



**PENN TREATY NETWORK AMERICA  
INSURANCE COMPANY<sup>SM</sup>**

3440 LEHIGH STREET, P.O. BOX 7066  
ALLENTOWN, PA 18105-7066

**LONG-TERM CARE INSURANCE POLICY**

**THIS IS NOT A MEDICARE SUPPLEMENT POLICY**

**THIS POLICY QUALIFIES UNDER THE INDIANA LONG-TERM CARE INSURANCE PROGRAM FOR MEDICAID ASSET PROTECTION. THIS POLICY MAY PROVIDE BENEFITS IN EXCESS OF THE ASSET PROTECTION PROVIDED IN THE INDIANA LONG-TERM CARE PROGRAM.**

**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 GUARANTEED RENEWABLE FOR LIFE**

We cannot cancel or refuse to renew this Policy. Your timely payment of premiums is all that is needed to keep this Policy in force until benefits have been exhausted.

**WE HAVE A LIMITED RIGHT TO CHANGE PREMIUMS**

Your premiums will not increase due to a change in Your age or health. We can, however, change Your premiums based on Your premium class; but only if We change premiums for all similar policies in Your state on the same form as this Policy. Renewal premiums due after a change is implemented will be based on the new rate. We must give You at least 31 days written notice before We change Your premiums.

**NOTICE OF 30 DAY RIGHT TO EXAMINE YOUR POLICY**

You have 30 days from the day You receive this Policy to examine and return it to Us if You decide not to keep it. You do not have to tell Us Your reason for returning the Policy. You may return the Policy to Us at Our Home Office, or to Our authorized agent, within 30 days. We will refund, directly to You, all of the premiums You have paid and the Policy will be void from the start.

**CAUTION:** The issuance of this Long-Term Care Insurance 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 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 Our Home Office. Our address is 3440 Lehigh Street, Allentown, PA 18105-7066.

**THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY:** If You are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from Us

**AP93(IN)-N**

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**POLICY SCHEDULE PAGE**

**PENN TREATY NETWORK AMERICA INSURANCE COMPANY<sup>SM</sup>**

**POLICY NUMBER**

**EFFECTIVE DATE**

**NAME OF INSURED  
ADDRESS**

**RENEWAL DATE**

**INITIAL PREMIUM  
\$**

**POLICY FEE  
\$**

**POLICY INFORMATION**

**BENEFITS PROVIDED BY THIS POLICY**

**Nursing Home Benefits**

**Home and Community Care Benefits**

**COVERAGE LIMITS**

**MAXIMUM LIFETIME BENEFIT \$**

**NURSING HOME DAILY BENEFIT AMOUNT \$**

**NURSING HOME ELIMINATION PERIOD (Per Period of Care) DAYS**

**HOME AND COMMUNITY CARE DAILY BENEFIT AMOUNT \$**

**COMPOUND BENEFIT INCREASE INCLUDED**

**PREMIUM MODE**

**PREMIUM AMOUNTS**

**ANNUAL  
\$**

**SEMI-ANNUAL  
\$**

**QUARTERLY  
\$**

**MONTHLY  
\$**

**AUTOMATIC BANK WITHDRAWAL (ACH)  
\$ (MONTHLY)**

SPECIMEN

**SECTION I: GENERAL CONTRACT PROVISIONS**

**This section tells You: the documents that state all the contractual agreements; the importance of completing Your application truthfully and correctly; and other basic rights, obligations and features.**

\*\*\*\*\*

**The Contract**

**Entire Contract:** The entire contract between You and Us is as stated in this Policy, Your application, and any attached papers.

**Changes:** No change in this Policy will be effective until approved by one of Our Executive Officers. That approval must be noted on or attached to this Policy. No agent may change this Policy or waive any of its provisions.

After this Policy is issued or reinstated, any rider or endorsement must be accepted in writing by You, unless acceptance is not required or if the change is required by law.

\*\*\*\*\*

**Time Limit on Certain Defenses**

**Misstatements in Your Application:** After 2 years from the Policy's Effective Date, only fraudulent misstatements in Your application may be used to:

- 1.) void this Policy; or
- 2.) deny any claim for loss incurred or disability that starts after the 2 year period.

\*\*\*\*\*

**Other Provisions**

**Misstatement of Age:** If Your age was misstated in Your application, We will pay the benefits that the premiums You have paid would have purchased at Your true age. If, based on Your true age, the Policy would not have become effective, We will only be liable for the refund of all premiums paid for this Policy.

**Governing Jurisdiction:** This Policy is governed by the laws of the State of Indiana.

**Conformity with State Statutes:** If this Policy does not comply with the laws of the State of Indiana on its Effective Date, We will treat it as though it had been changed to comply with those laws.

**Time Periods:** All time periods begin and end at 12:01 a.m. at Your residence.

**Non-Participating; Dividends Not Payable:** This Policy does not participate in Our profits or surplus earnings; and no dividends will be paid at any time.

