

MedAmerica Insurance Company of New York
Simplicityⁱⁱ
Long Term Care Insurance
SPL2-336-NY

Thank You for selecting MedAmerica Insurance Company of New York as Your long term care insurer. We are pleased to provide You with this Policy. Your coverage, if the first premium is paid, as stated herein, begins at 12:01 a.m. Standard time at Your home on the Effective Date of this Policy. It ends on 12:01 a.m. Standard time at Your home on the termination date of this Policy

This Policy 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, and it is intended to be in compliance with Section 1117 of the New York State Insurance Law. If, in the future, it is necessary to make changes to this contract to bring it into further compliance with federal tax-qualification requirements, these changes will be offered to You and You may accept or reject them.

DISCLOSURE: The Benefits under this Policy are paid without regard to the type and amount of Qualified Long Term Care expenses You may incur. If Your Benefit payments exceed Your expenses for Qualified Long Term Care Services received, or if the Benefits paid under Your Policy exceed the per diem limit as prescribed in law, these excess amounts may be considered taxable income. You should consult your tax advisor with respect to any potential adverse tax implications.

This Policy is Long Term Care insurance for tax qualification purposes. However, you may have purchased a rider which changes the benefits of the Policy from Long Term Care Insurance to either Nursing Home Insurance Only or Home Care Insurance Only for New York State minimum benefit standard purposes. Check Your rider forms carefully and Your Schedule of Policy Benefits section to identify if You have purchased a rider that changes the Benefits of Your Policy.

NOTICE TO BUYER: This Policy 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 review carefully all Policy limitations. THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If You are eligible for Medicare, review the *Guide to Health Insurance for People with Medicare* available from Us.

DISCLAIMER: THIS POLICY IS NOT DISABILITY INSURANCE OR ANY OTHER TYPE OF INCOME REPLACEMENT COVERAGE. Benefits under this Policy do not replace income or provide payment in the event of illness or accident resulting in disabilities not meeting the definition of Benefit Eligibility as contained herein.

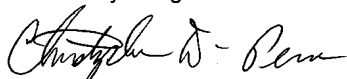
GUARANTEED RENEWABLE/PREMIUM INCREASES: This Policy will continue for Your lifetime as long as You do not exhaust the Cash Benefit Account and You pay the premiums within the allowable time. We cannot change the provisions of this Policy without Your consent. We can change Your premium with 45 days written notice, but only if We change the premiums for all similar Policies issued in Your state on this Policy form, regardless of where You reside at the time of the premium change. You cannot be singled out for any increase because of a change in Your age or health.

NOTE: With the exception of the statement that We cannot change the provisions of this Policy without Your consent, the above paragraph does not apply to Policies on which premiums are no longer payable.

IMPORTANT 30-DAY REVIEW: If You feel this Policy does not meet Your needs, You may return it to Your producer or Us within 30 days. If You do so: (1) We will return the premium You paid; and (2) We will not provide any Benefits under this Policy.

CAUTION: The issuance of this long term care Policy is based upon Your responses to the questions on Your application. A copy of Your application is enclosed. If Your answers are incorrect or untrue, We may have the right to deny Benefits or rescind Your Policy. 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 above mailing address.

This Policy is signed on Our behalf by Our President.



Christopher D. Perna
President

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SAMPLE

SCHEDULE OF POLICY BENEFITS

Simplicityⁱⁱ

POLICY NUMBER: SPL2-336-NY

ORIGINAL POLICY EFFECTIVE DATE: MM/DD/YY

BILLING ACCOUNT #:

POLICY CHANGE EFFECTIVE DATE: MM/DD/YY

POLICYHOLDER ISSUE AGE: (18-85)

PAYMENT MODE:

