



ACCELERATED DEATH BENEFIT RIDER DISCLOSURE STATEMENT

This Rider provides for an acceleration of the Death Benefit, payable to the Policy Owner during the lifetime of the Insured, if the Insured is diagnosed as Terminally Ill or Chronically Ill after the Rider effective date.

This Rider is not long-term care insurance and does not provide long-term care benefits. There is no restriction on the use of the Accelerated Death Benefit proceeds.

The benefits paid under this Rider may or may not be taxable. You should seek advice from a qualified tax advisor about the circumstances under which you could receive Accelerated Death Benefit payments excludable from income under federal law.

The receipt of Accelerated Death Benefit payments may affect your eligibility for Medicaid or other government benefits or entitlements and may have income tax consequences.

Rider Benefits

- **Terminal Illness Benefit** is available as a lump sum of up to 100% of the Death Benefit, and is triggered if the Insured is diagnosed as Terminally Ill.
- **Nursing Care Confinement Benefit** is available as 1/36 of the Death Benefit payable for 36 months, and is triggered if the Insured is diagnosed as Chronically Ill, has been confined continuously for 90 days to a Qualified Nursing Care Facility, and the confinement is expected to be permanent. This benefit is also available as a lump sum of up to 100% of the Death Benefit.
- **Chronic Care Benefit** is available as 1/60 of the Death Benefit payable for 60 months, and is triggered if the Insured is diagnosed as Chronically Ill. This benefit is also available as a lump sum of up to 100% of the Death Benefit.

Effect of Benefit Payments on Policy Values

When an Accelerated Death Benefit is paid under this Rider:

- The Death Benefit of the Policy will be reduced by the Accelerated Death Benefit; and
- The Face Amount, Accumulation Value, the Minimum Accumulation Value, and the Guaranteed Tabular Cash Value will all be reduced in proportion to the Accelerated Death Benefit; and
- If there is a Policy loan, a payment will be made on the Loan Balance from the proceeds. The amount of this payment will be in the same proportion to the Loan Balance as the amount of the Accelerated Death Benefit is to the Death Benefit.

Charges and Fees

- There is no premium charge for this Rider.
- If benefits are elected under this Rider, a one-time \$250 administrative fee will be deducted from the Accelerated Death Benefit prior to determining any benefit payments.

Lump Sum Example 1: Terminal Illness without policy loan

<u>Prior to acceleration:</u>		<u>After \$25,000 (25% of Death Benefit) acceleration:</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$75,000
Cash Value	\$80,000	Remaining Cash Value	\$60,000

Lump Sum Example 2: Terminal Illness with policy loan

<u>Prior to acceleration:</u>		<u>After \$25,000 (25% of Death Benefit) acceleration:</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$75,000
Cash Value	\$80,000	Remaining Cash Value	\$60,000
Policy Loan	\$20,000	Remaining Policy Loan	\$15,000

Monthly Benefit Example 3: Nursing Care Confinement monthly benefit without policy loan

<u>Prior to acceleration:</u>		<u>After first monthly benefit (1/60 of Death Benefit):</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$98,333
Cash Value	\$80,000	Remaining Cash Value	\$78,667

Monthly Benefit Example 4: Nursing Care Confinement monthly benefit with policy loan

<u>Prior to acceleration:</u>		<u>After first monthly benefit (1/60 of Death Benefit):</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$98,333
Cash Value	\$80,000	Remaining Cash Value	\$78,667
Policy Loan	\$20,000	Remaining Policy Loan	\$19,667

Payment of Benefits

- The payment of the Accelerated Death Benefit is due immediately upon receipt of due written proof of eligibility.
- You may elect to receive benefits only once.
- If a lump sum payment is elected, the payment will be no less than the acceleration percentage multiplied by the difference between the current Policy Accumulation Value and any outstanding Policy Loans.
- Benefits are payable under the provision for which the Insured qualifies and the Owner elects. You may only elect one benefit even if the Insured qualifies under more than one.
- The Death Benefit less Loan Balance will be payable if you elect to accelerate less than 100% of the Death Benefit, if you elect to stop receiving monthly payments, upon death of the Insured, or if the Insured dies before all payments of the Accelerated Death Benefit are made.

