THE LONG TERM CARE RIDER

TRANSAMERICA LIFE INSURANCE COMPANY

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TRANSAMERICA®

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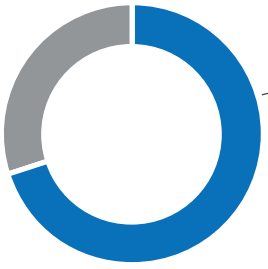
CONSIDER THE FACTS

THERE IS A GOOD CHANCE YOU WILL NEED IT



Nearly 70%

of those turning 65 today are expected to need some type of long term care services in their remaining years.[1]

HOW LONG YOU'LL NEED IT

3 years

is the average length of time you'll need some kind of long term care services.[1]

[1] "How Much Care Will You Need?," LongTermCare.gov, accessed online August 2022

CHARTING A COURSE

HELP PROTECT YOUR FAMILY'S FUTURE

No one can predict what the future holds. However, you've made the important decision to help safeguard that future with the purchase of a life insurance policy.

With longer life spans and rising healthcare costs, the expenses associated with long term care are becoming a more pressing concern for today's families. There may be a way to avoid draining your personal savings or retirement funds by considering a long term care rider through your life insurance policy.

Although you may not need long term care services until you're well into retirement, now is the time to plan for it.

WHY YOU MIGHT NEED LONG TERM CARE INSURANCE COVERAGE

You should carefully consider the factors[2] that may increase your need for long term care insurance coverage today, as well as in the future, including:

- **Age:** As you get older, you may become more dependent on family or others to help support your daily activities.
- **Living arrangements:** If you live alone, you're more likely to need paid care than if you're living with a partner.
- **Gender:** Women outlive men by about five years on average, so they are more likely to live at home alone when they are older.
- **Health status:** Poor diet and exercise habits can increase your chances of needing long term care.
- **Family history:** Your family history, whether your parents or grandparents had chronic health conditions, may increase the likelihood of needing additional care later in life.

AND IT CAN BE COSTLY

Health insurance or Medicare can help pay for the cost of immediate medical expenses or acute care. But if you become chronically ill and need ongoing care, you may need something more.

Family members may be able to provide some support, but as your needs increase, you could end up paying for additional services and care. This may be manageable in the short term, but the costs associated with a chronic illness may quickly deplete the resources you've worked your entire life to build.

[2] "Who Needs Care?," LongTermCare.gov, accessed online August 2022

AVERAGE COST FOR ONE YEAR OF CARE[3]

The cost of long term care will depend on the type and amount of care you need and where the care is received. For example:

$61,776[3]

The yearly cost of an at-home health aide, 44 hours per week

$108,405[3]

The yearly cost of a private room in a nursing home

[3] "2021 Cost of Care Survey," Genworth, 2022

A LONG TERM CARE RIDER MAY BE RIGHT FOR YOU

The Long Term Care Rider allows you to accelerate a portion of the policy's death benefit to help pay for monthly expenses you incur for qualified long term care services. These benefits are generally income tax-free[4] in accordance with the terms of the Long Term Care Rider. The Long Term Care Rider must be elected at the time you purchase a select permanent life insurance policy from Transamerica.

Whether or not you receive long term care benefits for qualified long term care services, the life insurance policy will still provide a death benefit to your beneficiaries.

WHAT IF I NEVER RECEIVE LONG TERM CARE BENEFITS?

Your beneficiaries will receive the full death benefit, minus any outstanding loans.

WHAT IF I RECEIVE SOME LONG TERM CARE BENEFITS?

Your beneficiaries will receive the death benefit, minus any long term care benefits paid and outstanding loans. Also, while receiving benefits, the Long Term Care Rider charges will be waived (other policy charges will continue to be assessed), the policy will not lapse, and you are not required to pay the minimum no lapse premium.

WHAT IF I HAVE EXHAUSTED THE LONG TERM CARE BENEFITS?

The base life insurance policy can provide your beneficiaries with a residual death benefit. The residual death benefit is equal to the lesser of (a) 10% of the lowest face amount of the base policy from inception, less any outstanding policy loans, or (b) $10,000.

Benefits paid under the Long Term Care Rider will reduce the life insurance policy's death benefit and policy value. Consideration should be given to whether your life insurance needs would still be met if the Long Term Care Rider benefits are paid out in full.

[4] Long Term Care Rider benefits may be income tax-free when received. Since the maximum income tax-free long term care benefits are based on benefits paid from all sources, benefit payments from the Long Term Care Rider could be taxable if long term care benefit payments are received from other sources. Benefits paid to owners of certain business-related policies may be taxable. Please consult a qualified tax advisor. For tax information, please see the back cover of this brochure.

HOW THE LONG TERM CARE RIDER WORKS

To be eligible for monthly long term care benefits, the following conditions must be satisfied:

- The insured is certified as **chronically ill** by a licensed healthcare practitioner.
- A **plan of care** prescribed and approved by a licensed healthcare practitioner must be provided to Transamerica.
- **Proof of loss** documentation must be provided to Transamerica each month showing expenses incurred for qualified long term care services, in accordance with the plan of care.
- **90-day elimination period** must be met.

