



## Alzheimer's Disease Rider

PROVIDING PEACE OF MIND

You are likely aware that life insurance provides a valuable benefit in the event of the death of the insured that can financially help a family or business cope with the loss. But did you know that some life insurance policies also offer living benefits that allow you to access the death benefit, while living, if you experience a qualifying serious illness?<sup>1</sup> Our Alzheimer's Disease Rider allows for payment of a portion of an insured's death benefit, on a discounted basis, with a qualifying diagnosis of Alzheimer's disease or Lewy Body Dementia, as determined by a Specialist. There is no additional premium for this rider.

A diagnosis of Alzheimer's disease can be devastating, both emotionally and financially.

**About 1 in 9 people**

age 65 and older has  
Alzheimer's dementia<sup>2</sup>

**\$7,441 per month**

is the average cost for Alzheimer's  
care in nursing homes in  
the U.S.<sup>3</sup>

Products issued by

**National Life Insurance Company® | Life Insurance Company of the Southwest®**

1. Living benefits are provided by no-additional premium accelerated benefit riders.

Payment of Accelerated Benefits will reduce the Cash Value and Death Benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event, may affect your eligibility for public assistance programs, and may reduce or eliminate other policy and rider benefits. Please consult your personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect you.

Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. Riders are optional, may require additional premium and may not be available in all states or on all products. This is not a solicitation of any specific insurance policy.

2. 2023 Alzheimer's Disease Facts and Figures, <https://www.alz.org/media/Documents/alzheimers-facts-and-figures.pdf>, 2022

3. Paying For Alzheimer's Care: Financial Help, Costs & Care Options, <https://www.payingforseniorcare.com/memory-care>, August 2020

National Life Group® is a trade name of National Life Insurance Company (NLIC), Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX, and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York.

No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.

Our Accelerated Death Benefit Rider for Alzheimer's disease could provide extra financial protection and help ease the burden when going through tough times if you are diagnosed with Alzheimer's disease or Lewy Body Dementia.

## How It Works

A qualifying diagnosis is needed of Alzheimer's disease or Lewy Body Dementia, determined by a Specialist. In addition, a Specialist needs to provide certification of both:

- A score of less than 20 out of 30 on Mini-Mental State Exam (MMSE), or an equivalent of this score under a widely accepted test of cognitive function.
- Clinical impairment of at least two of the following:
  - Orientation to people, places, or time.
  - Registration (ability to learn and remember new information).
  - Attention and calculation (reasoning and handling of complex tasks).
  - Visuospatial abilities.
  - Language functions.

In determining whether an Insured has experienced a qualifying event, National Life Group may consider both the certification and the records of the Insured's medical history, diagnosis, and treatments to ensure that the records support the certification.

The rider will not be available if the client has a first-degree relative (mother, father, or siblings) with a history of Alzheimer's disease.

## Exclusions

All other forms of dementia are not covered by this rider but may be covered by the chronic illness rider. Examples of other forms of dementia include but are not limited to:

- Dementia induced by alcohol-related brain damage, toxic substance, or medication.
- Dementia associated with Parkinson's disease, other than Lewy Body Dementia.
- Vascular dementia.
- Frontotemporal dementia.
- Primary progressive aphasia.
- Dementia associated with infectious disease such as, but not limited to, COVID, encephalitis, and meningitis.

## Benefit

The actual payment received is less than the portion of the death benefit accelerated because the benefits are paid prior to death. Values are based on a current interest rate and mortality rates. There is an initial administrative fee at the time the rider is exercised. The amount accelerated reduces the death benefit, the cash value, and the loan value.

What's unique about this ABR is that benefits do not have to be used to defray actual expenses associated with Alzheimer's disease or Lewy Body Dementia. They could be used for any purpose, including for such things as making structural changes to a home to accommodate the illness and compensating a non-licensed care provider or for any non-medical reason such as home modifications, bills, or income replacement.

This rider is intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code. Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated. Consult with your personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect eligibility for public assistance.<sup>4</sup>

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4. The companies of National Life Group® and their representatives do not offer tax or legal advice. For advice concerning your own situation, please consult with your appropriate professional advisor