INSURED NAME: XXXXXXXXXXX X XXXXXXXXXXXXXXXXXXX XXX

ADDRESS: Line 1

Line 2

City, State, ZIP Code

BASE BENEFITS AND PREMIUM INFORMATION

ELIMINATION PERIOD:	30; 60; 90; 180 Days
CASH BENEFIT ACCOUNT:	\$X,XXX,XXX
COMMUNITY MONTHLY CASH BENEFIT:	\$XX,XXX Per Month
FACILITY MONTHLY CASH BENEFIT:	\$XX,XXX Per Month
BASIC BENEFITS MODAL PREMIUM: Comprehensive Coverage; Community Only; Facility Only	\$ XX,XXX.XX
PREMIUM PAYMENT OPTION:	
<input checked="" type="checkbox"/> Lifetime: Premiums are payable as long as Your Policy is in force.	
<input checked="" type="checkbox"/> 10 Pay: Premiums are payable until the 10 th Policy Anniversary Date.	
<input checked="" type="checkbox"/> Paid Up At Age 65: Premiums are payable until the first Policy Anniversary Date on or after Your 65 th birthday.	
OPTIONAL RIDERS MODAL PREMIUM:	\$ XX,XXX.XX
No Inflation, Benefits Remain Level;	
Simple Benefit Increase Rider;	\$ X,XXX.XX
5% Compound Inflation Rider – 2X Maximum Rider;	
3%, 5% Compound Inflation– No Maximum Rider	
Survivor Benefit Rider	\$ X,XXX.XX
Shared Waiver Rider	\$ X,XXX.XX
Shared Care Rider	\$ X,XXX.XX
Shortened Benefit Period Rider	\$ X,XXX.XX
Return of Premium Rider	\$ X,XXX.XX
Full Return of Premium Rider	\$ X,XXX.XX
Restoration of Benefits Rider	\$ X,XXX.XX
Total Modal Premium Including Optional Riders and Discounts	\$ XX,XXX.XX
Total Annualized Premium Including Optional Riders and Discounts	\$ XX,XXX.XX

DEFINITIONS

ACTIVITIES OF DAILY LIVING (ADL)

Each of the following is an Activity of Daily Living:

Bathing: This means washing Yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.

Continence: This means the ability to maintain control of bowel or bladder functions; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).

Dressing: This means the ability to put on and take off all items of clothing and any necessary braces, fasteners or artificial limbs.

Eating: This means the ability to feed oneself by getting food into Your body from a receptacle (such as plate, cup or table) or by a feeding tube or intravenously.

Toileting: This means the ability to go to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.

Transferring: This means the ability to move into or out of a bed, chair, or wheelchair.

ASSESSMENT

An Assessment is an evaluation of Your ability to perform Activities of Daily Living and Your cognitive condition to certify whether You are Chronically Ill. A Licensed Health Care Practitioner using recognized and accepted, objective standards of measurement must perform the Assessment. The Assessment must be made at the time You wish to establish Benefit Eligibility.

BENEFICIARY

A Beneficiary is a person or entity named by You to receive any premiums that may be due in the event of Your death.

BENEFITS

Benefits are the payments this Policy pays. They are described in the Schedule of Policy Benefits and any Riders attached to this Policy.

BENEFIT ELIGIBLE or BENEFIT ELIGIBILITY

This means You will receive Benefits. To be Benefit Eligible or achieve Benefit Eligibility under this Policy all of the following conditions must be met.

1. We have verified You are Chronically Ill;
2. You have a Plan of Care; and
3. Your Elimination Period has been met. (Does not apply to Benefits that do not require meeting the Elimination Period.)

CARE DIRECTIONS FAMILY ADVICE AND ADVOCACY PROGRAM®

The Care Directions Family Advice and Advocacy Program® is an added benefit offered to You and Your Family. The program is staffed by Personal Care Advisors, who are health care professionals chosen by Us, whose profession and training include experience or expertise in managing and arranging for long term care services. Where required, Our Personal Care Advisor will be licensed and acting within the scope of that license.

CARE PARTNER

A Care Partner is any policyholder who is a Spouse or Domestic Partner.

CASH BENEFIT ACCOUNT

The Cash Benefit Account is the total amount of Benefits payable under this Policy.

CHRONICALLY ILL

Chronically Ill means that as the result of an Assessment You have been certified by a Licensed Health Care Practitioner as having a chronic illness or disability that causes You to:

- a) Require Substantial Assistance with at least two Activities of Daily Living expected to last at least 90 days, or
- b) Have a Severe Cognitive Impairment that requires Substantial Supervision.

