



LEAVE WITH APPLICANT

ACCELERATED DEATH BENEFIT SUMMARY and DISCLOSURE STATEMENT

EFFECTIVE DATE – The Accelerated Death Benefit Endorsement takes effect on the Policy Date.

PREMIUM – There is no additional Monthly Deduction or premium charge for the Accelerated Death Benefit Endorsement, however, there is an administrative fee required each time an Election for Terminal Illness and Chronic Illness is made. An administrative fee is not required for an Election for Critical Illness.

The accelerated death benefits may provide benefits to pay for long-term care services but are **NOT** part of a long-term care or nursing home insurance policy and the amount these products pay may not be enough to cover your medical, nursing home or other bills. Accelerated Death Benefit Payments used to pay for long-term care services are subject to limits imposed by the federal government and any amounts received in excess of these limits are includible in taxable income. You may use the money you receive as an accelerated death benefit for any purpose. Unlike conventional life insurance proceeds, amounts payable as accelerated death benefits **COULD BE TAXABLE UNDER SOME CIRCUMSTANCES**. We recommend that you consult your personal tax advisor prior to electing an accelerated death benefit.

If you already have long-term care insurance, Medicaid, or similar coverage, you should consider whether the accelerated death benefits are suitable for your needs. Receipt of accelerated death benefits **MAY AFFECT YOUR ELIGIBILITY FOR MEDICAID, SUPPLEMENTAL SECURITY INCOME (“SSI”), OR OTHER GOVERNMENT BENEFITS OR ENTITLEMENTS**. Contact the Medicaid Unit of your local Department of Public Welfare and the Social Security Administration Office for more information.

THE BENEFIT AND ITS EFFECT ON POLICY PROVISIONS

Proposed Insureds are subject to underwriting eligibility requirements to qualify for Chronic Illness and Critical Illness Accelerated Death Benefits.

For the purposes of this disclosure “Policy” is the same as Certificate and “Account Value” is the same as Policy Fund when referenced in any Policy, Endorsement, Rider or other communications.

For policies covering two lives where the insurance proceeds are payable upon the death of the Survivor, benefits under the Endorsement may only be elected after the death of the first Insured during the lifetime of the Survivor. The Survivor, not the first Insured, is the “Insured” for purposes of the Endorsement.

Upon written request by the Owner (“You” or “Your”) of the Policy, the company (“We”) will pay an Accelerated Death Benefit as described below, subject to the limitations and requirements described in the Accelerated Death Benefit Endorsement. Any assignee or Irrevocable Beneficiary must consent before we make an Accelerated Death Benefit Payment. The maximum Accelerated Death Benefit that We will accelerate on the Policy is \$1,000,000. Accelerated Death Benefits will reduce the Death Benefit and Policy values, if any, which include but are not limited to the Account Value, Net Cash Surrender Value, and Policy Loan Value.

Accelerated Death Benefit for Terminal Illness: You may elect to receive advancement of the Death Benefit when the Insured has a Terminal Illness while the Endorsement is in effect.

An Insured qualifies as being Terminally Ill if a Physician has certified that the Insured’s life expectancy is 24 months or less. The Terminal Illness benefit is not subject to underwriting eligibility requirements

The minimum Accelerated Death Benefit for Terminal Illness is the smaller of 10% of the Death Benefit on the Election Date or \$100,000.

The maximum Accelerated Death Benefit for Terminal Illness is the smaller of 75% of the Death Benefit on the Election Date or \$750,000.

The Accelerated Benefit Payment will be determined upon Your Election and will be paid in a lump sum. We will pay the present value of the Accelerated Death Benefit. An actuarial discount based on mortality and interest will be applied to the Accelerated Death Benefit and this discount reflects the early payment of the Death Benefit that is being accelerated. On the Election Date, the Accelerated Death Benefit Payment and the Policy Debt will be reduced by the Debt Repayment Amount.

We will waive the Monthly Deductions following the Election of Accelerated Death Benefits for Terminal Illness. Upon Election, all Endorsements and Riders attached to the Policy will continue to be effective subject to the terms and conditions of each Endorsement or Rider. After You receive Accelerated Death Benefits for Terminal, You may take Withdrawals; elect to increase or decrease the Specified Amount or change the Death Benefit Option; and obtain Policy Loans as described in the Policy.

Only one Election can be made for Terminal Illness. If the Insured dies after You elect to receive Accelerated Death Benefits, but before any Accelerated Death Benefit Payment is made, the Election will be cancelled and the Death Benefit will be paid as described in the Policy.

