

SERFF Tracking Number: STFH-125833529 State: Arkansas  
Filing Company: State Farm Mutual Automobile Insurance Company State Tracking Number: 40363  
Company Tracking Number:  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.003 Other  
Product Name: Long-Term Care Insurance Partnership Policies 97061 ARP,ARS, ARC et al  
Project Name/Number: /

## Filing at a Glance

Company: State Farm Mutual Automobile Insurance Company

Product Name: Long-Term Care Insurance Partnership Policies 97061 ARP,ARS, ARC et al  
SERFF Tr Num: STFH-125833529 State: ArkansasLH

TOI: LTC03I Individual Long Term Care SERFF Status: Closed State Tr Num: 40363  
Sub-TOI: LTC03I.003 Other Co Tr Num: State Status: Approved-Closed  
Filing Type: Form/Rate Co Status: Reviewer(s): Marie Bennett, Harris Shearer  
Authors: Barb Metz, Jennifer Soucek Disposition Date: 11/05/2008  
Date Submitted: 09/26/2008 Disposition Status: Approved  
Implementation Date Requested: On Approval Implementation Date:  
State Filing Description:

## General Information

Project Name: Status of Filing in Domicile: Not Filed  
Project Number: Date Approved in Domicile:  
Requested Filing Mode: Review & Approval Domicile Status Comments:  
Explanation for Combination/Other: Market Type: Individual  
Submission Type: New Submission Group Market Size:  
Overall Rate Impact: Group Market Type:  
Filing Status Changed: 11/05/2008  
State Status Changed: 11/05/2008 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
See Cover Letter



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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Marie Bennett	11/05/2008	11/05/2008

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
No response necessary	Marie Bennett	10/08/2008	10/08/2008	Barb Metz	11/03/2008	11/03/2008

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Objection Letter Status	Note To Filer	Marie Bennett	10/08/2008	10/08/2008





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## Objection Letter

Objection Letter Status No response necessary  
Objection Letter Date 10/08/2008  
Submitted Date 10/08/2008  
Respond By Date 11/11/2008

Dear Barb Metz,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Nonforfeiture Benefit/Shortened Benefit Rider (Form)

Comment: The Rider states benefits payable "will not exceed the benefit period stated on the Policy Schedule." Where is the Benefit Period displayed on the Policy Schedule page.

Please feel free to contact me if you have questions. The file will be held for 30 days pending your response.

Sincerely,

Marie Bennett

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 11/03/2008  
Submitted Date 11/03/2008

Dear Harris Shearer,

### Comments:

### Response 1

Comments: We have modified Amendment Rider 99591AR and removed reference to the Policy Schedule.

### Related Objection 1

Applies To:

- Nonforfeiture Benefit/Shortened Benefit Rider (Form)

Comment:

The Rider states benefits payable "will not exceed the benefit period stated on the Policy Schedule." Where is the Benefit Period displayed on the Policy Schedule page.





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## Form Schedule

Lead Form Number: 97061 ARP

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	97061 ARP	Policy/Cont	Long-Term Care ract/Fratern Insurance al Partnership Policy Certificate	Initial		44	97061 ARP.pdf
	97061 ARS	Policy/Cont	Long-Term Care ract/Fratern Insurance al Partnership Policy Certificate	Initial		44	97061 ARS.pdf
	97061 ARC	Policy/Cont	Long-Term Care ract/Fratern Insurance al Partnership Policy Certificate	Initial		44	97061 ARC.pdf
	99591 AR	Policy/Cont	Nonforfeiture ract/Fratern Benefit/Shortened al Benefit Rider Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		43	99591 AR.pdf
	1000896	Application/	Long-Term Care Enrollment Partnership Form Insurance Application	Initial		50	1000896 (app).pdf
	1000832	Outline of	Long-Term Care Coverage Partnership Outline of Coverage	Initial		0	AR Partnership Outline 1000832.pdf
	1000482	Other	Personal Worksheet	Initial		0	1000482 (PW for 97061 series).pdf





**STATE FARM MUTUAL**  
AUTOMOBILE INSURANCE COMPANY  
Home Office/Bloomington, Illinois

INSURED

INITIAL PREMIUM

POLICY NUMBER

POLICY DATE

PREMIUM MODE



**HEALTH**  
INSURANCE

**THIS POLICY IS A QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

We are pleased to issue this Long-Term Care Insurance Policy to You. It was issued in consideration of Your application and payment of the required premium. We suggest You carefully read it.

**GUARANTEED RENEWABLE FOR LIFE  
PREMIUMS SUBJECT TO CHANGE**

Your policy will remain in effect during Your lifetime as long as each premium is paid on time. We cannot cancel or refuse to renew Your policy. We cannot change Your policy without Your consent. However, We may change the premium rates. Any change will apply to all policies in the same class as Yours in the state where the policy was issued. We will notify You in writing 45 days before Your premium changes.

We provide a refund of unearned premium when We are notified of Your death or You exercise Your right to request cancellation.

**30 DAY REVIEW PERIOD**

If You feel this policy does not meet Your insurance needs, return it to Us or Your agent within 30 days after You have received it. We will return Your premium and consider the policy never to have been issued.

**CHECK YOUR APPLICATION**

**Caution: The issuance of this long-term care insurance policy is based upon Your responses to the questions on Your application. A copy of Your application is attached. If Your answers are incorrect or untrue, We have the right to deny benefits or rescind Your policy. 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 Us at State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710.**

**NOTICE TO BUYER**

This policy may not cover all of the costs associated with long-term care incurred by You during the period of coverage. You are advised to review carefully all policy limitations.

Countersigned \_\_\_\_\_  
Licensed Resident Agent

**LONG-TERM CARE INSURANCE PARTNERSHIP POLICY  
WITH NO INFLATION COVERAGE**

## Important Information Regarding Your Policy's Long-Term Care Insurance Partnership Status

This disclosure notice is issued in conjunction with your long-term care policy:

Some long-term care insurance policies sold in Arkansas qualify for the Arkansas Long-Term Care Insurance Partnership Program. Insurance Companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify as Partnership Policies may be entitled to special treatment, and in particular an "Asset Disregard," under Arkansas's Medicaid program.

**Asset Disregard** means that an amount of the policyholder's assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply. Asset Disregard is not available under a long-term care insurance policy that is not a Partnership Policy. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.**

**Partnership Policy Status.** Your long-term care insurance policy is intended to qualify as a Partnership Policy under the Arkansas Long-Term Care Partnership Program as of your Policy's effective date.

**What Could Disqualify Your Policy as a Partnership Policy.** If you make any changes to your policy, such changes could affect whether your policy continues to be a Partnership Policy. **Before you make any changes, you should consult with State Farm Mutual Automobile Insurance Company to determine the effect of a proposed change.** In addition, if you move to a State that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that State. The information contained in this Notice is based on current State and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Arkansas's Medicaid program.

**Additional Information.** If you have questions regarding your insurance policy please contact State Farm Mutual Automobile Insurance Company. If You have questions regarding current laws governing Medicaid eligibility, you should contact the Arkansas Department of Human Services.

**All benefit statements received should be kept with your policy.**

STATE OF ISSUE	[ANY STATE]		
INSURED	[DOE, JOHN D.]	[\$X, XXX.XX]	INITIAL PREMIUM
POLICY NUMBER	[H100000 1212]		
POLICY DATE	[NOVEMBER 1, 2008]	[ANNUAL]	PREMIUM MODE
	FIRST RENEWAL DATE:	[NOVEMBER 1, 2009]	

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THE BENEFITS AND PREMIUMS SHOWN ON THIS SCHEDULE ARE EFFECTIVE [NOVEMBER 1, 2008].

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#### COVERAGE SUMMARY

<u>FORM</u>	<u>COVERAGE INFORMATION</u>	<u>ANNUAL PREMIUM</u>
97061 ARP	LONG-TERM CARE POLICY	[\$X, XXX.XX]
	UP TO THE MAXIMUM DAILY BENEFIT	[\$100-\$500 (\$25 increments)]
	ELIMINATION PERIOD	[30 DAYS, 90 DAYS, 180 DAYS]
	ORIGINAL MAXIMUM LIFETIME BENEFIT	[\$XXX, XXX]
[99591 AR]	NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER (will only display if selected)	[XXX.XX]

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ANNUAL RENEWAL PREMIUMS SUBJECT TO RENEWABILITY PROVISION ON PAGE 1.

