

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
FAIRLEIGH DICKINSON UNIVERSITY**
(the Sponsoring Organization)
Group Master Policy/Certificate Form Number **580551**

THE SUMMARY OF BENEFITS IS NOT A MEDICARE SUPPLEMENT POLICY. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide 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 1-800-300-5000.

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 **New Jersey** 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. **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.**

4. **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 such withdrawal, must be sent to the Sponsoring Organization's Plan Administrator or to UNUM. Upon receipt, your insurance will be deemed void from its effective date and any premium contributions paid will be returned to you within 30 days after receipt of your withdrawal.
- Premiums for additional, increased or terminated insurance may cause a pro-rata adjustment on the next premium due date.

5. **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.

6. LONG TERM CARE COVERAGE

Plans 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 plan provides coverage in the form of a fixed dollar indemnity benefit if you become disabled. Coverage is subject to limitations, benefit maximums and elimination periods under the Summary of Benefits.

7. BENEFITS PROVIDED BY THE SCHEDULE OF BENEFITS

Refer to the attached SCHEDULE OF BENEFITS for the benefits available under the Sponsoring Organization's plan.

Eligibility for Monthly Benefit Payments:

You will qualify to receive monthly payments from UNUM after:

- You become disabled;
- You are receiving services (1) in a Long Term Care Facility or Assisted Living Facility; or (2) at home or in a community setting if your plan includes a Total Home Care Benefit or Professional Home Care Services 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. (Refer to the attached SCHEDULE OF BENEFITS to determine monthly benefit amounts available under this plan). The amount of the monthly benefit you will receive will be based on the coverage options you choose 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 benefit paid is subject to the Lifetime Maximum Benefit Amount.

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.

If you have an existing loss of ADLs or severe cognitive impairment on your effective date of coverage, that loss or impairment will only be eligible for coverage if you recover from that loss or impairment. We must receive acceptable proof of your ADL or cognitive recovery, such as a physician's statement or an assessment.

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.

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.

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 ADLs; 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 Benefit Amount means: The total dollar amount of benefits that will be paid. The Lifetime Maximum Benefit 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. 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 you receive respite care.

Severe Cognitive Impairment means: A severe deterioration or loss in intellectual capacity as reliable 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.

8. LIMITATIONS AND EXCLUSIONS

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 (while sane or insane) or self-destruction,
- Disabilities caused by a commission of or attempting to commit a felony, or for which the cause is the result of engaging in an illegal occupation,

- Disabilities or confinements during which you are outside of the United States, its territories or possessions for longer than 30 days,
 - Any days over 15 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),
 - Disabilities caused by alcoholism or drug addiction,
 - Disabilities you sustain or contract in consequence of being intoxicated or under the influence of any narcotic unless administered on the advice of a physician.
- UNUM will make payments to you for Alzheimer's disease, multi-infarct dementia, or Parkinson's disease.

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

9. 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.

If your plan includes an inflation protection provision, your Monthly Benefit will increase each January 1st by 5%. 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 the automatic increases in your Monthly Benefit.

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. The premium charged for increased coverage will be based on your age at the time you apply for the increased coverage.

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

• **RENEWABILITY**

THE SUMMARY OF BENEFITS IS GUARANTEED RENEWABLE. This means that 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. 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 ends,
- The date you are no longer 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 paid to UNUM for your coverage,
- The date you no longer are an active employee with the Sponsoring Organization, or
- The date you die.

• **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 60 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 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 PREMIUM**

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 by all coverage 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.

11. 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, or 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 Summary of Benefits are changed.

13. ADDITIONAL FEATURES

- Medical underwriting may be required.

- Eligibility and Participation;

You are eligible for the plan if you are:

- A full-time benefit eligible active employee working 20+ hours per week, your spouse/ domestic partner and your family members (adult children, adult siblings, parents, parents in-law, grandparents, grandparents in-law ages 18-80).

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