

Protective Life Bulletin

DATE: December 2, 2016
TO: Protective Life Distributors
FROM: Protective Life Insurance Company
RE: 2017 Accelerated Death Benefit Increase for ExtendCareSM

The Internal Revenue Service (IRS) recently announced upcoming changes to the per diem limitations for periodic payments received under qualified long-term care insurance policies and certain life insurance policies which offer accelerated death benefits for chronic illness care. The 2017 per diem limitation for periodic payments from these types of policies will increase from \$340 to \$360. This increase will offer your clients the opportunity to **access up to \$10,800 of their policy's death benefit each month through ExtendCareSM**, a chronic illness protection rider available with the purchase of new universal life insurance policies from Protective Life Insurance Company. Policies must be dated January 1, 2017 or later to qualify for the higher amount. The ELI illustration system will be updated to reflect this change on December 30, 2016.

About ExtendCare

ExtendCare is an optional rider that allows your clients to advance their policy's death benefit to use for any potential chronic illness needs. Should the insured become chronically ill as certified by a licensed physician; the policy death benefit can be accessed after a waiting period of three or 12 months.¹ This rider is only available at policy issue for applicants between the ages of 20 – 80², at an additional cost. With ExtendCare, your clients can:

- Access a monthly benefit amount, up to \$10,800³
- Receive monthly benefit payments directly
- Pay for family and informal care
- Use their benefit for medical or non-medical expenses
- Cover expenses without providing proof of care
- Leave any unused portion of the death benefit for loved ones

We look forward to helping you embrace the protection needs of our mutual customers. For additional information, please contact us at 877.778.3500, option 1.

¹Chronically ill is defined as being unable to perform at least two of six Activities of Daily Living without assistance for 90 days, or requiring supervision for protection against health and safety threats due to severe cognitive impairment.

²Subject to maximum issue age of applicable product

³Monthly benefits are subject to change.

This is only a summary of ExtendCare benefits. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Available only at issue and at an additional cost. Assumes medical and financial underwriting qualifications at time of initial application.

ExtendCare falls under IRC Sec. 101(g) Accelerated Death Benefit guidelines and does not fall under health regulations. This differentiation could affect eligibility for public assistance programs such as Medicaid, Supplemental Income, or others. Purchasers should consult a qualified advisor along with legal or tax advisor to determine if the rider will affect their initial or continued eligibility for public assistance programs or other tax-related decisions.

ExtendCare (ICC12-L630 and L630) is issued by Protective Life Insurance Company (PLICO) which is located in Birmingham, AL. Subject to underwriting and up to a 2-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. Consult policy for benefits, riders, limitations and exclusions. In Montana, unisex benefits and rates apply. Policy form numbers, product features and availability may vary by state. PLICO does not render legal or tax advice. Information in this summary is based on current tax laws that are subject to change. Individuals should consult their attorney or tax advisor regarding their individual situation.



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