



ASCE | MEMBER
ADVANTAGES

CHRONIC ILLNESS RIDER

LIFE BENEFITS FOR CHRONIC ILLNESS

UNDERWRITTEN BY New York Life Insurance Company, NY, NY 10010



The rise of chronic illness in America is reaching extreme proportions. The statistics are alarming and the projected forecast over the next decade doesn't make it sound any better. There are good, preventative measures that most of us can take to reduce the risk of chronic illness. However, the percentages alone point to the need for an alternative.¹

¹Holly, Robert. "Chronic Conditions Cost US Economy More Than \$4.5 Trillion." Home Health Care News, 17 April 2019.

What's your Back-up Plan?

- ✓ Six in ten Americans are impacted by at least one chronic disease¹
- ✓ 90% of America's \$3.5 trillion annual health care expenditures are for people with chronic health conditions²
- ✓ The costs associated with chronic illnesses is **projected to double** within the next 30 years.³

Term Life Insurance Is Your Back-up Plan

Statistics point to the fact that chronic illness could be a reality for many of us, with troubling implications for not only our medical and mental health, but the financial future of our loved ones. Rising healthcare costs, deductibles, and co-pays will make caring for someone with a chronic illness difficult and costly.

With a chronic illness rider added to ASCE Group Term Life Insurance coverage, you can receive financial help while you're still living. Called accelerated life benefits, you can take a portion of the benefit amount of your life insurance to help cover the costs associated with a qualifying chronic illness.

¹National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP). "Centers for Disease Control and Prevention, United States Government, 8 January 2020.

²Health and Economic Costs of Chronic Diseases." Centers for Disease Control and Prevention, United States Government, 8 January 2020.

³Holly, Robert. "Chronic Conditions Cost US Economy More Than \$4.5 Trillion." Home Health Care News, 17 April 2019.

How do I apply?

The chronic illness rider can be added to ASCE Group Term Life Insurance coverage. The chronic illness rider can be applied for by completing the twelve question cognitive capability section when applying for ASCE Group Term Life Insurance coverage. For existing term life insureds, the rider will require a separate, paper application.

Choose to accelerate up to 50% of the portion of your group term life insurance coverage that will be subject to the chronic illness rider from \$50,000 to \$500,000 (\$50,000 increments) for ASCE members and \$25,000 to \$500,000 (increments of \$25,000) for spouse (not to exceed your term life insurance amount).

Who is eligible to apply?

ASCE members ages 20-64 may apply for the chronic illness rider. Qualifying spouses who are ages 20-64 and are eligible for, or already covered by, ASCE Group Term Life Insurance, also may apply.

WHAT QUALIFIES AS A CHRONIC ILLNESS DIAGNOSIS?

A chronic illness qualifies for an accelerated life benefit if you are permanently unable to perform two out of six activities of daily living (bathing, continence, dressing, eating, toileting, and transferring) or you have a permanent severe cognitive impairment requiring substantial supervision to protect you from threats to health and safety. The chronic illness must occur after coverage is in effect and last for a continuous period of 90 days.

Here's an example of how it works.



You purchase ASCE Group Term Life Insurance coverage (or maybe you have it already).



Apply for a chronic illness rider coverage amount at time of purchase or anytime thereafter providing you are under age 64



Once approved, if you are diagnosed with a qualifying chronic illness, you can begin accelerating the portion of your group term life insurance amount subject to this rider to help ensure quality care for yourself and financial stability for your loved ones*



Your beneficiary receives a benefit payout at time of death minus the amount accelerated, or paid out, for chronic illness care**

If you're one of the lucky ones and never succumb to a chronic illness, your full death benefit will be available for your loved ones, generally tax free. Your life insurance is still doing exactly what it was designed to do.

*Receipt of the accelerated life benefit may be taxable. The owner may want to seek assistance from a personal tax advisor.

** The death benefit will be reduced by the amount of accelerated life benefits paid out, however, your premium will not be reduced.

