

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**

WAWANESA GENERAL INSURANCE COMPANY
(the Policyholder)

Group Master Policy/Certificate Form Number **092295**

This policy for Long Term Care Insurance is intended to be a federally qualified Long Term Care Insurance contract and may qualify you for federal and state tax benefits.

NOTICE TO BUYER: This policy may not cover all costs associated with Long Term Care incurred by you during the period of coverage. You are advised to review carefully all policy limitations.

THIS POLICY IS AN APPROVED LONG-TERM CARE INSURANCE POLICY UNDER CALIFORNIA LAW AND REGULATIONS. HOWEVER, THE BENEFITS PAYABLE BY THIS POLICY WILL NOT QUALIFY FOR MEDI-CAL ASSET PROTECTION UNDER THE CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE. FOR INFORMATION ABOUT POLICIES AND CERTIFICATES QUALIFYING UNDER THE CALIFORNIA PARTNERSHIP FOR LONG-TERM CARE, CALL THE HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM AT THE TOLL-FREE NUMBER, 1-800-434-0222.

IMPORTANT CAUTION ABOUT INFORMATION YOU PROVIDED

Caution: If you must complete an Application for Long Term Care Insurance, 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. This policy is a group policy of insurance which was issued in **California**.

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 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 us (Unum Life Insurance Company of America). Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR POLICY 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 or Unum. Upon receipt, your insurance will be deemed void from its effective date and any premium contributions 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

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.

This policy provides coverage in the form of a fixed dollar indemnity benefit for covered Long Term Care expenses, if you are **Chronically Ill** and you are receiving care while confined in a **Nursing Facility** or a **Residential Care Facility**. If you purchase **Home and Community-Based Care** or **Home, Community-Based and Immediate Family Member Care** coverage, we will pay you a benefit if you elect to receive care other than in a **Nursing Facility** or a **Residential Care Facility**. Coverage is subject to policy limitations, benefit maximums and **Elimination Periods**.

6. BENEFITS PROVIDED BY THIS 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,:

- a. you suffer the loss of 2 or more **Activities of Daily Living (ADLs)**; or
- b. you suffer **Severe Cognitive Impairment**; and
- c. you are receiving services in a **Nursing Facility** or a **Residential Care Facility** or you are receiving a **Home Care Benefit**.

A monthly benefit will become payable once:

- a. you have satisfied your **Elimination Period**; and
- b. a **Physician** has certified that you are unable to perform (without **Substantial Assistance** from another individual) two or more **ADLs** for a period that is expected to last at least 90 days, or that you require **Substantial Supervision** by another individual to protect you or 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 **Chronic Illness** must be provided pursuant to a written **Plan of Care**.

Facility Benefit

We will pay you:

- a. the **Nursing Facility** benefit amount if you receive care while confined in a **Nursing Facility**. Your confinement must be because you need either: (1) the **Substantial Assistance** of another person to perform 2 or more **Activities of Daily Living (ADLs)**; or (2) **Substantial Supervision** because you suffer from **Severe Cognitive Impairment**, or
- b. the **Residential Care Facility** benefit amount if you are **Chronically Ill** and are receiving services in a **Residential Care Facility**.

The **Residential Care Facility** benefit amount will be the greater of:

- (1) 70% of the **Nursing Facility** benefit amount; or
- (2) the **Home Care Benefit** shown on the SUMMARY OF BENEFITS, if **Home Care** is purchased.

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

IMPORTANT TERMS YOU SHOULD KNOW

"Activities of Daily Living" (ADLs) are:

- eating – feeding oneself by getting food in the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.
- bathing - washing oneself by sponge bath; or in either a tub or shower, including the act of getting into or out of the tub or shower.
- continence - the ability to maintain control of bowel and 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).
- 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 - the ability to move into and out of a bed, a chair, or wheelchair, or ability to walk or move around inside or outside the home, regardless of the use of a cane, crutches, or braces.

"Chronic Illness and Chronically Ill" 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 impairment of cognitive ability**.

"**Elimination Period**" is the number of consecutive days, specific to your plan, during which you must be eligible for benefits before benefits become payable.

"**Lifetime Maximum Amount**" is the total dollar amount of benefits that will be paid under the policy. Your **Lifetime Maximum Amount** is based on the level of coverage and benefit duration you select.

"**Plan of Care**" means a program of treatment or care. It must be developed by your Physician, multi-disciplinary team or Licensed Health Care Practitioner and approved, in writing, by your Physician before the start of **Home Care Services**.

"**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 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, as reliably measured by clinical evidence and standardized tests, in your short or long term memory; your orientation as to person, place, and time; or your deductive or abstract reasoning.

Such deterioration or loss requires **Substantial Supervision** by another individual for the purpose of protecting yourself. Such loss can result from a **Chronic Illness**, Alzheimer's disease, or similar form of dementia.

Unum will make payments to you for conditions that are psychological, psychiatric or mental in nature, including Alzheimer's disease, organic disorders, or related degenerative and dementing illnesses.

"Substantial Assistance" means hands-on or 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.

Home Care Benefit- Home and Community-Based Care

We will pay you the monthly **Home Care Benefit** amount if you choose to receive care anywhere other than a **Nursing Facility** or a **Residential Care Facility**. The amount of your monthly **Home Care** benefit will be based on the number of days you receive **Home Care Services** each month.

