

LIFE INSURANCE HIGHLIGHTS

PURELIFE-PLUS

Additional Policy Benefits

Accelerated Death Benefit for Chronic Illness Rider

The Accelerated Death Benefit for Chronic Illness Rider is an additional contract benefit available only to eligible employees. At a cost of 10% of the base contract premium, this valuable benefit can provide the insured with up to 92% (minimum of 25%) of the life insurance proceeds when faced with a disabling chronic illness. The rider benefits become available upon diagnosis of a chronic illness, meaning that the insured is unable to perform at least two Activities of Daily Living (such as bathing, continence, dressing, etc.) due to a loss of functional capacity for a period of 90 days, or is severely cognitively impaired (such as Alzheimer's).¹ Less an administrative fee of \$150, proceeds may be paid as a single lump sum payment or annually over a 5-year period.² If an acceleration of less than 92% is elected, the owner may accelerate more than once; less the \$150 administrative fee applicable to each acceleration.

For pennies a day, you can get both a living benefit, should you need it, and a death benefit if you don't.

Here's how it works:

- If for a period of 90 days you're no longer able to perform any two of the six activities of daily living (eating, bathing, dressing, toileting, transferring, maintaining continence) or if you suffer serious cognitive impairment, you can receive a living benefit.
 - Example: You own a \$100,000 life insurance contract with the Chronic Illness rider. A medical professional certifies that you can no longer perform 2 of the 6 activities or have suffered serious cognitive impairment, you can receive the following:²

Lump sum payment of \$92,000 minus a \$150 processing fee.

OR

\$25,000 to \$92,000 minus a \$150 processing fee ÷ (5 years) = annual payment.

- The money is yours to do with as you choose: you do not have to go to a nursing home, convalescent center or receive home health care to receive the cash.

¹ Activities of Daily Living include: bathing, continence, dressing, eating, toileting, and transferring. Severe cognitive impairment means a loss or deterioration in intellectual capacity that is: (a) comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia and (b) is measured by clinical evidence and standardized tests which reliably measure impairment in the individual's: (1) short or long term memory; (2) orientation to people, places or time; and (3) deductive or abstract reasoning.

² Conditions apply. Any outstanding loans will reduce the amount available for acceleration. An acceleration of less than 92% under the Accelerated Death Benefit for Chronic Illness rider, paid in either lump sum or annual payments, reduces the death benefit payable under the life insurance certificate and may affect other benefits and values. The 92% lump sum payment terminates the contract and all other optional benefits/riders and reduces all insurance proceeds, cash values and loan values to zero. If the contract terminates, the Accelerated Death Benefit for Chronic Illness Rider will terminate also. Contract form CA-ULABR-CI-18.

Purelife-plus is a Flexible Premium Adjustable Life Insurance to Age 121. Some limitations apply. See the Purelife-plus brochure for details. Contract Form Series PRFNG-NI-18. Texas Life is licensed to do business in the District of Columbia and every state but NY.

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TEXASLIFE INSURANCE COMPANY
Since 1901 | 900 WASHINGTON | POST OFFICE BOX 830 | WACO, TEXAS 76703-0830

Important Notice Regarding the Accelerated Death Benefit for Chronic Illness Rider

This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the contract. This contract or certificate does not provide long-term care insurance subject to California long-term care insurance law. This contract or certificate is not a California Partnership for Long-Term Care program contract. This contract or certificate is not a Medicare supplement contract.

Accelerated Death Benefit Riders vs. Long-Term Care Insurance

An accelerated death benefit such as the Chronic Illness Accelerated Benefit Rider and long-term care insurance provide very different kinds of benefits:

Accelerated death benefit riders pay an unrestricted advance of a portion of the life insurance death benefit when the insured experiences terminal or chronic illness as defined in the rider. You do not have to show incurred care expenses associated with an accelerated death benefit. The maximum benefit payable is based on the contract's cash value and face amount. Acceleration of death benefits and payments under such an accelerated death benefit will reduce the death benefit of the contract and reduce other contract values as well, potentially to zero. If the entirety of the insurance amount is accelerated, the contract terminates. If no payment is made, the benefits and values are still available as long as the certificate remains in effect.

Long term care policies or riders, on the other hand, pay benefits based on expenses incurred by the contractholder for long-term care. The total benefits available for long-term care insurance are selected by the contractholder at issue. Long-term care insurance is a stand-alone insurance contract or a rider designed to pay for the cost of long-term care services. Long-term care insurance may include coverage for such qualifying events as institutional care, care in a nursing home or skilled nursing facility, home care coverage, hospice care, respite care, or community care. If the long-term care insurance benefits are not claimed they may be forfeited.

There are no restrictions or limitations on the use of the accelerated death benefit proceeds under the Accelerated Death Benefit for Chronic Illness Rider. The accelerated benefits payable under this rider are generally intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code. There may be tax consequences in some situations in accepting an accelerated benefit payment amount, such as where payments exceed the per diem limitation under the Internal Revenue Code. You should consult your personal tax advisor to assess the impact of this Benefit prior to accepting the Benefit.

Receipt of accelerated death benefits may affect eligibility for public assistance programs, such as Medi-Cal or Medicaid. Prior to electing to receive the accelerated death benefit, you should consult with the appropriate social services agency concerning how receipt of accelerated death benefits may affect that eligibility.