

UNUM Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122
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**LONG TERM CARE INSURANCE
OUTLINE OF COVERAGE
FOR EMPLOYEES OF**

CITY OF AUBURN
(the Sponsoring Organization)

Group Master Policy/Certificate Form Number **573342**

THE POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from UNUM. If you have a Medicare Supplement Policy or Major Medical Policy, this coverage may be more than you need. For information call the Bureau of Insurance at 1-800-562-6900.

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.

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

The Summary of Benefits is a part of the Select Group Insurance Trust situated in Maine. Fleet Bank 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 UNUM.

Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR CERTIFICATE CAREFULLY!**

3. *This policy is intended to be a qualified Long Term Care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986. However, the policy might not be certified as a Long Term Care Policy for tax incentives under Section 5055, Title 24-A of the Maine Insurance Law.*

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

- **RENEWABILITY**

THE POLICY IS GUARANTEED RENEWABLE. This means 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 your total benefit payments equal your Lifetime Maximum Amount,
- the date the Summary of Benefits ends,
- the date you are no longer in an eligible class,
- the date your class is no longer included for insurance,
- the date you are no longer an active employee with the Sponsoring Organization,
- the date you no longer work for the Sponsoring Organization,
- the end of the period for which premiums were last paid to UNUM for your coverage, or
- the date you die.

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

- **PORTABLE 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 portable coverage. This means that the same coverage you had under this plan can continue on a direct billed basis.

Election for portable 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 portable coverage to be continued.

- **PREMIUM WAIVER**

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 (**Refer to the Schedule of Benefits to determine whether the Sponsoring Organization’s plan provides this benefit**) 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.

5. 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 date.

6. 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.

7. LONG TERM CARE COVERAGE

Plans of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventative, 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. Coverage is subject to policy limitations, benefit maximums and elimination periods.

8. BENEFITS PROVIDED BY THE POLICY

REFER TO THE ATTACHED SCHEDULE OF BENEFITS FOR THE BENEFITS AVAILABLE UNDER THE SPONSORING ORGANIZATION'S PLAN.

You may be eligible for a Monthly Benefit after:

- you become Disabled;
- 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;
- a Physician has certified that you are unable to perform (without Substantial Assistance from another individual) two or more Activities of Daily Living (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 amount of your Monthly Benefit will be based on the coverage options you chose and the place of residence used for long term care. If your coverage includes Professional Home Care Services, the benefit payment will be based on the number of days you receive these services.

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.

“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.

“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 dementia.

Activities of Daily Living are Bathing, Dressing, Toileting, Transferring, Continence and Eating.

The **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.

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

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
- 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.

Respite Care: 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.

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.

OPTIONAL BENEFITS AVAILABLE

Total Care Benefit: We will pay you the Monthly Total Care Benefit Amount if you are Disabled and receiving care and 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. Care can be provided to you by:

- a. a formal caregiver, such as a licensed Home Health Care Provider, a registered nurse, a licensed practical nurse, or
- b. an informal caregiver, such as a friend or relative.

Inflation Protection Provision - 5% Compound Inflation With No Cap

Your Monthly Benefit will increase each year on the 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.

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 all types of Inflation, located in Section 10 of this Outline of Coverage

9. 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 the United States, its territories or possessions for longer than 30 days,
- any days over fifteen days in each calendar year 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),
- a Disability caused by alcoholism, or
- 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).

Pre-existing Conditions Limitation

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

UNUM will not make any payments to you during the first six months after your coverage begins for any Disability that is caused by, contributed to by, or results from a pre-existing condition, and begins during the first six months after your coverage begins.

A “**pre-existing condition**” means 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.

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

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

10. 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.

- **ELECTION TO INCREASE COVERAGE**

You can apply at any time to increase coverage by filling out a new Benefit Election Form and a Long Term Care/Evidence of Insurability Application.

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.

11. 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.

