Financial security
for the long run®

SECURIAN®

Understanding how Securian's SecureCare hybrid universal life/LTC product works

SecureCare Universal Life (SecureCare) is a single-premium universal life product with long-term care benefits. This hybrid life/long-term care product is ideal for individuals wanting to:

- **Maintain flexibility** in deciding when and how they would like to receive care, should they become chronically ill.
- **Protect their assets** from the costly expenses associated with care, particularly over long periods of time.
- **Leave a death benefit** to loved ones after they die.

Understanding how SecureCare works will help your clients determine their options in planning for long-term care.

How SecureCare works

Your client's age, underwriting class, single premium amount and any optional agreements selected will determine his or her coverage amount.

When selling SecureCare, the concept of "cost" is important. Generally, when individuals purchase life or stand-alone long-term care insurance, they first choose the benefits they want, which then determines their cost, or premium. However, with hybrid products like SecureCare, you generally first start with a premium. The amount of premium then helps determine the policy's available benefits.

With single premium products, "cost" is associated with the leverage you create in relation to the death benefit, as well as the extended growth of the long-term care benefits pool. Your client's priorities in regard to the maximum monthly benefit will adjust the leverage received on the death benefit.

Client priorities	Benefit design		Potential result
• Higher initial monthly long-term care benefit	• Shorter long-term care benefit duration • Lower or no inflation agreement option	**MORE** initial face amount leverage →	• Higher initial face amount
• Higher monthly long-term care benefit at age 80+	• Longer long-term care benefit duration • Higher inflation agreement option	**LESS** initial face amount leverage →	• Lower initial face amount

Life insurance products contain fees, such as mortality and expense charges, and may contain restrictions, such as surrender periods.

SecureCare may not be available in all states. Product features, including limitations and exclusions, may vary by state.

Hypothetical example

Bob is a 60-year-old male, non-smoker, with $100,000 set aside to pay for the potential costs of long-term care. He and his wife Barbara have been talking more and more about this growing need.

Bob would like to purchase a SecureCare policy and he wants to get the best plan to protect his family. Based on his premium and other factors, some of his options include:

	Scenario 1 (2 years of LTC benefits; no inflation)	Scenario 2 (4 years of LTC benefits; no inflation)	Scenario 3 (6 years of LTC benefits; no inflation)	Scenario 4 (6 years of LTC benefits; 5% simple inflation)
Face amount	$176,099	$164,730	$160,510	$115,497
Initial total LTC benefits**	$176,099	$329,459	$481,530	$398,804
Initial monthly LTC benefit*	$7,337	$6,864	$6,688	$4,812
Total LTC benefits at age 80**	$176,099	$329,459	$481,530	$736,296
Monthly LTC benefit* at age 80	$7,337	$6,864	$6,688	$9,625

This is a hypothetical example of a policy underwritten as Male, Couple, Non-tobacco, for illustrative purposes only.

* Policies without inflation protection will be paid the maximum monthly benefit, as long as it doesn't exceed the IRS per diem limit. Policies with inflation protection will receive the maximum monthly benefit regardless of the IRS guidelines.

**As long as no benefits have been paid, no loans or withdrawals were taken out of the policy and the policy was not surrendered.

Designing a SecureCare policy

Once you've identified clients who may benefit from a SecureCare policy, follow the simple steps below:

STEP 1: Determine product suitability and premium source(s)

Through proper fact finding and needs analysis, determine the desired coverage and potential premium sources available for LTC.

STEP 2: Choose premium amount

After financial review and suitability confirmation, the policyholder decides on a single-premium amount.

STEP 3: Choose policy benefits

Next, the policyholder chooses policy benefits to align with the client's priorities.

Total long-term care benefit duration payments

Policyholders can choose coverage that lasts two to seven years. Their selection will determine:

- A base long-term care benefit of 2 or 3 years.
- An Extension of Long-Term Care Benefits Agreement for an additional 2 or 4 years.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Clients should consult their tax advisor when considering taking a policy loan.

Benefit period options		
Initial long-term care benefits	Extension of benefits	Total benefit period
2 years	Not included	2 years
3 years	Not included	3 years
2 years	2 years	4 years
3 years	2 years	5 years
2 years	4 years	6 years
3 years	4 years	7 years

Your client's coverage period may be even longer if less than the maximum monthly/annual benefit amounts are paid.[1]

Protection from rising costs

Policyholders who want their long-term care benefits to keep pace with the rising costs of care, can add the **Long-Term Care Inflation Protection Agreement.** This agreement:

- Increases monthly benefits at a set percentage annually.
  - Benefits continue to increase even after going on claim!
- Pays the entire monthly benefit amount upon making a claim and qualifying for benefits.
- Provides three inflation protection options:
  - 3% simple interest
  - 5% simple interest
  - 5% compound interest

Within the SecureCare proposal, the Quick Quote page demonstrates all design options available to a policyholder based on the initial single premium amount and underwriting factors.

