Product Information

State: **New Mexico**

Product: **TransCare II**

PLAN DESIGN

Issue Ages

18-79 years old

Domestic Partner

Policy is available to legal spouses as well as Partners (domestic partners). The Policy defines a Partner as an adult who is not related to the Insured by blood or marriage under the laws of the state in which the Policy is delivered, who has resided with the Insured continuously for at least 2 years prior to the Policy Effective Date and both Insured and Partner hold themselves out to the public as life partners. Partner does not include any person who is married to anyone else (whether by civil or religious ceremony or common-law marriage) nor any roommate or friend of the Insured.

Maximum Daily Benefit

$50 to $400

Policy Maximum Amount

$18,250 – unlimited. This maximum applies to all benefits of the Policy, riders and endorsements, except for Optional Care Coordination.

Elimination Period (EP)

0 days for Home Care and Adult Day Care Benefit. (Not applied to satisfy the Elimination Period for benefits subject to an Elimination Period.)

0, 30, 60, 90, or 180 days for Long Term Care Facility Benefit, Long Term Care Facility Bed Reservation Benefit, Global Coverage Benefit and Alternative Plan of Care Benefit.

Qualifying for Benefits

Confinement, care and services are needed because Insured is a Chronically Ill Individual (has been certified within the last 12 months by a Licensed Health Care Practitioner) as:

1) unable to perform without Substantial Assistance at least two of six Activities of Daily Living for a period expected to last at least 90 days due to a loss of functional capacity; or

2) requiring Substantial Supervision (hands on or standby) to protect himself from threats to health and safety due to Severe Cognitive Impairment.

Activities of Daily Living

Bathing, Continence, Dressing, Eating, Toileting, and Transferring

Modal Factors

Annual 1.0

Quarterly 0.265

Semi-Annual 0.51

Monthly 0.090

Premium Payment Period Options

Single Pay, 10-Pay, Pay to 65 and Lifetime

No affinity or multi-life discounts are available if Single Pay.

Premium Payment by Credit Card

Accepted for initial premium only. MC, VISA, AMEX, Discover accepted. Special authorization must be submitted with application.

Underwriting Classes

In addition to the Standard and Preferred rating classes, coverage may be offered on a Class 1 - Class 6 basis with increases in premium when underwriting indicates a Policy cannot be issued as applied.

Rate Guarantee

5 year automatic rate guarantee (included). No additional rate guarantees can be purchased.

Global Coverage Benefit

Pays benefits for actual, out-of-pocket charges incurred for care and services that otherwise would be covered under the Policy if the Insured is outside the fifty (50) United States and the District of Columbia or Canada. The Global Coverage Maximum Daily Benefit is equal to 75% of the Facility Maximum Daily Benefit chosen; the Global Monthly Cash Benefit is equal to 10 times the Facility Maximum Daily Benefit chosen; the Global Maximum Benefit Amount is equal to the Global Coverage Maximum Daily Benefit times 365.

Benefits available are limited to: (1) the Long Term Care Facility Benefit; (2) The Home Care and Adult Day Care Benefit; (3) the Cash Benefit;and (4) the Hospice Care Benefit. *Benefits not available include: (1) the Respite Care*

Benefit (2) the Remain At Home Benefit (3) the Long Term Care Bed Reservation Benefit; (4) Extension of the Long Term Care Facility Benefit; (5) the Alternate Plan of Care Benefit (6) the Optional Care Coordination Benefit; and (7) the Accident Benefit, if attached to the Policy.

Payment is subject to: (1) the Elimination Period; (2) the Global Coverage Maximum Daily Benefit; (3) The Global Monthly Cash Benefit (if receiving the Cash Benefit under Global Coverage); (4) the Global Coverage Maximum Benefit Amount; and (5) the Policy Maximum Amount.

If the Cash Benefit under the Global Coverage Benefit is used, it will not be subject to or applied toward the satisfaction of the Elimination Period.

The Global Coverage Benefit is in lieu of all other benefits under the Policy. Premiums are not waived while receiving the Global Coverage Benefit.