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**GUIDE TO YOUR LONG-TERM CARE POLICY**  
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## SECTION 1: IMPORTANT DEFINITIONS

Many words in Your policy have specific definitions. These words have been capitalized throughout Your policy for easy identification. This section defines these important terms.

### Activities of Daily Living:

1. **Bathing.** Washing Yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
2. **Continence.** The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
3. **Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
4. **Eating. Feeding Yourself** by getting food into Your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
5. **Toileting.** Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
6. **Transferring.** Moving into or out of a bed, chair, or wheelchair.

**Adult Day Care:** a program of day services and care provided in a community group setting outside the home that includes:

1. Care for six (6) or more individuals; and
2. Social and health-related services provided to support frail, impaired elderly, or other disabled adults, by providing Maintenance, Personal or Custodial Services.

**Adult Day Care Facility:** a facility that is licensed by the jurisdiction in which the services are provided, if offered or available, to provide Adult Day Care. An Adult Day Care Facility provides Adult Day Care for only part of a day. If licensing is not required or available, Adult Day Care Facility means a facility that provides Adult Day Care and satisfies all the following requirements:

1. A staff of at least two, to include one Registered Nurse or Licensed Practical/Licensed Vocational Nurse; and
2. Operates at least five (5) days a week for at least six (6) hours a day; and
3. Maintains daily records for all patients of the care and services provided; and
4. Has established procedures for obtaining appropriate aid in the event of a medical emergency.

**Alternate Care Facility:** a facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:

1. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care services sufficient to support the needs of a Chronically ILL individual; and
3. Has at least one (1) trained staff member on duty at all times; and

4. Provides three (3) meals per day, accommodating special dietary needs; and
5. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
6. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

**Calendar Week:** any seven (7) consecutive calendar days beginning on Sunday and ending on the following Saturday.

**Care Manager:** a medical professional or organization chosen at Our discretion, which may be used to perform physical and cognitive assessments of You, develop a Plan of Care to meet Your needs depending on their assessment, and identify eligible caregivers that would satisfy Your care needs.

**Caregiver Training:** specific training by a Licensed Health Care Practitioner, or their designee, which provides instruction to an uncompensated Informal Caregiver in basic caregiving techniques which will allow You to remain in Your Home if You have been certified Chronically ILL:

1. Advising how to provide safe and Substantial Assistance with Your Activities of Daily Living by instructing in the proper care and use of medical devices and equipment like urinary catheters, ostomy bags, wheelchairs, etc., and/or
2. Advising how to provide safe and Substantial Supervision.

**Chronically ILL:** certification by a Licensed Health Care Practitioner that You:

1. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or
2. Require Substantial Supervision to protect Your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically ILL for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

**Cognitive Impairment:** certification by a Licensed Health Care Practitioner that You have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect Yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:

1. Short and long term memory; and
2. Orientation as to person (who You are), place (Your location), and time (day, date, and year); and
3. Deductive or abstract reasoning.

**Durable Medical Equipment** is equipment which:

1. Can withstand repeated use;
2. Is primarily and customarily used to serve a medical purpose; and
3. Is generally not useful to a person in the absence of sickness or injury.

**Effective Date of Coverage:** the date when coverage starts under Your policy and is shown on the Policy Schedule. Coverage begins and ends at 12:01 A.M. in the area of Your residence.

**Elimination Period:** the number of days for which We will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of Your Elimination Period are shown on Your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

**Family Member:** Your spouse and anyone who is related to You or Your spouse (including adopted, in-law, and step-relatives) as a: parent, grandparent, child, or grandchild; brother or sister; aunt or uncle; first cousin, nephew or niece.

**Functional Incapacity:** the inability to perform at least two (2) Activities of Daily Living without Substantial Assistance.

**Hands-On Assistance:** physical assistance (minimal, moderate or maximal) provided to You by another person, without which You could not perform Your Activities of Daily Living.

**Home and Adult Day Care:** Qualified Long-Term Care services provided:

1. In Your Home by a Home Health Care Agency; or
2. In an Adult Day Care setting.

**Home Health Care Agency:** an entity or equally recognized agency which provides home health care or Hospice services that:

1. Has an agreement as a provider of home health care services or Hospice care and is certified under the Medicare program; or
2. Is licensed or certified to operate as a Home Health Care Agency, or equivalent, or Hospice by the appropriate licensing agency in the state where You receive care, when a license or certificate is offered or available; or
3. Obtains a license, certification, or other approval by the state as a personal care or similarly titled agency, and follows all requirements to obtain and retain this license, certification, or approval; or
4. Participates as an approved provider in the state Medicaid program;

And:

1. Secures physician orders, when required, before providing directed, medical care; and
2. Is able to provide hands-on assistance with Activities of Daily Living, when required; and
3. Receives appropriate training, as necessary, to accommodate needs for the supervision of individuals with a Cognitive Impairment; and
4. Receives training to properly administer medications or supervise self-administration of medications, as appropriate; and
5. Receives supervision by a Registered Nurse or other appropriate recognized and assigned personnel on a regular basis when providing medical care; and
6. Receives training in first aid, CPR, and other emergency situations, as indicated; and
7. Receives training in the proper documentation procedure for provided services and be required to maintain this documentation.

For purposes of this policy, a Home Health Care Agency includes an independently state licensed physical, occupational, respiratory, or speech therapist, or a registered, licensed practical, or licensed vocational nurse, operating under the structure and limitations of their license.

**Home Modification:** physically changing Your Home to accommodate and manage at Your Home, the condition or impairment for which You have been certified Chronically ILL.

**Hospice:** inpatient or outpatient organization, licensed by the state as a Hospice or participating in the Medicare program, designed to provide palliative care, alleviate the physical, emotional, social, and spiritual discomforts to You, when You have been diagnosed with a terminal illness, and there is no reasonable prospect of cure, with a life expectancy of six (6) months or less.

**Informal Caregiver:** a non-licensed person providing care to You. An Informal Caregiver is not eligible for payment of services provided to You under this policy.

**Licensed Health Care Practitioner:** a licensed Medical Doctor (M.D.), Doctor of Osteopathy (D.O.), Registered Nurse, or Licensed Social Worker, other than You or a Family Member, independent of Us and not an owner or in control of the operation of an Alternate Care Facility, Long-Term Care Facility, Home Health Care Agency, or Hospice, from whom You are receiving treatment.

**Long-Term Care Facility:** a facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:

1. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
3. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

**Maintenance, Personal, or Custodial Services:** any care for which the primary purpose is to provide non-skilled assistance in the performance of Activities of Daily Living or supervision after You have been certified Chronically ILL.

**Maximum Calendar Week Benefit:** the total maximum amount payable on a Calendar Week basis (Sunday through Saturday) under the Home and Adult Day Care Benefit.

**Maximum Daily Benefit:** the total maximum amount payable to You in one (1) day under the following:

1. Alternate Care Facility Benefit;
2. Long-Term Care Facility Benefit; and
3. Bed Reservation Benefit.

**Maximum Lifetime Benefit:** the total amount payable during the lifetime of Your policy for all benefits. Your original Maximum Lifetime Benefit is shown on Your Policy Schedule.

**Medicaid:** means the reimbursement system under Title XIX of the Federal Social Security Act, as amended.

**Medical Help System:** a communication system, located in Your Home, used to summon medical attention in case of a medical emergency.

**Medicare:** means the reimbursement system under Title XVIII of the Federal Social Security Act, as amended.

**Plan of Care:** a specific, written description of Your needs, including type of care, frequency, duration, and providers of this care which:

1. Is initiated by and approved in writing by a Licensed Health Care Practitioner who is not a Family Member or related to Your Family Member; and
2. May be confirmed in writing at least once every 60 days; and
3. Must be renewed at least every 12 months.

**Policy Schedule:** the page of Your policy which lists important facts, such as the effective date of Your policy, the policy number, Elimination Period, Maximum Daily Benefit, and the Maximum Lifetime Benefit as of the Effective Date of Coverage. Optional benefit information, if applicable, and premium information is also included on the Policy Schedule.

**Pre-existing Condition:** a health condition for which You received treatment or medical advice within the six (6) months before the effective date of Your policy, and did not disclose on Your application for insurance.

