

UNUM Life Insurance Company of America
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Portland, Maine 04122
(207) 575-2211

LONG TERM CARE INSURANCE POLICY OUTLINE OF COVERAGE
FOR THE EMPLOYEES OF
MADISON METROPOLITAN SCHOOL DISTRICT
(the Policyholder)
Policy Number **538409**

Caution: If you must complete an Application for Long Term Care Insurance which includes evidence of insurability, the issuance of a long term care insurance certificate will be based on your response to the questions in your application. A copy of your Application for Long Term Care Insurance was retained by you when you applied. If your answers are incorrect or untrue, UNUM may have the right to deny benefits or rescind your coverage. 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 UNUM at this address: UNUM Life Insurance Company of America, 2211 Congress Street, Portland, Maine 04122.

NOTICE TO BUYER: This plan may not cover all of the costs associated with long term care which you may incur during the period of coverage. You are advised to review carefully all coverage limitations.

1. The policy is a group policy of insurance which was issued in **Wisconsin**.

2. PURPOSE OF OUTLINE OF COVERAGE

This outline of coverage provides a very brief description of the important features of the plan. You should compare this outline of coverage to outlines of coverage for other plans available to you.

This is not an insurance contract, but only a summary of coverage. Only the Policy contains governing contractual provisions. This means that the Policy sets forth in detail the rights and obligations of both you and UNUM. Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR CERTIFICATE CAREFULLY!**

3. TERMS UNDER WHICH THE GROUP COVERAGE THROUGH THE PLAN MAY BE CONTINUED IN FORCE OR DISCONTINUED

• **RENEWABILITY**

THE POLICY IS GUARANTEED RENEWABLE. This means that you have the right, subject to the terms of the policy, to continue this coverage as long as you pay your premiums on time. UNUM cannot change any of the terms of the policy on its own except that, in the future, IT MAY INCREASE THE PREMIUM YOU PAY.

• **WHEN COVERAGE WILL END**

Your coverage will end on the earliest of these dates;

- the date the Policy ends,
- the date you are no longer an Active employee with the Policyholder,
- the date you no longer work for the Policyholder,
- the end of the period for which premiums were last paid to UNUM for your coverage,
- the date your total benefit payments equal your Lifetime Maximum Amount, or
- the date you die.

If you are absent from work at the Policyholder for any reason, you will continue to be covered for group coverage if the Policyholder continues to pay premiums to UNUM.

• **CONVERTED COVERAGE**

If your group long term care coverage ends, for reasons other than your choice to have premium payments stopped for your coverage, you may elect converted coverage. This means the same coverage you had under this plan can continue on a direct billed basis. If you are already direct billed, your coverage will automatically transfer to converted coverage.

Election for converted coverage must be made within 31 days of the date the group coverage would otherwise end. Any premium that applies must be paid directly to UNUM by you for any converted coverage to be continued.

- **WAIVER OF PREMIUM**

When benefits become payable, there will be no more cost for your coverage as long as you continue to be eligible for a monthly benefit.

If your plan includes Professional Home Care Services and you do not receive these services for a period of 30 consecutive days, premium payments will again become due.

Premiums are not waived while you are receiving a payment for Respite Care.

- **RIGHT TO CHANGE PREMIUMS**

The rate will not increase because you grow older or because of your use of the benefits. However, the rate schedule may change in the future depending on the overall use of the benefits of all covered persons or changes in the benefit levels, plan design or other risk factors. Any such change will be made on a class basis according to UNUM's underwriting risk studies under this type of insurance. Any premium rate increase after the initial 3 year period is guaranteed for at least 2 years after its effective date.

4. TERMS UNDER WHICH THE CERTIFICATE MAY BE RETURNED AND PREMIUM REFUNDED

- You have a 30 day right to examine the certificate. If, after examining the certificate, you are not satisfied for any reason, you may withdraw your enrollment in the plan by returning your certificate within 30 days of its delivery to you. The certificate, together with a written request for withdrawal must be sent to the Plan Administrator. Upon receipt, your insurance will be deemed void from its effective date and any premium contribution(s) paid will be returned.
- Premiums for additional, increased or terminated insurance may cause a pro-rata adjustment on the next premium due.

5. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE

If you are eligible for Medicare, review the Guide To Health Insurance for People With Medicare available from UNUM. You may obtain a copy of the Guide by calling 1-800-227-4165. UNUM Life Insurance Company of America is not representing Medicare, the federal government or any state government

6. LONG TERM CARE COVERAGE

Plans of this category are designed to provide coverage for one or more diagnostic, preventative, therapeutic, rehabilitative, maintenance or personal care services, provided in a setting other than an acute care unit of a hospital, such as a nursing home, in the community, or in the home.

This plan provides coverage in the form of a fixed dollar indemnity monthly benefit if you become Disabled, and are receiving care while confined in a Long Term Care Facility or Assisted Living Facility. We will pay a Home Care benefit if you elect to receive care other than in a Long Term Care Facility or Assisted Living Facility.

Coverage is subject to policy limitations, benefit maximums and elimination periods.

7. BENEFITS PROVIDED BY THE POLICY

You are eligible for a monthly benefit if after the effective date of your coverage and while your coverage is in effect:

- you suffer the loss of 2 or more ADLs, or
- you suffer Severe Cognitive Impairment; and
- you are receiving services in a Long Term Care Facility or Assisted Living Facility; or Professional Home Care Services if your plan includes a Professional Home Care Services benefit; or Total Home Care if your plan includes a Total Home Care benefit;
- you have satisfied your Elimination Period; and

- a Physician has certified that you are unable to perform (without Substantial Assistance from another individual) two or more ADLs for a period of at least 90 days, or that you require Substantial Supervision by another individual to protect you and others from threats to health or safety due to Severe Cognitive Impairment. You will be required to submit a Physician certification every 12 months.

A monthly benefit will become payable once all of these requirements are met.

The treatment and services you receive for your Disability must be provided pursuant to a plan of care developed by a Licensed Health Care Practitioner.

After you satisfy the Elimination Period, we will pay you:

the Long Term Care Facility Benefit Amount if you receive care while confined in a Long Term Care Facility. Your confinement must be because you are receiving care and need either: (1) Substantial Assistance from another person to perform 2 or more Activities of Daily Living (ADLs); or (2) Substantial Supervision because you suffer from Severe Cognitive Impairment, or

the Assisted Living Facility Benefit Amount if you are Disabled and are receiving services in an Assisted Living Facility.

The Assisted Living Facility Benefit Amount will be the greater of:

- (1) 60% of the Long Term Care Facility Benefit Amount; or
- (2) the Total Home Care or Professional Home Care Services Benefit Amount shown on the SCHEDULE OF BENEFITS.

Professional Home Care Services Benefit:

We will pay you 1/30th of the Monthly Professional Home Care Services Benefit Amount for each day you receive Professional Home Care Services if:

- a. you are Disabled and under the regular care of a licensed or certified professional; and
- b. you choose to receive care anywhere other than in a Long Term Care Facility, or Assisted Living Facility.

This care can be provided at any type of facility, such as an adult day care facility, or your home by/through a licensed Home Health Care Provider.

OPTIONAL BENEFITS AVAILABLE

Nonforfeiture Benefit (Shortened Benefit Period)

If your coverage lapses due to nonpayment of premium after your coverage has been in force for three years, you will be eligible for a Nonforfeiture Benefit. This means your coverage will continue in force with the same level of benefits, except for a reduction in your Lifetime Maximum Amount.

Inflation Protection Provision - 5% Compound Inflation With No Cap

Your Monthly Benefit Amount will increase each year on January 1st by 5% of the Monthly Benefit in effect on that January 1st. Increases will be automatic and will occur regardless of your health and whether or not you are Disabled. Your premium will not increase due to automatic increases in your Monthly Benefit Amount.

The benefit paid is subject to the Lifetime Maximum Benefit Amount. Benefits are not paid during the Elimination Period.

Refer to the graphic Comparison Chart of Inflation, located in Section 9 of this Outline of Coverage

IMPORTANT TERMS YOU SHOULD KNOW

"Activities of Daily Living" (ADLs) are:

- BATHING - washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower with or without equipment or adaptive devices.

- DRESSING - putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
- TOILETING - getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- TRANSFERRING - moving into or out of a bed, chair or wheelchair with or without equipment such as canes, quad canes, walkers, crutches or grab bars, or other supportive devices including mechanical or motorized devices.
- CONTINENCE - the ability to maintain control of bowel or 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).
- 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.

