



Chronic Illness Accelerated Death Benefit Rider

Frequently Asked Questions

IMPORTANT: The following information is applicable to the Chronic Illness Accelerated Death Benefit Rider. State variations will apply. Consult the rider for complete details regarding benefits, exceptions, limitations, or exclusions.

Applications & Underwriting

What product(s) offer the Chronic Illness rider?

The Chronic Illness rider is available on the *LifeTime Advantage Plus universal life insurance* product.

Is the Chronic Illness rider available to everyone?

- Issue Ages: 20-80
- Maximum Substandard Rating: Table 4 on the base policy
- Minimum Face Amount: \$100,000

How does the applicant request the Chronic Illness rider on the application?

1. Part I section of the Application for Life Insurance
2. Check the box for Other Rider
3. Write in Chronic Illness Rider
4. Indicate the Elimination Period (3 or 12 months)
5. Select the Maximum Monthly Benefit Option (\$1,000; \$2,500; \$5,000; or \$7,500 - available only with \$150,000 minimum face amount)

Is the Chronic Illness rider available on WinFlex?

Yes, you may quote the Chronic Illness rider on WinFlex.

Is the Chronic Illness rider available in all states?

The Chronic Illness rider is available in many states. For the most up to date availability, visit www.westcoastlife.com.



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Not a Deposit	Not Insured By Any Federal Government Agency	
No Bank Guarantee	Not FDIC Insured	May Lose Value



Is there a way I can estimate whether my applicant will qualify for the Chronic Illness rider?

WebRAE is a web-based field underwriting and quick-quoting tool created to enable us to give our producers instant underwriting analysis on the base policy for approximately 80% of their cases. Visit www.westcoastlife.com to utilize WebRAE.

Are there any additional underwriting requirements for my applicant to consider for the Chronic Illness rider?

Yes, underwriting will require cognitive testing and information concerning activities of daily living. These additional requirements will be conveniently handled by the paramedical facilities at the time of the insurance physical examination.

Can an applicant receive an offer for the universal life insurance policy and be declined for the Chronic Illness rider?

Yes.

Policy Revisions

Can the Chronic Illness rider be added to a LifeTime Advantage Plus universal life policy after it has been issued?

No. It is only available at issue.

Can the policyowner voluntarily terminate the Chronic Illness rider after the policy has been issued?

Yes, the rider can be terminated after the policy has been issued. All charges will stop at the time of termination. If the client terminates the Chronic Illness rider it cannot be reinstated.

Can the policyowner request face amount changes if there is a Chronic Illness rider attached to the policy?

Yes. We recommend contacting a Customer Service Specialist for a re-proposal prior to quoting new minimum premiums to the policyowner. New rates cannot be accurately calculated using rate cards or the regular illustration system. Evidence of insurability will be required.



Claims

What is the qualifying event for receiving Chronic Illness rider benefits?

If the insured is certified by a licensed health care practitioner within the past 12 months as chronically ill – defined as either unable to perform at least two Activities of Daily Living without assistance for at least 90 days, or requiring substantial supervision for protection from health and safety threats due to severe cognitive impairment – the insured is eligible to receive benefits. (Please see the rider for complete details.)

Is there a waiting period before the policyowner may be eligible to receive benefit payouts under the Chronic Illness rider?

A Waiting Period (Elimination Period) of 3 or 12 months must be selected by the insured at the time of issue. This is the period of time which must pass between the time West Coast Life receives written certification of the insured's Chronic Illness status and the time the first advance payment of a portion of the base policy's death benefit, accelerated death benefit (ADB), is made.

How long is a Benefit Period?

A Benefit Period lasts 12 months. Before each Benefit Period, the insured must select the amount to be paid for each month of that Benefit Period, subject to monthly minimums and maximums. Each month within a given Benefit Period will then have the same ADB payout amount, but a new payout amount can be selected before the next Benefit Period.

Is there a re-certification process for each Benefit Period?

Re-certification must occur by a Licensed Health Care Practitioner at least every 12 months.

Is the Maximum Monthly Benefit amount the same each month?

The accelerated death benefit is paid each month, beginning on the first day of the Benefit Period. The last ADB payment may be less than the elected amount to ensure that the Lifetime Maximum Benefit is not exceeded.

