

AMERICAN HERITAGE LIFE INSURANCE COMPANY

1776 American Heritage Life Drive, Jacksonville, Florida 32224-6687

NON-QUALIFIED LONG TERM CARE RIDER

OUTLINE OF COVERAGE

Group Policy Form Number GWLPKY

Certificate Form Number GWLCKY

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 qualified accelerated death benefit that is excluded from gross income for federal income tax purposes under the applicable provisions of the Internal Revenue Code in existence at the time the rider is issued.
4. **TERMS UNDER WHICH THE RIDER MAY BE CONTINUED IN FORCE OR DISCONTINUED:**
 - (a) **Portability:** If coverage provided under the group policy ends pursuant to the Termination of Coverage provision in the certificate, you may elect to continue your coverage, including any riders attached, under a group whole life trust policy, called the Portability Policy. Review the Portability Privilege provision in the certificate.
 - (b) **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.
5. **TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS:** The annual premium for the rider will be shown in the certificate. The premium quoted at issue of the rider will not be changed.
6. **TERMS UNDER WHICH THE RIDER MAY BE RETURNED AND PREMIUM REFUNDED:** 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 benefits 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.
- (b) **Monthly Accelerated Death Benefit:** If the insured satisfies the conditions stated in the Conditions on Eligibility for Benefits provision, we will pay a monthly benefit to you. We will accelerate a portion of the death benefit for each monthly benefit period or fraction thereof during which the insured is eligible for benefits. The maximum monthly accelerated death benefit amount is equal to the lesser of:
1. $(A - B) \times C$, where:
 - “A” is the death benefit amount on the day the elimination period is first satisfied;
 - “B” is the total death benefit accelerated under any other rider(s) since the day the elimination period for the rider is first satisfied;
 - “C” is the acceleration percentage shown in the certificate for the rider; and
 2. $A - S$, where:
 - “A” is as defined above;
 - “S” is the sum of all accelerated death benefit amounts for all prior monthly benefit periods under the rider (excluding benefits paid for any Monthly Extension of Accelerated Death Benefits) and any accelerated death benefit amounts from any other attached riders, if applicable.

The monthly benefit payable to you as a result of the monthly acceleration of death benefit is equal to:

1. the monthly accelerated death benefit amount; less
2. a pro rata portion (based on the monthly accelerated death benefit amount) of the certificate debt, if any; less
3. any due and unpaid premium.

In no instance will the sum of the monthly accelerated death benefit amounts under the rider exceed the death benefit amount on the day the elimination period is first satisfied.

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.

- (c) **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;
 - the insured has satisfied the elimination period;
 - the insured has used qualified long term care services and been chronically ill 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.

If the insured satisfies the conditions stated in the Conditions on Eligibility for Benefits provision, we will pay a monthly 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.

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

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

(d) **Definitions:** These are some of the important definitions that will help you understand the Conditions on Eligibility for Benefits provision. Please 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 cognitive impairment.

Cognitive impairment means a deficiency in the insured's:

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

This deficiency must be to such a degree as to require supervision 24 hours a day to maintain the safety of the insured or others. A diagnosis of cognitive impairment must be confirmed by clinical evidence and testing that reliably measures impairment.

(e) **Restoration of Accelerated Death Benefits:** When the death benefit is accelerated under the Monthly Accelerated Death Benefit provision of the rider, the certificate death benefit and cash value will be restored as follows:

- a. the monthly restored benefit amount will equal the certificate death benefit amount accelerated under the rider; and
- b. the restored cash value will be the restored death benefit amount divided by 1,000, then multiplied by the cash value per \$1,000 of death benefit as shown in the certificate.

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

The aggregate amount of the restored death benefit amount at any time will not exceed 100% of the aggregate reduction in the death benefit amount for accelerated death benefits paid under the Monthly Accelerated Death Benefit provision of the rider. Restoration of Accelerated Death Benefits excludes benefits paid for any Monthly Extension of Accelerated Death Benefits.

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

(f)**Monthly Extension of Accelerated Death Benefits:** 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 increase for the death benefit amount and the amount for the monthly accelerated death benefit amount is equal to the lesser of:

1. $A \times C$, where:
 - “A” is the death benefit amount on the day the elimination period is first satisfied;
 - “C” is the acceleration percentage shown in the certificate for the rider; and
2. $A - E$, where:
 - “A” is as defined above;
 - “E” is the sum of all monthly accelerated death benefit amounts under the Monthly Extension of Accelerated Death Benefits provision.

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

The monthly benefit payable to you as a result of the extension of accelerated death benefits is equal to:

1. the monthly accelerated death benefit amount; less
2. any due and unpaid premium.

10. **LIMITATIONS AND EXCLUSIONS:**

(a)**Pre-Existing Condition Limitation:** 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, including a condition not diagnosed or identified, for which:

- symptoms existed within 6 months before the rider effective date; or
- 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 that portion of any day of qualified long term care services that are:

- provided as a result of mental or emotional disorder (except for Alzheimer’s Disease, or similar forms of senility or senile dementia that are of organic origin);
- 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 (or benefits would be available under Medicare except for the applicable deductibles or co-insurance requirements) 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.

(a) The rider is level and will not increase over time.

(b) There is no inflation protection available with the rider.

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 Monthly Accelerated Death Benefit is paid:

- the death benefit amount will be reduced by the monthly accelerated death benefit amount;
- the cash value will be the reduced death benefit amount, divided by 1,000, multiplied by the cash value per \$1,000 of death benefit as shown in the certificate;
- the certificate debt will be reduced by the portion of the certificate debt deducted from the monthly 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 is paid, the death benefit will be unaffected because the death benefit amount will be reduced and then restored.

When the Monthly Extension of Accelerated Death Benefits is paid, the death benefit will be unaffected because the death benefit will be increased and then accelerated.

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

The payment of monthly 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 NON-QUALIFIED LONG TERM CARE RIDER.**