**Asset Protection:** If this Policy remains a qualified long-term care policy, You will have the right to an Asset Disregard under the Indiana Long-Term Care Program. An Asset Disregard will be provided for all benefits used by You to purchase Medicaid Eligible Long-Term Care Services covered by this Policy. This Policy will utilize the Insured Event criteria for determining eligibility for benefits and for determining the amount of Asset Disregard. The amount of the payment that will be credited towards asset protection will be the following:

- 1.) the amount of the payment made by this qualified policy for Medicaid Eligible Long-Term Care Services.

**SECTION II: DEFINITIONS OF IMPORTANT TERMS AND WORDS**

**This section provides the meaning of special words and terms that are used throughout this Policy. To help You recognize these special words and terms, the first letter of each word or term is capitalized wherever they appear in Your Policy.**

\*\*\*\*\*

**You, Your and Yours** means the Insured named in the Policy Schedule.

\*\*\*\*\*

**We, Us and Our** refers to Penn Treaty Network America Insurance Company<sup>SM</sup>. Our Home Office is located at 3440 Lehigh Street, Allentown, Pennsylvania 18103.

\*\*\*\*\*

**Activities Of Daily Living(ADL's)** Each of the following five (5) functional areas is considered an Activity of Daily Living:

- Bathing:** Your ability to bathe, including turning the water on, without Direct Assistance; this does not include the activities of washing Your back or feet.
- Dressing:** Your ability to put on and take off Your clothes without Direct Assistance; this does not include the activities of tying Your shoes or grooming.
- Eating:** Your ability to eat without Direct Assistance.
- Toileting:** Your ability to manage bowel or bladder function without Direct Assistance.
- Transferring:** Your ability to move in and out of a chair or bed without Direct Assistance.

\*\*\*\*\*

**Adult Day Care** means services that includes health, social and related support services provided by and at an Adult Day Care Center during any part of the day on less than a 24 hour basis.

\*\*\*\*\*

**Adult Day Care Center** means an organization that provides a program of adult day health care and:

- (1) is state licensed, if the state in which it is located licenses adult day care facilities;
- (2) operates at least 5 days a week for a minimum of 6 hours a day and is not an overnight facility;
- (3) maintains a written record for each client that includes a Plan of Care and a record of all services provided;
- (4) has established procedures for obtaining appropriate aid in the event of a medical emergency;
- (5) has formal arrangements for providing for the services of: a dietician; a licensed physical therapist; a licensed speech therapist; and a licensed occupational therapist; and
- (6) its staff includes: a full-time director, and one or more Nurses in attendance during operating hours of at least 4 hours a day;
- (7) has enough full-time staff members to maintain a client-to-staff ratio of 8 or less to 1.

**Assessment** means an evaluation by a health care professional or social worker who is employed by a Case Management Agency that:  
(1) determines the degree to which You are disabled; and  
(2) assesses the circumstances in Your residence; and  
(3) determines the specific services You require; and  
(4) develops and suggests a Plan of Care to address Your needs.

\*\*\*\*\*

**Asset Disregard** means the total equity value of personal property, assets and resources not exempt under Medicaid regulations equal to the sum of qualifying insurance benefit payments made on behalf of You for Medicaid Eligible Long-Term Care Services in determining eligibility for the Indiana Medicaid program.

\*\*\*\*\*

**Asset Protection** means the right extended to beneficiaries of qualified long term care insurance policies to an Asset Disregard under the Indiana long term care program.

\*\*\*\*\*

**Attendant Care** means services necessitated by Your physical or mental impairment. Such services primarily involve "hands on" assistance with Your physical dependency needs. These maintenance or supportive services are furnished in the home of frail or impaired persons to ensure health and safety, and are defined in the Plan of Care.

\*\*\*\*\*

**Case Management** means a care plan that includes, but is not limited to, the development of a comprehensive individualized assessment and care plan, and, as needed, coordination of appropriate services and the monitoring of the deliver of such services.

\*\*\*\*\*

**Case Management Agency** means an agency or other entity approved by DARS (Indiana Division of Aging and Rehabilitative Services) as meeting DARS case management standards contained in the DARS community and home care services provider manual.

\*\*\*\*\*

**Cognitive Impairment** means confusion or disorientation resulting from a deterioration or loss of intellectual capacity that is not related to or a result of mental illness, but which can result from Alzheimer's disease or similar forms of senility or irreversible dementia. This deterioration or loss of intellectual capacity is established through use of standardized tests that reliably measure impairment in the following areas:  
(1) Short-term or long-term memory.  
(2) Orientation as to person, place and time.  
(3) Deductive or abstract reasoning.  
Cognitive Impairment must result in an individual requiring twenty-four (24) hour a day supervision or Direct Assistance to maintain Your safety.