12. PREMIUM

The initial premium charges will be figured at the premium rates as shown on the attached pages. UNUM may change the premium rates when the terms of the policy are changed.

13. ADDITIONAL FEATURES

- Medical underwriting may be required
- Eligibility and Participation

You are eligible for the plan if you are:

- an active employee of the Sponsoring Organization,
- a retired employee of the Sponsoring Organization.
- A family member of an active or retired employee of the Sponsoring Organization.

**CITY OF AUBURN #573342
SCHEDULE OF BENEFITS / PLAN HIGHLIGHTS**

Your Long Term Care (LTC) insurance plan is listed below.

Elimination Period: Your plan’s Elimination Period of 90 consecutive days is the amount of time you must wait before benefits become payable. This time period must be satisfied only once during the life of your plan.

Newly Hired Employees – once eligible for the plan, will have 30 days to sign up for Guarantee Issue coverage. Please check with your employer for your effective date.

All Active Employees & Newly Hired Employees – who enroll after the Guarantee Issue enrollment period or choose benefits over the Guarantee Issue limits will be required to fill out a medical questionnaire.

Medical Underwriting Effective Date – The effective date for those applicants passing medical underwriting between the 1st and 15th of the month is the first of the month following their date of approval. For those approved between the 16th and the end of the month, their effective date is the first of the second month following their date of approval.

Medical Underwriting means that you must answer all questions on a medical questionnaire. In some cases, an interview may also be necessary.

Delayed Effective Date – If you are absent from work because you are injured, sick, temporarily laid off or on a leave of absence, your coverage will not begin on your otherwise expected effective date.

Medical Underwriting for Employees and Family: (Completion of the Benefit Election Form is required for enrollment). **EMPLOYEES:** Your employer funded basic plan, as well as additional benefit amounts of up to and including \$6,000 and a Facility Benefit Duration of 3 or 6 years, is being offered on a Guarantee Issue basis. This does not require completion of the Long Term Care Insurance Application (medical questionnaire) if you apply during your initial eligibility period. The Long Term Care Insurance Application (medical questionnaire) is required if enrolling after your initial eligibility period or if you choose to buy Plan 2, Plan 4, \$7,000, \$8,000 or the Unlimited Duration coverage. **Retirees** and all **Family members** must complete the Benefit Election Form and Long Term Care Insurance Application (medical questionnaire) and must be approved for coverage in order to enroll in the Long Term Care plan. **All** Medical Questionnaires must accompany a signed Authorization to Request Medical Information Form #6720-03 located in the enrollment kit.

Benefit Duration	3 Years	6 Years	Unlimited Duration
Facility Benefit Amount Per \$1,000 Increments	\$1,000 to \$8,000	\$1,000 to \$8,000	\$1,000 to \$8,000
Assisted Living Facility Percent	100%	100%	100%
Lifetime Maximum Per \$1,000 Increments	\$36,000	\$72,000	Unlimited
Professional Home Care	100%	100%	100%
Total Home Care - Option	100%	100%	100%
Inflation Protection* - Option	Compound Uncapped	Compound Uncapped	Compound Uncapped

** If you selected an inflation option, and you terminate that inflation option at a future date, you can purchase the inflated coverage amount at your original age.*

Lifetime Maximum: The Lifetime Maximum is the maximum benefit dollar amount Unum will pay over the life of your coverage. This dollar amount is based on the Facility Benefit Amount and Benefit Duration. *For Example: If you choose \$3,000 Facility Monthly Benefit Amount & 3 Year Duration, your Lifetime Maximum is calculated as follows, \$3,000 per Month X 12 Months X 3 Years = \$108,000 Lifetime Maximum*

Insurance Age: Insurance Age is used to determine the cost of your coverage. Insurance Age is your age on the plan effective date if you enroll for coverage prior to the plan effective date. If you enroll for coverage on or after the plan effective date, insurance age is your age on the date you sign the enrollment form.

Questions: Please call 1-800-227-4165 with questions regarding your Long Term Care Insurance.