Apply now for coverage at [ASCEinsurance.com/Apply](https://www.asceinsurance.com/Apply)

You shouldn't have to worry about your finances when facing a chronic illness. **Focus on your health,** and **let us worry about the rest.**



How much of my ASCE Group Term Life Insurance benefit can I use?

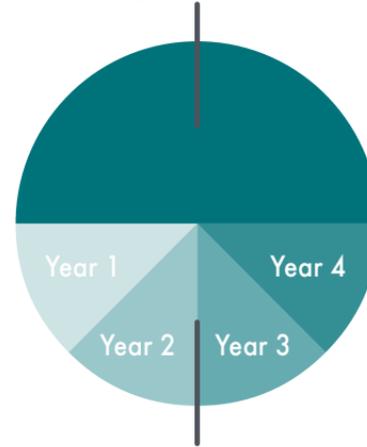
You can accelerate up to 50% of the portion of your group term life insurance amount that will be subject to the chronic illness rider (not to exceed \$500,000). Accelerated life benefits for chronic illness are paid annually in four installments (12.5% of chronic illness option amount per year with no more than \$125,000 made payable in one year).* You may also use an additional 25% of your life benefit amount if a separate terminal condition occurs later.**

*The acceleration is subject to life schedule reductions and excludes any future amounts from an Automatic Benefit Increase and is based on the amount of coverage that would be in force one year after the request for acceleration was approved. A qualifying chronic illness must be certified by a licensed health care practitioner each year.

**A terminal illness benefit is payable up to 50% of the face amount. Percentage of combined accelerations between chronic illness rider and terminal illness cannot exceed 75%.

BENEFITS AT DEATH

Policy face amount.
Death benefit paid to beneficiaries.



Amount for chronic illness benefit.
Paid to you for chronic illness needs.***

BENEFITS DURING LIFE

*** This illustration shows benefits for chronic illness. Benefits for chronic illness needs are up to 50% of the portion of your group term life insurance coverage that will be subject to the chronic illness rider. Benefits used for chronic illness decrease the amount available to beneficiaries upon the insured's death.

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How can I use my payouts?

Life benefit payouts are sent directly to the insured and can be used in any way that is most helpful to you and your loved ones.* Maybe that's medical expenses or equipment, deductibles, retrofitting your home, or daily living expenses. It's flexible to meet your specific needs.

How do I make a claim?

A licensed health care practitioner other than yourself or a family member must certify that you meet the stipulations of a chronic illness diagnosis. Annual recertification by a licensed health care practitioner is required.

How long does coverage last?

Coverage extends to age 80. If a terminal illness claim is approved, the chronic illness rider will no longer be in effect.

Will there be any reductions in coverage?

The amount of chronic illness coverage is subject to life schedule reductions and is based on the amount of coverage that would be in force one year after the request for acceleration was approved.

*Benefits for chronic illness needs can be accelerated up to 50% of the life insurance benefit up to \$1,000,000. Benefits used for chronic illness decrease the amount available to beneficiaries upon the insured's death.

How to Calculate your Premium

To calculate what the cost of the rider coverage will be you should select your age and multiply the amount shown by the amount of term life insurance you would like the acceleration to be based on. For example: If you have or are applying for \$250,000 of term life coverage and would like \$125,000 to be accelerated for a chronic illness you would multiply the unit corresponding to your age and smoker status by 250.

Example: 44 Year Old Nonsmoker
 $0.083 \times 250 = 20.75$

CHRONIC ILLNESS OPTION

Table of 2021 Current Annual Premium Rates Per \$1,000 of Chronic Illness Rider Coverage

(Insured Member and Insured Spouse)

	Member	Spouse
Member Age	Rate*	Rate*
18-29	\$0.021	\$0.030
30-34	0.021	0.030
35-39	0.027	0.039
40-44	0.083	0.121
45-49	0.178	0.262
50	0.287	0.421
51	0.338	0.497
52	0.402	0.588
53	0.438	0.643
54	0.489	0.715
55	0.546	0.800
56	0.613	0.896

*Rates shown apply to both smokers and nonsmokers

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CHRONIC ILLNESS OPTION (CONTINUED)