**Complex, Unstable Medical Condition**

means a medical condition which may not result in deficiencies of Activities of Daily Living or be the result of Cognitive Impairment but requires Your need for either of the following in a setting other than an acute care wing of a hospital:  
(1) twenty-four (24) hour a day professional nursing observation; or  
(2) professional nursing intervention more than once a day.

\*\*\*\*\*

**Direct Assistance**

means that You cannot perform an Activity of Daily Living safely or appropriately without continual help or oversight. Direct assistance may vary from requiring a person to physically stand by or set up the activity to the activity being performed by others.

\*\*\*\*\*

**Family Member**

means anyone who is related to You in any degree by blood, marriage or operation of law. This includes, but is not limited to, the following relatives of You or Your spouse: parents; grandparents; brothers; sisters; children and grandchildren; aunts, uncles, cousins, nephews and nieces; in-laws; adopted relatives and step-relatives.

\*\*\*\*\*

**Home and Community Care**

means any of the following services that are received while this Policy is in force:  
(1) Care;  
(2) Attendant Care;  
(3) Respite Care and;  
(4) services received at an Adult Day Care Center.

\*\*\*\*\*

**Home and Community Care Daily Benefit Amount**

means the amount We will pay for each day You receive Home and Community Care services and are eligible for benefits. The Home and Community Care Daily Benefit Amount is one-half (50%) of the Nursing Home Daily Benefit Amount and is shown in the Policy Schedule.

\*\*\*\*\*

**Home Health Care**

means services provided by or through a Home Health Care Agency and while You are not confined to a hospital or nursing home.

Services must be provided by:

- (1) a registered nurse (RN); a licensed practical nurse (LPN); or a licensed vocational nurse (LVN);
- (2) a licensed speech therapist or audiologist;
- (3) a licensed respiratory therapist;
- (4) a licensed occupational therapist;
- (5) a licensed physical therapist;
- (6) a licensed chemotherapy specialist;
- (7) a licensed nutritional specialist;
- (8) a Home Health Aide; or
- (9) a provider of medical/social services.



**Home Health Care Agency**

means an agency or organization that:

- (1) specializes in giving nursing care or therapeutic services in the home;
- (2) is licensed to provide such care or services by the appropriate licensing agency where they are performed or is certified as a Home Health Care Agency under Medicare (the Health Insurance for the Aging Act, Title XVIII of the Social Security Amendments of 1965 as then constituted or later amended);
- (3) is operating within the scope of its license and or certification; and
- (4) maintains a complete medical record and Plan of Care for each patient.

\*\*\*\*\*

**Indiana Preadmission Screening Program**

means the program authorized by Indiana law which requires that each person seeking admission to a Nursing Home, must either:

- (1) be screened and approved for admission by DARS (Indiana Division of Aging and Rehabilitative Services); or
- (2) be ineligible for Medicaid reimbursement for the period of one (1) year after admission.

\*\*\*\*\*

**Insured Event**

means an event meeting any one of the following criteria:

- (1) You have a deficiency in two (2) or more Activities of Daily Living.
- (2) You have a Cognitive Impairment.
- (3) You have a Complex, Unstable Medical Condition.

\*\*\*\*\*

**Maximum Lifetime Benefit**

means the maximum amount We will pay for all benefits provided by this Policy. The Maximum Lifetime Benefit is shown in the Policy Schedule.

\*\*\*\*\*

**Medicaid Eligible Long-Term Care Services**

includes the following:

- (1) Long-term care services available under Indiana's Medicaid plan, including care in a licensed nursing facility and home health nursing and home health aids services provided by a licensed home health agency.
- (2) Long-term care services covered under the Medicaid home and community based services waiver for the aged and disabled.

\*\*\*\*\*

**Medicaid Waiver**

refers to the home and community based services waiver for the aged and disabled approved by the United States Department of Health and Human Services Health Care Financing Administration under the provisions of Section 1915(c) of the Social Security Act which allows Indiana to provide certain community and in-home services not covered in the state Medicaid plan, which are instrumental in the avoidance or delay of institutionalization. Indiana's Medicaid waiver services include: (1) case management; (2) homemaker; (3) respite care; (4) attendant care; (5) adult day care; and (6) other services, which independent of the preceding home and community based services, are essential to prevent institutionalization.

**Nurse**

means someone who is licensed as a Registered Graduate Nurse (RN),; Licensed Practical Nurse (LPN) or Licensed Vocational Nurse (LVN). The term Nurse does NOT include: You, a Family Member or anyone who normally resides in Your home or residence.

\*\*\*\*\*

**Nursing Home**

means a facility or distinctly separate part of a hospital or other institution which is licensed by the appropriate licensing agency to engage primarily in providing nursing care and related services to inpatients and:

- (1) provides 24 hour a day nursing service under a planned program of policies and procedures which was developed with the advice of, and is periodically reviewed and executed by, a professional group of at least one Physician and one Nurse; and
- (2) has a duly licensed Physician available to furnish medical care in case of an emergency; and
- (3) has at least one Nurse who is employed there full time (or at least 24 hours per week if the facility has less than 10 beds); and
- (4) has a Nurse on duty or on call at all times; and
- (5) maintains clinical records for all patients; and
- (6) has appropriate methods and procedures for handling and administering drugs and biologicals.