Requirements for benefit to be paid: (1) written certification, acceptable to Us, that the Insured meets the eligibility requirements and (2) written proof, acceptable to us, that Insured meets the requirements of the Conditions* section; and (3) written proof, acceptable to us, that Insured has satisfied the Elimination Period; and (4) a current written Plan of Care and any updates to it; and (5) properly completed claim forms; and (6) proof, acceptable to us, that Insured is receiving covered care or services – Qualified Long Term Care services according to the Policy. No proof of receipt of services is required for the Cash Benefit to be payable under Global coverage; and (7) proof, acceptable to us, that Insured is outside the 50 United States, the District of Columbia, or Canada; and (8) all documentation must be provided in English at the Insured's expense.

*The Conditions section of the Policy identifies the requirements for benefits to be payable. These conditions include: satisfying the Eligibility for he Payment of Benefits provision; all Qualified Long Term Care Services must begin while the coverage is in force; all charges must be incurred for services rendered or goods provided while the applicable benefit is in force; satisfying the Elimination Period if it applies to the benefits received; care and services are in accordance with accepted medical and nursing standards of practice; all care and services are consistent with a current and acceptable Plan of Care and Proof of Loss documentation must be provided.

Long Term Care Facility Benefit:

Reimburses for actual, out-of-pocket charges incurred up to the chosen Maximum Daily Benefit for each day the Insured is confined as an overnight patient in a nursing home or assisted living facility. Benefits are subject to eligibility requirements, the elimination period, if any, and the Policy Maximum Amount.

Long Term Care Facility Bed Reservation Benefit:

Reimburses for actual, out-of-pocket charges incurred up to the chosen Maximum Daily Benefit for each day the room in the Long Term Care Facility is being reserved because the Insured is absent (for any reason except discharge). This benefit is available for up to 60 days per calendar year. Insured must satisfy the Elimination Period before the Bed Reservation Benefit is available. Benefits are also subject to eligibility requirements and the Policy Maximum Amount.

Home Care

Reimburses actual, out-of-pocket charges incurred for care provided through a Home Care Agency at the Insured's home under a Plan of Care up to the Maximum Daily Benefit. Benefits are not subject to nor will they satisfy the Elimination Period. Benefits are subject to eligibility requirements and the Policy Maximum Amount.

Adult Day Care

Reimburses actual, out-of-pocket charges incurred for care provided in an Adult Day Care Center up to the MAXIMUM DAILY BENEFIT. Must be received for at least 4 hours during any day for which benefits are payable. Care must be provided under a Plan of Care by and at an Adult Day Care Center.

Hospice Care

Reimburses for out-of-pocket expenses up to the Maximum Daily Benefit. Payment is subject to eligibility requirements and we must have certification that the Insured is Terminally Ill (Insured has no reasonable prospect of cure and, as estimated by his/her Doctor, has a life expectancy of 6 months or less). Benefits are subject to the Policy Maximum Amount and care must be provided by a Hospice Care Provider. Hospice benefits are not payable when other benefits are payable under the Policy except for the Optional Care Coordination Benefit and the Global Coverage Benefit. We will not pay for more than 180 days of Hospice Care.

Benefits are not subject to, nor will they be applied toward the satisfaction of, the Elimination Period.

Cash Benefit

A benefit equal to 10 times the MAXIMUM DAILY BENEFIT amount each month in lieu of all other benefits for care or services (except for the Optional Care Coordination Benefit) until the Maximum Benefit is exhausted. Eligibility Requirements must be met and a Plan of Care must be submitted. The benefit is subject to the Policy Maximum Amount. No bills showing out-of-pocket expenses are required to receive this benefit.

If confined as an overnight bed patient in a facility and receiving the Cash Benefit, those days of confinement, while receiving the Cash Benefit cannot be applied toward satisfaction of the Elimination Period. The Cash Benefit is not subject to, nor will it be applied toward the satisfaction of the Elimination Period.

Wavier of Premium does not apply when this benefit is used unless the Waive of Premium Rider – Cash Benefit is included in the Policy.

Waiver of Premium

Premiums will be waived on a monthly basis when the Insured qualifies for the Waiver of Premium Benefit. To qualify for the Waiver of Premium Benefit, the Insured must meet the eligibility requirements and satisfy the elimination period if it applies to the benefits the Insured is receiving. Also, the Insured must be an overnight bed patient and receiving either the Long Term Care Facility Benefit or the Accident Benefit or the Hospice Care Benefit.