DOMESTIC PARTNER

Domestic Partners are persons at least 18 years of age, of the same or opposite sex in an exclusive and committed relationship. They must have lived together for at least 12 months in a common household and have an exclusive mutual commitment, including financial interdependence, similar to that of marriage.

ELIMINATION PERIOD

The Elimination Period is the number of calendar days You must wait before You will receive Benefits. Your Elimination Period begins the earliest of the date We have verified You are Chronically Ill and have a Plan of Care or the date You contact Us to establish Benefit Eligibility.

The Elimination Period will end after the number of days chosen by You and shown in Your Schedule of Policy Benefits has ended. Benefits are not payable during the Elimination Period except where the Policy so states.

Days in an Elimination Period are combined, and do not need to be consecutive. You need to meet Your Policy's Elimination Period only once.

HOSPICE CARE PROGRAM

A state or federally licensed, accredited or certified program that provides a program of care designed to provide palliative care with the philosophy of alleviating the physical, emotional, and spiritual discomforts of a person who:

- a) Is in the last phases of life due to a terminal disease; and
- b) Has a physician-certified prognosis of less than 6 months to live.

The program must be administered by an interdisciplinary team that consists of a physician, a registered nurse, clergy or counselors, trained volunteers and other appropriate staff having expertise in meeting the needs of terminal patients.

Hospice Care Program services may be provided in a Qualified Facility or in Your Home.

LICENSED HEALTH CARE PRACTITIONER

A Licensed Health Care Practitioner means any of the following other than a family member: a physician (as defined in Section 1861(r)(1) of the Social Security Act); a registered professional nurse; a licensed social worker; or another professional individual who meets the requirements prescribed by the United States Secretary of the Treasury.

MONTHLY CASH BENEFIT

This is the amount We will pay in a single month for the Benefits You have chosen. The Monthly Cash Benefit You have chosen is stated in Your Schedule of Policy Benefits.

PERSONAL CARE ADVISOR

This is a health care professional chosen by Us whose profession and training includes experience or expertise in managing and arranging for long term care services. Where required, he or she must be licensed and acting within the scope of that license.

PLAN OF CARE

This is a written, individualized plan for care and support services for You that:

1. Has been prescribed by a Licensed Health Care Practitioner; and
2. Has been developed as a result of an Assessment and incorporates any information provided by Your personal physician; and
3. Fairly, accurately and appropriately addresses Your long term care and support service needs; and
4. Specifies the type, frequency and duration of all services required to meet those needs and the providers appropriate to furnish those services.

A Plan of Care is completed at the same time the Assessment is performed.

POLICY

This is a legal agreement between You and Us. It includes this document, Your application, and any attached riders or endorsements.

POLICY ANNIVERSARY DATE

This is the date each year that coincides with the date this Policy went into effect. The first Policy Anniversary Date will be one year from the date the Policy went into effect.

QUALIFIED FACILITY

A Qualified Facility is a state or federally regulated, licensed, accredited or certified facility. If a facility is not state or federally regulated, licensed, accredited or certified it must meet all of the following criteria to be considered a Qualified Facility:

- Provides accommodations to 3 or more unrelated individuals and supervision and personal care services for at least 3 of these individuals; and
- Provides 24-hour-a-day care and services; and
- Has a trained, awake, and ready-to-respond employee on duty in the facility at all times to provide necessary care; and
- Provides two (2) meals a day and accommodates special dietary needs; and
- Conducts an assessment of the resident on admission that includes a history and physical by a physician, nurse practitioner, or physician assistant in the last 60 days, the resident's ability to perform both instrumental activities of daily living and activities of daily living, safety evaluation, risk of fall assessment, cognitive assessment, and the resident's ability to manage medication administration; and
- Develops a Plan of Care or service plan for each resident that is customized to the resident and includes both the services provided by or contracted by the residence and identifies services that will be provided by outside agencies directly contracted with the insured including the scope of services, frequency of services and monitoring of services delivered; and
- Reviews the service plan at least every six months or as the resident's needs change.

A Qualified Facility must meet the above criteria for the Benefits to be paid at the Facility Monthly Cash Benefit; otherwise, the Community Monthly Cash Benefit will apply.