NOTE: These requirements are typically met by licensed skilled nursing facilities, comprehensive nursing care facilities and intermediate nursing care facilities; as well as some specialized wards, wings and units of hospitals. They are NOT met by: rehabilitation hospitals; rest homes; homes for the aged; sheltered living accommodations; residence homes; or independent living units.

\*\*\*\*\*

**Nursing Home Elimination Period**

means the number of days benefits will not be available at the beginning of a Period of Care when confined in a Nursing Home. The Nursing Home Elimination Period is shown in the Policy Schedule with the following being noted:

- (1) You will not be paid benefits under the Policy during the Nursing Home Elimination Period.
- (2) Only one Nursing Home Elimination Period applies to a Period of Care.
- (3) We will apply days during a Nursing Home stay for which benefits are paid by Medicare toward the Nursing Home Elimination Period.
- (4) In satisfying the Nursing Home Elimination Period, separate Periods of Care less than 90 days apart for the same or related causes are considered the same stay.
- (5) The Nursing Home Elimination Period does not have to be satisfied to qualify for any other benefits available under the Policy.

**Nursing Home Daily Benefit Amount**

means the amount We will pay for each day You are confined in a Nursing Home and are eligible for benefits. The Nursing Home Daily Benefit Amount is shown in the Policy Schedule.

\*\*\*\*\*

**Period of Care**

means continuous or successive days of confinement in a nursing home and ends when You are not confined for 90 continuous days. A Period of Care for home or community based care ends when You do not receive services for 90 continuous days.

\*\*\*\*\*

**Physician**

means someone other than a Nurse, who is legally qualified and licensed to practice medicine and is operating within the scope of that license. The term Physician does NOT include: You, a Family Member or anyone who normally resides in Your home or residence.

\*\*\*\*\*

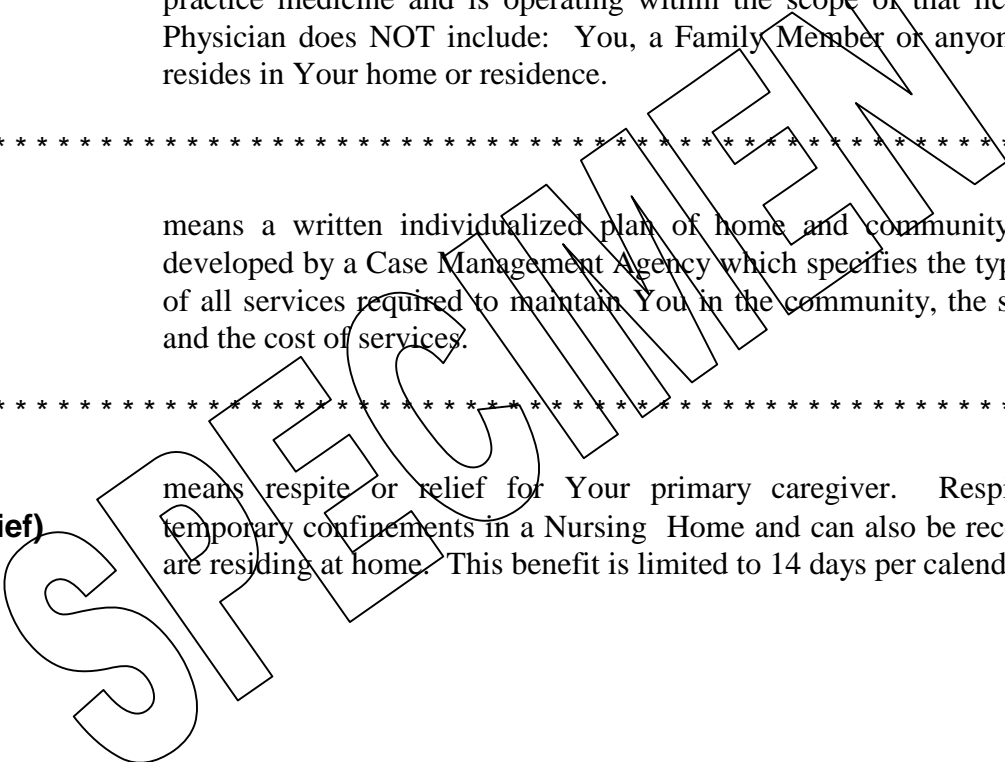
**Plan of Care**

means a written individualized plan of home and community based services developed by a Case Management Agency which specifies the type and frequency of all services required to maintain You in the community, the service providers and the cost of services.

\*\*\*\*\*

**Respite Care (Caregiver Relief)**

means respite or relief for Your primary caregiver. Respite Care covers temporary confinements in a Nursing Home and can also be received while You are residing at home. This benefit is limited to 14 days per calendar year.



