

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

**TAX QUALIFIED NURSING HOME INSURANCE OR LONG TERM CARE INSURANCE  
OUTLINE OF COVERAGE  
FOR THE EMPLOYEES OF  
STRAND ASSOCIATES, INC.  
POLICY#602537**

Group Master Policy/Certificate Form Number GLTC04/CLTC04

**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 responses to the questions on your application. You retained a copy of your Application for Long Term Care Insurance when you applied. If your answers are incorrect or untrue, the company 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.

**If nursing home insurance coverage is purchased:**

THE WISCONSIN INSURANCE COMMISSIONER HAS ESTABLISHED MINIMUM STANDARDS FOR NURSING HOME INSURANCE. THE POLICY MEETS THOSE STANDARDS.

THE POLICY COVERS CERTAIN TYPES OF NURSING HOME CARE. THIS POLICY DOES NOT COVER HOME HEALTH CARE. THERE MAY BE LIMITATIONS ON THE SERVICES COVERED. READ YOUR CERTIFICATE CAREFULLY.

FOR MORE INFORMATION ON LONG-TERM CARE SEE THE "GUIDE TO LONG-TERM CARE" GIVEN TO YOU WHEN YOU APPLIED FOR COVERAGE UNDER THE POLICY. THE POLICY'S BENEFITS ARE NOT RELATED TO MEDICARE.

**If long term care insurance coverage is purchased:**

THE WISCONSIN INSURANCE COMMISSIONER HAS ESTABLISHED MINIMUM STANDARDS FOR LONG-TERM CARE INSURANCE. THE POLICY MEETS THOSE STANDARDS.

THE POLICY COVERS CERTAIN TYPES OF NURSING HOME AND HOME HEALTH CARE SERVICES. THERE MAY BE LIMITATIONS ON THE SERVICES COVERED. READ YOUR CERTIFICATE CAREFULLY.

FOR MORE INFORMATION ON LONG-TERM CARE SEE THE "GUIDE TO LONG-TERM CARE" GIVEN TO YOU WHEN YOU APPLIED FOR COVERAGE UNDER THE POLICY. THE POLICY'S BENEFITS ARE NOT RELATED TO MEDICARE.

1. The policy is a group policy which is issued in the state of **WISCONSIN**.

2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of the policy. You should compare this outline of coverage to outlines of coverage for other policies available to you. **This is not an insurance contract, but only a summary of coverage. Only the group policy contains governing contractual provisions. This means that the group policy sets forth in detail the rights and obligations of both you and the insurance company. Therefore, if you purchase this coverage, or any other coverage, it is important that you READ YOUR CERTIFICATE CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES.** The policy is intended to be a federally tax-qualified long term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.
4. **TERMS UNDER WHICH THE CERTIFICATE MAY BE CONTINUED IN FORCE OR DISCONTINUED**
  - a. **RENEWABILITY - THE CERTIFICATE IS GUARANTEED RENEWABLE.** This means you have the right, subject to the terms of the policy to continue your coverage as long as premium for your coverage is paid 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.
  - b. **CONTINUATION OF COVERAGE.** If your group long term care coverage ends for reasons other than non-payment of premium or 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 60 days of the date your group coverage would otherwise end. Any premium that applies must be paid directly to Unum by you for any coverage to be continued.
  - c. **WAIVER OF PREMIUM.** We will waive payment of premium for your coverage during any period of time that you are receiving benefits under the policy. However, premium payments will not be waived if you are only receiving Respite Care or Additional Care Benefits.
5. **TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS. WE HAVE A LIMITED RIGHT TO CHANGE PREMIUMS.** We reserve the right to change any and all premiums. Any change in premium must apply to all similar policies issued on this policy form and in the state in which the policy is situated. Premiums cannot be increased because of any change in the age or health of the persons covered under the policy. We cannot discontinue the policy except where required by law or as a result of non-payment of premium
6. **TERMS UNDER WHICH THE CERTIFICATE MAY BE RETURNED AND PREMIUM REFUNDED.**
  - a. You may cancel your coverage for any reason within 30 days after it is delivered to you or your representative. Simply return your certificate, within 30 days of its receipt, to us. If this is done, your certificate will be canceled from the beginning and all premiums paid for your coverage will be refunded.
  - b. If you die while insured under the policy, we will refund any pro rata portion of any premium paid covering the period after your death. We will make the refund within 30 days after we receive written notice of your death. Payment will be made to your estate.
7. **THIS IS NOT MEDICARE SUPPLEMENT COVERAGE.** If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the insurance company. Neither Unum nor its agents represent Medicare, the federal government or any state government.
8. **LONG TERM CARE COVERAGE.** Policies of this category are designed to provide coverage 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.

