

**LONG TERM CARE INSURANCE  
OUTLINE OF COVERAGE  
FOR THE EMPLOYEES OF  
BLUMENCRANZ KLEPPER WILKINS AND DUBOFSKY LTD.  
(the Employer)  
Group Master Policy/Certificate Form Number 221150**

**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, First 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 First Unum at this address: First Unum Life Insurance Company, 99 Park Avenue, 6<sup>th</sup> Floor, New York, New York 10016.

***The Summary of Benefits is intended to be a qualified Long Term Care Insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986.***

1. The Summary of Benefits is delivered in and is governed by the laws of the governing jurisdiction **New York** and to the extent applicable by the Employee Retirement Income Security act of 1974.

The Summary of Benefits is part of the Select Group Insurance Trust situated in New York. Manufacturers Hanover Trust is the Trustee.

2. **PURPOSE OF OUTLINE OF COVERAGE**

This outline of coverage provides a 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 Summary of Benefits contains governing contractual provisions. This means that the Summary of Benefits sets forth in detail the rights and obligations of both you and First 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 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 cancelled insurance may cause a pro-rata adjustment on the next premium due date.

4. **THIS IS NOT MEDICARE SUPPLEMENT COVERAGE**

If you are eligible for Medicare, review the "Guide to Health Insurance for People with Medicare" available from First Unum. You may obtain a copy of the Guide by calling 1-800-321-0751. First Unum Life Insurance Company is not representing Medicare, the federal government or any state government.

## 5. LONG TERM CARE COVERAGE

Plans of this category are designed to provide coverage for not less than twenty-four (24) consecutive months for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community or in the home.

This plan provides coverage in the form of a fixed dollar indemnity benefit if you become disabled and you are receiving care while confined in a Long Term Care Facility or Assisted Living Facility. If you purchase Total Home Care or Professional Home Care Services coverage, we will pay you a benefit if you elect to receive care other than in a Long Term Care Facility or Assisted Living Facility. Coverage is subject to limitations, benefit maximums and elimination periods set forth in the Summary of Benefits.

## 6. BENEFITS PROVIDED BY THE SUMMARY OF BENEFITS

For a brief summary of your long term care benefits and features, see the attached Schedule of Benefits.

### Monthly Benefit:

You will qualify to receive monthly payments from First Unum after:

- you become disabled;
- you are receiving services in a Long Term Care Facility or Assisted Living Facility; or you are receiving Professional Home Care Services if your plan includes a Professional Home Care Services Benefit; or you are receiving Total Home Care if you 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.

The treatment and services you receive for your disability must be provided pursuant to a written plan of care developed by a licensed health care practitioner. The benefit paid is subject to the Lifetime Maximum Benefit Amount. Benefits are not paid during the Elimination Period.

The amount of the monthly benefit you will receive will be based on the plan of coverage you choose; any options you choose, if available; and the place of residence used for long term care as reflected on the attached Schedule of Benefits.

## IMPORTANT TERMS YOU SHOULD KNOW

**Activities of Daily Living (ADLs) are:** BATHING, DRESSING, TOILETING, TRANSFERRING, CONTINENCE and EATING.

**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 means:** the number of consecutive days you must wait before receiving benefits. The Elimination Period begins once you become Disabled and are receiving care at the level of care in your plan. The Elimination Period is shown in the Schedule of Benefits.

**Lifetime Maximum Amount means:** the total dollar amount of benefits that will be paid under the Policy. The Lifetime Maximum Amount is shown in the Schedule of Benefits.

**Respite care means:** formal care provided to you for a short period of time to allow your informal caregiver a break from his/her caregiving responsibilities.

**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.

Such deterioration or loss requires substantial supervision by another individual for the purpose of protecting you from harming yourself or others. The loss can result from a disability, Alzheimer's disease or similar forms of demonstrable organic brain disease.

**Substantial assistance means:** stand-by assistance by another person without which you would not be able to safely or completely perform the ADL.

**Substantial supervision means:** the presence of another individual for the purpose of protecting you from harming yourself or others.

### **Professional Home Care Services Benefit**

Professional Home Care Services can be provided at any other type of facility, such as an Adult Day Care Facility, a Hospice Facility or your home through a licensed Home Health Care Provider. Professional Home Care may include skilled nursing care; physical, respiratory, occupational, dietary or speech therapy; and homemaker services. You must give us proof indicating days of Professional Home Care Services provided to you before a benefit will be paid.

The treatment and services you receive for your disability must be provided pursuant to a written plan of care developed by a licensed health care practitioner.

## **OPTIONAL BENEFITS AVAILABLE**

### **Total Home Care Benefit**

Total Home Care can be provided at any other type of facility, such as an Adult Day Care Facility, a Hospice Facility or your home. Total Home Care services include:

- visits to your residence by a licensed Home Health Care Provider to provide skilled nursing care; physical, respiratory, occupational, dietary or speech therapy; and homemaker services;
- Adult Day Care;
- Hospice Care; or
- care provided by an informal caregiver, such as your friends or relatives.

The treatment and services you receive for your disability must be provided pursuant to a written plan of care developed by a licensed health care practitioner.

### **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. Your remaining Lifetime Maximum Benefit Amount will also increase. 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 Amount. Benefits are not paid during the Elimination Period.