“Adult Day Care” means a community-based program offering health, social and related support services to impaired adults. Adult Day Care can be provided by:

- a Home Health Care Provider; or
- an Adult Day Care Facility.

“Adult Day Care Facility” means a facility that operates under applicable state licensing laws and any other laws that apply, or meets the following tests:

- operates a minimum of 5 days a week;
- remains open for at least 6 hours a day;
- is not an overnight facility;
- maintains a written record of care on each patient;
- includes a plan of care and record of services provided;
- has a staff that includes a full-time director and at least one registered nurse who are there during operating hours for at least 4 hours a day;
- has established procedures for obtaining appropriate aid in the event of a medical emergency; and
- provides a range of physical and social support services to adults.

“Custodial Care” means the type of care that can be provided by persons without medical skills or extensive training to assist you in performing the Activities of Daily Living.

“Disability” and “Disabled” mean:

- you are unable to perform, without Substantial Assistance from another individual, at least two Activities of Daily Living; or
- you require Substantial Supervision by another individual to protect you from threats to health and safety due to Severe Cognitive Impairment.

“Elimination Period” is the number of **consecutive** days during which you must continue to be eligible for a monthly benefit before a benefit becomes payable. The Elimination Period must be satisfied **in full** before benefits become payable. Once the Elimination Period is satisfied **in full**, you will never have to satisfy it again in your lifetime.

“Intermediate Nursing Care” means basic care including physical, emotional, social and other restorative services under periodic medical supervision. This nursing care requires the skill of the registered nurse in administration, including observation and recording of reactions and symptoms, and supervision of nursing care.

“Lifetime Maximum Amount” is the maximum that UNUM will pay you for all long term care benefits. You have your own Lifetime Maximum.

"Professional Home Care Services" means:

- visits to your residence by a Home Health Care Provider to provide skilled nursing care; physical, respiratory, occupational, dietary or speech therapy; and homemaker services. Each one hour or more per day of a Home Health Care Provider's services will be considered one visit;
- Adult Day Care; or
- Hospice Care

The treatment and services you receive must be provided pursuant to a written plan of care developed by a Licensed Health Care Practitioner.

Professional Home Care Services do not include services performed by your spouse, daughter, son, parent, sister, brother, grandparent or grandchild through a Home Health Care Provider or an Adult Day Care Facility.

"Respite Care" means care provided to you for a short period of time to allow your informal caregiver a break from their caregiving responsibilities. If you are eligible for a home care monthly benefit but benefits have not yet become payable, payments will be made to you for each day you receive Respite care for up to 15 days each calendar year. The amount of your payment will equal 1/30th of your home care monthly benefit for each day that you receive Respite care.

"Severe Cognitive Impairment" means a severe deterioration or loss in intellectual capacity, as reliably measured by clinical evidence and standardized tests in:

- short or long term memory;
- orientation to people, places or time; and
- deductive or abstract reasoning; or

"Skilled Nursing Care" means care furnished on a Physician's orders which requires the skills of professional personnel such as a registered or licensed practical nurse and is provided either directly by or under the supervision of these personnel.

"Substantial Assistance" means stand-by assistance by another person without which you would not be able to safely and completely perform the ADL.

"Substantial Supervision" means the presence of another individual for the purpose of protecting you from harming yourself or others.

8. LIMITATIONS AND EXCLUSIONS

UNUM will not make long term care payments to you for:

- a Disability caused by war (whether declared or not) or any act of war,
- a Disability caused by attempted suicide (while sane or insane) or self-destruction,
- a Disability caused by a commission of a crime for which you have been convicted under state or federal law or attempting to commit a crime under state or federal law,
- Disabilities or confinements during which you are outside of the United States, its territories or possessions for longer than 30 days,
- a Disability caused by voluntary use of any controlled substance unless the controlled substance is prescribed for you by a Physician. ("Controlled substance" is defined in Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 and all amendments), or
- a period in which you are confined in a hospital other than if you are confined in a nursing facility that is a distinctly separate part of a hospital (this exclusion does not apply to those periods covered under the Bed Reservation benefit), or
- a Disability caused by psychological or psychiatric or mental conditions, regardless of cause, which include:
 - depression,
 - generalized anxiety disorders,
 - personality disorders,

- schizophrenia,
- manic depressive disorders, or
- adjustment disorders and other conditions that are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs or similar methods of treatment.

