Marketing the Chronic Illness Accelerated Benefit Rider

Your clients’ financial security can quickly erode due to an unexpected chronic illness. A chronic illness may bring high costs for treatment, medications or care services. Expenses could rapidly add up. Further affecting the situation, a person with a chronic illness may no longer be able to provide the same amount of income, which could make a difficult time for a family even harder. Automatically included on many new permanent policies, North American Company’s Chronic Illness Accelerated Benefit Rider (CIABR), can help your clients meet their financial need and help provide a more comfortable and secure financial future.¹

¹ Subject to eligibility requirements.
² Administrative fee may vary by state.
³ In some situations loans and withdrawals may be subject to federal taxes. Neither North American Company nor its agents give tax or legal advice. Customers should be instructed to consult with and rely on their own the adviser or attorney for advice on their specific situation.

Chronic Illness Accelerated Benefit Rider is issued on LR450A or state version, by North American Company for Life and Health Insurance, Administrative Office, Sioux Falls, SD 57193. Products, features, issue ages, endorsements or riders may not be available in all jurisdictions. Limitations or restrictions may apply.
**Overview**

The Chronic Illness Accelerated Benefit Rider advances a portion of the death benefit of the insured becomes chronically ill—defined as permanently unable to perform at least two of the six Activities of Daily Living (bathing, continence, dressing, eating, toileting and transferring) without substantial assistance from another person, or has seven cognitive impairments including the insured requires substantial supervision by a trained person to protect himself or herself from threats to health and safety due to seven cognitive impairments. The insured becomes eligible through written certification by a physician within the past 12 months. There is a 90-day elimination period.

- The minimum benefit amount at each election is the lesser of 5% of the death benefit on the initial election date or $75,000.
- The maximum benefit amount at each election is the lesser of 24% of the death benefit on the initial election date or $340,000.
- The maximum benefit amount that we will accelerate on the life of the insured, including other policies with accelerated benefit riders, is $1,000,000.
- The final election occurs if all of the eligible death benefit minus the Residual Death Benefit is accelerated. The Residual Death Benefit is the greater of 5% of the death benefit on the initial election date or $10,000.
- **Specifications**
  - Only available on new issues
  - Maximum issue age: 75
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  - **Availability**
    - The CIABR is automatically included on many newly issued indexed universal life and universal life policies, depending on state availability and subject to qualification requirements listed above. Please refer to product marketing guides and policy forms for specific details.

**Qualifying for Benefits**

The owner qualifies for benefits if a physician has certified within the past 12 months that the insured is chronically ill.

**Election of Benefits**

- **Insured must wait at least 90 consecutive days from the time the condition first manifests itself after the effective date applies.**
- **If an Overloan Protection benefit is elected, accelerated benefits cannot be elected.**
- **While an election is in effect, or if at least 50% of the death benefit on the initial election date has been accelerated, the policy will not enter the grace period.**

**Coordination of Accelerated Benefits**

- The policy's death benefit will not be accelerated as stated under the CIABR, or any remaining portion of it, if benefits are being paid under another accelerated benefit rider or endorsement attached to the policy.

**Limitations and Exclusions**

- The rider does not provide an accelerated benefit for chronic illness resulting from:
  - Intentionally self-inflicted injury or attempted suicide, while sane or insane; or
  - Any act of insurrection or war, declared or undeclared; or
  - The insured participating in, or attempting to participate in, a felony, riot or insurrection; or
  - voluntary use of illegal drugs, the intentional taking of over the counter medication not in accordance with recommended dosage and warning instructions; and intentional misuse of prescription drugs; or
  - any irresistible beneficiary or assignee to the election of an accelerated benefit whose consent has not been obtained.

**Impact on Policy Provisions**

Acceleration of the death benefit reduces the specified amount, death benefit, account value, surrender value and any Returns of Premium or Protected Pour-In amount. Partial surrenders, changes to the specified amount or death benefit option are no longer available. While an election is in effect, or if at least 50% of the death benefit on the initial election date has been accelerated, the policy will not enter the grace period.