Underwriting and policy issue

SecureCare policies are underwritten using a streamlined process:

1. The applicant completes the Part I of the application via paper or through our electronic application process (eApp).
2. Factors that will impact your client's policy values include age, sex[2], Tobacco or Non-Tobacco underwriting rating and couples status[3]
3. Once the application is reviewed, the client is underwritten taking into consideration the following:
   a. A tele-application, which generally takes between 30 to 40 minutes.
   b. A cognitive assessment, which is conducted for individuals over the age of 56 and takes between 10 to 20 minutes.
4. Paramedical exam and labs are not required, and an Attending Physician Statement is requested only for cause.
5. Once an underwriting determination is made;
   a. If approved, the contract will be issued and mailed. The owner pays the single-premium (EFT/ACH, 1035 exchange[4] or Check). Once all funds are received, the policy is put in force.
   b. If declined, due to privacy regulations, a letter detailing the reasons for this decision is mailed directly to the proposed insured

For underwriting prescreens or case status updates, call 1-888-405-5824.

- Prescreen hours of operation: 8:00 a.m. - 3:30 p.m. Central
- Case status hours of operation: 8:00 a.m. - 5:00 p.m. Central

After app submission, the proposed insured will be called to schedule the tele-interview. **Missed calls can be rescheduled by calling Assessment Services at 1-866-544-1617** from 7:00 a.m. to 7:00 p.m. Central, Monday through Friday.

Long-term care benefit claims process

1. Once the insured qualifies for benefits,[5] our claims department will begin the claim intake process and one of our licensed health care practitioners will help develop a plan of care, if needed.
2. After satisfying the 90-day elimination period, documentation identifying proof of loss or that informal care is being received must be submitted monthly to receive the full LTC benefit. However, because SecureCare offers an indemnity-style benefit, clients must only demonstrate that they have received informal care or have incurred at least $1 worth of expenses to receive the full long-term care benefit.
   a. The owner/authorized party determines a monthly payment amount, up to the maximum monthly LTC benefit selected. The benefit payment will not exceed the monthly maximum benefit or the IRS per diem amount.[1]
   b. The owner/authorized party can also request an amount lower than the maximum monthly benefit, extending the life of the policy.[1]
   c. Benefits are paid to the owner/authorized party, and any amount not paid as a benefit remains in the policy.

Note: If your client's SecureCare policy has an outstanding loan, a portion of each long-term care benefit payment will be applied to repay the loan.

Upon the insured's death

1. **If the insured dies before receiving any benefits**, beneficiaries will receive the policy's death benefit.
2. **If the insured has received a portion** of his or her available long-term care benefits and then dies, beneficiaries will receive the remainder of the death benefit.
3. **If the death benefit has been completely exhausted,** beneficiaries will receive the long-term care minimum death benefit, which is the lesser of 10 percent of the base face amount or $10,000.

Help your clients understand how SecureCare works. Contact Securian's Life Sales Support Team today:

- **1-877-696-6654** (Securian and Broker-Dealer)
- **1-888-413-7860, option 1** (Independent Brokerage)

[1] The owner does not have the option to take less than the maximum monthly/annual benefit if they have the Long-Term Care Inflation Protection Agreement.

[2] Unisex rates used in Montana.

[3] Minnesota Life provides a discount to eligible policy owners. Insureds who are in an eligible relationship (such as being married, in a legally sanctioned domestic partnership or civil union) may receive the couple's discount. Couple means two people sharing a common permanent residence on a continuous basis. Only one person need apply to be eligible for the Couples Discount.

[4] 1035 exchanges from life insurance contracts with Long-Term Care benefits, such as riders or extension features, are considered a Long-Term Care replacement and have additional requirements. Refer to the forms area of the advisor website for availability of replacements in your state.

[5] Refer to the SecureCare Financial Professional Guide for additional information on benefit eligibility.

These are general marketing materials and, accordingly, should not be considered investment advice or a recommendation that any particular product or feature is appropriate or suitable for any particular individual. These materials are based on hypothetical scenarios and are not designed for any particular individual or group of individuals (for example, any demographic group by age or occupation). The materials were prepared for financial professionals who are experienced in investment and/or insurance matters. As a result, they should not be reviewed or relied on by any other persons. Securian Financial Group, and its affiliates, have a financial interest in the sale of their products.

SecureCare is a single-premium universal life policy with tax qualified long-term care benefits that cover care such as nursing care, home and community-based care, and informal care as defined in this policy. This policy provides for the payment of a monthly benefit for qualified long-term care services. This policy also provides an accelerated death benefit for terminal illness. This policy is intended to provide tax qualified long-term care insurance benefits under Section 7702B and tax-free accelerated death benefits for terminal illness under Section 101(g) of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under this policy may be taxable. Please ensure that your clients consult a tax advisor regarding long-term care benefit payments, terminal illness benefit payments, or when taking a loan or withdrawal from a life insurance contract.

Securian Financial Group, Inc.
www.securian.com

Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues. 400 Robert Street North, St. Paul, MN 55101-2098

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