

Accelerated Access Rider

Accelerated Death Benefit

The **Accordia Life Accelerated Access Rider** provides an acceleration of the death benefit if the insured is certified as chronically ill by a licensed physician¹. The rider will pay out a portion of the policy death benefit to the policy owner should the insured meet all the eligibility requirements².

How does it work?³

- **The client must either:**
 - a. Be unable to perform without substantial assistance at least 2 of the 6 Activities of Daily Living – bathing, continence, dressing, eating, toileting and transferring.
 - b. Require substantial supervision to be protected from threats to health and safety due to severe cognitive impairment.
- **The condition must have occurred during the 90 consecutive calendar days immediately preceding the certification.**
- **The condition is expected to be permanent.**

What are the eligibility requirements?

- Written certification from a licensed physician every 12 months that the Insured is chronically ill; and
- The policy does not have an existing claim under any other rider that provides for the acceleration of the death benefit (for example: the Accelerated Benefit Rider for terminal illness); and
- Accelerated death benefits under this rider must be approved by any irrevocable beneficiary
- When combined with Accordia Survivorship Builder, one insured must be deceased before the rider is eligible for use.

What are the key features?⁴

- Will pay out an acceleration of a portion of the death benefit to the policy owner when the insured meets the definition of being chronically ill and all eligibility requirements.
- Will pay out benefits on either an annual or monthly basis, subject to contract limitations.
- The Accumulated Payout Balance is the sum of benefits accelerated plus accrued interest. Benefits will continue to be available until the Accumulated Payout Balance is equal to or exceeds the Eligible Amount. Benefits will be used to pay for a portion of any existing loans on the policy.
- Once the death benefit less the Accumulated Payout Balance is equal to or less than the Residual Benefit Amount and there are no outstanding policy loans, the Residual Benefit Amount is paid upon death of the insured.

¹Accordia Life Accelerated Access Rider has no cost until benefits are received. Availability varies by state.

²Additional requirements apply for policies sold in Connecticut. See rider brochure (form number 18347) for complete eligibility requirements.

³See Agent Guide for more details.

⁴See policy form for more details

Rider Specifications

Issue Ages	18-75	Policy Changes	When chronic care benefits are triggered, policy charges will continue to be assessed against the account value
Waiting Period	Benefits are available from the time the insured purchases their Accordia policy	Impact on Policy Values	There is no direct impact to the Account Value or Cash Value due to receiving benefits from this rider. However, access to the net cash value is limited to any excess of the net cash value over the Accumulated Payout Balance
Base Plan Availability	Available on all permanent products	Lapse Protection	If while on claim the net cash value is insufficient to cover monthly deductions, the monthly deductions will be added to the Accumulated Payout Balance and the policy will remain in force
Elimination Period	Time that insured must be chronically ill prior to qualifying for benefits: 90 consecutive days	Benefit Type	Indemnity. Benefits are paid irrespective of actual costs incurred
Eligible Amount	Cash Value plus a percentage of the Net Amount at Risk. The percentage increases with attained age at claim and is higher if the insured has complied with Wellness requirements from the Wellness for Life® rider	Re-Certification	Annual recertification is required
Maximum Monthly Benefit Amount	The lesser of 2% of the Eligible Amount or the IRS Per Diem Limit	Policy Changes	There are limitations on policy changes after the rider begins to pay benefits
Payout Options	Policy owner can receive benefits in an annual lump sum or in monthly payments	Repayment of Benefits	The policy owner may not repay the Accumulated Payout Balance or interest that has accrued
Underwriting	Rider is eligible for insureds rated Table 4 or better on the base policy plan	Rider Restrictions	Not available with the Death Benefit Return of Premium Rider
Payment Amount	Policy owner elects the amount of benefit at time of claim, subject to rider limitations	Residual Benefit Amount	A fixed amount of death benefit will remain after all available amounts have been accelerated through this rider, subject to the terms and conditions of the rider
Withdrawals	Partial withdrawals are still available during rider benefit period		
Loans	No additional loans will be allowed during rider benefit payout period		

Here's an example of how the Accelerated Access Rider Works:

Male Preferred Non-Tobacco						
1 Million Face Amount						
Lifetime Builder with the Accordia Life Accelerated Access Rider						
Issue Age	Impaired Age	Cumulative Premium @ Impaired Age	Non-Guaranteed Cash Value @ Impairment	Non-Guaranteed Eligible Amount @ Impairment	Non-Guaranteed Maximum Annual Benefit ⁵	Non-Guaranteed Maximum Monthly Payment
50	70	\$400,000	\$601,642	\$859,010	\$206,162	\$17,180

This is a hypothetical example only. The Cash Value in this example assumes a non-guaranteed interest crediting rate of 7.00%.

What's the formula for this example?

$(\text{Face Amount} - \text{Cash Value}) \times 70\%^6 + \text{Cash Value} = \text{Eligible Amount at Impairment}$

Important Information

Tax consequences

While payments made under this rider are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code, payments under this rider may be taxable under certain situations. The policy owner should consult a competent tax advisor to determine the current tax consequences before requesting any accelerated proceeds.

Government entitlements

The policy owner's eligibility for public assistance programs, such as medical assistance (medicaid), aid to families with dependent children, and supplemental security income ("ssi") may be affected by having an accelerated benefit rider as part of their life insurance policy or by receiving an accelerated benefit payment. Exercising the option to receive an accelerated benefit payment and receiving such payment before applying for these programs, or while other government benefits are being received, may affect initial or continued eligibility. The appropriate social services agency (for example, the medicaid unit of the local department of public welfare and social security administration office) should be consulted for more information concerning how receipt of an accelerated benefit payment will affect the eligibility of the recipient and/or the recipient's spouse or dependents.

Additional limitations of this rider

Accordia Life Accelerated Access Rider is not health, nursing home, or long term care insurance, and it is not intended or designed to eliminate the need for such coverage. An accelerated benefit payment may not be enough to cover a policy owner's medical, nursing home or other bills. The acceleration will not reduce the amount of monthly charges assessed against their account value. Planned premiums should still be paid to maintain policy values and guarantee provisions of the base contract and other riders.

What does the Accordia Life Accelerated Access Rider cost?

There are no additional premiums or cost of insurance charges for the rider. However, an interest charge accrues on any benefits provided under the rider, which further reduces the amount of Death Benefit payable to the beneficiary.

⁵The Max Annual Benefit is limited by the IRS Per Diem Limit. For 2014, the daily limit is \$330. For all future years in this example, a 4% increase is assumed in Per Diem Limit. The Eligible Amount was calculated with the Wellness for Life Rider[®] included.

⁶The percent is determined by the insured's attained age and meeting Wellness Rewards Level 2 requirements prior to impairment.

Products issued by and all policy benefits are the responsibility of Accordia Life and not that of any other insurer or company. Accordia Life's Accelerated Access Rider form ICC13-LCABR-E14 or LCABR-E14. Other restrictions apply to the eligibility of benefits and to the amount of benefit clients can receive from this rider. The Accelerated Access Rider is not available in all states.

Wellness for Life[®] Rider [ULWFL-E14] is not available in all states. The Wellness for Life Rider is only available at policy purchase and has an administrative expense charge that will be included in the monthly deduction of the policy only in the first policy year. Lifetime Builder policy form ICC13-IULA-E14 or IULA-E14.