A Qualified Facility is NOT:

- A hospital or clinic; or
- A place that operates primarily for the treatment of alcoholism, drug addiction or mental illness;
- An Adult Day Care or similar establishment.

QUALIFIED LONG-TERM CARE SERVICES

These are the necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, as well as maintenance or personal care services, which (a) are required by a person who is Benefit Eligible as described in this Policy and (b) are provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.

The following is a partial list of services that meet the above definition. There are many other services that may also qualify. Should You need assistance in deciding on or obtaining care, Your Personal Care Advisor may be able to help.

QUALIFIED LONG-TERM CARE SERVICES (continued)

- Home Health Care,
- Homemaker Services
- Adult Day Care
- Caregiver training
- Care Coordination and Advisement
- Assistive Devices
- Home modification
- Therapy
- Care provided by family members
- Assisted Living, Residential & Personal Care Facilities
- Caregiver time off - respite care
- Nursing Home
- Hospice Care
- Meals on Wheels
- Transportation
- Durable medical equipment

SEVERE COGNITIVE IMPAIRMENT

Severe Cognitive Impairment means a deterioration or irreversible loss in intellectual capacity that requires Substantial Supervision to assure You and others' safety. The deterioration or loss is established by clinical evidence and standardized tests that reliably measure:

- short-term or long-term memory;
- orientation as to people, place, or time;
- deductive or abstract reasoning; and
- judgement as it relates to safety awareness.

SPOUSE

A Spouse is a married policyholder or the person to whom they are married. The marriage must be recognized as legal in accordance with the laws of the state in which this Policy is sold.

SUBSTANTIAL ASSISTANCE

There are two types of Substantial Assistance.

1. *Hands-on Assistance*: The physical assistance of another person without which an individual could not perform an Activity of Daily Living, or
2. *Stand-by Assistance*: The presence of another person within arm's reach necessary to prevent, by physical intervention, injury to an individual while they are performing an Activity of Daily Living.

SUBSTANTIAL SUPERVISION

This is continual oversight that may include cueing by verbal prompting, gestures, or other demonstrations by another person, and that is necessary to protect You from threats to Your health or safety.

WE, US, OUR

These refer to MedAmerica Insurance Company of New York when used in this Policy.

YOU, YOUR, YOURSELF

This refers to the person insured under this Policy and whose name appears in the Schedule of Policy Benefits.

PART 1: BENEFITS

Below are descriptions of the Benefits under this Policy.

Benefits are described in this Policy or the Riders attached to it. Benefit and Rider limits and effective dates are stated on the Schedule of Policy Benefits.

FACILITY BENEFITS

NOTE: This Section does not apply if You have elected the Facility Only or Community Only Rider.

The Facility Monthly Cash Benefit will be paid each month if:

- a) You are Benefit Eligible* ; and
- b) You reside in a Qualified Facility; or
- c) You receive care under a Hospice Care Program.

* If You are receiving care under a Hospice Care Program, Benefit Eligibility does not require You to satisfy Your Elimination Period for payments to be made.

Payments of Facility Monthly Cash Benefits will reduce Your Cash Benefit Account. Benefit payments are intended to be used for Qualified Long Term Care services.

COMMUNITY BENEFITS

NOTE: This Section does not apply if You have elected the Facility Only or Community Only Rider.

The Community Monthly Cash Benefit will be paid each month if:

- a) You are Benefit Eligible; and
- b) You do not reside in a Qualified Facility.

Payments of Community Monthly Cash Benefits will reduce Your Cash Benefit Account. Benefit payments are intended to be used for Qualified Long Term Care services.

ADDITIONAL POLICY BENEFITS AND FEATURES

PERSONAL CARE ADVISOR SERVICES

CARE DIRECTIONS FAMILY ADVICE AND ADVOCACY PROGRAM®

The value of Your Policy goes beyond covering the cost of services. We can provide You with advice on accessing and tailoring Your coverage to meet Your particular needs before or while You are Benefit Eligible. You may use the services of Our Care Directions Family Advice and Advocacy Program® at any time. Our Personal Care Advisors are professionals who can help You and/or Your family members plan for Your care. From assisting in developing a written Plan of Care when You establish Your claim to monitoring Your needs on an ongoing basis, Care Directions® Personal Care Advisors will provide You with their support.

