



National Life  
Group®

## Living Benefits

There's More to Life



Products issued by

**National Life Insurance Company®**

**Life Insurance Company of the Southwest®**

Experience Life®

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**Not For Use in Oregon**

**The Accelerated Benefits Rider for Chronic Illness is not available in California**



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# Plan today. Protect tomorrow.

Life insurance is a powerful financial tool that can be used to meet many needs. Most commonly, life insurance is used to provide a death benefit to help secure your family's financial future when you are gone.

How do you protect against  
an unforeseen illness?

living



## Consider the following:

- One in every three deaths is from heart disease and stroke, equal to 2,200 deaths per day. (*Centers for Disease Control and Prevention, 2012*)
- Someone in the United States has a stroke every 40 seconds. Every four minutes, someone dies of a stroke. (*Centers for Disease Control and Prevention, 2012*)
- People who reach age 65 have a 40% chance of entering a nursing home. About 10% of the people who enter a nursing home will stay there 5 years or more. (*Medicare, US Dept. of Health and Human Services, 2012*)

You should get more from a life insurance policy. You should have access to benefits you can use, while you are living.

The future is unpredictable...  
are you and your family prepared?



# Life insurance you don't have to die to use

At National Life Group, we believe you should have access to your benefits, if needed, while you are still living.

## Living Benefits

Our Accelerated Benefits Riders provide you with access to your death benefit while you are still alive, to help cover the costs of a:

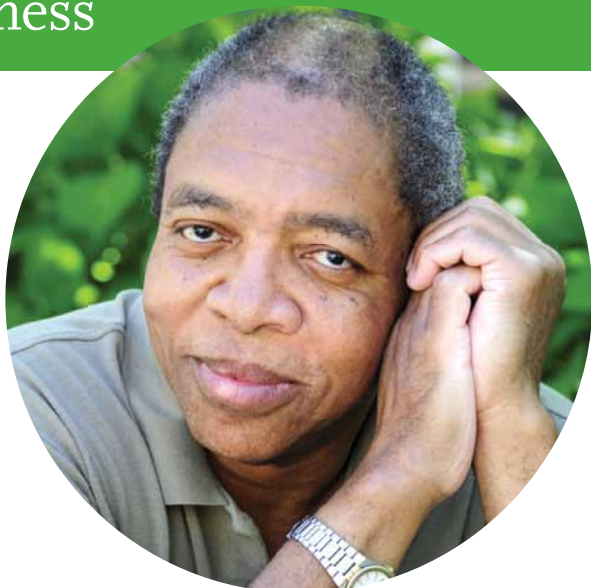
- Terminal Illness
- Chronic Illness
- Critical Illness





# Terminal Illness

Isaac's doctor has told him he has less than two years to live. Using the terminal illness rider, he chooses to access his full death benefit to enjoy life to the fullest during his last two years.<sup>1</sup>

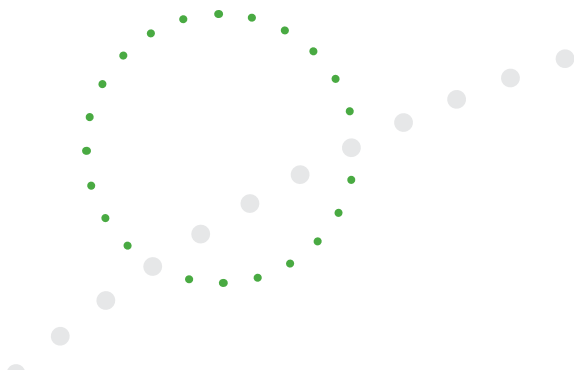


## Terminal Illness ABR

The Accelerated Benefits Rider for Terminal Illness provides you with access to your death benefit should you become terminally ill.

## What Qualifies as a Terminal Illness?

Generally, you will be certified as terminally ill if you have been diagnosed with a Terminal Illness that will result in death within 24 months of certification of the illness by a physician.



## Receiving Benefits

Your benefit payment will be received as a lump sum. There is no waiting period or annual benefit limit, but there is a lifetime limit on the amount of benefits you can receive across all ABRs.

## State Specific Information

In some states, the definition of “terminally ill” may require a 12 month life expectancy instead of 24. Refer to your agent for state specific information.