## SECTION III: BENEFIT PROVISIONS

This section provides You with information about the benefits of Your Policy. We provide You with an explanation of benefits available under Your Policy, the conditions of eligibility that will qualify You to receive the benefits under Your Policy and how long You are entitled to receive the benefits under Your Policy.

### NURSING HOME BENEFIT

#### Limitations or Conditions On Eligibility for Benefits

##### Covered Nursing Home Stays

A confinement in a Nursing Home for a Period of Care is covered by the Policy when all the following conditions are met.

- (1) You are confined as an overnight resident inpatient in a Nursing Home.
- (2) A room and board charge is made for the day.
- (3) The Nursing Home stay begins while the Policy is in force.
- (4) We are given proof, satisfactory to Us, that Your stay was approved under the Indiana Preadmission Screening Program and the stay is appropriate because of an Insured Event.

The proof We receive must include a copy of Your Preadmission Screening Program approval. We must also be given periodic revisions of Your Assessment and Plan of Care. Assessments must be performed by a Case Management Agency approved by Us.

If an Insured is confined in a nursing home outside of Indiana, the Indiana Pre-admission Screening Program is not applicable. However, proof must be provided that the Insured has met the Insured Event criteria to qualify for benefits.

##### All Levels of Care Covered

Benefit payments will not change based on the level of care You receive during a Nursing Home stay.

##### How Much We Pay

We will pay for each day You are confined in a Nursing Home, the actual charges of the Nursing Home. However:

- (1) We will not pay more than the Nursing Home Daily Benefit Amount for each day of a Nursing Home stay; and
- (2) We will not pay Nursing Home benefits during the Nursing Home Elimination Period.

##### How Long Benefits Will Be Paid

The benefits will be paid for each day You are confined in a Nursing Home, after the Nursing Home Elimination Period, for as long as:

- (1) The above conditions are met; and
- (2) The Maximum Lifetime Benefit has not been reached.

**HOME AND COMMUNITY CARE BENEFITS**

**REMINDER:** In order for payment for services to count toward asset protection under the Indiana Long-Term Care Program, the services must be delivered in accordance with a Plan of Care from a Case Management Agency approved by the Indiana Division of Aging and Rehabilitation Services (or its successor division) as meeting standards contained in its community and home care services provider manual. This is true regardless of whether the care was given inside or outside Indiana and only applies to home and community care services.

**Home Health Care Benefit**

**Limitations or Conditions On Eligibility for Benefits**

To receive Home Health Care Benefit for a Period of Care:

- (1) The care must be provided in accordance with Case Management and must be appropriate because of an Insured Event.
- (2) The care or services must involve the least intensive form of treatment appropriate and must be provided through a Home Health Care Agency.
- (3) The charges must be incurred while this Policy is in force.

**How Much We Pay**

We will pay for each day You receive services for Home Health Care, the actual charge up to the Home and Community Care Daily Benefit Amount.

**How Long Benefits Will Be Paid**

The benefits will be paid for each day You receive services for Home Health Care for as long as:

- (1) The above conditions are met; and
- (2) The Maximum Lifetime Benefit has not been reached.

\*\*\*\*\*

**Attendant Care Benefit**

**Limitations or Conditions On Eligibility for Benefits**

To receive Attendant Care Benefit for a Period of Care:

- (1) The care must be provided in accordance with Case Management and must be appropriate because of an Insured Event.
- (2) The care or services must involve the least intensive form of treatment appropriate and must be provided through a Home Health Care Agency.
- (3) The charges must be incurred while this Policy is in force.

**How Much We Pay**

We will pay for each day You receive services for Attendant Care, the actual charge up to the Home and Community Care Daily Benefit Amount.

**How Long Benefits Will Be Paid**

The benefits will be paid for each day You receive services for Attendant Care for as long as:

- (1) The above conditions are met; and
- (2) The Maximum Lifetime Benefit has not been reached.

**Respite Care Benefit**

**Limitations or Conditions On Eligibility for Benefits**

To receive Respite Care Benefit for a Period of Care:

- (1) The care must be provided in accordance with Case Management and must be appropriate because of an Insured Event.
- (2) You must be confined in a Nursing Home or residing at home during the period of Respite Care.
- (3) The charges must be incurred while this Policy is in force.

**How Much We Pay**

For each day You are eligible for Respite Care, We will pay the following:

- (1) For services You receive for Home Health Care, Attendant Care and Adult Day Care, the actual charge up to the Home and Community Care Daily Benefit Amount.
- (2) For confinement in a Nursing Home, the actual charge up to the Nursing Home Daily Benefit Amount.

**How Long Benefits Will Be Paid**

The benefits will be paid for each day You receive Home and Community Care services or are confined in a Nursing Home for as long as:

- (1) The above conditions are met; and
- (2) The Maximum Lifetime Benefit has not been reached.

