



Bulletin

DATE: December 12, 2022

Updated ExtendCareSM per diem

The Internal Revenue Service (IRS) recently announced upcoming changes to the per diem limitations for periodic payments received under qualified long-term care insurance policies and certain life insurance policies which offer accelerated death benefits for chronic illness care.

The 2023 per diem limitation for periodic payments from these types of policies will increase from **\$390 to \$420**. This increase will offer clients the opportunity to access up to \$12,600 of their policy's death benefit each month through ExtendCareSM, a chronic illness protection rider available with the purchase of new universal life insurance policies from Protective. The new per diem limitation will apply to policies issued with a 2023 effective date.

About ExtendCare

ExtendCare is an optional rider that allows clients to advance their policy's death benefit to use for any potential chronic illness needs. Should the insured become chronically ill ¹, as certified by a licensed physician, the policy death benefit can be accessed after a waiting period of 90 days.² This rider is only available at policy issue for applicants between the ages of 20 – 80, at an additional cost.

With ExtendCare, clients can:

- Access a monthly benefit amount, up to \$12,600
- Receive monthly benefit payments directly
- Pay for family and informal care
- Use their benefit for medical or non-medical expenses
- Cover expenses without providing proof of care
- Leave any unused portion of the death benefit for loved ones

For more information about ExtendCare, please contact your Protective Life representative.



¹ Chronically ill is defined as being unable to perform at least two of six Activities of Daily Living without assistance for 90 days, or requiring supervision for protection against health and safety threats due to severe cognitive impairment.

² A 90-day waiting period must pass between the time the company receives written certification of the insured's chronic illness status and the time the first accelerated death benefit (ADB) payment is made.

This is only a summary of ExtendCare benefits. Actual terms and conditions contained in the rider govern all benefits provided. Please see the rider for more detailed information. Available only at issue and at an additional cost. Assumes medical and financial underwriting qualifications at time of initial application.

ExtendCare falls under IRC Sec. 101(g) Accelerated Death Benefit guidelines and does not fall under health regulations. This differentiation could affect eligibility for public assistance programs such as Medicaid, Supplemental Income, or others. Purchasers should consult a qualified advisor along with legal or tax advisor to determine if the rider will affect their initial or continued eligibility for public assistance programs or other tax-related decisions.

ExtendCare (ICC12-L630 and L630) is issued by Protective Life Insurance Company (PLICO) which is located in Nashville, TN. Subject to underwriting and up to a 2-year contestable and suicide period. Benefits adjusted for misstatements of age or sex. Consult policy for benefits, riders, limitations and exclusions. In Montana, unisex benefits and rates apply. Policy form numbers, product features and availability may vary by state. PLICO does not render legal or tax advice. Information in this summary is based on current tax laws that are subject to change. Individuals should consult their attorney or tax advisor regarding their individual situation.

Variable universal life insurance policies issued by Protective Life Insurance Company (PLICO). Securities offered by Investment Distributors, Inc. (IDI), the principal underwriter for registered products issued by PLICO, its affiliate. PLICO is located in Nashville, TN; IDI is located in Birmingham, AL. Variable universal life insurance policy issued under policy form number ICC19 – V15 and state variations thereof. Product features and availability may vary by state.

Variable universal life insurance involves the risks of investing in stocks, bonds and other securities; market, interest rate and credit risk; and, loss of principal. If the investment performance of underlying investments is poorer than expected (or if sufficient premiums are not paid), the policy may lapse or not accumulate sufficient value to fund the intended application.

Investments in variable universal life insurance policies are subject to fees and charges from both the insurance company and the managers of underlying investments. Loans and withdrawals may negatively impact policy value, investment performance, death benefit, and any Lapse Protection.

Investors should carefully consider the investment objectives, risks, charges and expenses of Protective Strategic Objectives II Variable Universal Life insurance and its underlying investment options before investing. This and other information is contained in the prospectus for Protective Strategic Objectives II Variable Universal Life and its underlying investment options. Investors should read the prospectuses carefully before investing. Prospectuses may be obtained by contacting PLICO at 800-456-6330.

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