

# AMERICAN HERITAGE LIFE INSURANCE COMPANY

4920 San Pablo Road S, Suite 200C, Jacksonville, FL 32224-6687

## ACCELERATED DEATH BENEFIT FOR LONG-TERM CARE RIDER

### OUTLINE OF COVERAGE

Certificate Rider Form Number GTLCLTCREM

**CAUTION:** The issuance of the rider is based on your responses to the questions on your enrollment form and/or evidence of insurability form. A copy of your enrollment form and/or evidence of insurability form is attached. If your answers are incorrect or untrue, then we have the right to deny benefits or rescind the rider. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact us at the address shown above.

**NOTICE TO BUYER:** The rider may not cover all of the costs associated with long-term care incurred by the buyer during the period of coverage. The buyer is advised to carefully review all rider limitations.

1. The rider is a group rider that was issued in and governed by the governing jurisdiction.
2. **PURPOSE OF OUTLINE OF COVERAGE:** This outline of coverage provides a very brief description of the important features of the rider. You should compare this outline of coverage to outlines of coverage for other policies available to you. This is not an insurance contract, but only a summary of coverage. Only the certificate and rider contain governing contractual provisions. This means that the certificate and rider set forth in detail the rights and obligations of both you and the insurance company. Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR CERTIFICATE AND RIDER CAREFULLY.**
3. **FEDERAL TAX CONSEQUENCES:** The rider is intended to be a federally tax-qualified long-term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.
4. **TERMS UNDER WHICH THE RIDER MAY BE CONTINUED IN FORCE OR DISCONTINUED:**
  - (a) **RENEWABILITY: THE RIDER IS NONCANCELLABLE.** This means that you have the right, subject to the terms of your certificate and rider, to continue the rider as long as the certificate and rider remain in force and premiums are paid on time. American Heritage Life Insurance Company cannot change any of the terms of your rider on its own. The premiums quoted at issue of the rider will not be changed.
  - (b) **Continuation:** If coverage provided under the group policy ends pursuant to the Termination provision in the certificate, you may elect to continue your coverage, including any riders attached. Review the certificate.
  - (c) **Waiver of Premium:** For each certificate month the insured receives monthly benefits under the rider, we will waive the premium for the certificate and any attached riders, if applicable. This waiver is in lieu of any other premium waiver benefit provided by the certificate or any other attached riders, if applicable. Waiver of premium is not available if you elected the one-time lump sum accelerated death benefit payment in lieu of the monthly accelerated death benefit (*if included in your coverage*).
5. **TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS:** The premium quoted at issue of the rider will not be changed.
6. **TERMS UNDER WHICH THE RIDER MAY BE RETURNED AND PREMIUM REFUNDED:** You may, within 30 days after you receive the rider, return it to us or to our agent. Once returned, we will refund all premiums paid for the rider and coverage under the rider will be void. We will refund a pro rata part of any premium paid for the rider beyond the date of the insured's death or termination of the rider.
7. **THIS IS NOT MEDICARE SUPPLEMENT COVERAGE:** If you are eligible for Medicare, review the *Medicare Supplement Buyer's Guide* available from us. Neither American Heritage Life Insurance Company nor its agents represent Medicare, the federal government, or any state government.

8. **ACCELERATED DEATH BENEFIT FOR LONG-TERM CARE COVERAGE:** Coverage in this category is designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community, or in the home.

The rider provides coverage in the form of a fixed dollar indemnity benefit, by accelerating the death benefit available under your certificate, for covered long-term care expenses, subject to rider limitations and requirements.

9. **BENEFITS PROVIDED BY THE RIDER:**

- (a) **Elimination period:** The number of days at the beginning of a period of care for which benefits are not payable under the rider. The number of days in the elimination period for the rider is 90. In order for a day to count as a day in the elimination period, the following requirements must be met:

- the insured is chronically ill; and
- charges must be incurred for the qualified long-term care services of the insured.

**Accelerated Death Benefit:** You may request a monthly accelerated death benefit payment for each month the insured satisfies the conditions stated in the Conditions on Eligibility for Benefits provision, or in lieu of the monthly accelerated death benefit, you may request a one-time lump sum accelerated death benefit payment (*if included in your coverage*).

We will pay a benefit to you upon our receipt of:

- your written request for the accelerated death benefit;
- written certification from a licensed health care practitioner that the insured is chronically ill; and
- signed consent from any irrevocable beneficiary or assignee, if applicable.

The accelerated death benefit amount payable to you will be reduced by any due and unpaid premium.

The death benefit available for acceleration does not include the amount of any Accidental Death Benefit or Term Rider(s), nor does it include any restored death benefit amount or extended death benefit amount (*if included in your coverage*).

The total amount of the accelerated death benefit payable under the rider will not exceed the death benefit amount in force on the day the elimination period is first satisfied.

