



## ONE DECISION – A LIFETIME OF PROTECTION

### Critical illness insurance with a long-term care conversion option

Including critical illness insurance in your plans is an important part of protecting what you've worked so hard for. Adding a long-term care conversion option to your coverage is just as important. This option helps protect your retirement savings by giving you money for the care you might need later in life.

#### *The challenge*

##### **PROTECTING JOSEPHINE'S PLANS FOR RETIREMENT.**

As Josephine thinks about her future:

- › She wants to ensure her retirement income savings plan is maintained if she experiences a critical illness.
- › She wants to make sure she'll have enough funds to pay for long-term care in the future.

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#### **Meet Josephine**

*Josephine, age 40, is financially comfortable and enjoys her position as an account manager at a local advertising firm. Every month she puts aside a portion of her income to save for her retirement goals.*

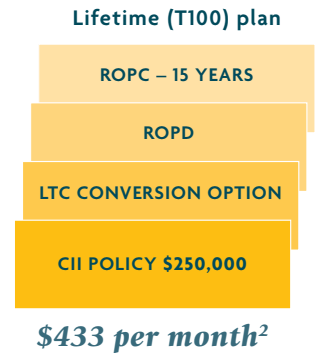
*Recently, her 70-year-old mother had a stroke and needed to have in-home care. Josephine is worried that her mother's limited savings won't be enough to provide the care she requires. This made Josephine think about her own independence as she ages. She wonders how a critical illness could impact her finances now and change her retirement plans in the future.*

# The solution

## SUN CRITICAL ILLNESS INSURANCE WITH THE LONG-TERM CARE CONVERSION OPTION HELPS PROTECT JOSEPHINE'S PLAN TODAY AND IN THE FUTURE.

Josephine purchases a Lifetime (T100) Sun Critical Illness Insurance (Sun CII) plan to provide coverage for 26 conditions including cancer, heart attack, stroke and loss of independent existence. She includes the following optional benefits:

- › **Long-term care (LTC) conversion option** – provides the option to convert all or a portion of her critical illness insurance to long-term care insurance between ages 60 and 65<sup>1</sup> without any medical questions, guaranteed.
- › **Return of premium on death (ROPD)** – returns the eligible premiums to her beneficiary if she dies and hasn't made a claim on her critical illness insurance policy.
- › **Return of premium on cancellation after 15 years** – returns the premiums she has paid if she cancels her policy on or after the 15th policy anniversary.



**NOTE:** This concept doesn't work with the ROPC/E at age 75 option.

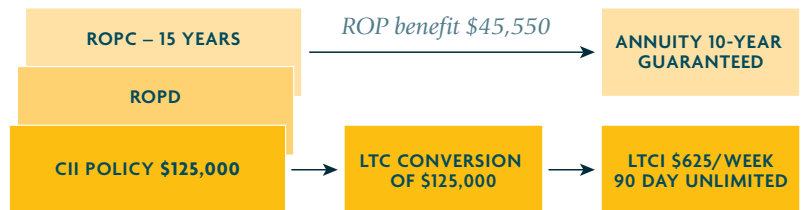
# The result

## JOSEPHINE MADE ONE DECISION THAT CAN HELP PROVIDE A LIFETIME OF PROTECTION WITH MAXIMUM FLEXIBILITY TO HELP MEET HER NEEDS AT DIFFERENT STAGES IN HER LIFE.

At age 60<sup>1</sup> Josephine converts half of her \$250,000 Sun Critical Illness Insurance to Sun Long Term Care Insurance. She chooses a partial conversion so that she continues to have a level of critical illness protection. This conversion results in a return of some of the premiums for the portion that she converts. Josephine could have cancelled her policy after age 55 and received a return of premium. But by choosing to keep her coverage in place and continuing to pay premiums, she was able to convert to long-term care insurance at age 60.

- › She keeps \$125,000 of her critical illness insurance, and her premium reduces from \$433/month to \$228/month.
- › The return of premium on cancellation at age 60 is \$45,550. She uses this to purchase a life annuity with a 10-year guarantee period to put toward her long-term care insurance premium.

The \$125,000 that she converts provides her with a long-term care insurance benefit of \$625/week if she becomes unable to care for herself.



CII POLICY PREMIUM	+	LTCI POLICY PREMIUM	-	INCOME FROM ANNUITY	=	TOTAL
\$228		\$290		\$182		<b>\$336 per month</b>

- › Her premium for this new coverage is \$290/month.<sup>3</sup>
- › The life annuity provides approximately \$182/month after tax to put towards her long-term care insurance premiums.<sup>4</sup>

<sup>1</sup> Conversion to long-term care insurance is available once during the 5 policy years that start on the policy anniversary nearest the insured person's 60th birthday.

<sup>2</sup> Everything presented in this fact scenario is for illustrative purposes only and none of the values or rates are guaranteed.

<sup>3</sup> The cost of the long-term care insurance is based on current rates available for a female at age 60. The rate for your LTCI policy will be the rate we charge at the time of conversion.

<sup>4</sup> The annuity income is based on a female age 60 purchasing a life annuity with a 10-year guarantee period on August 1, 2017. Assumes prescribed annuity contract tax treatment.

## Life's brighter under the sun