"Home Care Services" mean care, treatment or services provided under a **Plan of Care**. This does **not** include care or services provided by **Immediate Family Members**, which includes your spouse, parent, daughter, son, sister or brother. **Home Care Services** can be provided at any type of facility, such as an Adult Day Care Facility, a Hospice Facility or your home and include Adult Day Care, Home Health Care, Homemaker Services, Hospice Services, Personal Care and Respite Care.

Home Care Services do not include services performed by providers that are not licensed or certified, when such services require licensing or certification under the laws of the states where the services are provided.

OPTIONAL BENEFITS AVAILABLE

Home Care Benefit- Home, Community-Based and Immediate Family Member Care

We will pay you the monthly **Home Care Benefit** amount if you choose to receive care anywhere other than a **Nursing Facility** or a **Residential Care Facility**.

"**Home Care Services**" means care, treatment or services provided under a **Plan of Care** at any type facility such as Adult Day Care Facility or in your home by formal or informal caregivers. **Home Care Services** includes Adult Day Care, Home Health Care, Homemaker Services, Hospice Services, Personal Care and Respite Care.

Inflation Protection Option - 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 Amount** will also increase. Increases will be automatic and will occur regardless of your health and whether or not you are **Chronically III**. 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 attached chart comparing a monthly benefit with and without Inflation Protection.

7. LIMITATIONS AND EXCLUSIONS

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

- a **Chronic Illness** which is caused by a war (whether declared or undeclared) or any act of war,
- a **Chronic Illness** caused by suicide, whether sane or insane, attempted suicide, or intentionally self-inflicted injury;
- a **Chronic Illness** caused by participation in a felony, riot, or insurrection;
- **Chronic Illness** or confinements during which you are outside the United States, its territories or possessions for longer than 30 days;
- treatment for alcoholism and drug addiction;
- 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);
- care, treatment, services or claims certification by a Physician who is you, your spouse, parent, daughter, son, sister or brother; or
- care and services provided by an **Immediate Family Member**, who is you, your spouse, parent, daughter, son, sister or brother (not applicable if your coverage includes Home, Community-Based and Immediate Family Member Care).

Preexisting Condition

If you do not have to complete an Application for Long Term Care Insurance, a **Preexisting Condition** may apply to you.

A **Preexisting Condition** is a condition for which medical advice or treatment was recommended by, or received from a provider of health care services, within six months preceding the effective date of coverage of an insured person.

Every long term care insurance policy or certificate shall cover **Preexisting Conditions** that are disclosed on the application no later than six months following the effective date of the coverage of an insured, regardless of the date the loss or confinement begins.

THIS POLICY 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 CHANGE COVERAGE**

You can apply no less frequently than on each anniversary date after the Policy is issued to increase coverage by filling out a new Benefit Election Form and a Long Term Care Insurance Application.

You can apply any time after the first year to lower your premium by reducing coverage or by discontinuing **Home Care** coverage.

- **INFLATION PROTECTION**

If your plan includes an Inflation Protection option, your Monthly Benefit will increase each year on January 1st by 5%. Your remaining **Lifetime Maximum Amount** will also increase. Increases will be automatic and will occur regardless of your health and whether or not you are **Chronically III**. Your premium will not increase due to the automatic increases in your Monthly Benefit.

The following chart is an example comparison of a monthly benefit with and without Inflation Protection.

	<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.

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

- **RENEWABILITY**

THE POLICY IS GUARANTEED RENEWABLE. The Policy takes effect on the Policy Effective Date shown on the face page of the Policy and continues until the end of the period for which the first premium has been paid. The Policyholder may renew the Policy on each Policy Anniversary by paying each premium before its Grace Period ends. Unum reserves the right to change the premiums for the Policy. We cannot change any of the terms of the Policy or decline to renew it on our own; except that we may, in accordance with the provisions of the Policy, and upon prior approval of the California Department of Insurance, change the premium rates for all insureds with the same policy form number and in the same Class. A Class is a group of policies issued to individuals who share certain characteristics. The characteristics are based on the state where the policyholders live or the year of issue. Any change in premium will be effective on the Policy Anniversary Date. Written notification will be sent to the Policyholder at least 31 days in advance.

- **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.

- **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 the plan can continue on a direct billed basis. If you are already direct billed, your coverage will automatically transfer to continuation of coverage.

Election for continuation of 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 a **Home Care Services** 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 for 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

This 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, or 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. Unum may change the premium rates when the terms of the policy are changed.

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 Policyholder and your **Family Members**

13. INFORMATION AND COUNSELING

The California Department of Insurance has prepared a Consumer Guide to Long Term Care Insurance. This guide can be obtained by calling the Department of Insurance toll-free telephone number. This number is 1-800-927-HELP. Additionally, the Health Insurance Counseling and Advocacy Program (HICAP) administered by the California Department of Aging, provides Long Term Care insurance counseling to California senior citizens. Call the HICAP toll-free telephone number 1-800-434-0222 for a referral to your local HICAP office.

Long Term Care

Comparison of Benefits for Compound Inflation Protection

