

BRIDGE

Guaranteed underwriting approval for long-term care (LTC) coverage, capital preservation and the advantages of Bridge over self-funding for LTC expenses

Please use this agent-only case study for support and direction regarding the use of Bridge in cases where the client may be declined for LTC coverage and/or is currently planning to self-insure. This flyer is not approved for use with clients.

PATRICIA

Age: 70

Retirement assets:

- \$300,000 in an IRA
- \$400,000 in a Non-Qualified annuity that is out of surrender (\$200,000 in cost basis, \$200,000 in gain)



Concerns:

- Previously declined by underwriting for long-term care coverage due to health issues
- Current plan is to self-insure by drawing down the funds in the NQ annuity — taxation on the gain will consume a portion of the funds

Scenario 1: Patricia's current plan to self-insure

- After six years, Patricia experiences a stroke and needs \$9,028 per month to pay for long-term care services.
- Her annuity value has grown to \$536,038.
- She takes the following withdrawals.

Withdrawals year	Beginning AV	Gross withdrawals	Taxes paid	Net withdrawals	Interest	Ending AV
1	\$536,038	\$157,009	\$48,673	\$108,336	\$22,582	\$401,611
2	\$401,611	\$157,009	\$48,673	\$108,336	\$15,860	\$260,462
3	\$260,462	\$128,237	\$19,901	\$108,336	\$9,281	\$141,506
4	\$141,506	\$108,336	\$0	\$108,336	\$4,163	\$37,333
5	\$37,333	\$37,576	\$0	\$37,576	\$243	\$0
Total			\$117,247	\$470,920		

Hypothetical example assumes a non-guaranteed credited rate of 5.00% and 31% tax bracket.

Scenario 2: Patricia purchases a Bridge contract

Bridge premium: \$400,000
From 1035 exchange of the NQ annuity

Underwriting class	Secure
Coverage Ratio election	120%
Initial Benefit Base	\$480,000

Six years later — claim submitted
After six years of active participation in NeverStop Wellness, which helped support a healthy, independent lifestyle, Patricia experiences a stroke and is no longer able to perform two of six activities of daily living.

She needs long-term care services, so she files a claim and a plan of care provided by her doctor. Because her benefit payments pay for qualified expenses, they are not subject to taxation.



Benefit Base	\$540,558
NeverStop Wellness Credits	\$1,131
Total Benefit Base at claim	\$541,689
Monthly benefit	\$9,028

Compare total funds available to pay for long-term care expenses:

Scenario 1: \$470,920 over 4 years and 5 months and \$117,247 income taxes paid on gain

OR

Scenario 2: \$541,689 over 5 years with **no income taxes paid**

Balance your benefits and premium preservation
Your agent can help you find the right balance between anticipated long-term care benefits and the value of your annuity account.



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Guarantees are based on the claims-paying ability of EquiTrust Life Insurance Company. Benefits may be increased to 5% annually for additional fee. NeverStop Wellness Credits are not guaranteed and subject to verified participation. Contract issued on Form Series ICC12-ET-EIA-2000(01-12) or ET-EIA-2000(12-21). Long-Term Care Rider issued on ET-LTC(04-22). NeverStop Wellness Rider issued on ET-WEL(11-21). This document briefly highlights EquiTrust Life Insurance Company's Bridge annuity contract's Long-Term Care Rider. For complete product details including costs and coverage, any exclusions, reductions or limitations, and the terms under which the contract may be continued in force, contact your agent/producer. EquiTrust does not offer investment advice to any individual and this material should not be construed as investment advice to you or your specific situation. For agent use only.