**Qualified Long-Term Care:** diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services which:

1. Are required by a Chronically ILL individual; and
2. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses You incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at Your request for beautification, comfort, convenience, or entertainment. Expenses You incur for medical supplies and prescription or nonprescription medication may be eligible when You are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

**Respite Care:** Qualified Long-Term Care services provided in Your Home or in an Alternate Care Facility, or Long-Term Care Facility, or in or by a Hospice to temporarily relieve the Informal Caregiver who normally provides care for You in Your Home.

**Stand-By Assistance:** presence of another person within arms reach of You who can provide assistance by physically intervening to prevent injury to You while performing Your Activities of Daily Living.

**Substantial Assistance:** assistance provided by another person that is either Hands-On or Stand-By in nature.

**Substantial Supervision:** supervision, including but not limited to cueing by verbal prompting, gesturing, or other demonstration, by another person.

**We, Our, Us:** The State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710-0001.

**You, Your, Yourself:** The insured named on the Policy Schedule.

**Your Home:** includes Your place of residence and living arrangements in a private home.

Your Home does not include or mean a Long-Term Care Facility or Alternate Care Facility, a hospital, a home for the retired or aged, a place which provides residential care, or a section of a nursing facility providing only residential care.

**Your Personal Representative:** a person legally authorized to make health care decisions on an individual's behalf or to act for a deceased individual or the estate.

## SECTION 2: BENEFITS OF YOUR POLICY

### Limitations or Conditions on Eligibility for Benefits General Benefit Information

This section describes the Benefits and how they are payable under Your policy.

**How to Qualify for Benefits:** To qualify for benefits under this policy, You must:

1. Be certified Chronically ILL; and
2. Satisfy Your Elimination Period, unless otherwise stated within the policy.

**Limitations or Conditions on Eligibility for Benefits:** Benefits will only be paid for expenses incurred while this policy is in force and that:

1. Are eligible, covered, Qualified Long-Term Care services under Your policy; and
2. Follow the recommendations identified in Your Plan of Care.

No benefits under Your policy will be paid for any services You receive or expenses You incur unless:

1. You are certified Chronically ILL; and
2. You satisfy Your Elimination Period, unless otherwise stated within the policy.

All benefits paid will apply toward, and will not be paid in excess of, Your Maximum Lifetime Benefit, with the exception of the Waiver of Premium Benefit.

Benefits will not be paid in excess of your Maximum Daily Benefit, unless otherwise stated within the policy.

We will not duplicate any payments made by Medicare for any service or item that may be eligible under this contract, including deductible and coinsurance amounts.

**Coverage for Alzheimer's Disease:** We provide benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

**No Need for Hospitalization:** You are not required to be hospitalized before receiving benefits under Your policy.

### Home and Community-Based Care Benefits What They Are and How They Work

#### Home and Adult Day Care Benefit

If You are certified Chronically ILL and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in Your Home or Adult Day Care, We will pay, on a Calendar Week basis, the lesser of:

1. Seven (7) times the Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided in a Calendar Week by:
  - a. A Home Health Care Agency; and/or
  - b. Adult Day Care.

Home and Adult Day Care benefits will not be payable if You are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

### **Respite Care Benefit**

In addition to any benefits payable above, We will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

### **Medical Help System Benefit**

If You are certified Chronically ILL, We will pay the expense You incur each month, not to exceed 25% of Your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of Your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if You are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid do not apply toward Your Elimination Period.

### **Caregiver Training Benefit**

If You require eligible, covered, Qualified Long-Term Care services, We will pay the expenses You incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to Your Maximum Daily Benefit.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward Your Elimination Period.

This benefit is payable to enable You to remain in Your Home or return to Your Home, to be cared for by Your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

## **Facility Benefits What They Are and How They Work**

### **Alternate Care Facility Benefit**

If You are certified Chronically ILL, each day You require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

### **Long-Term Care Facility Benefit**

If You are certified Chronically ILL, each day You require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

### **Bed Reservation Benefit**

If You are certified Chronically ILL and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while You are temporarily absent, We will pay up to 30 days per calendar year to hold Your room. The amount payable will be the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur to reserve Your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

### **Waiver of Premium Benefit What It Is and How It Works**

The premiums for Your policy that become due after You are certified Chronically ILL and receive 90 days of eligible, covered, Qualified Long-Term Care services, will be waived so long as You:

1. Remain Chronically ILL; and
2. Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If You recover or are no longer receiving eligible, covered, Qualified Long-Term Care services, or Your Maximum Lifetime Benefit Amount has been paid, You will need to resume paying Your premium to keep Your policy in force.

Days used to satisfy Your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

### **Alternate Plan of Care Benefit What It Is and How It Works**

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:

1. Requested by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care Benefit agreement is approved, benefits will be provided per this agreement. The Medical Help System Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist You to remain at home. We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expense You incur under this agreement.

### **Home Modification and Durable Medical Equipment Benefit What It Is and How It Works**

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable You to remain in Your Home if the following requirements are met:

1. The request is made by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Expected to enable You to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and
4. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to Your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for You to return to Your Home or enables You to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in Your body, or items commonly found in a household. Items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to Our approval of Your request. If Your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of Your or Our rights under the policy.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid will not apply toward Your Elimination Period.

### **Restoration of Benefits What It Is and How It Works**

If Your Maximum Lifetime Benefit is not exhausted, it will be fully restored to its original maximum as if no claim benefits have been paid, if:

1. You are no longer Chronically ILL; and
2. You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

### **Contingent Nonforfeiture Benefit**

If Your policy lapses within 120 days of the due date of a premium rate increase and You have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to You, then We will provide a Contingent Nonforfeiture Benefit to You.

#### **What Is The Contingent Nonforfeiture Benefit and How Does It Work**

The Contingent Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if Your policy lapses as a result of a substantial premium increase as outlined below. The Contingent Nonforfeiture Benefit upon lapse shall be triggered every time We increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of Your initial annual premium set forth below:

<b>Issue Age</b>	<b>Substantial Percent Over Initial Premium</b>
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%

Issue Age	Substantial Percent Over Initial Premium
55-59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%

On or before the effective date of a substantial premium increase as outlined above, We will offer:

1. To reduce Your current policy benefits without evidence of insurability so that Your required premium payments are not increased; or
2. To convert Your current coverage to a paid up status with a shortened benefit period.

The contingent nonforfeiture benefit/shortened benefit payable for a Long-Term Care Facility stay or Home and Community-Based Care incurred after the date of lapse will be subject to the following limits:

- a. The Maximum Daily Facility Benefit and Home and Adult Day Care Maximum Daily Benefit will be the amounts in effect on the date of lapse.
- b. The Maximum Amount We will pay for all covered care or services You receive after the date of lapse is the greater of:
  - (1) 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any change in benefits; or
  - (2) 30 times the Nursing Facility Daily Benefit Amount in effect on the date of lapse.

The total benefits payable under the policy and all attached riders, including this contingent benefit, will not exceed the Maximum Lifetime Benefit Amount at the time of lapse.

3. Notify You that a default or lapse at any time during such 120 day period will be deemed to be the election to convert to the paid up status with the shortened benefit period.

## SECTION 3: EXCLUSIONS AND LIMITATIONS

### When We Will Not Provide Benefits

This section describes situations and conditions in which payment will be limited or denied even if You otherwise qualify for benefits.

#### Exclusions

We will not pay benefits when:

1. You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
2. Your condition or impairment is the result of war or any act of war, declared or undeclared;
3. Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
4. No charge is normally made in the absence of insurance;
5. Services are provided outside of the United States of America or its territories or possessions;
6. Your condition or impairment is brought about as a result of Your participation in a felony, riot, or insurrection;
7. Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or
8. Your condition or impairment is brought about, directly or indirectly, as a result of Your alcoholism or addiction to drugs or narcotics; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

#### Pre-existing Condition Limitation

We will not pay for a loss due to a Pre-existing Condition which You did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause Your policy to be voided.

If this policy replaces another long-term care insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

## SECTION 4: CLAIMS

This section describes how to notify Us of a claim, how and when to file a claim, care management services, when and how Your claim is paid, and other rights and responsibilities under the policy.

#### Notifying Us of a Claim

You must notify Us in writing of a claim within 30 days after a covered loss begins, or as soon as reasonably possible, through Your agent.