In addition to helping with the planning and monitoring of Your care, Our Personal Care Advisors can also help You locate long term care services. We do not guarantee the services of any particular provider, nor the quality of care You may receive, but We will work with You and/or Your family to find the type of care You choose.

Services provided under the Care Directions Family Advice and Advocacy Program® are not subject to the Elimination Period. Using them will not reduce Your Cash Benefit Account.

OTHER GOODS AND SERVICES

From time to time, We may offer or provide certain goods and services in addition to insurance coverage. We may also arrange for third party vendors to provide goods and services at a discount including without limitation, beneficiary financial counseling services and employee assistance programs to You. Though We may make the arrangements, the third party vendors are solely liable for providing the goods and services. We shall not be responsible for providing or failing to provide the goods and services. Further, We shall not be liable for the negligent provision of the goods and services by third party vendors.

WAIVER OF PREMIUMS

The premiums for this Policy will be waived the day after the date the Elimination Period is met. The waiver ends on the date We determine You are no longer Benefit Eligible.

This Section is modified if You have elected the Shared Waiver and/or the Survivor Riders. Please see Your Shared Waiver and/or Survivor Riders for details of Your coverage under those Riders.

The above does not apply if premiums are no longer payable.

SAMPLE

PART 2: ELIGIBILITY FOR PAYMENT OF BENEFITS

ESTABLISHING BENEFIT ELIGIBILITY

To start the process of establishing Benefit Eligibility, You should contact Us. If You think You might be Chronically Ill, please call Our Customer Service Representative at 1-800-544-0327.

We will work with You, Your family and Your physician to arrange the Assessment and obtain any other needed information about your condition. This information will be gathered by Us or one of Our representatives at no cost to You.

You will also need a Plan of Care. The Plan of Care is updated as Your needs change. You may use the services of Our Personal Care Advisors. These services are provided at no cost to You. We will review Your Assessment to verify You are Chronically Ill. You may contact Us with any questions regarding Our decision.

To continue Benefit Eligibility, We must verify You are Chronically Ill and have an updated Plan of Care at least every 12 months.

NOTICE OF CLAIM

When You become Benefit Eligible, You or Your representative must submit a completed Request for Benefits form each month to receive Your Monthly Cash Benefit payment. Request for Benefits forms can be obtained by calling or writing Our Customer Service area.

You do not have to submit provider bills to claim benefits.

If We do not receive a completed Request for Benefits form from You for more than 90 days, You must re-establish Your Benefit Eligibility. You may contact Our Customer Service Representatives for assistance in re-establishing Your eligibility for Benefits.

NOTICE OF CLAIM

Written Notice of Claim must be given to Us within twenty (20) days after the occurrence or commencement of a Chronic Illness, or as soon thereafter as is reasonably possible. Notice of Claim is deemed to have been given when You or Your representative submit a Request for Benefits form to Us at the address provided below or by calling our Customer Service area at 1-800-544-0327.

MedAmerica Insurance Company of New York
165 Court Street
Rochester, NY 14647

You do not have to submit provider bills to receive Benefits.

If We do not receive a completed Request for Benefits form from You for more than 90 days, You must re-establish Your Benefit Eligibility. You may contact Our Customer Service Representatives for assistance in re-establishing Your eligibility for Benefits.

PAYMENT OF CLAIM

To You:

Benefit payments will be payable to You prospectively from the day after the date You become Benefit Eligible. Thereafter, as long as You remain Benefit Eligible and submit Your claim, You will be paid Your Benefits on a monthly basis. These Benefit payments are intended to be used for Qualified Long Term Care Services.

To a Named Payee:

While You are living, all Benefits will be paid to You unless there is an Assignment of Benefits to a Named Payee. An Assignment of Benefits is Your request, or Your legal representative's request for payments to be sent to someone other than You. An Assignment of Benefits cannot be irrevocable and You may change the Named Payee at any time. If You or Your legal representative wishes to have Benefit payments sent to another individual, We must receive the Assignment of Benefits request in writing no later than the time Your claim is submitted. No Assignment of Benefits will be considered valid unless it has been received in writing by Our administrative office.