- (b) **Conditions on Eligibility for Payment of Benefits:** Eligibility for benefits under the rider is satisfied when all of the following conditions are met:

- the insured is chronically ill;
- the certificate and rider are in force, subject to the Non-Forfeiture Benefit provision;
- the insured has satisfied the elimination period;
- the insured has used qualified long-term care services and been chronically ill for at least one day during the last 180 consecutive days;
- the insured is receiving qualified long-term care services while the rider is in force;
- the insured is in a period of care that begins while the rider is in force;
- the insured incurred charges for qualified long-term care services which are included in the insured's plan of care; and
- all irrevocable beneficiaries and assignees have signed the written request for this benefit, if applicable.

We may periodically require certification that the insured is chronically ill, but not more than once every 90 days.

If the insured goes 180 consecutive days or more without using qualified long-term care services or being chronically ill, we will consider this to be the end of the current period of care. If the insured subsequently starts using qualified long-term care services or being chronically ill again, we will consider this to be a new period of care and the insured must satisfy a new elimination period.

9. **BENEFITS PROVIDED BY THE RIDER** *(continued)*:

- (c) **Definitions:** These are some of the important definitions that will help you understand the Conditions on Eligibility for Benefits provision. Review the rider for further information.

**Activities of daily living (ADLs)** mean activities used to measure the insured's impairment due to being chronically ill. ADLs are any of the following:

- **Bathing** means washing oneself by sponge bath; or in either a tub or shower, including the act of getting into and out of the tub or shower.
- **Continence** means the ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).
- **Dressing** means putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
- **Eating** means feeding oneself by getting food into the body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
- **Toileting** means getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- **Transferring** means the ability to move into or out of a bed, chair, or wheelchair.

**Chronically ill** means the insured has been certified by a licensed health care practitioner within the preceding 12-month period as:

- being unable to perform, without substantial assistance from another individual, at least 2 ADLs for a period of at least 90 days due to a loss of functional capacity; or
- requiring substantial supervision to protect oneself from threats to health and safety due to severe cognitive impairment.

**Severe cognitive impairment** means a loss or deterioration in the insured's intellectual capacity that is:

- comparable to, and includes, Alzheimer's Disease and similar forms of irreversible dementia; and
- measured by clinical evidence and standardized tests that reliably measure impairment in the insured's:
  - short-term or long-term memory;
  - orientation as to people, place, or time;
  - deductive or abstract reasoning; and
  - judgment as it relates to safety awareness.

- (d) **Restoration of Accelerated Death Benefits** *(if included in your coverage)*: If the death benefit is accelerated under the Accelerated Death Benefit provision of the rider, we will restore the death benefit by an amount equal to the accelerated death benefit we paid.

The total amount of restoration under the rider will not exceed 100% of the total reduction in the death benefit amount for accelerated death benefits paid under the Accelerated Death Benefit provision of the rider. No restoration is provided for accelerated death benefits under the Monthly Extension of Accelerated Death Benefits provision *(if included in your coverage)*.

The restored death benefit amount is not available for acceleration.

Restoration of Accelerated Death Benefits will not restore an acceleration of death benefit made under any other rider.

9. **BENEFITS PROVIDED BY THE RIDER** *(continued)*:

- (e) **Monthly Extension of Accelerated Death Benefits** *(if included in your coverage)*: After the monthly accelerated death benefit has been exhausted, we will increase the death benefit and simultaneously accelerate this incremental death benefit amount for monthly benefit periods, or fractions thereof, during which the insured continues to be eligible for benefits. The monthly extension of accelerated death benefits is not available if you elected the one-time lump sum accelerated death benefit payment in lieu of the monthly accelerated death benefit *(if included in your coverage)*.

The death benefit available for acceleration does not include the amount of any Accidental Death Benefit or Term Rider(s), nor does it include any restored death benefit amount *(if included in your coverage)*.

The monthly benefit payable to you as a result of the extension of accelerated death benefits will be reduced by any due and unpaid premium.

The total amount of the increased and accelerated death benefit amounts under the Monthly Extension of Accelerated Death Benefits provision will not exceed 100% the death benefit amount on the day the elimination period is first satisfied.

10. **LIMITATIONS AND EXCLUSIONS:**

- (a) **Pre-Existing Condition Limitation** *(if included in your coverage)*: We do not pay benefits under the rider for a period of care that begins in the first 6 months after the rider effective date if a pre-existing condition causes the insured to be chronically ill. This limitation does not apply to a period of care that begins more than 6 months after the rider effective date that is caused by a pre-existing condition.

A pre-existing condition is a condition for which medical advice or treatment was recommended by or received from a physician or other member of the medical profession within 6 months before the rider effective date.