Definitions

Death Benefit means, for the purposes of the Rider, the greater of the following two amounts:

- 1) The Face Amount on the date that the Accelerated Death Benefit is processed less any Loan Balance; or
- 2) The greater of the Accumulation Value or the Minimum Guaranteed Cash Value on the date that the Accelerated Death Benefit is processed, multiplied by the Minimum Required Death Benefit Percentage for the Insured's attained Age, sex and Premium Class, less any Loan Balance.

Terminally III means an individual who has been certified by a Physician as having an illness or physical condition which can reasonably be expected to result in death in 12 months or less after the date of certification.

Chronically III means a person who has been certified by a Physician as: 1) being unable to perform, without substantial assistance, at least two of six Activities of Daily Living (ADL) for at least 90 days due to a loss of functional capacity; or 2) requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment as certified by a Physician within the preceding 12-month period.

Qualified Nursing Facility means a skilled nursing care facility, intermediate care facility or custodial care facility. It is not: (a) a hospital; (b) a facility that primarily treats persons who are chemically dependent or mentally ill; (c) a home for the aged, a community living center, or a place that primarily provides domiciliary residency or retirement care in the absence of medical necessity; or (d) a facility owned or operated by a member of the Policy Owner's or the Insured's immediate family. A Qualified Nursing Facility must be licensed as a care facility by the state in which it operates and must conduct its business in accordance with law.

Lump Sum Discount Factor means an interest adjustment for the advanced payment of elected proceeds, if a lump sum payment is elected. The factor will be based on an annual interest rate that will be no more than the greater of the current yield on 90 day Treasury Bills or the current maximum statutory adjustable policy loan interest rate. The discount factors are: Terminal Illness Benefit – 95%; Nursing Care Confinement Benefit – 85%; Chronic Care Benefit – 75%.

Proposed Insured Signature

Date

Owner's Signature (if other than Proposed Insured)

Date

Agent's Signature

Date



ACCELERATED DEATH BENEFIT RIDER DISCLOSURE STATEMENT

This Rider provides for an acceleration of the Death Benefit, payable to the Policy Owner during the lifetime of the Insured, if the Insured is diagnosed as Terminally Ill or Chronically Ill after the Rider effective date.

This Rider is not long-term care insurance and does not provide long-term care benefits. There is no restriction on the use of the Accelerated Death Benefit proceeds.

The benefits paid under this Rider may or may not be taxable. You should seek advice from a qualified tax advisor about the circumstances under which you could receive Accelerated Death Benefit payments excludable from income under federal law.

The receipt of Accelerated Death Benefit payments may affect your eligibility for Medicaid or other government benefits or entitlements and may have income tax consequences.

Rider Benefits

- **Terminal Illness Benefit** is available as a lump sum of up to 100% of the Death Benefit, and is triggered if the Insured is diagnosed as Terminally Ill.
- **Nursing Care Confinement Benefit** is available as 1/36 of the Death Benefit payable for 36 months, and is triggered if the Insured is diagnosed as Chronically Ill, has been confined continuously for 90 days to a Qualified Nursing Care Facility, and the confinement is expected to be permanent. This benefit is also available as a lump sum of up to 100% of the Death Benefit.
- **Chronic Care Benefit** is available as 1/60 of the Death Benefit payable for 60 months, and is triggered if the Insured is diagnosed as Chronically Ill. This benefit is also available as a lump sum of up to 100% of the Death Benefit.

Effect of Benefit Payments on Policy Values

When an Accelerated Death Benefit is paid under this Rider:

- The Death Benefit of the Policy will be reduced by the Accelerated Death Benefit; and
- The Face Amount, Accumulation Value, the Minimum Accumulation Value, and the Guaranteed Tabular Cash Value will all be reduced in proportion to the Accelerated Death Benefit; and
- If there is a Policy loan, a payment will be made on the Loan Balance from the proceeds. The amount of this payment will be in the same proportion to the Loan Balance as the amount of the Accelerated Death Benefit is to the Death Benefit.