Accelerated Death Benefit for Chronic Illness (if available)¹: You may elect to receive advancement of the Death Benefit when the Insured is Chronically Ill while the Endorsement is in effect.

An Insured qualifies as being Chronically Ill if a Physician has certified within the last 12 months that the Insured:

1. Is permanently unable to perform for at least 90 consecutive days, without Substantial Assistance from another person, at least two Activities of Daily Living; "90 consecutive days" includes consecutive days immediately prior to the Policy being in effect; or
2. Requires Substantial Supervision by another person to protect oneself from threats to health and safety due to Severe Cognitive Impairment.

Activities of Daily Living are: bathing, continence, dressing, eating, toileting, or transferring.

Severe Cognitive Impairment means deterioration or loss of intellectual capacity that is measured by clinical evidence and standardized tests which reliably measure impairment in:

1. Short-term or long-term memory; or
2. Orientation to people, places, or time; or
3. Deductive or abstract reasoning.
4. Judgment as it relates to safety awareness.

The minimum Accelerated Death Benefit for Chronic Illness, at each Election, except the Final Election, is the smaller of 5% of the Policy Death Benefit on the Initial Election Date or \$50,000.

You can accelerate an amount less than the minimum Accelerated Death Benefit for Chronic Illness allowed if it is necessary to do so to comply with the \$1,000,000 maximum Accelerated Death Benefit limitation for this Endorsement.

The maximum Accelerated Death Benefit for Chronic Illness, at each Election, is the smaller of 24% of the Policy Death Benefit on the initial Election Date, or \$240,000. This amount may be smaller for a Final Election.

A Final Election is available if the maximum Chronic Illness Accelerated Death Benefit at the time of Election is greater than the remaining Death Benefit in the Policy, minus the Residual Death Benefit. A Final Election occurs when You accelerate all of the Death Benefit in the Policy, minus the Residual Death Benefit. The Payment must first be applied to pay off any Policy Debt to Us.

Residual Death Benefit is the greater of 5% of the Policy Death Benefit on the Initial Election Date or \$10,000. The Residual Death Benefit only applies to benefits for Chronic Illness.

We will waive the Monthly Deductions while a Chronic Illness Election is in effect if the Death Benefit immediately prior to the Initial Election Date does not exceed \$1,000,000. If the Death Benefit immediately prior to the Initial Election Date exceeds \$1,000,000, while an Election is in effect the Monthly Deductions will be multiplied by the specified ratio, as described in the Endorsement. Monthly Deductions will stop being waived when an Election is no longer in effect.

While the Chronic Illness Election is in effect, You cannot take Withdrawals; cannot elect to increase or decrease the Specified Amount or change the Death Benefit Option. After any Election, other than a Final Election, You may obtain Policy Loans as described in the Policy.

Upon any Election other than a Final Election, all Endorsements and Riders attached to the Policy will continue to be effective subject to the terms and conditions of each Endorsement or Rider. Upon a Final Election, all Endorsements and Riders, except the Accelerated Death Benefit Endorsement, attached to the Policy will terminate on the Final Election date. After the Initial Election Date, no additional Endorsement and Riders may be added to the Policy.

A Chronic Illness Election is effective for 12 months starting from the Election Date and only one Election can be made in this 12-month period. If the Insured dies after You elect to receive Accelerated Death Benefits, but before the payment is made, the Election will be cancelled and the Death Benefit will be paid as described in the Policy. If a Final Election has occurred, the Residual Death Benefit will be paid to the Beneficiary in a lump sum upon due proof of death of the Insured.

Accelerated Death Benefit for Critical Illness (if available)¹: You may elect to receive advancement of the Death Benefit when the Insured is Critically Ill while the Endorsement is in effect.

An Insured qualifies as being Critically Ill if a Physician has certified within the last 12 months that the Insured has incurred a Specified Medical Condition listed below:

1. **Cancer** – means any malignant tumor positively diagnosed with histological confirmation and characterized by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumor includes leukemia, lymphoma and sarcoma.