The premium for benefits added while receiving the Waiver of Premium Benefit will not be waived.

The Waiver of Premium Benefit will end when the Insured no longer qualifies for the Waiver of Premium Benefit OR the Policy Maximum Amount has been exhausted.

Waiver of Premium Rider- Home Care and Adult Day Care

Premiums will be waived on a monthly basis when the insured qualifies for this benefit. To qualify for this benefit, the Insured must meet the eligibility requirements and be receiving the Home Care and Adult Day Care Benefit or Home Care Services, Home Health Care Services or Adult Day Care Services under the Accident Benefit Endorsement if attached to the Insured's Policy.

The premium for benefits added while receiving the Waiver of Premium Benefit will not be waived.

The Waiver of Premium Benefit will end when the Insured no longer qualifies for the Waiver of Premium Benefit OR the Policy Maximum Amount has been exhausted.

This benefit will not apply if the Insured is receiving the Cash Benefit or the Global Coverage Benefit.

Waiver of Premium Rider – Cash Benefit

Premiums will be waived on a monthly basis when the insured qualifies for this benefit. To qualify for this benefit, the Insured must meet the eligibility requirements and be receiving the Cash Benefit.

This benefit will end when the Insured no longer no longer qualifies for the Waiver of Premium Rider OR the Policy Maximum Amount has been exhausted.

The premium for benefits added while receiving this benefit will not be waived.

This waiver of premiums does not apply if the Insured is receiving the Global Monthly Cash Benefit.

Contingent Nonforfeiture Benefit Endorsement

After the expiration of the rate guarantee, if a substantial premium increase should occur, the Insured may choose to reduce the current Policy benefits or reduce the benefit period so that the required premium payments are not increased.

If the Policy lapses during the 120 day period after the premium increase, a change in benefits will automatically take effect. Benefits will continue with a Shortened Benefit Period. The Policy maximum benefit amount will be equal to all the premiums paid for all coverage combined. This amount will exclude any waived premiums. The minimum Policy maximum amount will be equal to 30 times the Long Term Care Facility Maximum Daily Benefit at the time the coverage would have lapsed. Combined benefits under the Policy and this Endorsement will not be more than the maximum amount payable for each benefit. Nor will they be more than the total benefits that would have been payable under the Policy if the Policy had not lapsed.

Optional Care Coordination Benefit

This benefit provides the Insured with a Care Coordinator who assesses needs and works with doctors and family members to develop a Plan of Care, helping ensure care is received when needed. Care Coordinator services do not reduce Policy Maximums for as long as the Insured Person maintains eligibility for benefits. The Optional Care Coordination Benefit is not subject to, nor will it be applied toward the satisfaction of the Elimination Period.

Remain at Home Benefit:

Bundles Therapeutic Device, Home Modification, Medical Alert System and Caregiver Training into one benefit. Maximum benefit is equal to 60 x the Facility Maximum Daily Benefit. Must be receiving the Optional Care Coordination Benefit. Services must be consistent with the Insured's care needs and provided according to a Plan of Care approved by the Care Coordinator. Payment is subject to eligibility, the Remain at Home Maximum Benefit and the Policy Maximum Amount. The Remain at Home benefit is not subject to nor will it be applied toward the satisfaction of, the Elimination Period

Therapeutic Device: Charges incurred for rental or purchase of a Therapeutic Device such as hospital style beds, crutches, wheelchairs, infusion pumps or respirators.

Home Modification: Charges incurred for minor modification to the Insured's home such as installing ramps, grab bars or similar accessibility modifications

Medical Alert System: Charges incurred for a communication system that is used solely for the purpose of calling for assistance in the event of a medical emergency.

Charges for normal telephone service, a home security system or any other similar service or device are not covered.

Caregiver Training: Charges incurred the Insured or Insured's volunteer caregiver to receive training in proper caregiving procedures

Respite Care

Designed to relieve the voluntary caregiver by providing short- term care in a long term care facility or in the Insured's home. Reimburses the actual, out-of-pocket charges up to 30 days per calendar year. Payment is subject to eligibility, the Maximum Daily Benefit and the Policy Maximum Amount. Benefits for Respite Care are not subject to, nor will they be applied toward the satisfaction of the Elimination Period.