The policy provides coverage in the form of a fixed dollar indemnity benefit if you are Chronically Ill and you are receiving care while confined in a Long Term Care Facility. If the policy includes coverage for Professional Home and Community Care or Total Choice Home Care and you elect such coverage, we will pay you a benefit if you choose to receive care at home or in the community. Coverage is subject to the policy limitations, benefit maximums and elimination period requirements.

9. **BENEFITS PROVIDED BY THE POLICY.** Refer to the attached **SUMMARY OF BENEFITS** for the benefits available under the Policyholder's plan.

### **Eligibility for Benefits**

You will be eligible for a benefit if, on or after the effective date of your coverage and while your coverage is in effect, you become Chronically Ill.

### **Conditions for Payment of Benefits**

To receive benefits under the policy, the following conditions must be met:

- you must satisfy the Elimination Period, if applicable;
- you must be receiving Qualified Long Term Care Services;
- the treatment for your Chronic Illness must be provided pursuant to a written Plan of Care; and
- we must approve your claim.

You must also provide us with a Licensed Health Care Practitioner's Certification that you are unable to perform (without Substantial Assistance from another individual) two or more Activities of Daily Living for a period of at least 90 days, or that you require Substantial Supervision by another individual to protect you from threats to your health or safety due to Severe Cognitive Impairment. You will be required to submit a Licensed Health Care Practitioner's Certification every 12 months.

### **Limitations on Payment of Benefits**

We will not pay benefits in excess of any coverage amounts you choose or for coverages that you have not elected. Benefits paid will reduce your Lifetime Maximum Benefit and will no longer be available once your Lifetime Maximum has been reached. We will not pay benefits for Qualified Long Term Care Services you receive during the Elimination Period, except as described in the Respite Care Benefit and the Additional Care Benefit provisions. The policy only pays benefits if you are receiving Qualified Long Term Care services.

### **LTC Facility Benefit Payment**

You must give us proof that you are receiving Qualified Long Term Care Services in a LTC Facility before a LTC Facility Monthly Benefit is paid. If you are eligible for benefits for a period of less than one month, we will pay you 1/30<sup>th</sup> of the monthly benefit for each day that you are Chronically Ill and receiving Qualified Long Term Care Services in a LTC Facility. (Refer to the **OPTIONAL BENEFITS PROVIDED BY THE POLICY** section of this Outline of Coverage for information on benefit payments for home care).

### **Additional Care Benefit:**

Once you are eligible for a benefit payment, you will have access to Additional Care designed to assist you in living at home or in other residential housing. You do not need to complete your Elimination Period for an Additional Care Benefit payment to begin. The Additional Care must be:

- appropriate for your Chronic Illness and conform with generally accepted medical standards;
- provided pursuant to a written Plan of Care;
- recommended by a Licensed Health Care Practitioner; and
- approved by us prior to receipt of Additional Care.

### **Bed Reservation Benefit**

If you are receiving a LTC Facility Monthly Benefit and your stay in the facility is interrupted due to a stay in an acute care facility, or due to a temporary absence and a charge is made to reserve your LTC Facility accommodations, you will be eligible for a Bed Reservation Benefit. We will pay you 1/30<sup>th</sup> of the LTC Facility Monthly Benefit for each day you are absent from the LTC Facility:

- up to 90 days per calendar year if your absence is due to a stay in an acute care facility; or
- up to 30 days per calendar year for a temporary absence not related to a stay in an acute care facility.

In no event will the maximum number of Bed Reservation days exceed 90 days per calendar year. Bed Reservation Benefit payments will reduce your Lifetime Maximum Benefit and will no longer be available once your Lifetime Maximum Benefit has been reached. If your stay in a LTC Facility is interrupted while you are satisfying your Elimination Period, such days will be used to help satisfy your Elimination Period.