Benefits for Respite Care payable under this Policy will not exceed a total of 14 days in any calendar year. The Nursing Home Elimination Period does not apply to a confinement that is eligible for the Respite Care benefit. Any days in which the Respite Care benefit is received, cannot be used to satisfy the Nursing Home Elimination Period.

\*\*\*\*\*

**Adult Day Care Benefit**

**Limitations or Conditions On Eligibility for Benefits**

To receive Adult Day Care Benefit for a Period of Care:

- (1) The care must be provided in accordance with Case Management and must be appropriate because of an Insured Event.
- (2) The care or services must provided by an Adult Day Care Center.
- (3) Adult Day Care must be received for at least 4 hours during any day for which benefits are payable.
- (4) The charges must be incurred while this Policy is in force.

**How Much We Pay**

We will pay for each day You receive services for Adult Day Care, the actual charge up to the Home and Community Care Daily Benefit Amount.

**How Long Benefits Will Be Paid**

The benefits will be paid for each day You receive services for Adult Day Care for as long as:

- (1) The above conditions are met; and
- (2) The Maximum Lifetime Benefit has not been reached.

**ADDITIONAL BENEFITS**

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**MAXIMUM LIFETIME BENEFIT**

In addition to the limits for each type of benefit stated in the appropriate benefit section, there is a Maximum Lifetime Benefit which is shown in the Policy Schedule.

The Maximum Lifetime Benefit is the maximum amount which We will pay for all benefits combined under this Policy and any rider(s) made a part of it. Benefits payable under this Policy will apply towards the Maximum Lifetime Benefit. Coverage under this Policy ends when the Maximum Lifetime Benefit has been reached.

If the Policy Schedule shows that Your Maximum Lifetime Benefit is "Unlimited," there is no limit on the amount We will pay for all benefits during Your lifetime.

\*\*\*\*\*

**WAIVER OF PREMIUM**

We will waive premium payments during extended Nursing Home stays. This waiver begins after benefits have been paid for 90 continuous days. This waiver of premium payments stops when You cease to receive payment for a Nursing Home confinement. At the end of the period for which the last premium has been waived, You will be required to pay the pro-rata premium needed to return the Policy to its previous premium payment mode. You must pay future premiums as they become due.

\*\*\*\*\*

**COMPOUND BENEFIT INCREASE**

**What the Compound Benefit Increase Is and How It Works**

Each year on the anniversary of the Effective Date of Your Policy, the benefit amounts then in effect will be increased by 5% (rounded to the nearest dollar).

This includes:

- (1) The Nursing Home Daily Benefit Amount;
- (2) The Home and Community Care Daily Benefit Amount; and
- (3) The unused portion of the Maximum Lifetime Benefit.

These compound benefit increases will continue as long as Your Policy remains in force. The increased benefits will be applicable on and after the date of increase, even if You are receiving benefits on such date.

**SECTION IV: EXCLUSIONS AND LIMITATIONS**

**This section states the conditions under which payment: will not be made even if You otherwise qualify for benefits; and will be coordinated with Your other coverages.**

**PRE-EXISTING CONDITIONS LIMITATION**

The Policy covers Pre-Existing Conditions listed on the application immediately. Pre-existing conditions that are not listed on the application will not be covered unless they begin after the Policy has been in force for 6 months.

\*\*\*\*\*

**What's Not Covered**

- The Policy will not pay benefits for any confinement day or services:
- (1) In a simple rest care, hotel or retirement home expense which is related to your residence and not a result of Long-Term Care;
  - (2) That are provided by a Family Member;
  - (3) For charges for Long-Term Care that You would not be legally obligated to pay in the absence of this insurance;
  - (4) That are provided outside of the United States of America or its possessions;
  - (5) That are provided in a Veteran's Administration or federal government facility unless You or Your estate are charged for the services or confinement;
  - (6) For injury or sickness for which compensation is payable under any Worker's Compensation or Occupational Disease Law;
  - (7) Resulting from war or act of war, whether declared or not;
  - (8) Resulting from mental, nervous or emotional disorders without demonstrable organic origin; **(NOTE: This exclusion does not apply to Alzheimer's Disease or other organic brain syndromes. These diseases are covered by the Policy like any other sickness subject to the Pre-Existing Conditions Limitation.)**
  - (9) Resulting from attempted suicide or an intentionally self-inflicted injury;
  - (10) Resulting from Your alcoholism or addiction to drugs or narcotics but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a Physician; and
  - (11) For a loss to which a contributing cause was your commission of a felony or your being engaged in an illegal occupation.

\*\*\*\*\*

**Nonduplication With Other Plans**

This Policy supplements and will not duplicate benefits available through any Other Plans You may have that provide: basic hospital, medical, surgical, major medical or Medicare supplemental coverage. The term "Other Plans" means any insurance policy, subscriber contract, group coverage through HMOs and other prepayment, group practice or individual practice plans.