- Lifetime Maximum Benefit: Lesser of \$1 million or 90% of the death benefit available just prior to first accelerated death benefit payment
- Maximum Monthly Benefit Options:
 - \$1,000
 - \$2,500
 - \$5,000
 - \$7,500 (available only with \$150,000 minimum face amount)



Can a policyowner take less than the Maximum Monthly Benefit?

Yes. A lesser Monthly Benefit amount of at least \$250 may be requested if your client does not require the entire Maximum Monthly Benefit amount. The Lifetime Maximum Benefit is only reduced by the amount of benefit actually taken each month. Monthly Benefit Options are subject to change.

Are other payment frequencies available?

There is an annual lump-sum payout option available.

How do benefit payments impact the policy's death benefit and account value?

Each accelerated death benefit payment will reduce certain policy values by a proportional amount. This proportional amount will equal the Monthly Benefit payment (prior to any loan repayment) divided by the death benefit immediately before the ADB payment. The following current values will be affected:

- Policy value
- Face amount
- Surrender charges
- Minimum premium requirements for lapse protection
- Cumulative minimum premium requirements for lapse protection
- Cumulative premiums paid to date
- Policy debt

An amount equal to policy debt reduction will be applied to repay policy debt, and thus will reduce the net amount of proceeds distributable as an accelerated death benefit.

Are loans and/or withdrawals available if the policy is on claim under this rider?

Loans and/or withdrawals will terminate the Chronic Illness rider while the policy is on claim under this rider.

Can my client's policy lapse on claim?

While the policy is on claim, the monthly deductions cease and benefit payments will continue until the insured no longer qualifies for payments under the Chronic Illness rider.

Can a policy lapse on claim due to over-indebtedness?

The policy will not lapse due to over-indebtedness. The maximum lifetime benefit is set at the time of first acceleration and is reduced by the amount of benefit accelerated, not by loan interest. The benefit amount accelerated is constant each month of the benefit period.



If the client no longer qualifies for payments under the Chronic Illness rider, can the policy lapse?

Yes. Once the insured no longer qualifies for benefits under the rider, the policy will come off claim and normal rules concerning policy lapse will apply. If there is insufficient policy value to cover the monthly deductions, the policy will enter the grace period.

What happens when the Lifetime Maximum Benefit Amount has been paid?

The rider will terminate. Any remaining death benefit will continue as normal and if monthly deductions were being waived, they will resume and the policy may enter the grace period.

Is there a residual death benefit available after the Lifetime Benefit Amount has been paid?

There is not an explicit residual death benefit; however, since the insured can only access 90% of the Death Benefit Amount, any remaining death benefit will in effect serve as a residual death benefit.

What happens to other policy riders while on claim?

Charges for all other riders will stop while on claim. If the insured no longer qualifies for payments under the Chronic Illness rider, charges for all riders will resume.

Please note: This rider provides an accelerated death benefit for those individuals who meet the definition of Chronically Ill. This rider falls under IRC Sec. 101(g) – Accelerated Death Benefit guidelines and thus does not fall under health regulations.

The tax treatment of life insurance is subject to change. Neither West Coast Life nor its representatives offer legal or tax advice. Purchasers should consult a qualified legal or tax advisor regarding their individual situation before making any tax-related decisions.

Accelerated benefits provided to the insured under the Chronic Illness rider may affect their eligibility for public assistance programs, such as Medicaid, Supplemental Income, or other public assistance programs. Purchasers should consult a qualified advisor to determine if the rider will affect their initial or continued eligibility for public assistance programs.



**West Coast Life
Insurance Company**

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LifeTime Advantage Plus UL, policy form WC-U15 and state variations thereof, is a flexible premium universal life insurance policy issued by West Coast Life Insurance Company. Located at 2801 Highway 280 South, Birmingham, AL 35223. Product features and availability may vary by state. Subject to underwriting and up to a 2-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. Consult policy for benefits, riders, limitations and exclusions. In Montana, unisex rates apply.

Chronic Illness Accelerated Death Benefit Rider (WC-624) is available only at issue. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Available at an additional cost. Assumes medical and financial underwriting qualifications at time of initial application. Not available in all states. State variations may apply.

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