#### How to File a Claim

We will send You appropriate claim forms within 15 days after We receive notice of Your claim. If We do not, You can meet the requirements of providing Us with a written proof of loss by sending Us a written statement describing the type and nature of Your loss.

### **When to File a Claim**

You should send us written proof of loss within 90 days after the end of the time period in which You were treated.

### **How We Evaluate a Claim**

Information will be obtained from You, Your Licensed Health Care Practitioner, and Care Manager as appropriate, to evaluate Your eligibility for benefits. It may be necessary to request an independent evaluation or physical examination, which would be done at Our expense. Periodically, similar reviews will be needed to determine Your ongoing eligibility for benefits by requesting an update to Your Plan of Care and confirming Your continued Chronically ILL status.

### **Care Management Services**

We can, with Your approval, provide You with access to care management professionals, named at Our discretion, who can work with You, Your Personal Representative, and Your Licensed Health Care Practitioner to create and monitor Your Plan of Care. Assessments of Your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to You and will not count against Your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.

### **When Your Claim Is Paid**

Your claim will be paid immediately after We receive due written proof of loss.

### **How Your Claim Is Paid**

Providing Your policy is in force, We will pay benefits to You, or Your estate, unless You have requested in writing that payment is to be made otherwise.

If benefits are payable to Your estate, We may pay up to \$1,000 to any Family Member of Yours We feel is entitled to the benefits. Any payments made in good faith will discharge Us to the extent of the payment.

### **Our Right to Obtain Information**

At Our expense, We have the right to have a physician or other qualified medical personnel examine You or obtain an assessment of Your Chronically ILL status as often as reasonably necessary while You are receiving benefits.

### **Appeals of Claim Denials**

If You, or a provider acting on Your behalf, have had a claim denied by Us, You have the opportunity to appeal that claim decision by notifying Us in writing with the reasons for Your appeal. We will respond to Your appeal within 60 days.

### **Misstatement of Your Age**

If Your age has been misstated on the application, Your policy benefits will be based on the amount Your premium would have purchased at Your correct age. If We would not have issued a policy, We will refund the premium You paid and consider the policy never to have been issued.

### **Limitations on Legal Actions**

You cannot sue or bring legal action against Us:

1. Before 60 days after We receive written proof of loss; or
2. More than three (3) years after written proof of loss is required.

## SECTION 5: PREMIUM PAYMENT AND REINSTATEMENT OF YOUR POLICY

This section discusses issues like premium payment, importance of paying premiums on time, what happens if premiums are not paid, protection available in the event of lapse of Your policy.

### **Paying Premiums**

Premiums are to be paid with United States currency. They are due at the beginning of each policy term. Payment may be made to Us at Our Home Office at One State Farm Plaza, Bloomington, Illinois 61710, or to Your agent. You can change the policy term if You notify Us in writing and it is agreed upon by You and Us.

### **What Happens When Premiums Are Not Paid**

You are allowed a 65 day grace period for late payment of each premium due after the first premium. Your policy will remain in force during this period.

If You do not pay Your premium by the end of the grace period, Your policy will terminate.

**Extension of Benefits:** If Your policy terminates for nonpayment of premium, during which You are confined in a Long-Term Care Facility or an Alternate Care Facility, We will extend benefits beyond the date of termination for as long as eligible, covered, Qualified Long-Term Care services continue without interruption. Benefits will continue to be provided following the guidelines established in Your Plan of Care, complying with all provisions of Your policy, until You have not received eligible care for at least 180 consecutive days.

### **Unintentional Lapse Protection**

You have the right to designate an individual in addition to Yourself to receive notification when Your policy will terminate because of nonpayment of premium.

We will notify the person You designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of Your policy, You will be given the right to change the designated person.

### **What Happens to Your Premiums if You Die**

When We are notified of Your death, We will make a refund of any unearned premium paid for the period beyond Your death.

### **Putting the Policy Back in Force**

If the renewal premium is not paid before the grace period ends, the policy will lapse. Later acceptance of the premium by Us or by an agent expressly authorized to accept payment without requiring an application for reinstatement, will reinstate this policy.

If We or Our agent require an application, You will be given a conditional receipt for the premium. If the application is approved, the policy will be reinstated as of the approval date. Unless We have previously written You of Our disapproval, the policy will be reinstated on the 45th day after the date of the receipt of such application.

The reinstated policy will cover only losses due to conditions that begin after the date of reinstatement. In all other respects, Your and Our rights remain the same, subject to any provisions noted on or attached to the reinstated policy.

Any premiums We accept for a reinstatement will be applied to a period for which premiums have not been paid. No premium will be applied to any period more than 60 days before the reinstatement date.

## **Putting the Policy Back in Force After Nonpayment of Premium Due to Cognitive Impairment or Functional Incapacity**

Also, within six (6) months following termination of Your policy for nonpayment of premium, You, or Your Personal Representative, may request reinstatement of Your policy on the basis that You suffered from Cognitive Impairment or Functional Incapacity, or You would have otherwise qualified for benefits under the policy, at the time of policy termination.

We will require evidence of clinical diagnosis or tests demonstrating that You suffered from Cognitive Impairment or Functional Incapacity at the time of policy termination. If such demonstration substantiates, to Our satisfaction, the existence of Cognitive Impairment or Functional Incapacity at the time of policy termination, We will reinstate Your policy. The clinical diagnosis and tests needed to affirm this diagnosis will be at Your expense.

If We reinstate Your policy after nonpayment of premium due to Cognitive Impairment or Functional Incapacity:

1. This reinstatement shall not require any evidence of insurability, and
2. The reinstated policy shall cover losses occurring from the date of policy cancellation. There will be no gaps in coverage. Coverage will be at the level provided prior to reinstatement, and
3. The premium shall be paid from the date of the last premium payment at the rate which would have been in effect had the policy remained in force. Payment must be made within 15 days following Our request.

## **SECTION 6: THE CONTRACT**

This section identifies the documents which describe all contractual agreements, the importance of accurate and truthful application completion, and other basic rights, obligations, and features.

### **What Makes Up the Contract**

This policy is a legal, binding contract between You and Us. The contract is made up of:

1. The policy;
2. The application; and
3. Any attached papers.

No one can change any part of this policy or waive any of its provisions unless the change is approved in writing on the policy by one of Our officers.

### **Importance of Information on the Application/Time Limit on Certain Defenses**

We issued this policy based on information You provided. Any incorrect or omitted information known to You at the time of application may cause Your policy to be voided or a claim to be denied.

If Your policy has been in force, or increase in coverage effective, for less than six (6) months, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is material to the acceptance of coverage.

If Your policy has been in force for at least six (6) months but less than two (2) years, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is both material to the acceptance of coverage and which pertains to the conditions for which benefits are sought.

After Your policy has been in force for two (2) years, only fraudulent misstatements in the application can be used to void the policy or deny a claim for loss incurred after the two (2) year period.

If We have paid benefits under this policy, such benefit payments may not be recovered by Us in the event that Your policy is rescinded.

#### **Your Right to Reduce Coverage and Lower Premiums**

You have the right to reduce coverage and lower the policy premium at any time. The following options may be available depending on Your current policy benefits:

1. Decrease the daily benefit; or
2. Increase the Elimination Period; or
3. Decrease the maximum benefit factor; or
4. Removal of the optionally purchased Nonforfeiture Benefit/Shortened Benefit Rider, if purchased.

Contact Your agent to determine which of these options best suits Your financial needs. The age to determine the premium for the reduced coverage will be based on Your age when this policy was issued.

#### **Your Right to Request Cancellation**

You have the right to cancel this policy at any time by written notice delivered or mailed to Us. Such cancellation will be effective upon receipt or on such later date as You state in such notice. We may waive these requirements by confirming the date and time of cancellation to You in writing. In this event, We will return promptly the pro rata unearned portion of any premium paid. Cancellation shall not prejudice any claim for expenses incurred prior to the effective date of cancellation.

#### **Conformity With Statutes**

Any provisions of this policy which, on the Effective Date of Coverage, are in conflict with the statutes of the State of Issue on that Date are amended to conform to such statutes. The State of Issue is shown on the Policy Schedule.

The Internal Revenue Code, as administered by the Department of the U.S. Treasury, may affect the status of this policy as tax qualified. Changes in the Internal Revenue Code, regulations, and Revenue Rulings may establish different requirements.