If You have any Other Plans under which You are entitled to benefits for expenses for covered confinement or services, benefits will be paid under this Policy: (a) only after benefits for like expenses are paid under those Other Plans; and (b) only to the extent that the Benefits under this Policy, together with the amount of benefits paid under those Other Plans, do not exceed the actual expense incurred for the confinement or services received.

If You are eligible to receive benefits under this Policy and any Other Plans providing long term care, nursing home or home health care coverages, whether or not Qualified by the State of Indiana, We will avoid duplication in the manner described above only with those Other Plans which:

- (1) You have been insured under for a longer period of time than You have been insured under this Policy; or
- (2) Do not have a provision similar to this provision.



**SECTION V: CLAIMS INFORMATION**

**This section tells You when to notify Us of a claim; what to send Us; how We evaluate and pay claims; and other rights and responsibilities under the contract.**

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**Your Role in the Claims Process**

Early awareness by Our Claims Department will facilitate a timely review of Your claim. You can help Us in this process by letting Us know immediately when You Let Us know at once, then first become disabled to the extent that You may soon need care covered by Follow these procedures. the Policy. Of course someone else who is authorized to act on Your behalf can also contact Us for You.

**Telling Us About a Notice of Claim:**

We must be notified when You have a claim for benefits. The notice can be given to Us at Our Home Office or to Our agent. It must be received within 30 days of the date the covered loss starts, or as soon as reasonably possible. Include in the notice at least: Your name; Your Policy Number; and an address to which the claim form should be sent.

**How to File a Claim**

**Claim Forms:** When We get notice of Your claim We will send out the necessary forms to be used to file proof of loss.

The forms will have instructions on how to fill them out and where to send them. Please read them carefully. Answer all questions and send all required information to the address on the forms. This will assist Us in the evaluation of Your claim so that We can determine the benefits for which You are eligible.

If You or Your representative do not get the necessary claim forms within 15 days, proof of loss can be filed without them by sending Us a letter which describes the occurrence, the character and the extent of the loss for which Your claim is made. That letter must be sent to Us at Our Home Office within the time period stated in the next paragraph. As a minimum, the description should tell Us: Your name and address; the care for which You are claiming benefits; the names and addresses of the medical professionals and care providers who are aware of Your condition or have covered by the Policy; the periods for which You are claiming benefits. It should also include copies of Your billing statements.

**When to File a Claim**

**Proofs of Loss:** We must get written proof of loss within 120 days after the end of each month for which benefits may be payable. If it was not reasonably possible to give Us written proof in the time required, We shall not reduce or deny a claim for being late if the proof is filed as soon as reasonably possible. Unless the claimant is not legally capable, the required proof must always be given to Us no later than 1 year from the time specified.

**Our Evaluation Criteria; and the Claims Payment Process**

**How We Evaluate Claims:** We will work with You, Case Management Agencies You have seen, Your doctor and other care givers to obtain information about: Your state of health; and the degree to which You need care covered by the Policy. We will then make an objective review of that information to determine whether You qualify for benefits. We reserve the right, as part of the review and at Our expense, to do a face-to-face assessment or to require Case Management, or a physical examination. Similar reviews may be required, at in evaluating Your condition; but any decision will be made by Us based on consistently applied, reasonable standards. We will also need a copy of Your Medicare Explanation of Benefits (or similar form for other governmental programs) to determine which expenses (if any) are excluded from coverage.

**Physical Examinations:** As part of Our evaluation of Your claim, We have the right to require a medical examination or Assessment when a claim is made and at reasonable intervals while You are claiming continued benefits.

**Time of Payment of Claim:** After We receive the proper written proof of loss, We will pay any benefits then due: (1) monthly, when the loss is expected to result in on-going benefits; and (2) immediately, when Our liability has ended.

**Payment of Claims:** All benefits will be paid to You. Any benefits unpaid at Your death will be paid to Your estate. If benefits are payable to Your estate, We may pay a portion of those benefits, up to \$1,000, directly to someone related to You by blood or marriage who is deemed by Us to be justly entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

We may pay all or a portion of any benefits to the provider of services, unless You direct Us to do otherwise. We do not require that the services be provided by a particular provider.

**How to Appeal a Claim Decision**

You will be informed by Us in writing if a claim, or any part of a claim, is denied.

**Appeal Process:** If You believe that Our claim decision is in error, We will reconsider Your claim. You must send Us a brief note (no special form needed) that tells Us why You feel We should change Our decision. You may authorize someone else to act for You in this appeal process.

The note should include the names, addresses and phone numbers of any of the following providers who You think We should contact to learn more about Your health and the care You received: the doctors, Case Management Agencies and other health care professionals who treated You; and the facilities from which You received care or treatment.

Once We complete Our review of Your claim, We will immediately tell You Our decision in writing; and pay any benefits then due as a result of Our reconsideration.

**Legal Actions:** You cannot sue on any claim before 60 days after written proof of loss has been given as required by Your Policy. You cannot sue after 3 years from the time written proof of loss is required to be given.

