



LTC Riders vs. Chronic Illness Riders

Traditional Life Insurance has come a long way in just a generation or two. Options now include a wider variety than just the Term and Whole Life products our parents and grandparents would swear by, and these additional products sometimes offer bells and whistles that broaden the functionality of life policies. Modern riders to select from often include (but are in no way limited to) No-Lapse Guarantee, Other Insured, Supplemental Coverage, Estate Preservation, and Return of Premium. Among the most highly sought “bells and whistles” are Living Benefits.

As more life products offer Living Benefits, variety blossoms in an effort to satisfy budgets, meet retirement needs, and retain one’s dignity. These Living Benefits can come in the form of LTC riders or Chronic Illness riders, the latter of which could be one of two versions. Most states use similar outlines for each rider type they approve, but there are always the few that march to the beat of their own drum (looking at you, California and New York). When selling outside of your resident state, checking to see how the riders may differ across state lines is a great idea. Carriers have both Consumer and Agent brochures for each of their LTC riders and/or Chronic Illness riders available in electronic and sometimes hard copy form, with state variations available as needed.

Although Chronic Illness riders can act similarly to LTC riders, they are not LTC riders and should not be marketed as such. Facial tissues can only be called “Kleenex” if they are actually that brand, and if you hand someone a store brand chocolate sandwich cookie and call it an “Oreo” you just might be swiftly corrected (personal experience). LTC riders are regulated and must follow state guidelines (just like regular LTC products), while Chronic Illness riders are free from such restrictions.

[Click HERE](#) to see a side-by-side comparison of these rider styles, and feel free to call your friendly neighborhood Marketing Director or Case Design Manager for carrier- and state-specific details!