**Refer to the graphic Comparison Chart of all types of Inflation, located at the end of this Outline of Coverage**

## **7. LIMITATIONS AND EXCLUSIONS**

First Unum will not make long term care payments to you for:

- disabilities caused by war (whether declared or not) or any act of war,
- disabilities caused by attempted suicide or self-destruction,
- disabilities caused by the commission of or attempt to commit a felony,
- disabilities or confinements during which you are outside the United States, its territories or possessions for longer than 30 days,
- any days over fifteen days during which you are confined in any facility for acute care (acute care is medical care obtained as a result of an injury or a sickness requiring immediate medical intervention),
- confinement in a facility for which no charge is normally made in the absence of insurance, except Medicaid
- disabilities caused by alcoholism,
- disabilities 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
- disabilities caused by psychological or psychiatric conditions which include:
  - depression,
  - generalized anxiety disorders,
  - personality disorders,
  - schizophrenia, or
  - manic depressive disorders whether treated by drugs, counseling or other forms of therapy.

However, First Unum will make payments to you for conditions that are not psychological or psychiatric in nature, including Alzheimer's disease, multi-infarct dementia, or Parkinson's disease.

### **Preexisting Conditions Limitation**

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

First Unum will not make any payments to you for any disability that is caused by, contributed to by, or results from a preexisting condition. A preexisting condition is any condition that exists for which you:

- received medical treatment, consultation, care or services, including diagnostic measures for the condition, or
- took drugs or medicines that were prescribed for the condition during the six month period right before your coverage began.

A condition will cease to be a preexisting condition six months after your coverage begins.

This preexisting conditions limitation will apply to all insurance that does not require evidence of insurability.

First Unum will continue monthly benefit payments to you until the earliest of the following dates:

- the expiration of your physician certification,
- the date you no longer are disabled,
- the date you no longer qualify to receive a monthly payment under the long term care plan of coverage you chose,
- the date your total benefit payments equal the Lifetime Maximum Amount shown in the Schedule of Benefits; or
- the date you die.

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

**8. 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**

You pay the cost of coverage. the rate you pay over the duration of your initial coverage or for any increases is based on your insurance age.

- **ELECTION TO INCREASE COVERAGE**

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

**9. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS**

The Summary of Benefits 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.

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

- **RENEWABILITY**

**THE SUMMARY OF BENEFITS IS GUARANTEED RENEWABLE.** This means you have the right, subject to the terms of the Summary of Benefits, to continue this coverage as long as you pay your premiums on time. However, while you have the right to continue this coverage, in the future, if changes are needed to maintain the tax deductibility of the coverage, you may be given the opportunity to make the needed changes. If you choose not to make the needed changes, your coverage may lose its tax deductibility.

First Unum cannot change any of the terms of the Summary of Benefits 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 Summary of Benefits under the policy ends,
- the date you no longer are in an eligible class,
- the date your class no longer is included for insurance,
- the date your total benefit payments equal your Lifetime Maximum Amount,
- the end of the period for which premiums were last remitted to First Unum for your coverage,
- the date you no longer are an active employee with the Employer, or
- the date you die.

If your coverage ends for any reason other than your choice to have premium payments stopped for your coverage, you may continue coverage after the date it would normally end.

- **PORTABLE COVERAGE**

If group long term care coverage ends, you or your authorized representative may elect portable coverage for you. This means that the same coverage you had under this plan can continue on a direct billing basis. Retired employees and any other persons who are direct billed will automatically transfer to portable coverage.

But, if your group long term care coverage ends because you chose to have premium payments stopped for your coverage, you may not elect portable coverage.

Any election for portable coverage must be made within 45 days of the date the group coverage would otherwise end. If so elected, you are a portable insured.

Any premium that applies must be paid directly to First Unum by you for any portable coverage to be continued.

Also, the rate schedule for portable coverage may change in the future depending on the overall use of the benefits by all covered persons or changes in the benefit levels or other risk factors. Any such change will be made on a class basis according to First Unum's underwriting risk studies.

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

## 11. PREMIUM

Premiums are based on the plan design selected and the Insurance Age of each enrolled person. First Unum may change the premium rates when the terms of the Summary of Benefits are changed.

- **PREMIUM WAIVER**

Long Term Care Facility

When benefits become payable, there will be no more cost to you for your coverage as long as you continue to be disabled and reside in a Long Term Care Facility.

Professional Home Care

When benefits become payable, there will be no more cost to you for your coverage as long as you continue to be disabled and receive Professional Home Care.

If you do not receive Professional Home Care for a period of 30 consecutive days, premium payments will again become due. To continue your coverage, you must resume premium payments on the next premium due date following this 30-day period.

Total Home Care

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

- **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 First Unum's underwriting risk studies under this type of insurance.

## 12. ADDITIONAL FEATURES

- Medical underwriting may be required
- Eligibility and Participation  
You are eligible for the plan if you are:
  - an active employee of the Employer, and your family members
- The expected benefit ratio for this plan was 70% at the time the plan was issued. This ratio is the portion of future premiums which First Unum expects to return as benefits, when averaged over all people with this plan. The expected benefit ratio will vary in the future based on a number of developing factors, including overall claims experience. The expected benefit ratio will vary in the future based on a number of developing factors, including overall claims experience.

### COMPARISON OF BENEFITS WITH AND WITHOUT INFLATION PROTECTION

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.