Immediate Care Plan

FEDERAL LIFE

Introducing the

IMMEDIATE CARE PLAN

(IMMEDIATE NEEDS ANNUITY)

The Immediate Care plan is a medically underwritten single premium immediate annuity. Being individually underwritten, it is designed to create a guaranteed monthly income stream payable for the life of the annuitant. The monthly income payments can be used for any purpose such as living, medical, or long-term care expenses. With individual medical underwriting, monthly income payments may be larger for the annuitants who are less healthy and in need of care compared to traditional single premium immediate annuities.

APPLICANTS ISSUES AGES	Age 70 – 95
PREMIUM AMOUNTS	Minimum - $50,000 Additional Contracts - $25,000 Maximum - $1,000,000 without home office approval

Discover Immediate Care Plan

BENEFITS AND OPTIONS

Every client and every situation will be different. The Immediate Care Plan can be tailored for individual annuitant needs and provides choices now to help create certainty for the future.

EARLY DEATH BENEFIT

An early death benefit feature is included within the Immediate Care Plan. If the annuitant dies within the first six months from the contract date, an early death benefit will be paid. The early death benefit is equal to the single premium multiplied by the applicable death benefit percentage, less all income already paid out.

- **MONTH 1** ....100% of premium paid less any income already paid out.
- **MONTHS 2 & 3** ....50% of premium paid less any income already paid out.
- **MONTHS 4,5 & 6** ....25% of premium paid less any income already paid out.
- **MONTHS 7 & ONWARDS**......No death benefit payable

OPTIONAL ENHANCED DEATH BENEFIT *

The owner of the policy can select life income with a certain period of 1 to 5 years and receive an enhanced death benefit. If the annuitant dies within the certain period, the enhanced death benefit is the greater of the minimum benefit amount, less monthly income received, and the early death benefit.

The minimum benefit amount is the sum of the monthly income payments for the number of months in the selected protected period, excluding any additional prorated amount included in the first monthly period.

OPTIONAL COST OF LIVING ADJUSTMENT (COLA) *

The owner, at issue, can select an annual cost of living adjustment (COLA) of between 1% and 8%. Monthly income will increase at the rate selected on each contract anniversary, compounded annually.

*Optional features are only available at issue and require additional premium to provide the same guaranteed initial monthly income payment.

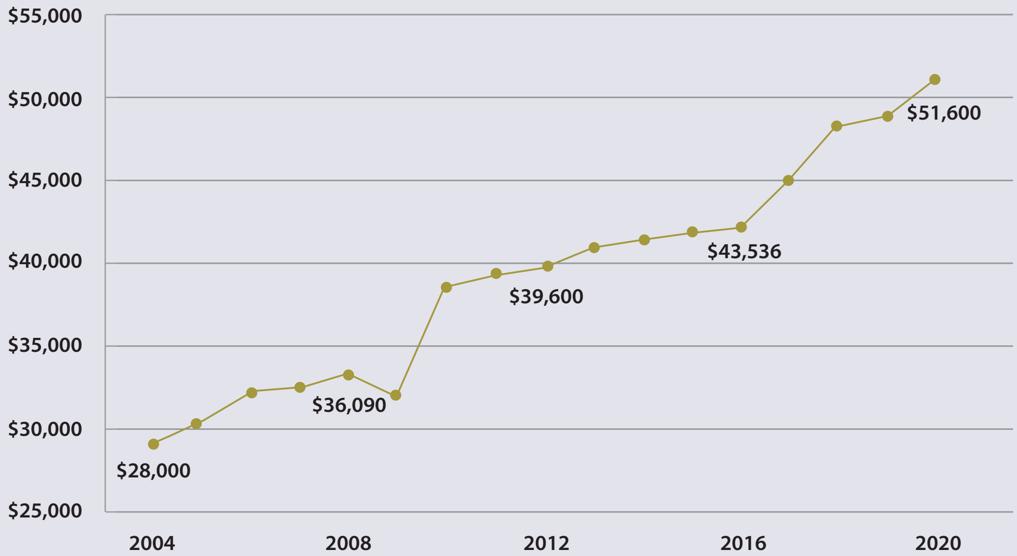
Some Numbers

THE FOLLOWING FIGURES ARE TAKEN FROM THE GENWORTH COST OF CARE SURVEY 2020

- The average median cost in the USA for Community and Assisted Living is $51,600 per year. This is an increase of 79.17% since 2004 or the equivalent increase of 3.80% per year.
- The average median cost in the USA for a Nursing Home facility is $105,850 per year. This is an increase of 62.38% since 2004 or the equivalent increase of 3.10% per year.
- The average median cost in the USA for a Home Health aide is $54,912 per year. This is an increase of 30.22% since 2004 or the equivalent increase of 1.88% per year.
- For someone paying the median rate in an Assisted Living Community, based on an annual increase of 3.80%, the rate would increase from $51,600 in year 1 to $59,899 in year 5.
- Other sources of senior care funding may include Medicaid – Medicare – Family & Friends Long Term Care Insurance – Invested Assets – Property.

Source: www.genworth.com/aging-and-you/finances/cost-of-care.html

Medicare and Medicaid have limitations related to where care is received, the length of the care and the financial assets of the individual receiving care. Additionally, if the senior is in a care situation, long term care insurance may not be an option.



79.17%

Increase in Assisted Living Facility costs since 2004

The median yearly cost of care in an assisted living facility in the United States in 2020 was $51,600. The monthly rate for assisted living facility care ranged from $3,000 in Missouri to $6,690 in Delaware.

Source: www.genworth.com/aging-and-you/finances/cost-of-care/cost-of-care-trends-and-insights.html

Participating Producer Criteria and Recommendations

Financial professionals participating in the sale of a Federal Life Immediate Care Plan must be licenced and appointed with Federal Life, in good standing with their Broker General Agency, and agree to complete Federal Life training specific to this product.

Federal Life training for the Immediate Care Plan will help producers to:

- Articulate the features and benefits of the Immediate Care Plan to clients and others.
- Clearly outline the process from application to delivery and income flow of the product.
- Identify the ideal client profile and understand alternative options.
- Demonstrate sensitivity and compassion within a solution-oriented environment.

Types of Care and Senior Living Options

INDEPENDENT LIVING

Fully equipped private apartments. Residents use their personal household furnishings. Meals, activities and transportation are provided.

ASSISTED LIVING

Similar to independent living communities with the addition of 24 hour assistance available for activities of daily living (ADLs) such as washing, dressing, transferring, eating, toileting and continence.

NURSING HOME OR SKILLED CARE

Private or shared rooms with 24/7 skilled nursing care for residents. These also may offer short term rehabilitation stays.

MEMORY CARE

24/7 support and structured activities that ensure safety and quality of life for Dementia and Alzheimer's patients. These may be offered within either a Nursing home or assisted living environment.

RESIDENTIAL CARE HOME

Private homes that serve residents who live together and receive care from live-in care takers. Assistance with ADLs is typically provided in these homes.

HOME CARE

Seniors remain in their own homes independently while receiving companionship and assistance with ADLs, paying bills and other general tasks.

RESPITE CARE

These offer short-term stays in a care community to provide a temporary break for primary caregivers or to allow prospective residents to become acquainted with the community.

Live your dreams. Leave a legacy.®

FEDERAL LIFE

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L-8240 07-23