National Life Group®

Alzheimer's Disease Rider

PROVIDING PEACE OF MIND

An Alzheimer's diagnosis can be devastating, both emotionally and financially.

6.5 Million

or more people are estimated to be living with Alzheimer's dementia[1]

$5,000

per month is the average cost for Alzheimer's care including nursing homes and assisted living[2]

Accelerated Death Benefits Rider for Alzheimer's Disease

Alzheimer's Disease Rider can provide your clients with extra financial protection and help ease the burden when they (or a loved one) are going through tough times. If they are diagnosed with Alzheimer's disease or Lewy Body Dementia, they may be able to receive some or all of their death benefit during their lifetime.

Available for all our life insurance products, depending on state approval.

1 https://www.alz.org/alzheimers-dementia/facts-figures

2 https://www.payingforseniorcare.com/memory-care

National Life Group® is a trade name of National Life Insurance Company (NLIC), Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York.

No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.

Accelerated Benefits Riders (ABRs) are supplemental benefits that can be added to a life insurance policy and are not suitable unless the client has a need for life insurance. ABRs are optional and may not be available in all states. The use of one benefit may reduce or eliminate other policy and rider benefits.

This rider is a no-additional premium rider that allows for the death benefit, on a discounted basis, to be accelerated during lifetime, for Alzheimer's disease or Lewy Body Dementia.

How It Works:

A qualifying diagnosis is needed of Alzheimer's disease or Lewy Body Dementia, determined by a Specialist. In addition, a Specialist needs to provide certification of both:

- A score of less than 20 out of 30 on Mini-Mental State Exam (MMSE), or an equivalent of this score under a widely accepted test of cognitive function.
- Clinical impairment of at least two of the following:
  - Orientation to people, places, or time.
  - Registration (ability to learn and remember new information).
  - Attention and calculation (reasoning and handling of complex tasks).
  - Visuospatial abilities.
  - Language functions.

In determining whether an Insured has experienced a qualifying event, National Life Group may consider both the certification and the records of the Insured's medical history, diagnosis, and treatments to ensure that the records support the certification.

Exclusions

All other forms of dementia are not covered by this rider but may be covered by the chronic illness rider.

Examples of other forms of dementia include but are not limited to:

- Dementia induced by alcohol-related brain damage, toxic substance, or medication.
- Dementia associated with Parkinson's disease, other than Lewy Body Dementia.
- Vascular dementia.
- Frontotemporal dementia.
- Primary progressive aphasia.
- Dementia associated with infectious disease such as, but not limited to, COVID, encephalitis, and meningitis.

Limitations

What's unique about this ABR is that benefits do not have to be used to defray actual expenses associated with Alzheimer's disease or Lewy Body Dementia. They could be used for any purpose, including for such things as making structural changes to a home to accommodate the illness and compensating a non-licensed care provider or for any non-medical reason such as home modifications, bills or income replacement.

- Issue ages: 0-60
- Not available on policies rated > 200%.
- Not available with the Express Non-Tobacco 2 risk classification.
- Not available for guaranteed issue or simplified issue policies.
- Rating rules apply for both base policy and other insured rider (OIR).
- At the underwriter's discretion, this rider may be denied if a flat extra rating is applied.

Benefit

The actual payment received is less than the portion of the death benefit accelerated because the benefits are paid prior to death. Values are based on a current interest rate and mortality rates. There is an initial administrative fee at the time the rider is exercised. The amount accelerated reduces the death benefit, the cash value, and the loan value. A summary of a discounted death benefit amount can be illustrated through the National Life Group illustration system.

This rider is intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code. Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated. Clients should consult with their personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect eligibility for public assistance.