Different Types of Life/Annuity Riders

Accelerated Death Benefit *Life & Annuity*	Enables the policy owner to accelerate a portion of the policy's death benefit if the insured is diagnosed with a qualifying illness (differ by carrier). Provisions for accelerated or "living benefits" may be included in a policy when purchased or attached as a rider.
Chronic Illness *Life & Annuity*	These riders generally require a physician to certify the illness as "likely to last the rest of the insured's life" or non-recoverable. These riders all use the indemnity model.
Terminal Illness *Life & Annuity*	If the policyholder is diagnosed with a terminal illness from which the policyholder is not expected to live longer than 12 months from diagnosis.
Critical Illness Rider *Life & Annuity*	Provides a lump-sum, taken out of the death benefit, which will help cover unexpected medical costs and other expenses. While the illnesses covered and the premiums vary among insurers, most insurers cover cancer, coronary artery bypass, heart attack, kidney/renal failure, major organ transplant and paralytic stroke.
Long-Term Care Rider - *Life* **"Multiplier"** - *Annuities*	Depending on insurance type, this rider either accelerates the death benefit OR increases lifetime income payments in order to pay for long-term care. Benefits can be used for home health care, assisted living, a nursing home, adult day care or other qualifying services. After paying for long-term care costs, you can use the excess funds any way you wish.
Guaranteed Lifetime Income Rider *Annuity Only*	An attached benefit to a deferred annuity policy that solves for longevity risk by providing a lifetime income stream. Most riders have a guaranteed roll-up rate for a specific period of time and at certain contractual fee. The rider provides a guaranteed stream of income from the annuity for life, even if the policy's accumulation value reaches $0 - income that cannot be outlived! If the owner dies before the policy's accumulation value is depleted, a benefit is still paid to the named beneficiaries.
Return of Premium *Life & Annuity*	This rider will allow policyholders to recover all or part of either their premiums paid (life) or initial annuity deposit. This rider eliminates risk associated with living too long or early termination of an annuity.
Waiver of Premium *Life Only*	Dependent on carrier specifications, future premiums are waived off if the insured becomes permanently disabled or loses his or her income as a result of injury or illness prior to a specified age.
Overloan Protection *Life Only*	If this rider is on a policy, the policy owner can take loans and withdrawals without fear of the policy lapsing. Cost/availability varies by carrier. Usually incurs a one-time charge based on cash value and attained age.
Other Insured Rider - *Life Only*	Offers term insurance for an additional insured at an additional premium.
Child Term Rider *Life Only*	This rider provides a death benefit in case a child dies before a specified age. After the child attains maturity, the term plan can be converted into permanent insurance with coverage multiplying up to five times the original face amount without the need for medical exams. This rider is sold in "units" of $1,000.00.

Indemnity vs. Reimbursement

Indemnity: Full benefit is paid regardless of what the actual LTC expenses are. Excess benefits can be used for any other purpose. This type plan will pay the maximum benefit the policy allows, regardless of what the LTC expenses are. While some plans may require a licensed service to be involved in the care, no bills or receipts are needed to justify the cost of care. However, keep in mind there are a few companies offering an indemnity payout that call for monthly re-verification of services by requiring copies of bills be submitted to prove continued use of a licensed provider (full benefits are still paid). While the entire benefit is available on an indemnity plan, some people may prefer to take only what they need to extend the benefit period.

Reimbursement: Only the actual costs of qualifying long-term care services are reimbursed. Regardless of what the stated maximum benefit is, reimbursement plans will never pay more than the qualifying LTC expenses incurred. Qualifying expenses in reimbursement plans do not include the costs of home modification, medical equipment (i.e. walkers), nor other potential expenses that go along with LTC needs. Bills and receipts must be accounted for every month. Some carriers will allow the service or facility to bill the insurance carrier directly and will make direct payment back to the facility, while other carriers may require the policy holder to submit the bills each month, and then wait for reimbursement of expenses. The policy holder will have to pay for the ineligible service out of pocket. When bills are less than the stated benefit, there is potential to stretch out the LTC benefit for a longer period of time.

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