Alternate Plan of Care Benefit

Benefit gives us discretion to consider whether We may want to cover alternate Qualified Long Term Care Services not otherwise expressly covered by the Policy. We will consider paying benefits based on the out-of-pocket expenses incurred under an Alternate Plan of Care only if: (1) Insured is receiving benefits under the Policy and (2) Insured requests in writing, prior to receipt of such services, that We consider payment for services not identified in the Policy; and (3) We determine that the Insured satisfies and continues to satisfy the eligibility requirements and (4) the cost of services under the Alternate Plan of Care requested is less expensive than the amount We would otherwise pay for Qualified Long Term Care Services; and (a) the services are clearly specified in the Plan of Care; and (b) the Alternate Plan of Care Benefit amount is agreed to in a written Alternate Plan of Care agreement that is signed by the Insured and Us.

Benefits paid reduce the Policy Maximum Amount. Benefits cannot be used to pay for any charges for services described in the General Exclusions and Limitations or Nonduplication of Coverage provisions of the Policy. The Alternate Plan of Care Benefit will not extend any benefit listed in the Policy that has been exhausted. Except for the Optional Care Coordination Benefit, the Alternate Plan of Care Benefit will not be paid when any other benefits for

care or services are being provided under the Policy. The Alternate Plan of Care Benefit may not be used to pay for services at any type of facility that is otherwise excluded from coverage under the terms of the Policy.

Days on which Insured receives alternate Qualified Long Term Care Services on or after the effective date of the Alternate Plan of Care agreement will count toward satisfaction of the Elimination Period. We will not pay this benefit until the Elimination Period has been satisfied. Waiver of Premium will apply only if the benefits the Insured is receiving qualify for a Waiver of Premium Benefit.

Deferred Benefit Increase Option (included if no other BIO chosen)

If the Insured has not had a claim or is not currently eligible to claim, he/she will have an opportunity to add the Compound Benefit Increase Option without evidence of insurability.

The offer will be extended to the Insured within 90 days prior to the first, the third and the fifth anniversary date of the Policy (if a Benefit Increase Option has not already been elected). The additional premium for this benefit will be based on the Insured's age when he/she added the Compound Benefit Increase Option to the Policy. Benefit increases begin on the Policy anniversary following the one in which the Insured makes the election.

Accident Benefit Endorsement (not available on substandard-rated policies)

Included if Insured is under age 67 at time of issue and only if a standard (or better) rating. Reimburses for out-of-pocket expenses for Qualified Long Term Care Services needed as a result of an Injury up to two times the Maximum Daily Benefit. The following conditions apply: (1) the Injury must occur after the Accident Benefit Endorsement effective date (2) the injury must occur before the Insured's 67th birthday and (3) prior to the injury, the Insured was not eligible for the payment of any benefits under the Policy. The Elimination Period must be satisfied if it applies to the type of benefits received.

All the benefits of the Policy are available through the Accident Benefit except the Cash Benefit and the extension of the Long Term Care Facility Benefit. We will not make payments under both the Accident Benefit and under the Policy. Payment of benefits is subject to the Maximum Benefit.

We will stop paying benefits when the (1) the Insured is no longer eligible for benefits; (2) the Insured is 67 – benefits end the Policy anniversary after the 67th birthday' or the Policy Maximum Benefit is exhausted.

Injury is defined as an unexpected and unintentional physical event. It is independent of and unrelated to any and all existing medical conditions. A medical event such as a Stroke, Heart Attack or Seizure is not an injury (whether or not there was a diagnosis of an underlying medical condition).

Return of Premium to Age 67 Endorsement

Included if Insured is under age 67 at time of issue. Benefit paid if Insured is younger than age 67 at the time of death. Benefit is equal to the sum of all premiums paid (excluding any waived premiums) minus the amount of benefits paid from the Policy date to the date of death.

OPTIONAL BENEFITS (ADDITIONAL PREMIUM REQUIRED)

Monthly Benefit Rider (must be receiving Optional Care Coordination Benefit for Home Care Maximum Monthly Benefit)

Provides a Long Term Care Facility Maximum Monthly Benefit and a Home Care Maximum Monthly Benefit. The eligibility requirements, maximums, exceptions and limitations of the Policy apply.

