

AMERICAN HERITAGE LIFE INSURANCE COMPANY

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

ACCELERATED DEATH BENEFIT FOR LONG TERM CARE RIDER OUTLINE OF COVERAGE

Rider Form Number: GWCLTC1VA

CAUTION: The rider may not apply when you have a claim! Please read! 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 to rescind your coverage under 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 or untrue, please 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 review carefully all limitations of the rider as well as those of the certificate to which it is attached.

1. This coverage is a rider that is issued through a group life plan in Virginia.
2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides you with 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 Accelerated Death Benefit for Long Term Care Rider and the certificate it is attached to contain governing contractual provisions. This means that the certificate and the 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 LIFE INSURANCE CERTIFICATE AND ALL RIDERS CAREFULLY.**
3. **FEDERAL TAX CONSEQUENCES.** The rider is 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.**
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.

Waiver of Premium. For each certificate month the insured receives monthly benefits under the rider, we will waive the premium for the certificate and all riders attached to the certificate. This waiver is in lieu of any other premium waiver benefit provided by a certificate or a rider attached to a certificate.
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.** You may, within 31 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. Additionally, the rider may be cancelled by a written request from you at any time. Cancellation will take effect on the date of death or the date we receive the written request for cancellation at our Home Office. We will refund a pro rata part of any premium paid for the rider beyond that date.
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. After our receipt of written proof acceptable to us that the insured has satisfied the conditions stated in the Conditions on Eligibility for Benefits provision, you may choose to receive a portion of the death benefit while the insured is still alive and while the certificate and rider are in force, until the entire current death benefit provided by the certificate has been paid out.
9. **BENEFITS PROVIDED UNDER THE RIDER.** If the insured satisfies the conditions stated in the Conditions on Eligibility for Benefits provision, we will pay a monthly benefit to the certificate holder upon our receipt of:
- the certificate holder's 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.

Conditions on Eligibility for Benefits. The rider provides a monthly accelerated death benefit when the insured is chronically ill, as certified by a licensed health care practitioner within the preceding 12-month period. This determination will be made based on the insured's ability to perform ADLs and on cognitive impairment. Eligibility for the payment of benefits requires a deficiency in the ability to perform 2 ADLs or the presence of cognitive impairment. 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 this 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.

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

Monthly Accelerated Death Benefit. 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:

- $(A - B) \times C$, 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
- $A - S$, 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 and any accelerated death benefit amounts from other riders attached to the certificate.

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

- the monthly accelerated death benefit amount; less
- a pro rata portion (based on the monthly accelerated death benefit amount) of the certificate debt, if any.

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).

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.

- a. **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:
 - i. Bathing – 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.
 - ii. Continence – 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 catheter or colostomy bag).
 - iii. Dressing – putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
 - iv. Eating – 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.
 - v. Toileting – getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
 - vi. Transferring – the ability to move into or out of a bed, chair or wheelchair.
- b. **Chronically ill** means the insured has been certified by a licensed health care practitioner within the preceding 12 month period as:
 - i. being unable to perform, without hands-on assistance from another individual, at least 2 ADLs for a period of at least 90 days due to a loss of functional capacity; or
 - ii. requiring supervision or verbal cueing by another individual to protect oneself or others from threats to health and safety due to cognitive impairment.
- c. **Cognitive impairment** means a deficiency in the insured's:
 - i. short or long term memory;
 - ii. orientation as to person, place and time;
 - iii. deductive or abstract reasoning; or
 - iv. judgment as it relates to safety awareness.
- d. **Elimination period** means 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:
 - i. the insured is chronically ill; and
 - ii. charges must be incurred for the qualified long term care services of the insured.

10. LIMITATIONS AND EXCLUSIONS. We will not pay benefits under the rider for that portion of any day of qualified long term care services that are:

- a. 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);
- b. provided as a result of alcoholism or drug addiction;
- c. provided as a result of illness, treatment or medical conditions arising out of:
 - i. war or act of war (whether declared or undeclared);
 - ii. participation in a felony, riot or insurrection;
 - iii. service in the armed forces or units auxiliary thereto; or
 - iv. suicide (while sane or insane), attempted suicide or intentionally self-inflicted injury;
- d. 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
- e. received outside the United States or its territories.

Pre-existing Condition Limitation. We do not pay benefits under the rider 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 caused by a pre-existing condition that begins 6 months or more after the rider effective date.

A pre-existing condition means within 6 months preceding the effective date of coverage:

- a. the existence of symptoms which would cause an ordinarily prudent person to seek diagnosis, care, or treatment; or
- b. a condition for which medical advice or treatment was recommended by or received from a provider of health care services.

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. 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. These illnesses are covered to the same extent as long as they meet the requirements of the rider.
13. **PREMIUMS.** The premium for the rider is shown in the certificate.
14. **ADDITIONAL FEATURES.**
- a. 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 a monthly accelerated death benefit is paid:
 - i. the death benefit amount will be reduced by the monthly accelerated death benefit amount;
 - ii. 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;
 - iii. the certificate debt will be reduced by the portion of the certificate debt deducted from the monthly accelerated death benefit amount; and
 - iv. the life insurance premium will be reduced in proportion to the reduction of the death benefit amount.

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 certificate's death benefit amount has been totally accelerated, then the certificate and any rider(s) will terminate with no further benefits payable, subject to the Continuation of Coverage or Conversion provision in 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. **ILLUSTRATIVE EXAMPLE.** Below is a sample* illustration of the effect of an accelerated death benefit for long term care on a certificate. This illustration shows the effect on the death benefit amount, cash value, certificate debt, and premium for the certificate before the accelerated death benefit for long term care is elected and immediately after the election is made.

Certificate Value:	Before Acceleration	After Acceleration
Death Benefit Amount	\$100,000.00	\$96,000.00
Accelerated Death Benefit Amount	N/A	\$4,000.00**
Cash Value (CV)	\$4,444.00	\$4,266.24
Certificate Debt	\$100.00	\$96.00
Net Surrender Value	\$4,344.00	\$4,170.24
Death Benefit	\$99,900.00	\$95,904.00
Life Insurance Annual Premium***	\$1,178.00	\$1,130.88

* The values shown above are for illustrative purposes only and assume the accelerated death benefit of 4% is exercised at the beginning of the 10th year for a male, non-tobacco, age 35 at issue, with \$100.00 of outstanding certificate debt.

** The accelerated death benefit payment will be reduced by any pro rata loan. This results in a net accelerated death benefit payment of \$3,996.00.

*** Life insurance annual premium does not reflect premiums payable for any riders. Premiums are waived while the insured receives monthly benefits. Once the insured is no longer eligible to receive benefits under the rider, any remaining premiums resume.