



EQUITABLE

BULLETIN

Life Business

- New
- Update

Category

- Products
- Underwriting
- New Business
- Marketing
- Compliance/Legal
- Miscellaneous

Channel: Independent – All states except California, Florida and New York

Bulletin number: AD20-0615 (June 15, 2020)

Subject: New & Improved Long-Term Care ServicesSM Rider

Main message:

A new version of the Long-Term Care ServicesSM Rider (LTCSR) is available for sale with VUL LegacySM, Series 160 and VUL OptimizerSM, Series 160, subject to state approval. The LTCSR provides an acceleration of all or part of the death benefit on a monthly basis for chronically ill insureds receiving qualified long-term care services in accordance with a plan of care.

Who:

Financial Professionals in all states except California, Florida and New York.

What:

Equitable is committed to maintaining the LTCSR as an industry leader. As part of this effort, the LTCSR has been redesigned to include the following contractual updates:

- We've removed restrictions on who can provide care: Anyone can act as a care provider, including members of the client's family.
- We've made it easier for clients to get access to their benefits when they need them: We are now waiving the Elimination Period for permanent claims. For all other claims, the 90-day Elimination Period is now measured in calendar days rather than qualified service days.
- We've designed the new rider to complement the objectives of any policy design, including accumulation-oriented cases: The amount available for the LTC benefit will always match the policy death benefit if the client chooses, even if the policy enters corridor or a client takes a withdrawal.

The current and guaranteed cost of insurance rates for the rider remain unchanged.

Where:

The redesigned LTCSR is available in all jurisdictions except California, Florida and New York.

When:

Applications for VUL LegacySM, Series 160 and VUL OptimizerSM, Series 160 with the new LTCSR can be submitted beginning Monday, June 15, 2020, and must be signed on or after that date. Illustrations reflecting the new LTCSR will be available on the Equitable General Illustration System (AEGIS) via AEGIS Web and AEGIS Desktop beginning June 15, 2020.

Why:

The contractual provisions of the rider have been updated to make it more flexible to meet clients' long-term care needs. The updates also make the rider features competitive in the long-term care rider marketplace.

How:

See the following pages for additional information. If you have questions, contact the Life Sales Desk at (800) 924-6669.

Key changes

Family care— The contractual restriction on family members being care providers has been removed. A licensed healthcare practitioner must certify the insured as chronically ill and prescribe the plan of care, but home healthcare services, which include medical or non-medical personal care or maintenance services, homemaker services and hospice care delivered to the insured in their home, may be provided by any skilled or unskilled person of the policyowner's choosing.

90 calendar day Elimination Period— The redesigned LTCSR has an Elimination Period of 90 calendar days, beginning on the first day of any Qualified Long-Term Care Services provided to the insured person. Each day the insured is chronically ill will be counted toward the Elimination Period, whether or not continuous. The Elimination Period of 90 calendar days must be accumulated within a continuous period of 2 years and needs only be satisfied once while the rider is in effect.

Elimination Period waived for permanent claims— The Elimination Period will be waived if the following conditions are met:

1. A Licensed Healthcare Practitioner certifies the insured as chronically ill and not expected to recover from the chronic illness during their lifetime.
2. All other conditions of eligibility have been met and we approved the claim for benefits.

LTC Maximum Total Benefit can increase with corridor— For policies with either Death Benefit Option, the amount available for the LTC benefit will always match the policy's death benefit if the LTCSR's Acceleration Percentage is 100%.^{*} This means that, no matter the objectives or performance of the policy, the LTC benefit will always be easily defined and anchored to the death benefit, even after policy actions, such as withdrawals or death benefit option changes. The new policy feature ensures that, if the policy enters corridor, the LTC benefit will increase with the rise in death benefit.

^{*}For policies with Death Benefit Option A, the client must elect an Acceleration Percentage between 20%-100% on the application. For policies with Death Benefit Option B, the rider's Acceleration Percentage is 100%.

State availability

Effective June 15, 2020, the redesigned LTCSR is available on applications for VUL LegacySM, Series 160 and VUL OptimizerSM, Series 160 in all jurisdictions except California, Florida and New York. Additional state approvals will be announced as they are received. The LTCSR State Availability Chart is available on equitable.com/lc.

Product availability

The redesigned LTCSR will be made available on applications for BrightLife[®] Grow, Series 159 and IUL Protect, Series 160 in the coming months.

Prospectus

The VUL LegacySM and VUL OptimizerSM prospectuses dated May 1, 2020, contain information on the redesigned LTCSR. The applicable prospectus and supplements must be given to prospective clients and must be referenced on all VUL LegacySM and VUL OptimizerSM applications. The prospectuses are available on equitable.com.

Rider materials

More detailed information can be found in the LTCSR technical guide, Catalog #161395, available on equitable.com/ltc. Specimen forms are available on equitable.com.

Transition guidelines

On VUL LegacySM and VUL OptimizerSM, the new LTCSR will be replacing the old LTCSR in all jurisdictions, subject to state approval.

In states where the new LTCSR is approved, the old LTCSR will remain available until July 14, 2020. This means both the new LTCSR and the old LTCSR will be available from June 15, 2020, through July 14, 2020. Signed applications dated after July 14, 2020, will be issued with the new LTCSR, provided the necessary requirements are received.

During the transition period, the riders will be listed in AEGIS and e-App as LTCSR 2012 (old rider) and LTCSR 2020 (new rider). Because the transition period overlaps with the effective date of Reg BI, please ensure that all recommendations concerning these riders are in the best interest of each client.

Cases already in underwriting may be considered for the new rider. Please seek clarification from your case manager on the eligibility and process for specific cases to manage the transition and any additional requirements, which may include a special amendment to be signed by the client at delivery. Additional requirements may be required, up to and including a new application, if a replacement is involved.

Marketing materials

Compliance-approved marketing materials will be available June 15, 2020. To view and download marketing materials, visit the Long-Term Care ServicesSM Rider page at equitable.com/ltc.

For more info:

Independent Life Sales Desk: (800) 924-6669

equitable.com/resources-life