## They Are There if You Need Them

If you should need it, and you qualify, you can elect to either:

- Request the full acceleration, on a discounted basis, and use the lump-sum as you wish.
- Choose to leave a portion of the policy’s death benefit intact and receive a partial benefit.
- Choose to leave the entire policy intact for your beneficiary.

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Names and circumstances changed to protect privacy.

1 There is no restriction placed on the use of the ABR Terminal Illness benefit received.

# Chronic Illness

**Sophie**, at age 79, becomes chronically ill and enters a nursing home. Her chronic illness rider allows her to help pay for her nursing home stay and other medical expenses.<sup>2</sup>



## Chronic Illness ABR

The Accelerated Benefits Rider for Chronic Illness provides you with access to your death benefit should you become chronically ill.

## What Qualifies as a Chronic Illness?

Generally, chronic illness means that a doctor has certified, within the past 12 months, that you are unable to perform two out of six “activities of daily living” for a period of at least 90 consecutive days without assistance, or that you are cognitively impaired.

### Activities of Daily Living

- |               |             |                 |
|---------------|-------------|-----------------|
| 1. Bathing    | 3. Dressing | 5. Toileting    |
| 2. Continence | 4. Eating   | 6. Transferring |

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Names and circumstances changed to protect privacy.

<sup>2</sup> The uses of ABR benefits are not limited with the exception that ABR proceeds for chronic illness in the state of Massachusetts can only be used to pay for expenses incurred for Qualified Long-Term Care services.<sup>3</sup>



## Receiving Your Benefit

Generally, the rider needs to be in force for a period of two years in order to receive benefits. There is an annual limit on the amount of benefits you can receive. There is also a lifetime limit on the amount of benefits you can receive across all ABRs.

## State Specific Information

Depending on what state you are in and what product you have, the waiting period required to accelerate may vary, or not exist at all. Other state specific information may apply as well, so make sure to ask your agent.

**Massachusetts:** Benefits may only be used for Qualified Long-Term Care services.<sup>3</sup>

**New York:** New York has its own separate rider for chronic illness. The ABR Chronic II Rider for the state of New York functions similarly to our standard Chronic Illness Rider with a few exceptions.

## They Are There if You Need Them

Note that you do not have to be in a licensed facility to receive payments, and that you can apply for benefits every 12 months.

If you should need it, and you qualify, after the waiting period you can:

- Accelerate portions of your death benefit every year to receive benefit payments.
- Leave the policy intact for your beneficiary.

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<sup>3</sup> Qualified Long-Term Care services: the necessary diagnostic, preventative, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by a chronically ill individual and are provided pursuant to a plan of care prescribed by a licensed health care practitioner.

# Critical Illness

**Nicholas**, a husband and father of two, suffers a severe heart attack at the age of 54. He uses his critical illness rider. He is able to use this money to cover his medical expenses, and pay off his family's mortgage.<sup>4</sup>



## Critical Illness ABR

The Accelerated Benefits Rider for Critical Illness provides you with access to your death benefit should you become critically ill.

## What Qualifies as a Critical Illness?

Generally, a Critical Illness includes:

- Heart attack
- Stroke
- Major organ transplant
- Diagnosed with cancer
- End stage renal failure (kidney failure)
- ALS (Lou Gehrig's disease)
- Blindness

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Names and circumstances changed to protect privacy.

<sup>4</sup> Receipt of accelerated benefits will reduce the policy's death benefit and cash value and may result in a taxable event. Riders are optional, may be subject to underwriting, exclusions and/or limitations and may not be available in all states and on all products.

## Receiving Your Benefits

When determining the discounted benefit you will receive for the Critical Illness ABR, we take into consideration four different categories dependent on the severity of the illness:

- Minor
- Moderate
- Severe
- Life Threatening

The highest payout will result from the Life Threatening category.

Generally, the rider needs to be in force for 90 days (for National Life Insurance Company), or for 30 days (for Life Insurance Company of the Southwest) prior to diagnosis in order to accelerate. There is no annual limit, but there is a lifetime limit on the amount of benefits you can receive from all ABRs.

## State Specific Information

Based on what state you are in, and what product you have, the waiting period may vary, the qualifiers may vary, or the Rider may not be available.

**Massachusetts:** The Critical Illness ABR in the state of MA has some specific differences. There is no waiting period, but there is a two-year waiting period if a qualifying event directly results from self-inflicted injury or attempted suicide.