We intend to administer this policy so it maintains qualification as a tax qualified plan.

## **SECTION 7: MUTUAL CONDITIONS**

1. **Membership.** While this policy is in force, you are entitled to vote at all meetings of members and to receive dividends the Board of Directors in its discretion may declare in accordance with reasonable classifications and groupings of policyholders established by such Board.
2. **No Contingent Liability.** This policy is non-assessable.

3. **Annual Meeting.** The annual meeting of the members of the company shall be held at its home office at Bloomington, Illinois, on the second Monday of June at the hour of 10:00 A.M., unless the Board of Directors shall elect to change the time and place of such meeting, in which case, but not otherwise, due notice shall be mailed each member at the address disclosed in this policy at least 10 days prior thereto.

In Witness Whereof, The State Farm Mutual Automobile Insurance Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

*Kim M. Brunner*

Secretary

*Vincent J. Prosenko*

President

**STATE FARM MUTUAL**  
AUTOMOBILE INSURANCE COMPANY  
Home Office/Bloomington, Illinois

INSURED

INITIAL PREMIUM

POLICY NUMBER

POLICY DATE

PREMIUM MODE



**HEALTH**  
INSURANCE

**THIS POLICY IS A QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

We are pleased to issue this Long-Term Care Insurance Policy to You. It was issued in consideration of Your application and payment of the required premium. We suggest You carefully read it.

**GUARANTEED RENEWABLE FOR LIFE  
PREMIUMS SUBJECT TO CHANGE**

Your policy will remain in effect during Your lifetime as long as each premium is paid on time. We cannot cancel or refuse to renew Your policy. We cannot change Your policy without Your consent. However, We may change the premium rates. Any change will apply to all policies in the same class as Yours in the state where the policy was issued. We will notify You in writing 45 days before Your premium changes.

We provide a refund of unearned premium when We are notified of Your death or You exercise Your right to request cancellation.

**30 DAY REVIEW PERIOD**

If You feel this policy does not meet Your insurance needs, return it to Us or Your agent within 30 days after You have received it. We will return Your premium and consider the policy never to have been issued.

**CHECK YOUR APPLICATION**

**Caution: The issuance of this long-term care insurance policy is based upon Your responses to the questions on Your application. A copy of Your application is attached. If Your answers are incorrect or untrue, We have the right to deny benefits or rescind Your policy. 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 Us at State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710.**

**NOTICE TO BUYER**

This policy may not cover all of the costs associated with long-term care incurred by You during the period of coverage. You are advised to review carefully all policy limitations.

Countersigned \_\_\_\_\_  
Licensed Resident Agent

**LONG-TERM CARE INSURANCE PARTNERSHIP POLICY  
WITH SIMPLE INFLATION COVERAGE**

## Important Information Regarding Your Policy's Long-Term Care Insurance Partnership Status

This disclosure notice is issued in conjunction with your long-term care policy:

Some long-term care insurance policies sold in Arkansas qualify for the Arkansas Long-Term Care Insurance Partnership Program. Insurance Companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify as Partnership Policies may be entitled to special treatment, and in particular an "Asset Disregard," under Arkansas's Medicaid program.

**Asset Disregard** means that an amount of the policyholder's assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply. Asset Disregard is not available under a long-term care insurance policy that is not a Partnership Policy. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.**

**Partnership Policy Status.** Your long-term care insurance policy is intended to qualify as a Partnership Policy under the Arkansas Long-Term Care Partnership Program as of your Policy's effective date.

**What Could Disqualify Your Policy as a Partnership Policy.** If you make any changes to your policy, such changes could affect whether your policy continues to be a Partnership Policy. **Before you make any changes, you should consult with State Farm Mutual Automobile Insurance Company to determine the effect of a proposed change.** In addition, if you move to a State that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that State. The information contained in this Notice is based on current State and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Arkansas's Medicaid program.

**Additional Information.** If you have questions regarding your insurance policy please contact State Farm Mutual Automobile Insurance Company. If You have questions regarding current laws governing Medicaid eligibility, you should contact the Arkansas Department of Human Services.

**All benefit statements received should be kept with your policy.**

STATE OF ISSUE	[ANY STATE]		
INSURED	[DOE, JOHN D.]	[\$X, XXX.XX]	INITIAL PREMIUM
POLICY NUMBER	[H100000 1212]		
POLICY DATE	[NOVEMBER 1, 2008]	[ANNUAL]	PREMIUM MODE
	FIRST RENEWAL DATE:	[NOVEMBER 1, 2009]	

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THE BENEFITS AND PREMIUMS SHOWN ON THIS SCHEDULE ARE EFFECTIVE [NOVEMBER 1, 2008].

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#### COVERAGE SUMMARY

<u>FORM</u>	<u>COVERAGE INFORMATION</u>	<u>ANNUAL PREMIUM</u>
97061 ARS	LONG-TERM CARE POLICY	[\$X, XXX.XX]
	UP TO THE MAXIMUM DAILY BENEFIT	[\$100-\$500 (\$25 increments)]
	ELIMINATION PERIOD	[30 DAYS, 90 DAYS, 180 DAYS]
	ORIGINAL MAXIMUM LIFETIME BENEFIT	[\$XXX, XXX]
	SIMPLE INFLATION BENEFIT	
[99591 AR]	NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER (will only display if selected)	[XXX.XX]

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ANNUAL RENEWAL PREMIUMS SUBJECT TO RENEWABILITY PROVISION ON PAGE 1.

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**GUIDE TO YOUR LONG-TERM CARE POLICY**  
**Table of Contents**

The following is a Guide to Your Long-Term Care Policy. It tells You what is included in Your policy and on what page(s) You can find it.

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30-Day Review Period . . . . .	1
Check Your Application . . . . .	1
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Policy Schedule . . . . .	3
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## SECTION 1: IMPORTANT DEFINITIONS

Many words in Your policy have specific definitions. These words have been capitalized throughout Your policy for easy identification. This section defines these important terms.

### Activities of Daily Living:

1. **Bathing.** Washing Yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
2. **Continence.** The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
3. **Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
4. **Eating.** Feeding Yourself by getting food into Your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
5. **Toileting.** Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
6. **Transferring.** Moving into or out of a bed, chair, or wheelchair.

**Adult Day Care:** a program of day services and care provided in a community group setting outside the home that includes:

1. Care for six (6) or more individuals; and
2. Social and health-related services provided to support frail, impaired elderly, or other disabled adults, by providing Maintenance, Personal or Custodial Services.

**Adult Day Care Facility:** a facility that is licensed by the jurisdiction in which the services are provided, if offered or available, to provide Adult Day Care. An Adult Day Care Facility provides Adult Day Care for only part of a day. If licensing is not required or available, Adult Day Care Facility means a facility that provides Adult Day Care and satisfies all the following requirements:

1. A staff of at least two, to include one Registered Nurse or Licensed Practical/Licensed Vocational Nurse; and
2. Operates at least five (5) days a week for at least six (6) hours a day; and
3. Maintains daily records for all patients of the care and services provided; and
4. Has established procedures for obtaining appropriate aid in the event of a medical emergency.

**Alternate Care Facility:** a facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:

1. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care services sufficient to support the needs of a Chronically ILL individual; and
3. Has at least one (1) trained staff member on duty at all times; and

4. Provides three (3) meals per day, accommodating special dietary needs; and
5. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
6. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

**Calendar Week:** any seven (7) consecutive calendar days beginning on Sunday and ending on the following Saturday.

**Care Manager:** a medical professional or organization chosen at Our discretion, which may be used to perform physical and cognitive assessments of You, develop a Plan of Care to meet Your needs depending on their assessment, and identify eligible caregivers that would satisfy Your care needs.

**Caregiver Training:** specific training by a Licensed Health Care Practitioner, or their designee, which provides instruction to an uncompensated Informal Caregiver in basic caregiving techniques which will allow You to remain in Your Home if You have been certified Chronically ILL:

1. Advising how to provide safe and Substantial Assistance with Your Activities of Daily Living by instructing in the proper care and use of medical devices and equipment like urinary catheters, ostomy bags, wheelchairs, etc., and/or
2. Advising how to provide safe and Substantial Supervision.