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**SECTION VI: EFFECTIVE DATE AND PREMIUM PROVISIONS**

**This section tells You such things as: when the Policy becomes effective; how and when to pay premiums; the importance of paying premiums on time; and what happens if premiums are not paid on time.**

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**The Policy Taking Effect**

**Effective Date and Consideration:** This Policy is issued based on: the statements made in Your application; and payment of the First Premium shown in the Policy Schedule. It then takes effect on the Effective Date shown in the Policy Schedule.

**Your Right to Cancel the Policy at Any Time**

You may cancel Your Policy at any time by sending Us written notice. Your Policy will be cancelled as of the date We receive the notice, or the later date stated in Your notice. We will promptly return the unearned portion of any premium paid. The cancellation will not prejudice any claim for any uninterrupted institutional confinement that begins before the effective date of the cancellation.

**Refund of Premiums Paid Beyond Your Death**

If You die while insured under Your Policy, We will refund the pro rata part of any premium paid for a period after Your death. The refund will be made within 30 days of Our receipt of written notice of Your death. It will be payable to Your estate.

**Paying Premiums**

The Premium Mode shown in the Policy Schedule states how often premiums are to be paid. Each premium after the First Premium is due at the end of the period for which the prior premium was paid.

**What Happens When Premiums Are Not Paid**

**Grace Period:** This Policy has a 31 day grace period. If a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. The Policy will stay in force during the grace period. If the premium is not paid during the grace period, the Policy will terminate at the end of the grace period. This is called a lapse.

If You have designated an individual on Your application to be notified when a Policy lapse is imminent, We will notify such designee prior to cancelling the Policy due to lack of premium payment. This notification will occur no later than 15 days after the beginning of the 31 day grace period for premium payments. You can periodically update the authorized designee by notifying Us in writing.

**Election of Reduced Coverage in Lieu of Policy Lapse:** In the event this qualified Policy is about to lapse or lose qualification status for Medicaid Asset Disregard purposes, You will have the option to reduce Your coverage to a lower benefit amount. However, the lower benefit amount, plus the amount of benefits used to date, cannot be less than the minimum benefit required by the Indiana Department of Insurance on the initial effective date of this Policy. You will only be able to exercise this right one time. Premiums will be based on Your age at the time of the issuance of the original qualified Policy.

**Extension of Benefits:** Termination of this Policy will not affect any claim for uninterrupted Nursing Home confinement that begins while the Policy is in force and continues beyond the date of termination. This extension of benefits, beyond the period the Policy was in force, is limited to the remaining unused Lifetime Payment Maximum; and will be subject to all applicable provisions of the Policy. For the purposes of this provision, an uninterrupted Nursing Home confinement will include: being transferred to another Nursing Home; receiving another level of care in the same Nursing Home; and transferring back to a Nursing Home from a temporary or acute hospitalization.

**Reinstatement:** Once this Policy lapses, We may or may not put it back in force (reinstated) at Our option. An acceptance of late premium by Us (or by an agent authorized to accept payment) without requiring an application for reinstatement will reinstate this Policy.

If We or Our authorized agent require an application, You will be given a conditional receipt for the premium. If the application is approved, this Policy will be reinstated as of the approval date. If We do not give You prior written notice of Our disapproval, the Policy will be reinstated on the 45th day after the date of the conditional receipt.

The reinstated Policy will cover only losses that begin after the date of reinstatement. In all other respects Your rights and Our rights will remain the same; subject to any provisions noted on or attached to the Policy as reinstated.

Any premiums We accept for a reinstatement will be applied to a period for which premiums have not been paid. No premiums will be applied to any period more than 60 days before the reinstatement date.

**Unpaid Premiums:** When a claim is paid, any premium due and unpaid will be deducted from the claim payment.

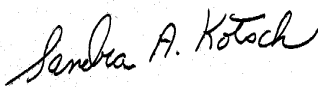
**Continuation for  
Alzheimer's Disease  
and other forms of  
Cognitive Impairment**

**Continuation Provisions:** If Your Policy terminates for any reason before Your benefits have been exhausted, We will provide a retroactive continuation of coverage; provided We receive the following within 9 months after the termination date:

- proof, in the form of a doctor's certification, that You have Cognitive Impairment (including but not limited to Alzheimer's Disease); and
- payment of all past-due premiums for the Policy and all Riders that were in force immediately prior to the date of lapse.

This continuation will provide uninterrupted coverage to the same extent that the Policy would have provided if it had not terminated. If You become eligible for benefits during the continuation period, they will be payable; subject to any applicable Elimination Period, maximum payment amounts and all other provisions of the Policy.

**IN WITNESS WHEREOF,** We have caused this Policy to be signed by Our President and Secretary.



Secretary



President

**PLEASE KEEP THIS POLICY IN A SAFE PLACE WITH YOUR OTHER IMPORTANT DOCUMENTS.**