Long Term Care Facility Maximum Monthly Benefit reimburses for out-of-pocket expenses for services received during the calendar month. Benefits are paid based on the total services received during the month. Benefits can be used for Bed Reservation, Respite Care, or Hospice Care if the Insured is confined in a Long Term Care Facility (or Hospice Care Facility in the case of Hospice Care). The maximum benefit payable during each calendar month is the Facility Maximum Daily Benefit times 30. The monthly benefit will be prorated if the requirements are met for only part of a month (the maximum benefit payable will be the number of days the Insured incurs out-of-pocket expenses times the Maximum Daily Benefit).

Home Care Maximum Monthly Benefit reimburses for out-of-pocket expenses for Home Care Services, Home Health Care Services and Adult Day Care received during a calendar month. The Maximum Monthly Benefit can also be used for Respite Care or Hospice Care received in the Insured's home. The maximum benefit payable during a calendar month will be calculated by multiplying the Home Care and Adult Day Care Maximum Daily Benefit times 30. The monthly benefit will be prorated if the requirements are met for only part of a month. This benefit is available only if receiving the Optional Care Coordination Benefit. The Care Coordinator must approve the provider of care or services.

Shared Care Benefit Rider

If elected, the Shared Care Benefit Rider allows couples to use each other's Policy benefits if the Maximum Benefit has been exhausted on one of the policies. It is available to couples that purchase and maintain identical policies. This means that if one person upgrades their benefits, the other must do so as well or the Shared Care Benefit Rider will end. This applies to decreases in benefits as well.

To apply for this benefit, the two people must be spouses as defined in the Policy or domestic/civil union partners as defined in the appropriate endorsement, if applicable.

Issue Limitations

Certain other benefits and plan designs are not available with this rider. The Shared Care Benefit Rider is not available with the Return of Premium benefit. It is also not available if the couple chooses an Unlimited Maximum Benefit. Finally, the rider is not available to Insureds who are rated classes 3 -6.

Using the Shared Care Benefit

The Shared Care Consent Form [TLC 1-SCCF 0510] is an administrative form required to be completed when two people who have the Rider want to allow one person to use the other person's Policy benefits. If it is not completed and returned to us, we will NOT allow him/her to use the other person's Policy. *Please note. The person with benefits remaining does not have to give consent. He or she could choose not to let his/her spouse or domestic/civil union partner use his/her Policy benefits.*

Benefit Upon Death of Spouse or Domestic/Civil Union Partner

If the Shared Care Benefit Rider is in force when we are notified of the death of a Spouse or Domestic/Civil Union Partner, we will remove the charge for the Rider from the survivor's premium going forward and add any remaining Maximum Benefit of the deceased Spouse's or Domestic/Civil Union Partner's Policy to the survivor's Policy.

Right to Purchase Additional Coverage (Not available in all states)

If the Insured's Spouse or Domestic/Civil Union Partner exhausts the Maximum Benefit of the Insured's Policy, the Insured has the option to purchase 2 more years of coverage. No underwriting will be required to exercise this option. Premiums for the additional coverage will be based on Our current table of rates and the Insured's attained age on the date of purchase. The right to purchase additional coverage will not be available if: the Maximum Benefit is exhausted on or after the Insured's 91st birthday; the Insured has met the Benefit Eligibility requirements of the Policy within the 2-year period prior to the date the Maximum Benefit was exhausted; or the Insured is the one who exhausted the Maximum Benefit.

Full Restoration of Benefits Rider

Provides for the Policy Maximum Amount to be restored one time during the life of the Policy if the eligibility requirements are met. Eligibility for this benefit includes: (1) the Insured does not meet the definition of a Chronically Ill individual for 180 consecutive days; the 180 consecutive days begins when the Insured's condition is verified by us through an assessment (2) the Insured does not receive any qualified long term care services during the 180 days (3) we must be notified that a Licensed Health Care Practitioner has certified the Insured as no longer Chronically Ill and this certification must be filed with us. Back-dated certifications are not accepted.

Policy maximum benefits will be restored as if no benefits had been paid. The Remain at Home Maximum Benefit will be restored in the same way (and only one time). The restored benefits can only be used for confinement or care that is subject to the Policy Maximum Amount.

