

FREQUENTLY ASKED QUESTIONS

Premium Deposit Account Agreement for SecureCare

The Premium Deposit Account (PDA) Agreement is available on our SecureCare™ product line.

What states have the PDA available for SecureCare?

The PDA can be added to SecureCare III (long-term care and nonparticipating whole life) policies in all states except Kansas and Pennsylvania. (SecureCare III is not available in California or New York.)

Additionally, the PDA can be added to SecureCare Universal Life (UL) policies in all states except Kansas, Missouri, Montana, New Mexico, and Pennsylvania. (SecureCare UL was never available in New York and is currently only sold in California.)

What clients might be a good fit for adding the PDA?

The PDA is advantageous for clients who wish to pay all remaining premiums in a single lump sum, such as business owners who have sold their business, or clients who have received an inheritance, bonus, or sold a property. It also assists clients nearing retirement in "paying off" their premiums and avoiding additional costs during retirement.

Why can't I show a PDA on the sales proposal?

All figures and items presented in the SecureCare sales proposal are guaranteed, while the PDA interest rate and deposit amount are only guaranteed upon deposit. Additionally, the PDA can only be added after one premium payment is paid - it cannot be added at issue (see question below).

While it is not possible to include the PDA in the proposal, you can generate a sample PDA for an existing policy by visiting Advisor.Securian.com. Navigate to the "Client Servicing" tab at the top of the page and select Life Insurance Inforce Illustrations. Click the "Run an illustration" button and then click the "SecureCare Inforce PDA Calculator" button. By entering the policy number and the PDA deposit date, you will receive a PDA Deposit Account Summary. This summary will display the total amount due to initiate the PDA, as well as the interest that these funds will accrue over the remaining premium payment years of the policy. Note that the interest rate will not be guaranteed until the time of deposit. The calculator

Questions?

Contact the SecureCare sales team.

1-888-900-1962

securecaresales@securian.com

will not be live until August 4, 2025, when the PDA is officially launched.

Why can't the PDA be added to the policy at issue?

Linked benefit products, such as our SecureCare product line, are structured to optimize leverage for long-term care (LTC) benefits when a single premium is paid. If a client has the financial capacity to cover the entire premium amount in the first year, it is recommended they purchase a single-pay policy to fully benefit from the enhanced LTC benefits and return of premium options.

How do I find the current interest rate?

The interest rate is guaranteed at the time of deposit and may vary by state. If the client wants to add the PDA, you or they can **contact Inforce Case Design (1-651-665-3746)** and the Inforce team can provide the current interest rate.

You can also use the SecureCare Inforce PDA Calculator, see question 3 above.

How does a client add the PDA to their policy?

You or the client should **contact Inforce Case Design (1-651-665-3746)** to discuss adding the PDA agreement to their policy. The Inforce team will then provide the required deposit amount to cover all remaining premiums and provide any necessary paperwork.

How will the PDA work with different premium modes?

If the client was paying monthly, quarterly, or semi-annual premiums, we will calculate the remaining premium due for the current policy year and add it to the PDA deposit amount. We will apply that premium to the policy immediately and deposit the remaining premiums into the PDA to earn interest and cover the remaining premiums.

How will the PDA work with the Waiver of Premium Agreement?

If the client has the Waiver of Premium Agreement and starts receiving benefits while the PDA is still paying premiums on their policy, we will refund any premium, including funds held in the PDA, that was paid beyond the date that the insured was eligible for Waiver payments.

How does the PDA impact the tax deductibility of the premium or benefits?

The amount deposited into the PDA is not considered premium until the year it is applied to the policy. Any inquiries regarding the taxation of benefits or charges should be directed to a tax advisor.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Life insurance products contain charges, such as Cost of Insurance Charge, Cash Extra Charge, and Additional Agreements Charge (which we refer to as mortality charges), and Premium Charge, Monthly Policy Charge, Policy Issue Charge, Transaction Charge, and Surrender Charge (which we refer to as expense charges). These policies may contain restrictions, such as surrender periods.

The Premium Deposit Account Agreement has restrictions that may result in termination of the agreement prior to the payment of all of the planned premiums and may result in the loss of expected interest. Interest credited when used to pay policy premiums will be reported as taxable income to the policy owner.

Interest may vary by state. PDA interest is dependent on the number of annual planned premium payments paid from the PDA. The same interest rate is applied for all payments.

The Waiver of Premium agreement does not in any way replace the specific coverages provided in the policy.

Additional agreements may be available. Agreements may be subject to additional costs and restrictions. Agreements may not be available in all states or may exist under a different name in various states and may not be available in combination with other agreements.

SecureCare refers to a line of hybrid life/long-term care insurance products issued by Minnesota Life Insurance Company, including SecureCare Universal Life and SecureCare III, a non-participating whole life policy with long-term care. SecureCare (including SecureCare Universal Life and/or SecureCare III) may not be available in all states. Product features, including limitations and exclusions, may vary by state. SecureCare products contain qualified long-term care agreement(s) that cover care such as nursing care, home and community-based care, and informal care as defined in those agreements. These agreements provide for the payment of a monthly benefit for qualified long-term care services. These agreements are intended to provide federally tax qualified long-term care insurance benefits under Section 7702B of the Internal Revenue Code, as amended. However, due to uncertainty in the tax law, benefits paid under these agreements may be taxable. Additionally, SecureCare products may contain other additional agreements, which may be subject to additional costs and restrictions, and may not be available in all states or exist under a different name in various states.

This information should not be considered as tax or legal advice. Clients should consult their tax or legal advisor regarding their own tax or legal situation.

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