### **Respite Care Benefit**

If you are Chronically Ill and receiving Respite Care but you are not receiving a LTC Facility Monthly Benefit (or a Home Care Monthly Benefit if your coverage includes a home care benefit) you will be eligible to receive a Respite Care Benefit. The Respite Care Benefit you will receive is equal to 1/30<sup>th</sup> of your LTC Facility Monthly Benefit for each day you have Respite Care for up to 21 days each calendar year. You do not need to complete your Elimination Period for Respite Care payments to begin and the days you are receiving Respite Care will count toward satisfying your Elimination Period.

### **Words That Have A Special Meaning**

Activities of Daily Living (ADLs) are bathing, dressing, toileting, transferring, continence and eating.

Additional Care means special services; equipment or caregiver training designed to assist you in living at home or in other residential housing. Additional Care may include:

- assistance in locating long term care providers and caregivers in your area (this service is also available even if you are not eligible for benefits);
- a visit from a Licensed Health Care Practitioner who will develop your Plan of Care;
- a visit from a home safety expert who will assess your residence and offer suggestions for increased personal safety;
- purchase or rental of a medical alert service;
- purchase or rental of durable medical equipment;
- home modifications for your support; or
- caregiver training.

Chronic Illness and Chronically Ill means you are unable to perform, without Substantial Assistance from another individual, two or more Activities of Daily Living; or you require Substantial Supervision by another individual to protect you from threats to your health and safety due to Severe Cognitive Impairment.

Elimination Period means the number of days during which you are Chronically Ill and you are receiving services appropriate for your Chronic Illness, but no benefit is payable.

Lifetime Maximum Benefit means the total dollar amount of benefits that will be paid under the policy, excluding any Additional Care Benefit.

Long Term Care (LTC) Facility means a facility (such as a nursing home, an assisted living facility, a hospice facility, a rehabilitation facility, an Alzheimer's facility or a residential care facility) that is licensed by the appropriate federal or state agency to engage primarily in providing care and services sufficient to support your needs resulting from Chronic Illness.

Plan of Care means a written plan prescribed by a Licensed Health Care Practitioner, based upon an assessment that evaluates your level of functional capacity.

Qualified Long Term Care Services means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by you.

Respite Care means short-term or periodic Qualified Long Term Care Services which are required to maintain your health or safety and to give temporary relief to your primary caregiver from his or her caregiving duties.

Severe Cognitive Impairment means a severe deterioration or loss in your short or long term memory; your orientation as to person, place, or time; or your deductive or abstract reasoning as reliably measured by clinical evidence and standardized tests. Such loss can result from a sickness, injury, advanced age, Alzheimer's disease or irreversible or similar form of dementia.

Substantial Assistance means stand-by or hands-on assistance without which you would not be able to safely and completely perform the ADL. Stand-by assistance means the presence of another person within arm's reach of you while you are performing the ADL. Hands-on assistance means physical assistance (minimal, moderate or maximal) without which you would not be able to perform the ADL.

Substantial Supervision means continual supervision (which may include cueing by verbal prompting, gestures or other demonstrations) by another individual for the purpose of protecting you from threats to your health or safety.

### **Home Care Options:**

#### **Professional Home and Community Care Benefit:**

If your coverage includes the Professional Home and Community Care Benefit, we will pay 1/30<sup>th</sup> of the Home Care Monthly Benefit you elected for each day you receive Professional Home and Community Care Services. Professional Home and Community Care Services may be provided anywhere other than a LTC Facility, an acute care facility or other location excluded by the policy. You must provide written proof indicating the number of days you received Professional Home and Community Care Services before a benefit is paid.

Professional Home and Community Care Services means Qualified Long Term Care Services provided to you for at least one hour or more per day by or through a Licensed Home Health Care Agency; by a Licensed Health Care Professional; or in an Adult Day Care Facility. Professional Home and Community Care Services include nursing care; physical, respiratory, and occupational or speech therapy; homemaker services; hospice care; or other services pursuant to your Plan of Care.

Included in the Professional Home and Community Care Benefit is an International Benefit. You may be eligible to receive International Benefits if you become Chronically Ill and are receiving Qualified Long Term Care Services while traveling outside of the United States, its territories or possessions, or Canada. International Benefits will be paid on an indemnity basis.