Upon Your Death:

Unassigned Benefits due and unpaid at Your death will be paid to Your estate.

Currency: Benefits will be paid in US currency.

WHEN YOU HAVE CLAIMS QUESTIONS

If You would like an explanation of Our claim payment, please call or write to us.

APPEALS

If We contest a claim or a portion of a claim, You or Your legal representative will be notified in writing that the claim is contested or denied.

You have a right to appeal Our claims decision. The appeal must be filed in writing with Our office within 3 years of the time the denied claim being appealed was filed. Include the reason for the appeal and any documents You feel are pertinent to the situation.

We will send You a written acknowledgement of Your appeal. If no additional information is needed, the acknowledgement will include an explanation of the denial. If additional information is required, We will explain what is needed. If We do not receive the requested information within 21 days, We will notify You in writing.

Within 60 days of the receipt of required information, We will notify You in writing of the outcome of the reconsideration of Your claim, and the contested claim or portion thereof that will be paid or denied.

TIME LIMIT FOR LEGAL ACTION

You may not begin legal action against Us to recover Benefits under this Policy until at least 60 days has passed since Your claim was submitted to Us. No such action may be brought more than 3 years after the claim is furnished.

RECOVERY OF OVERPAYMENT

If, due to an error in processing, a claim results in an overpayment, We will explain the overpayment to You. You must return the amount of overpayment within 60 days of Our request. Any overpayment that is not returned to Us within 60 days of Our request will be deducted from future claim payments.

WORLDWIDE COVERAGE

You may receive Benefits anywhere in the world.

SAMPLE

PART 3: POLICY EXCLUSION

POLICY EXCLUSION

Benefits are not payable if Your Chronic Illness is due to War or any act of war, declared or undeclared.

PART 4: PREMIUM

PREMIUM AMOUNT

The initial premium is shown in Your Schedule of Policy Benefits. It will remain the same unless You change the coverage or We change the premium. If We change the premium, We will notify You at least 45 days in advance. No change will be made to the premium amount unless We change the premium rates for all Policies like Yours that We have issued in the state where this Policy has been approved and, where applicable, Your State Department of Insurance has approved the increase.

The above does not apply if premiums are no longer payable.

PAYMENT

Premiums are due in advance.

GRACE PERIOD

An initial Grace Period of 31 days will be granted for each premium that is unpaid on the date due. After the initial Grace Period of 31 days elapses, a notice will be sent to You explaining that a payment has been missed and that Your Policy risks lapsing. If You have designated an individual to be notified in case of lapse, We will also send notice to the address provided for that designee. You will have an additional 35 days Grace Period that begins the date We mail the notice to pay the unpaid premium.

Payment will allow this Policy to continue in force without interruption. Failure to pay any unpaid premium by the end of the second Grace Period will result in the termination of Your Policy as of the premium due date.

Lapse Designee: If You have designated an individual to be notified of lapse, We will provide You the opportunity, no less frequently than every 2 years, to change such designation.

The above provisions do not apply if premiums are no longer payable.

REINSTATEMENT

If this Policy lapses because You did not pay the premium within the Grace Period, You may request reinstatement with no break in coverage. If We honor this request, the Policy will be reinstated back to the termination date. If We do not approve or disapprove the request within 45 days of receipt of the request and a premium was accepted by Us or one of Our authorized representatives, the Policy will be reinstated as of the date the Policy terminated.

The acceptance of premium by Us or one of Our authorized representatives, without application for reinstatement, shall reinstate the policy.

The above does not apply if premiums are no longer payable.

EXTENDED REINSTATEMENT BENEFIT FOR SEVERE COGNITIVE IMPAIRMENT AND LOSS OF FUNCTIONAL CAPACITY

You may request reinstatement up to 5 months after termination if You did not pay the premium due to a condition that would qualify You for Benefits. Your condition is subject to verification. An Assessment is required before deciding on reinstatement. If reinstated, You must pay the premium retroactive to the date the Policy terminated.

