

# Address potential long-term illness issues



Help protect your savings and retirement plans from health care costs. The need for care grows as you age, and it’s important to protect your future from expenses relating to illness.

Accelerated Death Benefit riders associated with AGL life insurance policies are not qualified long-term care contracts or riders.

\$120,900

The projected total long-term care expenses for someone turning age 65 between 2021 and 2025. <sup>1</sup>

### For whom and for how long?

56%

of Americans turning 65 between 2021 and 2025 can anticipate having at least some significant long-term care needs in their remaining years.<sup>1</sup>

22%

of today’s 65-year-olds will need at least five years of long-term care.<sup>1</sup>

3.6 years

The average length women need long-term care<sup>1</sup>

2.5 years

The average length men need long-term care<sup>1</sup>

### Can you afford your individual long-term care needs?

Median rates of typical long-term care services in the United States:<sup>2</sup>

\$33/hour	Homemaker
\$34/hour	Home health aide
\$100/day	Adult day services
\$5,900/month	Assisted living facility
\$9,277/month	Nursing home room (semi-private)
\$10,646/month	Nursing home room (private)



## How does it affect those you love?

**37%** of workers are serving or have served as caregivers (excluding parenting responsibilities).<sup>3</sup>

**74%** of caregivers report feeling stress.<sup>4</sup>

**40%** of partnered caregivers of employed caregivers say their caregiving responsibilities have negatively impacted their financial security.<sup>5</sup>



## Give yourself more flexibility

Keep your options open if certified with a qualifying condition by a licensed health care practitioner. Unlock a portion of your life insurance benefits while you’re facing expenses like nursing homes, home health aides, assisted living and more.

Policies issued by American General Life Insurance Company (AGL), Houston, TX except in New York, where issued by The United States Life Insurance Company in the City of New York (US Life).



## Living benefits

Living benefit riders offer the financial protection you need in the event of qualifying conditions. This income tax-advantaged benefit lets you access funds from your life insurance policy while you are living.<sup>6</sup>

### Who is it for?

Those who know they need life insurance to protect themselves and their families. Whether you have experienced a recent health care event or are in good health, you know it's best to have your options open in the event your health deteriorates later.

### How does it work?

Unlike a long-term care policy, life insurance living benefits are not "use it or lose it." Your benefits are paid if you qualify, and it's up to the policy holder to decide how the funds are used.

With living benefit riders on your life insurance policy, you can access income life insurance benefits if diagnosed and certified with a qualifying condition. For information on how life insurance can help with future expenses, contact your financial professional.

<sup>1</sup> Office of Behavioral Health, Disability and Aging Policy, "Long-Term Services and Supports for Older Americans: Risks and Financing, 2022."

<sup>2</sup> Genworth/CareScout, "Cost of Care Report 2024."

<sup>3</sup> Transamerica, "The Multigenerational Workforce Life, Work, and Retirement," June 2024.

<sup>4</sup> AARP, "A Look at U.S. Caregivers' Mental Health," July 2023.

<sup>5</sup> Guardian, "Standing Up and Stepping In: A modern look at caregivers in the U.S.," Guardian 12th Annual Workplace Benefits Study," December 2023

<sup>6</sup> Based on current federal income tax law. Assumes the use of withdrawals to basis and/or policy loans. If the policy is classified as a modified endowment contract (see IRC section 7702A), withdrawals or loans are subject to regular income tax and an additional 10% tax penalty may apply if taken prior to age 59 and Half. Accelerated death benefits are available under the life insurance policy if certain terms and conditions are met. Consult your tax, financial, or legal advisor for specific implications.

NOT A DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | MAY LOSE VALUE  
NO BANK OR CREDIT UNION GUARANTEE | NOT FDIC/NCUA/NCUSIF INSURED

**An Accelerated Death Benefit Rider (ABR) is not a replacement for Long Term Care Insurance (LTCI). It is a life insurance benefit that gives you the option to accelerate some of the death benefit in the event the insured meets the criteria for a qualifying event described in the policy. The rider does not provide long-term care insurance subject to California insurance law, is not a California Partnership for Long-Term Care program policy. The policy is not a Medicare supplement.**

**ABRs and LTCI provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living. ABR payments are unrestricted and may be used for any purpose. LTCI provides reimbursement for necessary care received due to the inability to perform activities of daily living or cognitive impairment. LTCI coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker and the benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired. The activities of daily living are bathing, continence, dressing, eating, toileting, and transferring.**

This ABR pays proceeds that are intended to qualify for favorable tax treatment under section 101(g) of the Internal Revenue Code. The federal, state, or local tax consequences resulting from payment of an ABR will depend on the specific facts and circumstances, and consequently advice and guidance should be obtained from a personal tax advisor prior to the receipt of any payments. ABR payments may affect eligibility for, or amounts of, Medicaid or other benefits provided by federal, state, or local government. Death benefits and policy values, such as cash values, premium payments, and cost of insurance charges if applicable, will be reduced if an ABR payment is made. ABR payments may be limited by the contract or by outstanding policy loans.

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