### **Inflation Protection and Benefit Increase Options:**

#### **5% Compound Inflation Protection:**

If your coverage includes this option, your LTC Facility Monthly Benefit will increase each year on the Coverage Effective Date by 5% of your LTC Facility Monthly Benefit in effect on that date. Increases will be automatic and will occur regardless of your health and whether or not you are eligible for or are receiving benefit payments. Your premium will not increase due to automatic increases in your LTC Facility Monthly Benefit.

## **Accelerated Payment Options:**

### **The Greater of 10 Years or To Age 65 - Accelerated Payment Option:**

If your coverage includes this option and provided that your premium payments are continued up to the first of the month immediately following your 65<sup>th</sup> birthday, your coverage will automatically be renewed for the rest of your life without any further premium payments. "The Greater of 10 Years or To Age 65" means payment of premium that covers consecutive years of insurance coverage up to the greater of: 10 consecutive years of insurance coverage beginning with the Accelerated Payment Option Coverage Effective Date; or the period beginning with the Accelerated Payment Option Effective Date and ending with the first day of the month immediately following your 65<sup>th</sup> birthday.

## **10. LIMITATIONS AND EXCLUSIONS**

We will not provide benefits for:

- a Chronic Illness caused by war or any act of war, whether declared or undeclared, that occurs while your coverage is in force.
- a Chronic Illness caused by intentionally self-inflicted injuries or attempted suicide, while sane.
- a Chronic Illness caused by participation in a felony, riot or insurrection.
- a Chronic Illness caused by alcoholism, alcohol abuse, drug addiction or drug abuse including, but not limited to, prescription or non-prescription drugs, except when taken as ordered by a Physician.
- any period of time while you are Chronically Ill and you are confined in a hospital, other than if you are confined to a LTC Facility that is a distinctly separate part of a hospital. This exclusion does not apply to those periods covered under the Bed Reservation Benefit.
- any period of time that you are Chronically Ill and you are outside the United States, its territories or possessions or Canada for 30 consecutive days or longer if a home care benefit is not selected.
- a Chronic Illness resulting from an ADL loss or Severe Cognitive Impairment caused by, contributed by or resulting from a Pre-existing Condition.
- This exclusion does not apply to coverage that is medically underwritten. (This exclusion does not apply if you were required to apply for coverage by completing a Long Term Care Insurance Application and we approved your application).

### **Pre-existing Condition Exclusion**

A pre-existing condition is any condition for which medical advice, treatment, care or services, including consultation or diagnostic measures or prescription drugs were received or recommended in the six (6) months just prior to your Coverage Effective Date; or you took prescribed drugs in the six (6) months just prior to your Coverage Effective Date.

We will not consider for any purposes an ADL loss or onset of Severe Cognitive Impairment that occurs in the six (6) months after your Coverage Effective Date if the ADL loss or Severe Cognitive Impairment is caused by, contributed to by or results from a pre-existing condition.

If you were required to apply for coverage by completing a Long Term Care Insurance Application and we approved your application the Pre-existing Condition Exclusion provision will not apply to you.

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

11. **RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the cost of long term care services will likely increase over time, you should consider whether and how the benefits of this plan may be adjusted.

- If the plan provides an Inflation Protection or Benefit Increase Option and you have chosen the option, your LTC Facility Monthly Benefit will increase each year on the Coverage Effective Date. Increases will be automatic and will occur regardless of your health and whether or not you are Chronically Ill. Your premium will not increase due to the automatic increases in your LTC Facility Monthly Benefit.
- After your coverage is in force, you will be allowed to increase your coverage based on the benefits available under the Policyholder's plan. To do so, you must complete a new benefit election form and a Long Term Care Insurance Application. No increased or additional coverage will become effective unless we approve your Long Term Care Insurance Application for such change. Premiums for your coverage may be adjusted due to changes or increase in your coverage based on your age on the date you apply to change or increase your coverage.

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

The policy provides for coverage of 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 Severe Cognitive Impairment are: Alzheimer's disease, multi-infarct dementia, brain injury, brain tumors, irreversible dementia or other such structural alterations of the brain.

13. **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.

14. **ADDITIONAL FEATURES**

- Medical underwriting may be required.
- Eligibility and Participation

You are eligible for the plan if you are:

- an Active Employee of the Policyholder and your Family Members

**RIGHT OF APPEAL**

You have the right to appeal any claim decision. Your appeal must be in writing and must be sent to us within 90 days of your denial notice.

