

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

**LONG TERM CARE INSURANCE  
OUTLINE OF COVERAGE  
FOR THE EMPLOYEES OF  
NAVY FEDERAL CREDIT UNION  
(the Policyholder)**

Group Master Policy/Certificate Form Number **212409**

**This Policy is intended to be a qualified Long Term Care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986.**

**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 **Virginia**.

**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 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 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.

**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 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.

## 5. 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 monthly benefit if you become Disabled. Coverage is subject to policy limitations, benefit maximums and elimination periods.

## 6. BENEFITS PROVIDED BY THE POLICY

REFER TO THE ATTACHED SUMMARY OF BENEFITS FOR THE BENEFITS AVAILABLE UNDER THE POLICYHOLDER'S PLAN.

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 written plan of care developed by a Licensed Health Care Practitioner.

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.

### IMPORTANT TERMS YOU SHOULD KNOW

**Activities of Daily Living** are: Bathing, Dressing, Toileting, Transferring, Continenence and Eating.

**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.

**Disability and Disabled** means 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.

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

**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.

**Respite care** means formal 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.

**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.

**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.

**Total Home Care Benefit (Includes Professional Home Care):** We will pay you the monthly Total Home 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.

## **ACCELERATED PAYMENT OPTION**

**This option allows you to stop paying premium after a required payment period and still keep coverage in force. The required payment period is the period of time beginning on the date of your first premium payment under this option and ending on the later of these dates:**

- the date your coverage under this option has been in force for 15 years; or
- the date you reach age 65.

If you decline this payment option at the time you apply for any coverage, you cannot add it to that coverage at a later date.

### **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 Benefit Amount. Benefits are not paid during the Elimination Period.

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

## **7. 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,
- a Disability caused by alcoholism or alcohol abuse,
- 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 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.**

**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.

UNUM will not make any payments to you during the first six months after your coverage begins 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.**

## **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**

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 shows a comparison, over a period of 20 years, of a \$1,000 benefit with and without the Uncapped Compound Growth Inflation Protection Option.

	<b>Monthly Benefit Without Compound Growth Inflation Protection</b>	<b>Monthly Benefit With Compound Growth Inflation Protection</b>
<b>Policy Year</b>	<b><u>Facility and Home Care</u></b>	<b><u>Facility and Home Care</u></b>
1	\$1,000.	\$1,050.00
2	\$1,000.	\$1,102.50
3	\$1,000.	\$1,157.00
4	\$1,000.	\$1,215.51
5	\$1,000.	\$1,276.28
6	\$1,000.	\$1,340.00
7	\$1,000.	\$1,407.10
8	\$1,000.	\$1,477.46
9	\$1,000.	\$1,551.33
10	\$1,000.	\$1,628.89
11	\$1,000.	\$1,710.34
12	\$1,000.	\$1,795.86
13	\$1,000.	\$1,885.65
14	\$1,000.	\$1,979.93
15	\$1,000.	\$2,078.93
16	\$1,000.	\$2,182.87
17	\$1,000.	\$2,292.02
18	\$1,000.	\$2,406.62
19	\$1,000.	\$2,526.95
20	\$1,000.	\$2,653.30

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

### • POLICY RENEWABILITY

The policy is renewable at the option of the Policyholder and Unum. This means that your coverage under the plan may be changed or ended at the option of the Policyholder or Unum. If your coverage is ended by the Policyholder and Unum, you will have a guaranteed right to elect continued coverage.

### • 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, or
- 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.

### • CONTINUATION OF 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 continuation of coverage. This means that 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 continued coverage.

Election for continued 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 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 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.

## 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**

Premiums are based on the plan design selected and the insurance age of each enrolled person. UNUM may change the premium rates when the terms of the policy are changed.

## **12. Senior insurance counseling, senior citizen seminars and other information are available through:**

Virginia Department for the Aging

1600 Forest Avenue, Suite 102

Richmond, Virginia 23229

Aging Services Hotline: 1-800-552-3402

## **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.