode                                    |  | Annual                       |                  |                |            |                |
| Scheduled Payments                      |  | Value                        | Adjustment       | From - Through |            |                |
|   |  | \$0.00                       | \$0.00           | 2 - M          |            |                |
| Withdrawals                             |  |                              |                  |                |            |                |
| Mode                                    |  | Annual                       |                  |                |            |                |
| Scheduled Withdrawals                   |  | Type                         | Withdrawal Basis | Value          | Adjustment | From - Through |
|   |  | None                         | Percentage       | 0.00%          | \$0.00     | 2- M           |
| Target Withdrawal                       |  |                              |                  |                |            |                |
| Target Withdrawal                       |  | Not Elected                  |                  |                |            |                |
|   |  | LPA                          | 100.00%          | \$0.00         | 11- M      |                |
| Performance Model                       |  |                              |                  |                |            |                |
| Illustration Based On                   |  | Custom Subaccount Allocation |                  |                |            |                |
| Subaccount Assumptions                  |  |                              |                  |                |            |                |
| Past Performance Duration               |  | Longest Common Period        |                  |                |            |                |
| Illustrate Dollar Cost Averaging        |  | False                        |                  |                |            |                |
| Subaccount                              |  | S&P MARC 5% ER               | 25.00%           |                |            |                |
|   |  | S&P 500 Index                | 25.00%           |                |            |                |

Input Summary Report

|                      |                     |        |
|----------------------|---------------------|--------|
|                      | S&P 500 LV 5%       | 25.00% |
|                      | Fidelity MFY 5% ER  | 25.00% |
| Rebalance Subaccount | None                |        |
| Reports Options      |                     |        |
| Years to Illustrate  | Contract Years 1-20 |        |



## Rate Quote Results

Page 1: Customer Information, Rate Quote Summary

Page 2: Rate Quote Details

Jun 16, 2023

Method: Web

| CONSUMER INFORMATION FOR APPLICANT A |                 |
|--------------------------------------|-----------------|
| Name                                 |                 |
| Date of Birth / Age                  | 1958-01-01 / 65 |
| Gender                               | Male            |
| Smoker                               | No              |
| State                                | NC              |
| Zip                                  | 27713           |

| CONSUMER INFORMATION FOR APPLICANT B |                 |
|--------------------------------------|-----------------|
| Name                                 |                 |
| Date of Birth / Age                  | 1958-01-01 / 65 |
| Gender                               | Female          |
| Smoker                               | No              |
| State                                | NC              |
| Zip                                  | 27713           |

| RATE QUOTE SUMMARY  |             |             |
|---------------------|-------------|-------------|
| Payment mode        | Monthly     |             |
| Product(s) Selected | Applicant A | Applicant B |
| Recovery Care       | \$165.19    | \$165.19    |
| Total Premium       | \$165.19    | \$165.19    |

The premium rate quoted to you is an estimate based on the information you provided to us on the date it was provided. The actual premium rate will be determined at the time your application is approved and could change from this quote.

This insurance coverage is not connected with or endorsed by the U.S. Government or Federal Medicare Program.

The purpose of this communication is the solicitation of insurance. You may be contacted by an agent or the insurance company.



## Rate Quote Results

Page 1: Customer Information, Rate Quote Summary

Page 2: Rate Quote Details

Jun 16, 2023

Method: Web

### RATE QUOTE DETAILS

#### PRODUCT: RECOVERY CARE FOR APPLICANT A - CLI

|  |          |           |             |           |
|--|----------|-----------|-------------|-----------|
| Daily Hospital Indemnity - Benefit Amount  | \$10     |           |             |           |
| Daily nursing facility - Benefit Period    | 360 days |           |             |           |
| Daily nursing facility - Waiting Period    | 0 days   |           |             |           |
| Daily nursing facility - Benefit Amount    | \$200    |           |             |           |
| Home care rider - Home Care Benefit Amount | \$1200   |           |             |           |
| Home care rider - Home Care Benefit Period | 52 weeks |           |             |           |
|  | Monthly  | Quarterly | Semi Annual | Annual    |
| Daily Hospital Indemnity                   | \$1.96   | \$6.23    | \$12.22     | \$23.50   |
| Daily nursing facility                     | \$92.33  | \$293.62  | \$576.16    | \$1108.00 |
| Home care rider                            | \$70.90  | \$225.46  | \$442.42    | \$850.80  |

#### PRODUCT: RECOVERY CARE FOR APPLICANT B - CLI

|  |          |           |             |           |
|--|----------|-----------|-------------|-----------|
| Daily Hospital Indemnity - Benefit Amount  | \$10     |           |             |           |
| Daily nursing facility - Benefit Period    | 360 days |           |             |           |
| Daily nursing facility - Waiting Period    | 0 days   |           |             |           |
| Daily nursing facility - Benefit Amount    | \$200    |           |             |           |
| Home care rider - Home Care Benefit Amount | \$1200   |           |             |           |
| Home care rider - Home Care Benefit Period | 52 weeks |           |             |           |
|  | Monthly  | Quarterly | Semi Annual | Annual    |
| Daily Hospital Indemnity                   | \$1.96   | \$6.23    | \$12.22     | \$23.50   |
| Daily nursing facility                     | \$92.33  | \$293.62  | \$576.16    | \$1108.00 |
| Home care rider                            | \$70.90  | \$225.46  | \$442.42    | \$850.80  |