The above does not apply if premiums are no longer payable.

UNEARNED PREMIUM

When We are notified of Your death or the cancellation of this Policy, We will refund any premium paid for the period beyond the date of Your death or date of cancellation.

All premiums paid for the period beyond the date of Your death will be refunded.

- Your premiums will be refunded to Your Beneficiary. In the absence of a named Beneficiary, we will refund unearned premium to Your estate.

In the event of the cancellation of this Policy, premiums paid for the period beyond the date of cancellation will be refunded to You.

The above does not apply if premiums are no longer payable.

SAMPLE

PART 5: GENERAL PROVISIONS

ENTIRE CONTRACT; CHANGES

This Policy document, Your application and any Riders and attached papers establish the entire contract of insurance between You and Us. Any change must be approved by one of Our officers and mutually agreed to by You. It must also be endorsed on or attached to this Policy. No insurance producer has the authority to change this Policy or to waive any of its provisions.

YOUR BENEFITS

With the exception of a Named Payee or Your estate, only You are eligible for Benefit payments other than returned premiums under this Policy.

This Section is modified if You have elected the Shared Waiver and/or Shared Care Benefit Riders. Please see Your Shared Waiver and/or Shared Care Rider details of Your coverage under those Riders.

WHEN POLICY COVERAGE BEGINS

This Policy begins on the date shown in the Schedule of Policy Benefits. All time periods begin on that date at 12:01 a.m. standard time at Your residence.

WHEN POLICY COVERAGE ENDS

This Policy ends and Benefits will not be available on the day after the date one of the following occurs:

- Nonpayment of premium (subject to the Grace Period); or
- The Cash Benefit Account is exhausted; or
- You elect to cancel this Policy; or
- Your death.

All time periods begin on that date at 12:01 a.m. standard time at Your residence.

EXTENSION OF BENEFITS

If, on the date this Policy is cancelled, You are receiving Qualified Long Term Care Services covered under this policy or have established Benefit Eligibility and are in the Elimination Period, We will continue to pay for Your care without interruption of Benefits until the first of the following dates:

- It is determined that You are no longer eligible for Benefits under this Policy; or
- The Cash Benefit Account is exhausted; or
- In the case of Home Care Benefits, twelve (12) months from termination of Your coverage.

If you have become chronically ill prior to the date the Policy is cancelled and are able to meet benefit eligibility, We will pay for your care without interruption of Benefits until the first of the following date:

- It is determined that You are no longer eligible for Benefit under this Policy; or
- The Cash Benefit Account is exhausted; or
- In the case of Home Care Benefits, twelve (12) months from termination of Your coverage.

We will not pay for more care than You would have been entitled to receive if Your Policy had not terminated.

You will not be entitled to Benefits after termination if the reason Your Policy terminated was due to You reaching Your maximum Lifetime Benefit Amount.

INCONTESTABLE PERIOD

If your Policy has been in force for less than 6 months, We may rescind Your Policy or deny a claim if it can be shown that a misrepresentation by You was material to Our acceptance of You.

If your Policy has been in force for at least 6 months but less than 2 years, We may rescind Your Policy or deny a claim if it is shown that a misrepresentation by You both was material to Our acceptance of You and pertained to the condition for which Benefits are sought.

If your Policy has been in force for 2 years or more, We may rescind Your Policy or deny a claim only if it is shown that You knowingly and intentionally misrepresented relevant facts relating to Your health.

These provisions also apply if You provide additional evidence of insurability to purchase additional coverage after Your Policy Effective Date. Any misrepresentation provided as additional evidence of insurability to purchase additional coverage will be treated separately under this provision and only in connection with the additional coverage purchased.

CLERICAL ERROR

Clerical error, whether by You or Us, will not void Your insurance if the insurance would otherwise have been in effect. Neither will it extend the insurance if the insurance would otherwise have ended or been reduced as provided in this Policy.

MISSTATEMENT OF AGE

If Your age was misstated on Your Application, all amounts payable under this Policy shall be such as the premium paid would have purchased at the correct age.

Our liability will be limited to a refund of the premiums You have paid for this Policy if You would have been subject to additional evidence of insurability at your correct age, and You do not provide satisfactory proof to Us of successfully completing the additional evidence of insurability according to our standards in effect for your correct age at the time of your original application to Us.