However, UNUM will make payments to you for conditions that are not psychological, psychiatric or mental in nature, including Alzheimer's disease or similar forms of irreversible dementia.

Pre-Existing Conditions Exclusion

If you do not have to complete an Application for Long Term Care Insurance, which includes evidence of insurability, a pre-existing conditions exclusion may apply to you.

"Pre-Existing Condition" means any condition that exists for which medical advice was given or treatment was recommended by or received from a Physician within six months before the effective date of coverage.

UNUM will not make any payments to you if your eligibility for the Monthly Benefit is based on Severe Cognitive Impairment or the loss of an ADL that is caused by, contributed to by, or results from a pre-existing condition, and is present during the first six months after your coverage begins.

THIS PLAN MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG TERM CARE NEEDS.

9. 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 this plan may be adjusted.

- **COST**

The premium rate paid for your coverage over the duration of your initial coverage or for any increases is based on your insurance age. To determine insurance age, subtract your date of birth from the date you are applying for initial coverage or for any increase in coverage.

- **ELECTION TO INCREASE COVERAGE**

You can apply at any time to increase coverage by filling out a new Benefit Election Form and Application for Long Term Care Insurance which includes evidence of insurability.

INFLATION PROTECTION COMPARISON

The following chart is an example comparison of monthly benefits with and without the Compound Inflation Protection Option.

	<u>Without Inflation Protection</u>	<u>With 5% Uncapped Compound Inflation Protection</u>
<u>Policy Year</u>	<u>Monthly Benefit</u>	<u>Monthly Benefit</u>
1	\$2000.	\$2100.
2	\$2000.	\$2205.
3	\$2000.	\$2315.
4	\$2000.	\$2431.
5	\$2000.	\$2553.
6	\$2000.	\$2680.
7	\$2000.	\$2814.
8	\$2000.	\$2955.
9	\$2000.	\$3103.
10	\$2000.	\$3258.
11	\$2000.	\$3421.
12	\$2000.	\$3592.
13	\$2000.	\$3771.
14	\$2000.	\$3960.
15	\$2000.	\$4158.
16	\$2000.	\$4366.
17	\$2000.	\$4584.
18	\$2000.	\$4813.
19	\$2000.	\$5054.
20	\$2000.	\$5307.

10. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS

The policy provides coverage for Severe Cognitive Impairment. Severe Cognitive Impairment is not related to the inability to perform ADLs. Rather, Severe Cognitive Impairment means that you have lost the ability to reason and suffer a decrease in awareness, intuition and memory. Examples of conditions which may cause Severe Cognitive Impairment are: Alzheimer's disease, multi-infarct dementia, brain injury, brain tumors, and other such structural alterations of the brain.

11. PREMIUM

The initial premium charges will be figured at the premium rates as shown on the attached pages. These charges will not be increased during the initial 3 years in which the policy is in force, unless the terms of the policy or certificateholder's plan of insurance are changed. UNUM may change the premium rates when the terms of the policy are changed.

12. RIGHT OF APPEAL

UNUM will notify you, in writing, if a claim or any part of a claim is denied. The denial letter will state:

- the specific reason(s) for the denial with reference to the applicable policy provision(s);
- a description of any additional material or information, if any, necessary to complete the claim; and
- an explanation of why the additional material is necessary.

If you are not satisfied with the reason for the denial, you or your representative may ask to have the claim reviewed by UNUM's Quality Review Section. The request must be in writing and may include any supporting material or information that may help UNUM to review the claim.

With proper authorization, you may request copies of the pertinent documents used for the claim review. In some cases, UNUM may request that you provide additional information to assist in the review.

Within 30 days after receipt of the request or after the date all the needed information has been received from you, UNUM will notify you or your representative of UNUM's determination, in writing. An explanation of the determination will also be provided.

13. ADDITIONAL FEATURES

- Medical underwriting may be required
- Eligibility and Participation
 - You are eligible for the plan if you are:
 - an Active or Retired employee of the Policyholder and your family members.