

# Why consider the Chronic Illness Conversion Agreement (CICA)?

Planning to convert your Advantage Elite Select term life insurance to permanent coverage down the road? Interested in chronic illness protection? The Chronic Illness Conversion Agreement (CICA) is designed for you and your family.

The CICA guarantees you the right to add the Accelerated Death Benefit for Chronic Illness Agreement (ADB-CIA). And you don't need to provide evidence of insurability at the time of conversion.

## Agreement highlights

- When added to a term policy, the minimum CICA amount is \$100,000 and the maximum is \$5 million
- Issue ages 16-60
- Must have the Extended Conversion Agreement (ECA), which allows for the conversion period to be extended to the policy's full duration of the policy or to age 75
- CICA conversion period is the lesser of age 65 or the end of the ECA period (may differ from base life policy)

## How it works

- Upon adding the CICA to an Advantage Elite Select term policy, you can choose the maximum chronic illness death benefit amount that will be available upon conversion, up to the maximum of \$5 million.
- When converting to a permanent policy, you may convert any percentage of the CICA amount (within the parameters noted below) for chronic illness benefits with the addition of the ADB-CIA on the policy.
  - If you add the ADB-CIA at the time of conversion, a minimum of \$100,000 of the CICA amount must be converted. No more than the new permanent base face amount may be converted.
  - If the policy has the Benefit Distribution Agreement,<sup>1</sup> the CICA maximum is the base face amount.

## Example 1

**A 60-year-old man purchases a 20-year term policy for \$500,000 with a CICA amount of \$250,000.**

- At age 65, he converts \$250,000 to a permanent policy with a \$250,000 ADB-CIA.
- This leaves \$250,000 of term insurance he can keep, convert later or cancel, with a CICA amount of \$0 because the entire CICA amount was converted.

## Example 2

**A 40-year-old woman purchases a 20-year term policy for \$1 million with a CICA amount of \$1 million.**

- At age 50, she converts \$500,000 to a permanent policy and decides not to exercise her CICA.
- This leaves \$500,000 of term insurance she can keep, convert later or cancel, and a CICA amount of \$500,000.
- The CICA amount decreased to match the new term face amount, since the CICA amount cannot be greater than the new term face amount.