**Chronically ILL:** certification by a Licensed Health Care Practitioner that You:

1. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or
2. Require Substantial Supervision to protect Your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically ILL for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

**Cognitive Impairment:** certification by a Licensed Health Care Practitioner that You have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect Yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:

1. Short and long term memory; and
2. Orientation as to person (who You are), place (Your location), and time (day, date, and year); and
3. Deductive or abstract reasoning.

**Durable Medical Equipment** is equipment which:

1. Can withstand repeated use;
2. Is primarily and customarily used to serve a medical purpose; and
3. Is generally not useful to a person in the absence of sickness or injury.

**Effective Date of Coverage:** the date when coverage starts under Your policy and is shown on the Policy Schedule. Coverage begins and ends at 12:01 A.M. in the area of Your residence.

**Elimination Period:** the number of days for which We will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of Your Elimination Period are shown on Your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

**Family Member:** Your spouse and anyone who is related to You or Your spouse (including adopted, in-law, and step-relatives) as a: parent, grandparent, child, or grandchild; brother or sister; aunt or uncle; first cousin, nephew or niece.

**Functional Incapacity:** the inability to perform at least two (2) Activities of Daily Living without Substantial Assistance.

**Hands-On Assistance:** physical assistance (minimal, moderate or maximal) provided to You by another person, without which You could not perform Your Activities of Daily Living.

**Home and Adult Day Care:** Qualified Long-Term Care services provided:

1. In Your Home by a Home Health Care Agency; or
2. In an Adult Day Care setting.

**Home Health Care Agency:** an entity or equally recognized agency which provides home health care or Hospice services that:

1. Has an agreement as a provider of home health care services or Hospice care and is certified under the Medicare program; or
2. Is licensed or certified to operate as a Home Health Care Agency, or equivalent, or Hospice by the appropriate licensing agency in the state where You receive care, when a license or certificate is offered or available; or
3. Obtains a license, certification, or other approval by the state as a personal care or similarly titled agency, and follows all requirements to obtain and retain this license, certification, or approval; or
4. Participates as an approved provider in the state Medicaid program;

And:

1. Secures physician orders, when required, before providing directed, medical care; and
2. Is able to provide hands-on assistance with Activities of Daily Living, when required; and
3. Receives appropriate training, as necessary, to accommodate needs for the supervision of individuals with a Cognitive Impairment; and
4. Receives training to properly administer medications or supervise self-administration of medications, as appropriate; and
5. Receives supervision by a Registered Nurse or other appropriate recognized and assigned personnel on a regular basis when providing medical care; and
6. Receives training in first aid, CPR, and other emergency situations, as indicated; and
7. Receives training in the proper documentation procedure for provided services and be required to maintain this documentation.

For purposes of this policy, a Home Health Care Agency includes an independently state licensed physical, occupational, respiratory, or speech therapist, or a registered, licensed practical, or licensed vocational nurse, operating under the structure and limitations of their license.

**Home Modification:** physically changing Your Home to accommodate and manage at Your Home, the condition or impairment for which You have been certified Chronically ILL.

**Hospice:** inpatient or outpatient organization, licensed by the state as a Hospice or participating in the Medicare program, designed to provide palliative care, alleviate the physical, emotional, social, and spiritual discomforts to You, when You have been diagnosed with a terminal illness, and there is no reasonable prospect of cure, with a life expectancy of six (6) months or less.

**Informal Caregiver:** a non-licensed person providing care to You. An Informal Caregiver is not eligible for payment of services provided to You under this policy.

**Licensed Health Care Practitioner:** a licensed Medical Doctor (M.D.), Doctor of Osteopathy (D.O.), Registered Nurse, or Licensed Social Worker, other than You or a Family Member, independent of Us and not an owner or in control of the operation of an Alternate Care Facility, Long-Term Care Facility, Home Health Care Agency, or Hospice, from whom You are receiving treatment.

**Long-Term Care Facility:** a facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:

1. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
3. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

**Maintenance, Personal, or Custodial Services:** any care for which the primary purpose is to provide non-skilled assistance in the performance of Activities of Daily Living or supervision after You have been certified Chronically ILL.

**Maximum Calendar Week Benefit:** the total maximum amount payable on a Calendar Week basis (Sunday through Saturday) under the Home and Adult Day Care Benefit.

**Maximum Daily Benefit:** the total maximum amount payable to You in one (1) day under the following:

1. Alternate Care Facility Benefit;
2. Long-Term Care Facility Benefit; and
3. Bed Reservation Benefit.

**Maximum Lifetime Benefit:** the total amount payable during the lifetime of Your policy for all benefits. Your original Maximum Lifetime Benefit is shown on Your Policy Schedule.

**Medicaid:** means the reimbursement system under Title XIX of the Federal Social Security Act, as amended.

**Medical Help System:** a communication system, located in Your Home, used to summon medical attention in case of a medical emergency.

**Medicare:** means the reimbursement system under Title XVIII of the Federal Social Security Act, as amended.

**Plan of Care:** a specific, written description of Your needs, including type of care, frequency, duration, and providers of this care which:

1. Is initiated by and approved in writing by a Licensed Health Care Practitioner who is not a Family Member or related to Your Family Member; and
2. May be confirmed in writing at least once every 60 days; and
3. Must be renewed at least every 12 months.

**Policy Schedule:** the page of Your policy which lists important facts, such as the effective date of Your policy, the policy number, Elimination Period, Maximum Daily Benefit, and the Maximum Lifetime Benefit as of the Effective Date of Coverage. Optional benefit information, if applicable, and premium information is also included on the Policy Schedule.

**Pre-existing Condition:** a health condition for which You received treatment or medical advice within the six (6) months before the effective date of Your policy, and did not disclose on Your application for insurance.

**Qualified Long-Term Care:** diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services which:

1. Are required by a Chronically ILL individual; and
2. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses You incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at Your request for beautification, comfort, convenience, or entertainment. Expenses You incur for medical supplies and prescription or nonprescription medication may be eligible when You are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

**Respite Care:** Qualified Long-Term Care services provided in Your Home or in an Alternate Care Facility, or Long-Term Care Facility, or in or by a Hospice to temporarily relieve the Informal Caregiver who normally provides care for You in Your Home.

**Stand-By Assistance:** presence of another person within arms reach of You who can provide assistance by physically intervening to prevent injury to You while performing Your Activities of Daily Living.

**Substantial Assistance:** assistance provided by another person that is either Hands-On or Stand-By in nature.

**Substantial Supervision:** supervision, including but not limited to cueing by verbal prompting, gesturing, or other demonstration, by another person.

**We, Our, Us:** The State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710-0001.

**You, Your, Yourself:** The insured named on the Policy Schedule.

**Your Home:** includes Your place of residence and living arrangements in a private home.

Your Home does not include or mean a Long-Term Care Facility or Alternate Care Facility, a hospital, a home for the retired or aged, a place which provides residential care, or a section of a nursing facility providing only residential care.

**Your Personal Representative:** a person legally authorized to make health care decisions on an individual's behalf or to act for a deceased individual or the estate.

## SECTION 2: BENEFITS OF YOUR POLICY

### Limitations or Conditions on Eligibility for Benefits General Benefit Information

This section describes the Benefits and how they are payable under Your policy.

**How to Qualify for Benefits:** To qualify for benefits under this policy, You must:

1. Be certified Chronically ILL; and
2. Satisfy Your Elimination Period, unless otherwise stated within the policy.

**Limitations or Conditions on Eligibility for Benefits:** Benefits will only be paid for expenses incurred while this policy is in force and that:

1. Are eligible, covered, Qualified Long-Term Care services under Your policy; and
2. Follow the recommendations identified in Your Plan of Care.

No benefits under Your policy will be paid for any services You receive or expenses You incur unless:

1. You are certified Chronically ILL; and
2. You satisfy Your Elimination Period, unless otherwise stated within the policy.

All benefits paid will apply toward, and will not be paid in excess of, Your Maximum Lifetime Benefit, with the exception of the Waiver of Premium Benefit.

Benefits will not be paid in excess of your Maximum Daily Benefit, unless otherwise stated within the policy.

We will not duplicate any payments made by Medicare for any service or item that may be eligible under this contract, including deductible and coinsurance amounts.