CHRONICALLY ILL

A licensed healthcare practitioner must certify that 1) the insured has a severe cognitive impairment that requires substantial supervision to protect the insured from threats to health and safety, or 2) the insured is unable to perform, without substantial assistance from another individual, at least two or more of these activities of daily living for an expected period of at least 90 days, due to loss of functional capacity:

- Bathing
- Continence
- Dressing
- Eating
- Toileting
- Transferring

PLAN OF CARE

We must receive a written assessment of the insured's physical and cognitive abilities by a licensed healthcare practitioner, based on a face-to-face evaluation of the insured. All care and services must be consistent with the assessment done to develop the plan of care and be in accordance with generally accepted standards of care for a chronically ill individual.

Insurance objectives can change over time, with changes in income, family situations, or other circumstances.

PROOF OF LOSS

Proof of loss documentation reflects the expenses you incur for qualified long term care services. Proof of loss documentation for qualified long term care services, for which you incurred a charge, must be provided to us within 90 days after the end of the elimination period. We must receive written proof of loss within 90 days after the end of each month and for each month for which benefits may be paid.

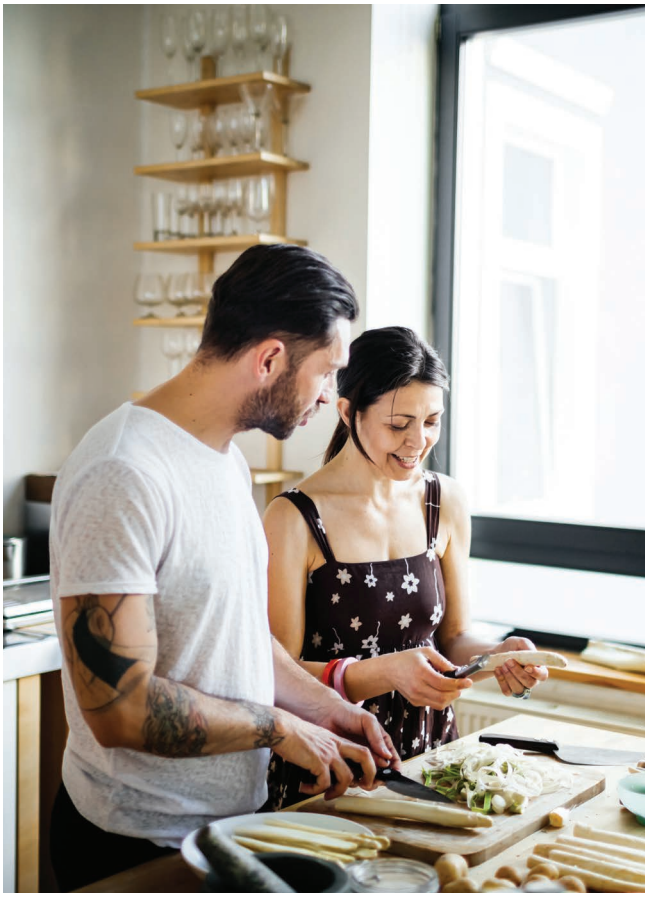
ELIMINATION PERIOD

A 90-day elimination period is required. Long Term Care Rider benefits will only be paid after the insured has incurred expenses for qualified long term care services on each of 90 separate days. After the elimination period has been met, the Long Term Care Rider's monthly benefits are payable directly to the policy owner.

Elimination period days:

- Do not need to be consecutive
- Do not need to be met within a specified period of days
- Need to be satisfied one time only

During the elimination period you are responsible for paying all your long term care costs.



THE CLAIM PROCESS

1. Insured certified as chronically ill
2. Plan of care established and long term care expenses incurred
3. Submit claim form, plan of care, and monthly proof of loss documentation
4. 90-day elimination period satisfied
5. If claim is approved, long term care benefits are paid.

CHOOSE WHERE YOU RECEIVE CARE

If you're like most people, you'd prefer to receive care while at home rather than in a facility. The Long Term Care Rider from Transamerica can help you pay for care no matter what your preference. It gives you the flexibility to make that decision on your own and confidence in knowing that your benefit amount will not vary depending on the type of care you elect. Whichever you choose, the monthly benefit can help pay for qualified long term care expenses incurred for:

- Home care services
- Nursing home facilities
- Skilled nursing facilities
- Assisted living facilities
- Hospice care facilities
- Adult day care centers
- Any qualified long term care facility

WHAT'S NOT COVERED?

Qualified long term care services do not include care, confinement, or services:

- Performed by a member of the owner's or insured's immediate family
- Resulting from alcoholism or drug addiction
- Resulting from attempted suicide or intentionally self-inflicted injury
- Resulting from participation in a felony, riot, or insurrection
- For which no charge is normally made in the absence of insurance
- Received outside the 50 United States and the District of Columbia
- Not included in the insured's plan of care

QUALIFIED LONG TERM CARE SERVICES DO NOT INCLUDE CARE, CONFINEMENT, OR SERVICES:

- Provided in a government facility (unless otherwise required by law) or under any governmental programs (except Medicaid)
- Paid or payable under Medicare[5] or under any state or federal workers compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law (unless the costs incurred and paid exceed the amounts covered by one of these entities, policies, or programs).