Table of 2021 Current Annual Premium Rates Per \$1,000 of Chronic Illness Rider Coverage

(Insured Member and Insured Spouse)

	Member	Spouse
Member Age	Rate*	Rate*
57	\$0.689	\$1.010
58	0.755	1.107
59	0.825	1.209
60	0.886	1.302
61	0.943	1.383
62	1.000	1.466
63	1.236	1.655
64	1.538	1.878
65-68	4.593	3.896
69-72	6.430	5.454
73-76	9.186	7.791
77-79	10.717	9.090
80-100	n/a	n/a

*Rates shown apply to both smokers and nonsmokers

For questions, contact your insurance helpline: [800.650.ASCE \(2723\)](tel:800.650.ASCE)

The ASCE Member Insurance Program is administered by Pearl Insurance. Chronic illness rider coverage is currently not available to residents of CT, ID, LA, MN, MT, NC, OH, SD, TX, UT and WA. If you are interested in the chronic illness rider, contact the ASCE Plan Administrator and you will be advised as soon as it becomes available in your state. Coverage may vary by state. A complete description of coverage is contained in the Certificate of Insurance, including features, costs, eligibility, renewability, limitations, and exclusions. The ASCE Insurance Program is underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010, under Group Policy G-10500-1, on Policy Form GMR-G-10500-1/FACE.

The ASCE incurs certain administrative expenses in connection with these endorsed plans. To provide and maintain these valuable ASCE membership benefits, the ASCE is reimbursed for these expenses.

This is a life insurance benefit that also gives you the option to accelerate some of the death benefit in the event that you are certified with a chronic illness as described in the certificate.

IMPORTANT NOTICE: This rider is not intended to be a federally tax-qualified long-term care insurance contract under Internal Revenue Code (IRC) Section 7702B. Therefore, the premiums payable for this rider do not qualify as long-term care insurance premiums and are not deductible from gross income for federal income tax purposes. This rider, however, is subject to the federal per diem limits set forth in IRC Section 7702B. Under this rider, New York Life will not pay claimants more than the federal per diem limits. Assuming the amount you receive in the aggregate from all applicable policies does not exceed the federal per diem limits set forth in IRC Section 7702B, the benefits provided by the Chronic Illness Rider are intended to be excludable from federal gross income under Section 101 (g) of the IRC.

Receipt of an accelerated death benefit may affect eligibility for Medicaid or other government benefits or entitlements and may have income tax consequences. Accelerating benefits before applying for these programs, or while you are receiving government benefits, may affect your initial or continued eligibility. Clients can contact the appropriate social service agency (e.g., the Medicaid Unit of your local Department of Public Welfare or the Social Security Administration Office) for more information.

To find out how to make your
life insurance work overtime,
call **800.650.ASCE (2723)** or
visit us online to apply at **ASCEinsurance.com/Apply**

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The ASCE Group Term Life Insurance Plan is underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010, under policy form GMR, group number G10500-1/FACE.

Pearl Insurance:
1200 E. Glen Ave., Peoria Heights, IL 61616
California Insurance License #0F76076,
AR Insurance License #1322

Apply now for coverage at [ASCEinsurance.com/Apply](https://www.asceinsurance.com/Apply)

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For questions, contact your insurance helpline: 800.650.ASCE (2723) | [ASCEinsurance.com/Apply](https://www.asceinsurance.com/Apply)

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1200 E. Glen Ave., Peoria Heights, IL 61616

California Insurance License #0F76076,
AR Insurance License #1322

Brokered and Administered by: Pearl Insurance solicits insurance on behalf of New York Life and receives compensation, which may vary depending on certain factors, based on the sale of insurance. For additional compensation information, please call Pearl Insurance at 800.447.4982.

New York Life is licensed/authorized to transact business in all of the 50 United States, the District of Columbia, Puerto Rico and Canada. However, not all group plans it underwrites are available in all jurisdictions. Please check the applicable insurance brochures for current availability.

New York Life's state of domicile is New York, and NAIC ID # is 66915.

201576-ASCE-CC-BRO