**Coverage for Alzheimer's Disease:** We provide benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

**No Need for Hospitalization:** You are not required to be hospitalized before receiving benefits under Your policy.

### Home and Community-Based Care Benefits What They Are and How They Work

#### Home and Adult Day Care Benefit

If You are certified Chronically ILL and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in Your Home or Adult Day Care, We will pay, on a Calendar Week basis, the lesser of:

1. Seven (7) times the Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided in a Calendar Week by:
  - a. A Home Health Care Agency; and/or
  - b. Adult Day Care.

Home and Adult Day Care benefits will not be payable if You are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

### **Respite Care Benefit**

In addition to any benefits payable above, We will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

### **Medical Help System Benefit**

If You are certified Chronically ILL, We will pay the expense You incur each month, not to exceed 25% of Your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of Your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if You are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid do not apply toward Your Elimination Period.

### **Caregiver Training Benefit**

If You require eligible, covered, Qualified Long-Term Care services, We will pay the expenses You incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to Your Maximum Daily Benefit.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward Your Elimination Period.

This benefit is payable to enable You to remain in Your Home or return to Your Home, to be cared for by Your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

## **Facility Benefits What They Are and How They Work**

### **Alternate Care Facility Benefit**

If You are certified Chronically ILL, each day You require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

### **Long-Term Care Facility Benefit**

If You are certified Chronically ILL, each day You require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

### **Bed Reservation Benefit**

If You are certified Chronically ILL and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while You are temporarily absent, We will pay up to 30 days per calendar year to hold Your room. The amount payable will be the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur to reserve Your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

### **Waiver of Premium Benefit What It Is and How It Works**

The premiums for Your policy that become due after You are certified Chronically ILL and receive 90 days of eligible, covered, Qualified Long-Term Care services, will be waived so long as You:

1. Remain Chronically ILL; and
2. Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If You recover or are no longer receiving eligible, covered, Qualified Long-Term Care services, or Your Maximum Lifetime Benefit Amount has been paid, You will need to resume paying Your premium to keep Your policy in force.

Days used to satisfy Your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

### **Alternate Plan of Care Benefit What It Is and How It Works**

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:

1. Requested by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care Benefit agreement is approved, benefits will be provided per this agreement. The Medical Help System Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist You to remain at home. We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expense You incur under this agreement.

### **Home Modification and Durable Medical Equipment Benefit What It Is and How It Works**

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable You to remain in Your Home if the following requirements are met:

1. The request is made by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Expected to enable You to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and
4. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to Your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for You to return to Your Home or enables You to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in Your body, or items commonly found in a household. Items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to Our approval of Your request. If Your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of Your or Our rights under the policy.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid will not apply toward Your Elimination Period.

### **Simple Automatic Increase Benefit What It Is and How It Works**

On the anniversary of Your policy's Effective Date of Coverage, the benefits provided in Your policy will increase in the following manner:

#### **Maximum Daily Benefit**

Your current Maximum Daily Benefit is the amount in effect on the most recent anniversary date of Your policy. This amount will increase by a fixed 5% of Your original Maximum Daily Benefit, shown on the Policy Schedule.

#### **Maximum Lifetime Benefit**

As benefits are paid, the payable amounts are subtracted from Your Maximum Lifetime Benefit. Your current Maximum Lifetime Benefit is the Maximum Lifetime Benefit remaining, on the most recent anniversary date, minus any benefits paid during this policy year. This remaining amount will increase by the proportionate increase in Your Maximum Daily Benefit from the previous anniversary date to the current anniversary date.

If Your Maximum Lifetime Benefit has been exhausted, no further increase is available.

Annual increases occur regardless of whether benefits are currently being paid.

### **Restoration of Benefits What It Is and How It Works**

If Your Maximum Lifetime Benefit is not exhausted, it will be fully restored to its original maximum as if no claim benefits have been paid, if:

1. You are no longer Chronically ILL; and
2. You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

## Contingent Nonforfeiture Benefit

If Your policy lapses within 120 days of the due date of a premium rate increase and You have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to You, then We will provide a Contingent Nonforfeiture Benefit to You.

### What Is The Contingent Nonforfeiture Benefit and How Does It Work

The Contingent Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if Your policy lapses as a result of a substantial premium increase as outlined below. The Contingent Nonforfeiture Benefit upon lapse shall be triggered every time We increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of Your initial annual premium set forth below:

Issue Age	Substantial Percent Over Initial Premium
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%
55-59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%

On or before the effective date of a substantial premium increase as outlined above, We will offer:

1. To reduce Your current policy benefits without evidence of insurability so that Your required premium payments are not increased; or
2. To convert Your current coverage to a paid up status with a shortened benefit period.

The contingent nonforfeiture benefit/shortened benefit payable for a Long-Term Care Facility stay or Home and Community-Based Care incurred after the date of lapse will be subject to the following limits:

- a. The Maximum Daily Facility Benefit and Home and Adult Day Care Maximum Daily Benefit will be the amounts in effect on the date of lapse.
- b. The Maximum Amount We will pay for all covered care or services You receive after the date of lapse is the greater of:
  - (1) 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any change in benefits; or
  - (2) 30 times the Nursing Facility Daily Benefit Amount in effect on the date of lapse.

The total benefits payable under the policy and all attached riders, including this contingent benefit, will not exceed the Maximum Lifetime Benefit Amount at the time of lapse.

3. Notify You that a default or lapse at any time during such 120 day period will be deemed to be the election to convert to the paid up status with the shortened benefit period.

## **SECTION 3: EXCLUSIONS AND LIMITATIONS**

### **When We Will Not Provide Benefits**

This section describes situations and conditions in which payment will be limited or denied even if You otherwise qualify for benefits.

#### **Exclusions**

We will not pay benefits when:

1. You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
2. Your condition or impairment is the result of war or any act of war, declared or undeclared;
3. Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
4. No charge is normally made in the absence of insurance;
5. Services are provided outside of the United States of America or its territories or possessions;
6. Your condition or impairment is brought about as a result of Your participation in a felony, riot, or insurrection;
7. Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or
8. Your condition or impairment is brought about, directly or indirectly, as a result of Your alcoholism or addiction to drugs or narcotics; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

### **Pre-existing Condition Limitation**

We will not pay for a loss due to a Pre-existing Condition which You did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause Your policy to be voided.

If this policy replaces another long-term care insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

## **SECTION 4: CLAIMS**

This section describes how to notify Us of a claim, how and when to file a claim, care management services, when and how Your claim is paid, and other rights and responsibilities under the policy.

### **Notifying Us of a Claim**

You must notify Us in writing of a claim within 30 days after a covered loss begins, or as soon as reasonably possible, through Your agent.

### **How to File a Claim**

We will send You appropriate claim forms within 15 days after We receive notice of Your claim. If We do not, You can meet the requirements of providing Us with a written proof of loss by sending Us a written statement describing the type and nature of Your loss.

### **When to File a Claim**

You should send us written proof of loss within 90 days after the end of the time period in which You were treated.

### **How We Evaluate a Claim**

Information will be obtained from You, Your Licensed Health Care Practitioner, and Care Manager as appropriate, to evaluate Your eligibility for benefits. It may be necessary to request an independent evaluation or physical examination, which would be done at Our expense. Periodically, similar reviews will be needed to determine Your ongoing eligibility for benefits by requesting an update to Your Plan of Care and confirming Your continued Chronically ILL status.

### **Care Management Services**

We can, with Your approval, provide You with access to care management professionals, named at Our discretion, who can work with You, Your Personal Representative, and Your Licensed Health Care Practitioner to create and monitor Your Plan of Care. Assessments of Your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to You and will not count against Your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.

### **When Your Claim Is Paid**

Your claim will be paid immediately after We receive due written proof of loss.

### **How Your Claim Is Paid**

Providing Your policy is in force, We will pay benefits to You, or Your estate, unless You have requested in writing that payment is to be made otherwise.

If benefits are payable to Your estate, We may pay up to \$1,000 to any Family Member of Yours We feel is entitled to the benefits. Any payments made in good faith will discharge Us to the extent of the payment.

### **Our Right to Obtain Information**

At Our expense, We have the right to have a physician or other qualified medical personnel examine You or obtain an assessment of Your Chronically ILL status as often as reasonably necessary while You are receiving benefits.

### **Appeals of Claim Denials**

If You, or a provider acting on Your behalf, have had a claim denied by Us, You have the opportunity to appeal that claim decision by notifying Us in writing with the reasons for Your appeal. We will respond to Your appeal within 60 days.