- (b) **Exclusions**: We will not pay benefits under the rider for qualified long-term care services that are:
- provided as a result of mental or nervous disorder (this exclusion does not apply to Alzheimer's Disease or other organic brain disorders);
  - provided as a result of alcoholism or drug addiction;
  - provided as a result of illness, treatment, or medical conditions arising out of:
    - war or act of war (whether declared or undeclared);
    - participation in a felony, riot, or insurrection;
    - service in the armed forces or units auxiliary thereto; or
    - suicide (while sane or insane), attempted suicide, or intentionally self-inflicted injury;
  - provided in a government facility (unless otherwise required by law);
  - services for which benefits are available under Medicare (this includes services for which benefits would have been available under Medicare but for the application of a deductible or coinsurance amount) or other governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law; or
  - received outside the United States or its territories.

**THE RIDER MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.**

11. **RELATIONSHIP OF COST OF CARE AND BENEFITS:** Because the costs of long-term care services will likely increase over time, you should consider whether and how the benefits of the plan may be adjusted. The rider is level and will not increase over time.
12. **ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS:** The rider provides coverage for insureds clinically diagnosed as having Alzheimer's Disease or related degenerative and dementing illnesses if the insured satisfies the conditions stated in the Conditions on Eligibility for Benefits provision of the rider.

13. **PREMIUM:** The premium for the rider is shown in the certificate.

14. **ADDITIONAL FEATURES:**

(a) **Underwriting:** The rider is issued or declined based on your responses to the questions on your enrollment form and/or evidence of insurability form. Issuance of the rider is contingent upon medical underwriting of the life insurance certificate to which the rider is attached.

- (b) **Impact on Certificate Values:** When the accelerated death benefit is paid:
- the death benefit amount will be reduced by the accelerated death benefit amount; and
  - the life insurance premium will be reduced in proportion to the reduction of the death benefit amount.

When the Restoration of Accelerated Death Benefits (*if included in your coverage*) is paid, the death benefit will be unaffected because the death benefit amount will be decreased and then restored by the same amount.

When the Monthly Extension of Accelerated Death Benefits (*if included in your coverage*) is paid, the death benefit will be unaffected because the death benefit will be increased and then accelerated by the same amount.

While the insured is eligible for benefits under the rider, no change to existing riders may be requested nor may new riders be added.

The payment of benefits under the rider will not affect any Accidental Death Benefit or Term Rider(s).

If the insured dies before we pay an accelerated death benefit, we will void your request for that accelerated death benefit and pay the death benefit pursuant to the certificate.

15. **CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT US IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR ACCELERATED DEATH BENEFIT FOR LONG-TERM CARE RIDER.**

16. **OFFER OF INFLATION PROTECTION (*if included in your coverage*):** If the inflation protection benefit is elected, we will annually increase the monthly benefit payable under the rider by 5% per year while the rider is in force, up to the maximum remaining death benefit amount. The annual increase will occur automatically on the certificate anniversary date unless you specifically reject the increase in writing within 30 days following the certificate anniversary date. The inflation protection benefit does not increase the one-time lump sum benefit payable under the rider (*if included in your coverage*).

Below is a graphic comparison of the benefit levels for the certificate that reflects the increase in the benefit over a period of time:

\$50,000 Group Term Life with Accelerated Death Benefit for Long-Term Care Rider Issue Age 35; Non-Tobacco				
Year	Total Rider Premiums – Level Benefits	Monthly Claim Benefit – Level Benefits	Total Rider Premiums with Inflation Protection	Monthly Claim Benefit with Inflation Protection
10	\$695.00	\$2,000	\$1,005.00	\$3,102.66
20	\$1,390.00	\$2,000	\$2,010.00	\$5,053.90
30	\$2,085.00	\$2,000	\$3,015.00	\$8,232.27
40	\$2,780.00	\$2,000	\$4,020.00	\$13,409.50

17. **OFFER OF NON-FORFEITURE BENEFITS:** If the rider terminates due to non-payment of premium at any time after the end of the third year following the rider effective date, the non-forfeiture benefit will equal the sum of the premiums paid for the rider or a one-time monthly payment of the monthly accelerated death benefit, whichever is greater, subject to the maximum remaining death benefit amount.

The non-forfeiture benefit is payable in a lump sum according to the terms of the rider when the insured satisfies all the conditions stated in the Conditions on Eligibility for Benefits provision, except for the condition that the certificate and rider are in force. The restoration of accelerated death benefits and monthly extension of accelerated death benefits are not available under this non-forfeiture benefit.

Below is a graphic sample of non-forfeiture values with inflation protection:

\$50,000 Group Term Life with Accelerated Death Benefit for Long-Term Care Rider Issue Age 35; Non-Tobacco with Inflation Protection			
Year	Total Rider Premium Paid to End of Year	Monthly Premium Paying Claim Benefit	Non-Forfeiture Benefit – Paid Up Long-Term Care Benefit Basis
10	\$1,005.00	\$3,102.66	\$3,102.66
20	\$2,010.00	\$5,053.90	\$5,053.90
30	\$3,015.00	\$8,232.27	\$8,232.27
40	\$4,020.00	\$13,409.50	\$13,409.50