### Qualifying conditions in MA:

1. Coronary artery disease resulting in acute myocardial infarction or requiring surgery.
2. End-stage renal disease.
3. Major organ transplant.
4. Permanent neurological deficit resulting from cerebral vascular accident.

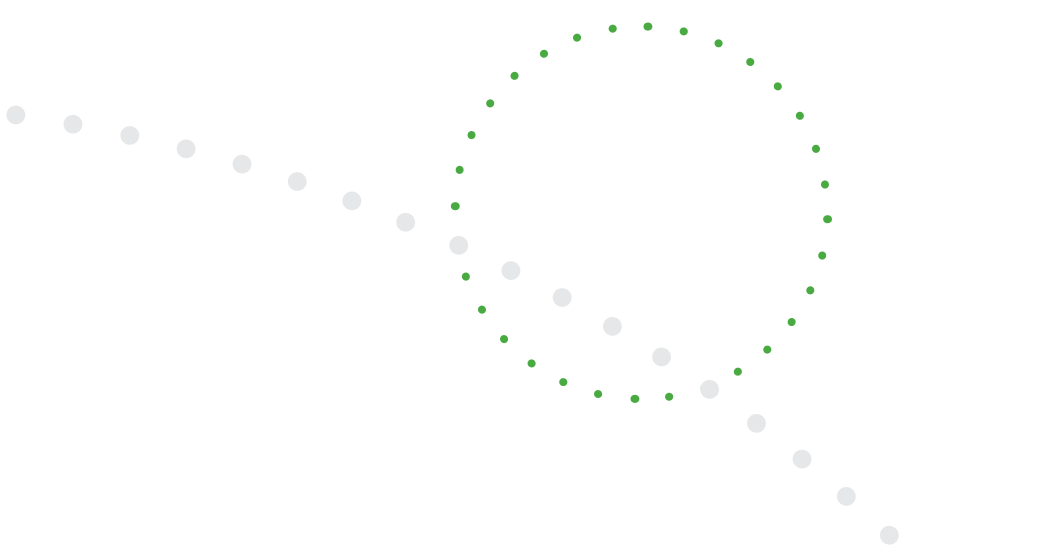
# Critical Illness *continued*

5. Diagnosis of an invasive malignancy characterized by uncontrolled growth and spread of malignant cells and the invasion tissue. Cancer does not include:
- a. Stage A prostate cancer.
  - b. Any skin cancer, except invasive malignant melanoma into the dermis or deeper.
  - c. Pre-malignant lesions, benign tumors or polyps.
  - d. Carcinoma in-situ.

## They Are There if You Need Them

If you should need it, and you qualify, you can elect to either:

- Request the full acceleration, on a discounted basis, and use the lump-sum as you wish.
- Choose to leave a portion of the policy's death benefit intact and receive a partial benefit.
- Choose to leave the entire policy intact for your beneficiary.



**Q:** What is the cost for the riders?

**A:** There is no additional premium for the rider. The benefit received for a qualifying illness is discounted, since it is paid prior to death. There is also an administrative fee deducted from the proceeds.

**Q:** So if I have a \$500,000 death benefit, will I get a \$500,000 accelerated benefit?

**A:** No. You receive a discounted amount of your death benefit. The amount you receive is based on how long you have had your policy, life expectancy, and other factors. National Life Group will provide a quote to you prior to accelerating any benefits.

**Q:** Do I need to use my benefits for medical bills?

**A:** No. There are generally no restrictions placed on your benefits, and they can be used for anything, including: replacement income, cost of moving, compensating a non-licensed care provider, etc. Some state exceptions may apply.

**Q:** What happens to my policy if I elect to receive my benefit?

**A:** Once you elect to receive your benefit and you are approved, the company will accelerate your death benefit and deliver you a check.

**Partial Acceleration:** Let's say your death benefit is \$500,000, and you elect to receive 50%. You will be paid a discounted amount and still maintain a \$250,000 death benefit.

**Full Acceleration:** Lets instead say you need a larger accelerated benefit, and you decide to accelerate 100% of your death benefit. You will be paid a discounted amount and your policy will be terminated.