The following are not covered:

- a) All cancers which are histologically classified as any of the following:
 - i) Premalignant (for example essential thrombocythemia and polycythemia rubra vera);
 - ii) Non-invasive;
 - iii) Cancer in situ;
 - iv) Having borderline malignancy; or
 - v) Having low malignancy potential.
 - b) All tumors of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0.
 - c) Chronic lymphocytic leukemia unless histologically classified as having progressed to at least Binet Stage A.
 - d) Any skin cancer, (other than malignant melanoma), that has been histologically classified as having caused invasion beyond the epidermis (outer skin layer).
 - e) Thyroid Cancer classified as T1NOMO.
2. **Heart Attack** – means the death of heart muscle due to inadequate blood supply that has resulted in evidence of myocardial infarction based on typical rise and gradual fall of Troponin or more rapid rise and fall of isoenzyme of creatine kinase with muscle and brain subunits [CK-MB] and other biochemical markers of myocardial necrosis with at least one of the following:
 - a) Typical clinical symptoms (chest pain may or may not be present);
 - b) Characteristic electrocardiogram (ECG or EKG) changes indicating ischemia; or
 - c) Coronary artery intervention.
 3. **Kidney Failure** – means chronic and end stage renal failure (failure of both kidneys to function effectively) diagnosed and managed by a nephrologist, as a result of which regular dialysis is necessary.
 4. **Major Organ Transplant** – means the undergoing as a recipient of a transplant of bone marrow or a complete heart, kidney, liver, lung, small intestine, or pancreas, or inclusion on the United Network of Organ Sharing (UNOS) waiting list. Transplant of any other organs, parts of organs, tissues or cells is not covered.
 5. **Stroke** – means death of brain tissue due to inadequate blood supply or hemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms or traumatic brain injury or persistent, disabling clinical symptoms still present more than 30 days after the initial event. Transient Ischemic Attack (TIA) is not covered.

A Specified Medical Condition – means that, in the absence of extensive or extraordinary medical treatment, it would result in a drastically limited life span.

The minimum Accelerated Death Benefit for Critical Illness at each Election is \$2,500.

The maximum Accelerated Death Benefit for Critical Illness, at each Election, is the smaller of 25% of the Policy Death Benefit on the initial Election Date, or \$50,000. The Accelerated Benefit Payment will be determined as of each Election Date and will be paid in a lump sum. We will pay the present value of the Accelerated Death Benefit. An actuarial discount based on mortality and interest will be applied to the Accelerated Death Benefit and this discount reflects the early payment of the Death Benefit that is being accelerated. On the Election Date, the Accelerated Death Benefit Payment and the Policy Debt will be reduced by the Debt Repayment Amount.

Monthly Deductions will remain the same as described in the Policy.

While the Critical Illness Election is in effect, You cannot take Withdrawals; cannot elect to increase or decrease the Specified Amount or change the Death Benefit Option. After any Election You may obtain Policy Loans as described in the Policy.

Upon any Election all Endorsements and Riders attached to the Policy will continue to be effective subject to the terms and conditions of each Endorsement or Rider. After the Initial Election Date, no additional Endorsement and Riders may be added to the Policy.

Election of Accelerated Death Benefits for Critical Illness is required within 12 months of incurred date. Only one Election can be made for each occurrence of a Specified Medical Condition. If the Insured dies after You elect to receive Accelerated Death Benefits, but before the payment is made, the Election will be cancelled and the Death Benefit will be paid as described in the Policy.

¹ Proposed Insureds are subject to underwriting eligibility requirements to qualify for the Chronic Illness or Critical Illness Accelerated Death Benefit. Only the Terminal Illness Accelerated Death Benefit is available without underwriting eligibility requirements.

Sample Illustrations of the Impact of Accelerated Death Benefits on Policy Provisions.

	Terminal Illness	Critical Illness	Chronic Illness
Accelerated Death Benefit	\$375,000	\$50,000	\$120,000
Lump Sum Accelerated Death Benefit Payment	\$338,374	\$18,000	\$82,498
Administrative Fee	\$200	N/A	\$200

Values Before Accelerated Death Benefit	Terminal Illness	Critical Illness	Chronic Illness
Death Benefit	\$500,000	\$500,000	\$500,000
Death Benefit Proceeds	\$480,000	\$480,000	\$480,000
Account Value	\$100,000	\$100,000	\$100,000
Net Cash Surrender Value	\$80,000	\$80,000	\$80,000
Cost of Insurance or Premium	\$300	\$300	\$300
Outstanding Policy Debt	\$20,000	\$20,000	\$20,000
Residual Death Benefit:	N/A	N/A	\$25,000

Values After Accelerated Death Benefit	Terminal Illness	Critical Illness	Chronic Illness
Death Benefit	\$125,000	\$450,000	\$380,000
Death Benefit Proceeds	\$120,000	\$432,000	\$364,800
Account Value	\$25,000	\$90,000	\$76,000
Net Cash Surrender Value	\$20,000	\$72,000	\$60,800
Cost of Insurance or Premium	\$0	\$270	\$0
Outstanding Policy Debt	\$5,000	\$18,000	\$15,200
Residual Death Benefit	N/A	N/A	\$25,000