We 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 that is necessary to complete the claim;
- an explanation of why the additional material or information is necessary;
- a statement describing your access to documents;
- a statement describing your appeal and legal rights to bring suit; and
- the name, address and telephone number of the individual designated by us to administer your appeal.

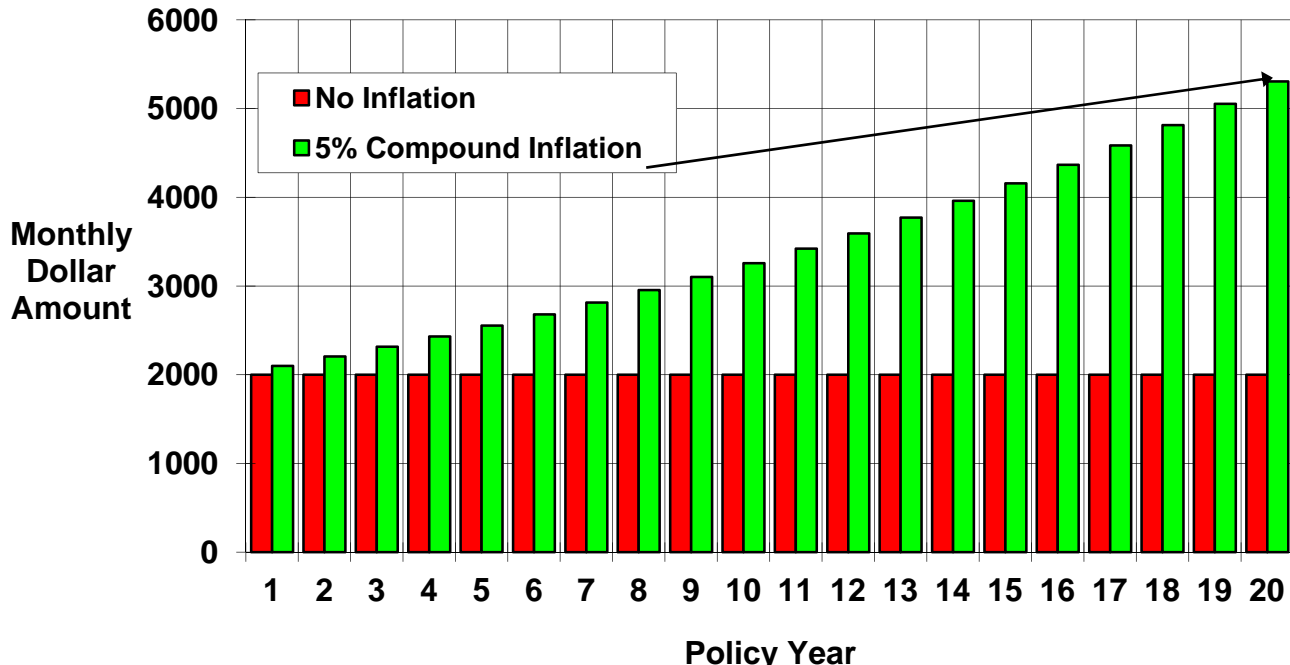
If you are not satisfied with the reason for the denial, you or your authorized representative may ask to have the claim reviewed by us. Your appeal must be in writing and should include all supporting materials or information that will help us to review the claim. We will review your appeal and all new information submitted, and notify you or your representative of our decision within 30 days of receiving the appeal. If special circumstances require an extension of time for processing, you will be notified of the reasons for the extension and the date by which we expect to make a decision. A decision shall be made no later than 120 days following receipt of the initial request for review. We can extend the time periods if we have not received needed information from you. In some cases, we may request that you provide additional information to assist in the review.

You or your authorized representative may request copies of those documents that are relevant to your claim.

15. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM IF YOU HAVE GENERAL QUESTIONS REGARDING LONG TERM CARE INSURANCE. CONTACT US IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG TERM CARE INSURANCE CERTIFICATE.

### Long Term Care

#### Comparison of Benefits With and Without Compound Inflation Protection



Monthly Premium Based On the Following:

- Issue Age 65
- LTC Facility with Professional Home and Community Care (50%)
- 90 Day Elimination Period
- Lifetime Maximum Benefit Period

Monthly Premium Without Inflation Protection: \$253.12

Monthly Premium With 5% Compound Inflation Protection: \$440.42

Premium will remain level; it will not increase due to automatic increases in benefit amounts.