The Global Coverage Benefit will not be restored under this Rider. The rider ends the earliest of: (1) the date the Policy ends; or (2) when the Policy is continued under any nonforfeiture or contingent nonforfeiture benefit; or (3) the date the Policy or Rider is cancelled.

Waiver of Premium Rider – Home Care and Adult Day Care (included unless removed by Underwriting; not available with substandard-rated policies)

Premiums are not required under this Rider if the Insured is receiving the Home Care and Adult Day Care Benefit or Home Care Services, Home Health Care Services or Adult Day Care Services under the Accident Benefit Endorsement. The requirements for eligibility must be met and the Elimination Period, if any, must be met. This benefit ends when the Insured no longer qualifies for this Waiver of Premium benefit or the Lifetime Maximum Benefit Amount has been exhausted. If benefits are added while premiums are being waived, premium for those added benefits must continue to be paid (they are not waived).

Waiver of Premium Rider – Cash Benefit (included unless removed by Underwriting; not available with substandard-rated policies)

Premiums are not required under this Rider if the Insured is receiving the Cash Benefit. The requirements for eligibility must be met and the Elimination Period, if any, must be met. This benefit ends when the Insured no longer qualifies for this Waiver of Premium benefit or the Policy Maximum Amount has been exhausted. If benefits are

added while premiums are being waived, premium for those added benefits must continue to be paid (they are not waived).

Joint Waiver of Premium Rider (not available with substandard-rated policies)

Premium are waived for the same months that premiums are waived for the Spouse/Partner's Policy under the Waiver of Premium Benefit. We will stop waiving premiums when we stop waiving premiums for the Spouse/Partner's Policy.

This benefit is available only if: (1) both Insured and Spouse/Partner have identical policies in force with Us under the same Policy form series which includes the Joint Waiver of Premium Rider and (2) the Insured's Spouse/Partner qualifies for and receives the Waiver of Premium Benefit under the same Policy form series.

The Joint Waiver of Premium Rider ends when: (1) the Policy Maximum Amount has been exhausted by wither Insured or Spouse/Partner; (2) the Insured's or Spouse/Partner's Policy is continued under any nonforfeiture or contingent nonforfeiture benefit; (3) the Insured's or Spouse/Partner's Policy ends; or (4) the date we receive a written request to cancel this Rider or the Policy.

Return of Premium Upon Death Rider (not available with substandard-rated policies)

Pays a benefit equal to the sum of all premiums paid less the amount of any benefits paid upon the Insured's death. Waived premiums are excluded from the calculation of all premiums paid. Benefit is also paid if the Policy should lapse and the Insured's death occurs within 90 days of the date the last premium payment was due. This rider is **not available with the Shared Care Benefit Rider.**

Nonforfeiture Benefit – Shortened Benefit Period Rider

After coverage has been in effect for at least 3 full years, coverage will continue on a limited basis if it would have otherwise lapsed. The daily benefit amounts are the same amounts in effect at the time the coverage would have lapsed. The total benefit amount is equal to all the premium paid for all coverage combined; waived premium amounts are not included in this total. All eligibility requirements and any elimination period will continue to apply. To the extent that any of the eligibility requirements or the elimination period was satisfied before the Policy would have lapsed, it will be satisfied when under this Rider. All optional coverage, including a Benefit Increase Option Rider of any kind, will end and benefits will not continue to increase under any Benefit Increase Option Rider. No Return of Premium benefit will be paid under this Rider.

Compound Benefit Increase Option

Provides for an annual 3% or 5% increase of the current benefit amounts of the Policy. The 5% option must be rejected before selecting the other BIOs. When determining the increase in benefits each year, the Lifetime Maximum Benefit Amount is adjusted for claims paid. The Remain At Home Maximum Benefit will also be adjusted by claims paid before the increase is calculated.

Step-Rated Compound Benefit Increase Option

Premiums begin lower and increase by 3% or 5% of the current year's premium as the benefit increases by 3% or 5% of the current benefit amount of the Policy. When determining the increase in benefits each year, the Maximum

Benefit Amount is adjusted for claims paid. The Remain At Home Maximum Benefit will also be adjusted by claims paid before the increase is calculated.

Step-Rated Compound Benefit Increase Option is not available for worksite sales but is allowed for association sales.