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Benefits are not all inclusive. The use of one benefit may reduce or eliminate other benefits.

living



# National Life Group

National Life Insurance Company, was founded in 1848. Life Insurance Company of the Southwest was incorporated in 1955. Our commitment to our customers is our steadfast and primary responsibility, while our joint commitment to financial strength and profitable growth helps to ensure we can deliver on our promises to our customers.

National Life Group is a Fortune 1000 Company that serves more than 850,000 customers and employs roughly 900 employees.

**Do** Good. **Be** Good. **Make** Good.

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## Accelerated Benefits Riders (ABR) vs. Long-term Care (LTC) Insurance

Certain states require advertising for ABRs to provide a comparison to the benefits provided by LTC insurance. However, Accelerated Benefits provided by the ABR riders are not long-term care insurance, and are not intended to be the same as, or an alternative to, long-term care insurance.

**This product is a life insurance policy with a rider that gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the rider. It is not a health insurance policy providing long-term care insurance subject to the minimum requirements of State Law, does not qualify for the State Long-Term Care Partnership program and is not a Medicare supplement policy or certificate.**

ABR Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. There is generally no restriction placed on the use of the accelerated benefit received (see the previous section on Chronic Illness for state exceptions.) Receipt of benefits may reduce or eliminate the availability of other policy riders and benefits. Benefits available are calculated at time of claim based on the age of the policy and our expectation of your future mortality. For policies in good standing, if ABR benefits are not used, policy death benefits and other rider benefits are still available.

Long-term care (LTC) insurance is a form of health insurance, rather than an optional rider on a life insurance policy, and as such, has no death benefit or cash value. LTC insurance benefits are specified at the time of the contract. Premiums vary based on the level and length of benefit chosen by the policyholder. Premiums are paid on a recurring basis, and failure to pay premiums will generally lapse the policy. If LTC benefits are not claimed, they are typically forfeited. LTC insurance policies may offer non-forfeiture benefits for additional premium.



The riders referenced in this brochure are available on:

NL AssurePlus Protector Universal Life Insurance, form series 8522(0707)/8523(0707) and various other permanent and term life insurance policies issued and underwritten by National Life Insurance Company.

LSW Income Builder Universal Life Insurance, form series 8796(0210)/8797(0210)/ICC10-8796(0210)/ICC10-8797(0210) and various other permanent and term life insurance policies issued and underwritten by Life Insurance Company of the Southwest.

Following are the form series numbers for the National Life Insurance Company Life Insurance Riders referenced in this brochure: Accelerated Benefit Rider (ABR) for Terminal Illness, form series 7490, ICC10-8843; ABR for Chronic Illness, form series 7493, 8765, ICC10-8843; ABR Chronic II Accelerated Benefit Rider for Covered Chronic Illness (form 8591NY) is optional and only available in New York. ABR Critical Illness Rider, form series 9744.

Following are the form series numbers for the LSW Life Insurance Riders referenced in this brochure: Terminal Illness Rider (ABR1), form series 8052, ICC10-8844; Chronic Illness Rider (ABR2), form series 8095, 8766, ICC10-8844; Critical Illness Rider (ABR3), form series 8165.

For costs and complete details of the coverage, write or call your agent or company. None of the information in this piece is intended as tax or legal advice. Please consult with your Attorney or Accountant prior to acting upon any of the information contained herein.

Receipt of accelerated benefits reduces the Death Benefit and cash value (if any) otherwise payable under the policy, may be a taxable event and may affect your eligibility for public assistance programs, such as medical assistance (Medicaid), Aid to Families with Dependent Children, and Supplemental Security Income. Please consult your 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 you, your spouse and your family's eligibility for public assistance. The accelerated benefits offered under this rider are intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated or whether you use the benefits to pay for necessary long-term care expenses, such as nursing home care.

Riders are optional and may not be available in all states. Availability is subject to underwriting review and there is an initial administrative fee at the time the rider is exercised. We currently limit the amount of death benefit that may be accelerated under all contracts made over the entire lifetime of the insured to \$1,500,000 for terminal or chronic and \$1,000,000 for critical. (In NY, the maximum amount is \$2,000,000 when benefits paid are due to chronic illness). We reserve the right to change this limit in the future; however the limit will never be less than \$500,000. Other restrictions, limitations and waiting periods may apply.

This is a solicitation of insurance. An insurance agent may contact you.

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