

Accelerated Death Benefit Rider for Chronic and Terminal Illness

Mutual Trust's Accelerated Death Benefit Rider for Chronic and Terminal Illness enables policyowners to accelerate a portion of the policy's eligible face amount if the insured has been certified through written certification by a physician to be permanently chronically or terminally ill. A policy can have an Accelerated Death Benefit Rider that only includes the terminal illness provision if it is ineligible for the chronic illness provision.

Rider Specifications

CHRONIC ILLNESS PROVISION*

Availability: Horizon Blend™, Horizon Guarantee™, Horizon Value™ and Horizon Legacy™

Issue Ages: 0–75 (Elections cannot be made until insured's attained age is 18.)

Requirements at Issue for Insured:

- Age 75 or less
- Rated at Table 4 or less
- The face amount at issue is not less than \$50,000—base and PUA rider(s) combined

Underwriting Requirements:

- No change in underwriting requirements for ages 70 and below
- Ages 71 and higher require an addendum to the paramedical exam

Cost:** No additional premium

Qualifying Event:

Permanent chronic illness means that the insured has been certified through a written certification by a physician within the last 12 months as:

- Being unable to perform at least two Activities of Daily Living (eating, bathing, dressing, toileting, transferring or continence) without substantial assistance from another person due to a loss of functional capacity for a period of at least 90 consecutive days, or
- Requiring substantial supervision by another person for a period of at least 90 consecutive days to protect the insured from threats to health and safety due to a physician's diagnosis of a severe cognitive impairment.

Benefits:

- Minimum annual election is lesser of 5% of the eligible face amount or \$10,000.
- Maximum annual election is 24% of the eligible face amount up to \$240,000. (This amount may be lower for a final election.)

* Accelerated Death Benefit—Chronic Illness is not long-term care insurance nor is it intended to replace long-term care insurance.

** Administrative and reduction fees are taken at time of acceleration. See provisions for full rider details.

Rider Specifications (Continued)

TERMINAL ILLNESS PROVISION

Availability: Horizon Blend™, Horizon Guarantee™, Horizon Value™, Horizon Legacy™ and SelecTerm

Cost*: No additional premium

Qualifying Event: Terminal illness is a noncorrectable medical condition for which the insured's life expectancy, assuming ordinary and reasonable medical care, is 12 months or less.

Benefits:

- Minimum is lesser of 50% of the eligible face amount or \$10,000
- Maximum is 50% of the eligible face amount up to \$250,000

Payments for Chronic & Terminal Illness:

Payment may be single lump sum, or series of equal payments occurring semi-annually, quarterly, or monthly.

* Administrative and reduction fees are taken at time of acceleration. See provisions for full rider details.

Chronic Illness Accelerated Death Benefit Rider—Hypothetical Situation

Female, age 60, Preferred Non-Tobacco purchases a \$250,000 death benefit Horizon Value™ life insurance policy. At age 85, she applies for and is approved for benefits under the Accelerated Death Benefit Chronic Illness Rider. She decides to accelerate 10% of the death benefit.

Initial Death Benefit	Age at 1 st Acceleration	Election Amount	Amount Received at 1 st Acceleration	Death Benefit After 1 st Acceleration
\$250,000	85	\$25,000	\$25,000	\$218,113

The Insured provides certification of permanent chronic illness and elects an additional 10% acceleration a year later and the year after that for a total of three accelerations.

Death Benefit after 1 st Acceleration	Age at 2 nd Acceleration	Election Amount	Amount Received at 2 nd Acceleration	Death Benefit After 2 nd Acceleration
\$218,113	86	\$25,000	\$25,000	\$186,945

Death Benefit after 2 nd Acceleration	Age at 3 rd Acceleration	Election Amount	Amount Received at 3 rd Acceleration	Death Benefit After 3 rd Acceleration
\$186,945	87	\$25,000	\$25,000	\$156,575

Note about Hypothetical Situation above:

- The information presented is hypothetical and is not intended to project or predict actual results
- These values are representative only and may or not be equal to the actual values
- Assumes no policy loans
- Not applicable in California



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