Charges and Fees

- There is no premium charge for this Rider.
- If benefits are elected under this Rider, a one-time \$250 administrative fee will be deducted from the Accelerated Death Benefit prior to determining any benefit payments.

Lump Sum Example 1: Terminal Illness without policy loan

<u>Prior to acceleration:</u>		<u>After \$25,000 (25% of Death Benefit) acceleration:</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$75,000
Cash Value	\$80,000	Remaining Cash Value	\$60,000

Lump Sum Example 2: Terminal Illness with policy loan

<u>Prior to acceleration:</u>		<u>After \$25,000 (25% of Death Benefit) acceleration:</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$75,000
Cash Value	\$80,000	Remaining Cash Value	\$60,000
Policy Loan	\$20,000	Remaining Policy Loan	\$15,000

Monthly Benefit Example 3: Nursing Care Confinement monthly benefit without policy loan

<u>Prior to acceleration:</u>		<u>After first monthly benefit (1/60 of Death Benefit):</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$98,333
Cash Value	\$80,000	Remaining Cash Value	\$78,667

Monthly Benefit Example 4: Nursing Care Confinement monthly benefit with policy loan

<u>Prior to acceleration:</u>		<u>After first monthly benefit (1/60 of Death Benefit):</u>	
Death Benefit	\$100,000	Remaining Death Benefit	\$98,333
Cash Value	\$80,000	Remaining Cash Value	\$78,667
Policy Loan	\$20,000	Remaining Policy Loan	\$19,667

Payment of Benefits

- The payment of the Accelerated Death Benefit is due immediately upon receipt of due written proof of eligibility.
- You may elect to receive benefits only once.
- If a lump sum payment is elected, the payment will be no less than the acceleration percentage multiplied by the difference between the current Policy Accumulation Value and any outstanding Policy Loans.
- Benefits are payable under the provision for which the Insured qualifies and the Owner elects. You may only elect one benefit even if the Insured qualifies under more than one.
- The Death Benefit less Loan Balance will be payable if you elect to accelerate less than 100% of the Death Benefit, if you elect to stop receiving monthly payments, upon death of the Insured, or if the Insured dies before all payments of the Accelerated Death Benefit are made.

Definitions

Death Benefit means, for the purposes of the Rider, the greater of the following two amounts:

- 1) The Face Amount on the date that the Accelerated Death Benefit is processed less any Loan Balance; or
- 2) The greater of the Accumulation Value or the Minimum Guaranteed Cash Value on the date that the Accelerated Death Benefit is processed, multiplied by the Minimum Required Death Benefit Percentage for the Insured's attained Age, sex and Premium Class, less any Loan Balance.

Terminally III means an individual who has been certified by a Physician as having an illness or physical condition which can reasonably be expected to result in death in 12 months or less after the date of certification.

Chronically III means a person who has been certified by a Physician as: 1) being unable to perform, without substantial assistance, at least two of six Activities of Daily Living (ADL) for at least 90 days due to a loss of functional capacity; or 2) requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment as certified by a Physician within the preceding 12-month period.

Qualified Nursing Facility means a skilled nursing care facility, intermediate care facility or custodial care facility. It is not: (a) a hospital; (b) a facility that primarily treats persons who are chemically dependent or mentally ill; (c) a home for the aged, a community living center, or a place that primarily provides domiciliary residency or retirement care in the absence of medical necessity; or (d) a facility owned or operated by a member of the Policy Owner's or the Insured's immediate family. A Qualified Nursing Facility must be licensed as a care facility by the state in which it operates and must conduct its business in accordance with law.

Lump Sum Discount Factor means an interest adjustment for the advanced payment of elected proceeds, if a lump sum payment is elected. The factor will be based on an annual interest rate that will be no more than the greater of the current yield on 90 day Treasury Bills or the current maximum statutory adjustable policy loan interest rate. The discount factors are: Terminal Illness Benefit – 95%; Nursing Care Confinement Benefit – 85%; Chronic Care Benefit – 75%.

Proposed Insured Signature

Date

Owner's Signature (if other than Proposed Insured)

Date

Agent's Signature

Date