

# AXA Equitable's Athena Universal Life<sup>SM</sup>



case study

## Long Term Care Support: Helps Save Client Assets with Athena Universal Life<sup>SM</sup> (Athena UL<sup>SM</sup>) and Long-Term Care Services<sup>SM</sup> Rider (LTCSR)

Often clients who need long-term care coverage risk losing assets that they hope to pass on to their children. Even high net worth clients can't always count on self insurance.

### Client Profile: Mary and John

Mary and John have a \$3,000,000 estate and earn 5% a year off their assets. They count on this (\$150,000) to support their living expenses.

What if John needed long-term care? The average long-term care stay is \$67,000 a year and lasts 2 ½ years. The total cost could be \$167,500.

Could Mary afford that?

What if Mary were forced to:

- Liquidate assets –
  - Will there be tax consequences?
  - What if she had to sell in a bear market?
  - What if she had to sell legacy assets?
- Accelerate the draw down on retirement assets –
  - Will she be reducing her retirement funds for later years?

With an Athena UL<sup>SM</sup> coupled with the LTCSR, the couple can help solve that dilemma. One premium payment can provide John and Mary with a potential solution. Adding the rider, for an additional cost, can allow 1, 2 or 3% of the face amount to be paid each year if John qualified for long-term care.

The Long-Term Care Services<sup>SM</sup> Rider has restrictions and limitations. Please read the technical guide for more details.

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## Take a Closer Look: Competitive Cost with Athena UL's No Lapse Guarantee Premium

Athena UL<sup>SM</sup> \$2,000,000 face amount<sup>1</sup>

LTC SR – 2% offers an annual benefit of \$40,000

	Age 35	Age 45	Age 55	Age 65
<b>Insurance Premium</b>	<b>\$9,800</b>	<b>\$15,640</b>	<b>\$24,640</b>	<b>\$39,280</b>
<b>Insurance Cost with 2% LTC Benefits</b>	<b>\$10,400</b>	<b>\$16,680</b>	<b>\$26,640</b>	<b>\$42,480</b>
<b>Incremental Cost</b>	<b>\$600</b>	<b>\$1,040</b>	<b>\$2,000</b>	<b>\$3,200</b>

### Mary and John – Two Needs, One Policy

Remember, most clients with long-term care policies who don't use them will end up losing them and the premiums they've paid.

The benefits:

- No risk that premiums will be raised during the NLG period – something that isn't true of many stand-alone long-term care contracts<sup>2</sup>.
- Clients who don't use the benefit won't lose the benefit. Beneficiaries receive it in the form of a death benefit.
- Clients avoid needless paperwork – Athena UL<sup>SM</sup> has a "per diem" benefit. By providing evidence that a client isn't able to meet 2 of the 5 activities of daily living will trigger the benefit for the year. Clients don't have to put up with the hassle of submitting paperwork each time they incur an expense under the more common "reimbursement" plans that tend to discourage claims.

**For More Information, Please Call**

<sup>1</sup> Based on a male, preferred non-smoker

<sup>2</sup> As long as the No Lapse Guarantee premium requirement is met and the policy isn't overloaned, the policy and all riders, including the Long Term Care Services<sup>SM</sup> Rider, will remain in effect for at least the duration of the No Lapse Guarantee. The No-Lapse Guarantee duration varies by the age of the insured.

These numbers are valid as of August 1, 2009 and are subject to change after that date.

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