MISSTATEMENT OF FACT

If Your information regarding Your Care Partner's eligibility was misstated on Your Application, Your premium will be changed retroactive to Your original effective date to correspond to Your Care Partner's actual eligibility status.

Application misstatements regarding Care Partner eligibility are subject to the provision "Incontestable Period" for purposes of policy rescission or claim denial.

NON-PARTICIPATING

This Policy does not participate in Our profits or surplus earnings.

TAX STATUS OF PREMIUMS AND BENEFITS

This Policy is intended to be a Qualified Long Term Care Insurance Contract as defined by the Internal Revenue Code Section 7702B(b). The Benefits under this Policy are paid without regard to the type and amount of Qualified Long Term Care expenses You may incur. If Your Benefit payments exceed Your expenses for Qualified Long Term Care Services received, or if the Benefits paid under Your Policy exceed the per diem limit as prescribed in law, these excess amounts may be considered taxable income. You should consult your tax advisor with respect to any potential adverse tax implications.

**COMMUNICATION THROUGH
ELECTRONIC MEANS**

We reserve the right to designate the form and means of all communications or notices required by this Policy.

If We agree, You may contact Us about Your Policy using electronic means or technologies.

If You agree, We may contact You regarding this Policy using electronic means or technologies.

Except where barred by state or federal law, electronic communication is equal to other communication methods. Information exchanged has the same legal effect, validity, and enforceability.

**CONFORMITY WITH FEDERAL AND
STATE STATUTES**

Any provision of this policy which, on its effective date, is in conflict with the statutes of the state in which you reside on such date is hereby amended to conform to the minimum requirements of such statutes.

If changes are necessary in order to maintain the tax-qualified status of this Policy, We will provide You with the opportunity to accept or reject the necessary amendments to this Policy.

SAMPLE

PART 6: OPTIONAL CONTINGENT NON-FORFEITURE PROVISIONS*

If selected, these optional provisions change the coverage to provide options in the event this Policy ends due to non-payment of premium after a Substantial Premium Increase.

A Substantial Premium Increase is one that results in a cumulative increase to the annual premium that is equal to or exceeds a certain percentage of the original premium. It does not include premium increases that result from a voluntary purchase of additional coverage. The limits of cumulative increase as a percentage of the annual premium are based on Your age as of the Policy Effective Date shown in Your Schedule of Policy Benefits. The following table shows the cumulative increase that will trigger the Contingent Non-Forfeiture Provision.

*This section shall apply only where premiums are payable. Rights under Contingent Non-Forfeiture Provisions are not available where current and future premiums are neither due nor owing.

SUBSTANTIAL PREMIUM INCREASE TABLE

POLICY ISSUE AGE	PERCENT OF INCREASE	POLICY ISSUE AGE	PERCENT OF INCREASE
Less than 30	200%	72	36%
30-34	190%	73	34%
35-39	170%	74	32%
40-44	150%	75	30%
45-49	130%	76	28%
50-54	110%	77	26%
55-59	90%	78	24%
60	70%	79	22%
61	66%	80	20%
62	62%	81	19%
63	58%	82	18%
64	54%	83	17%
65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

Contingency Options: You will be notified of any Substantial Premium Increase 45 days prior to the change of Your premium. The notice will include the amount of the premium, its due date, and the following contingency options in the event of lapse.

1. Alternative Benefit options at a lower premium
2. A lesser Cash Benefit Account with no further premium required. You will have 120 days following the premium due date to elect this option. Under this option, the same Monthly Cash Benefit amounts in effect at the time of lapse will be payable, but the Cash Benefit Account will be equal to the greater of items a) or b) below.
 - a) The total amount of premiums paid for Your Policy
 - b) Your Monthly Cash Benefit

The total of all Benefits paid under Your Policy will not exceed the Cash Benefit Account that would have been payable if Your Policy did not lapse.

Option 2 will automatically take effect if all of the following apply.

1. Your Policy lapses within 120 days of the premium due date for the Substantially Increased Premium; and
2. You have not made an election.