The Long Term Care Rider is not disability insurance and does not provide disability income.

CUSTOMIZE BENEFITS TO MEET YOUR NEEDS

The Long Term Care Rider can offer the policyholder control — the control to choose a monthly long term care benefit amount to help cover monthly expenses incurred for qualified long term care services or to leave as much (or as little) of your death benefit to your beneficiaries. Of course, your needs may change. If they do, the Long Term Care Rider allows you the flexibility to adjust the amount of your monthly benefit once each year.

The Long Term Care Rider benefits will be paid monthly in the amount you choose, regardless of the actual dollar amount of long term care expenses incurred. You may choose an amount between the minimum of $500 (in most states) and the maximum benefit.

MINIMUM MONTHLY BENEFIT

$500

MAXIMUM MONTHLY BENEFIT

The lesser of 2% of the long term care specified amount or the daily amount allowed under HIPAA, multiplied by the number of days in the month.

Any long term care expenses incurred in excess of the elected monthly benefit, or maximum monthly benefit, are the responsibility of the insured and will not be paid under the Long Term Care Rider.

[5] This includes any amount that would be covered under Medicare, except that they are subject to a Medicare deductible or co-insurance of some kind. This does not apply when expenses are reimbursable under Medicare solely as a secondary payer.

WHAT ELSE DO I NEED TO KNOW?

HOW MUCH LONG TERM CARE INSURANCE COVERAGE CAN I PURCHASE?

The minimum Long Term Care Rider specified amount is $100,000 and must be equal to the base policy's face amount elected at the time of application. The maximum Long Term Care Rider specified amount cannot exceed $2,000,000. Should the policy owner elect to decrease the base policy face amount, this will result in a decrease of the Long Term Care Rider specified amount as well. No increases to the base policy's face amount will be allowed.

WHAT IF I NO LONGER NEED THE LONG TERM CARE RIDER?

You may cancel the Long Term Care Rider at any time and your life insurance protection will still remain in force. If you have not received benefits under the Long Term Care Rider, cancellation will not affect your life insurance policy's death benefit or surrender value.

HOW DO I SUBMIT A CLAIM FOR LONG TERM CARE BENEFITS?

Transamerica will send you a claim form within 15 days of receiving a notice of claim. When we receive the necessary documents, an assessment of the insured's condition will be performed in person by a licensed healthcare practitioner that we select. Transamerica will arrange the assessment at no cost to the policy owner. We recommend that you submit the plan of care and proof of loss documentation to Transamerica as soon as care begins.

While you'll never know when the unexpected could happen, we can help you plan for it.

We're passionate about helping you and your family achieve financial well-being at every stage of life.

Visit: transamerica.com

IMPORTANT INFORMATION

This brochure is not intended to be a full description of the Long Term Care Rider. Refer to your policy and Long Term Care Rider for explanation of terms and complete details regarding exclusions and limitations.

This rider is intended to be a federally tax-qualified long term care insurance contract under section 7702B(b) of the Internal Revenue Code of 1986, as amended. Since the maximum income tax-free long term care benefits are based on benefits paid from all sources, benefit payments from the rider could be taxable if long term care benefit payments are received from other sources.

This rider is guaranteed renewable. This means we may not, on our own, cancel or reduce the coverage it provides. This rider will remain in force subject to this rider's provisions, as long as the policy, to which it is attached, remains in force and the required charges for this rider are paid. Rider charges are subject to change as described in the rider charges provision of this rider. Transamerica may increase the charges for this rider.

The name of the rider may not actually be Long Term Care Rider in certain states.

Rider charges are deducted from the policy value each month. Charges are based on the insured's age, risk class, and face amount band and will vary each month.

Transamerica and its representatives do not give tax or legal advice. The material and the concepts presented here are for informational purposes only and should not be construed as tax or legal advice. Any tax and/or legal advice you may need regarding this material should be based on your particular circumstances and should be obtained from an independent professional advisor.

The grace period for this rider is 65 days. If any amount due is not paid within 30 days from the date that it was due, a notice will be sent to you, the insured and the person or persons designated by you to receive such notice at the addresses provided to us. You will have an additional 35 days to pay the amounts due after we have mailed the notice. The rider will stay in effect during the grace period.

This rider should not be the sole basis to purchase a life insurance policy. **The life insurance policy and the Long Term Care Rider are subject to separate underwriting. All long term care coverage and premium amounts are subject to underwriting approval.**

This is a solicitation for long term care insurance and an insurance professional will contact you.

The Long Term Care Rider may be added to *Transamerica Financial Foundation IUL*®. The Long Term Care Rider is underwritten and issued by or Transamerica Life Insurance Company, Cedar Rapids, IA.

Policy Form # IUL09.

Long Term Care Rider Form #LTCR03 AZ.

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