### **Misstatement of Your Age**

If Your age has been misstated on the application, Your policy benefits will be based on the amount Your premium would have purchased at Your correct age. If We would not have issued a policy, We will refund the premium You paid and consider the policy never to have been issued.

### **Limitations on Legal Actions**

You cannot sue or bring legal action against Us:

1. Before 60 days after We receive written proof of loss; or
2. More than three (3) years after written proof of loss is required.

## **SECTION 5: PREMIUM PAYMENT AND REINSTATEMENT OF YOUR POLICY**

This section discusses issues like premium payment, importance of paying premiums on time, what happens if premiums are not paid, protection available in the event of lapse of Your policy.

### **Paying Premiums**

Premiums are to be paid with United States currency. They are due at the beginning of each policy term. Payment may be made to Us at Our Home Office at One State Farm Plaza, Bloomington, Illinois 61710, or to Your agent. You can change the policy term if You notify Us in writing and it is agreed upon by You and Us.

### **What Happens When Premiums Are Not Paid**

You are allowed a 65 day grace period for late payment of each premium due after the first premium. Your policy will remain in force during this period.

If You do not pay Your premium by the end of the grace period, Your policy will terminate.

**Extension of Benefits:** If Your policy terminates for nonpayment of premium, during which You are confined in a Long-Term Care Facility or an Alternate Care Facility, We will extend benefits beyond the date of termination for as long as eligible, covered, Qualified Long-Term Care services continue without interruption. Benefits will continue to be provided following the guidelines established in Your Plan of Care, complying with all provisions of Your policy, until You have not received eligible care for at least 180 consecutive days.

### **Unintentional Lapse Protection**

You have the right to designate an individual in addition to Yourself to receive notification when Your policy will terminate because of nonpayment of premium.

We will notify the person You designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of Your policy, You will be given the right to change the designated person.

## **What Happens to Your Premiums if You Die**

When We are notified of Your death, We will make a refund of any unearned premium paid for the period beyond Your death.

## **Putting the Policy Back in Force**

If the renewal premium is not paid before the grace period ends, the policy will lapse. Later acceptance of the premium by Us or by an agent expressly authorized to accept payment without requiring an application for reinstatement, will reinstate this policy.

If We or Our agent require an application, You will be given a conditional receipt for the premium. If the application is approved, the policy will be reinstated as of the approval date. Unless We have previously written You of Our disapproval, the policy will be reinstated on the 45th day after the date of the receipt of such application.

The reinstated policy will cover only losses due to conditions that begin after the date of reinstatement. In all other respects, Your and Our rights remain the same, subject to any provisions noted on or attached to the reinstated policy.

Any premiums We accept for a reinstatement will be applied to a period for which premiums have not been paid. No premium will be applied to any period more than 60 days before the reinstatement date.

## **Putting the Policy Back in Force After Nonpayment of Premium Due to Cognitive Impairment or Functional Incapacity**

Also, within six (6) months following termination of Your policy for nonpayment of premium, You, or Your Personal Representative, may request reinstatement of Your policy on the basis that You suffered from Cognitive Impairment or Functional Incapacity, or You would have otherwise qualified for benefits under the policy, at the time of policy termination.

We will require evidence of clinical diagnosis or tests demonstrating that You suffered from Cognitive Impairment or Functional Incapacity at the time of policy termination. If such demonstration substantiates, to Our satisfaction, the existence of Cognitive Impairment or Functional Incapacity at the time of policy termination, We will reinstate Your policy. The clinical diagnosis and tests needed to affirm this diagnosis will be at Your expense.

If We reinstate Your policy after nonpayment of premium due to Cognitive Impairment or Functional Incapacity:

1. This reinstatement shall not require any evidence of insurability, and
2. The reinstated policy shall cover losses occurring from the date of policy cancellation. There will be no gaps in coverage. Coverage will be at the level provided prior to reinstatement, and
3. The premium shall be paid from the date of the last premium payment at the rate which would have been in effect had the policy remained in force. Payment must be made within 15 days following Our request.

## SECTION 6: THE CONTRACT

This section identifies the documents which describe all contractual agreements, the importance of accurate and truthful application completion, and other basic rights, obligations, and features.

### **What Makes Up the Contract**

This policy is a legal, binding contract between You and Us. The contract is made up of:

1. The policy;
2. The application; and
3. Any attached papers.

No one can change any part of this policy or waive any of its provisions unless the change is approved in writing on the policy by one of Our officers.

### **Importance of Information on the Application/Time Limit on Certain Defenses**

We issued this policy based on information You provided. Any incorrect or omitted information known to You at the time of application may cause Your policy to be voided or a claim to be denied.

If Your policy has been in force, or increase in coverage effective, for less than six (6) months, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is material to the acceptance of coverage.

If Your policy has been in force for at least six (6) months but less than two (2) years, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is both material to the acceptance of coverage and which pertains to the conditions for which benefits are sought.

After Your policy has been in force for two (2) years, only fraudulent misstatements in the application can be used to void the policy or deny a claim for loss incurred after the two (2) year period.

If We have paid benefits under this policy, such benefit payments may not be recovered by Us in the event that Your policy is rescinded.

### **Your Right to Reduce Coverage and Lower Premiums**

You have the right to reduce coverage and lower the policy premium at any time. The following options may be available depending on Your current policy benefits:

1. Decrease the daily benefit; or
2. Increase the Elimination Period; or
3. Decrease the maximum benefit factor; or
4. Removal of the optionally purchased Nonforfeiture Benefit/Shortened Benefit Rider, if purchased.

Contact Your agent to determine which of these options best suits Your financial needs. The age to determine the premium for the reduced coverage will be based on Your age when this policy was issued.

### Your Right to Request Cancellation

You have the right to cancel this policy at any time by written notice delivered or mailed to Us. Such cancellation will be effective upon receipt or on such later date as You state in such notice. We may waive these requirements by confirming the date and time of cancellation to You in writing. In this event, We will return promptly the pro rata unearned portion of any premium paid. Cancellation shall not prejudice any claim for expenses incurred prior to the effective date of cancellation.

### Conformity With Statutes

Any provisions of this policy which, on the Effective Date of Coverage, are in conflict with the statutes of the State of Issue on that Date are amended to conform to such statutes. The State of Issue is shown on the Policy Schedule.

The Internal Revenue Code, as administered by the Department of the U.S. Treasury, may affect the status of this policy as tax qualified. Changes in the Internal Revenue Code, regulations, and Revenue Rulings may establish different requirements.

We intend to administer this policy so it maintains qualification as a tax qualified plan.

## SECTION 7: MUTUAL CONDITIONS

1. **Membership.** While this policy is in force, you are entitled to vote at all meetings of members and to receive dividends the Board of Directors in its discretion may declare in accordance with reasonable classifications and groupings of policyholders established by such Board.
2. **No Contingent Liability.** This policy is non-assessable.
3. **Annual Meeting.** The annual meeting of the members of the company shall be held at its home office at Bloomington, Illinois, on the second Monday of June at the hour of 10:00 A.M., unless the Board of Directors shall elect to change the time and place of such meeting, in which case, but not otherwise, due notice shall be mailed each member at the address disclosed in this policy at least 10 days prior thereto.

In Witness Whereof, The State Farm Mutual Automobile Insurance Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.



Secretary



President

**STATE FARM MUTUAL**  
AUTOMOBILE INSURANCE COMPANY  
Home Office/Bloomington, Illinois

INSURED

INITIAL PREMIUM

POLICY NUMBER

POLICY DATE

PREMIUM MODE



**HEALTH**  
INSURANCE

**THIS POLICY IS A QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

We are pleased to issue this Long-Term Care Insurance Policy to You. It was issued in consideration of Your application and payment of the required premium. We suggest You carefully read it.

**GUARANTEED RENEWABLE FOR LIFE  
PREMIUMS SUBJECT TO CHANGE**

Your policy will remain in effect during Your lifetime as long as each premium is paid on time. We cannot cancel or refuse to renew Your policy. We cannot change Your policy without Your consent. However, We may change the premium rates. Any change will apply to all policies in the same class as Yours in the state where the policy was issued. We will notify You in writing 45 days before Your premium changes.

We provide a refund of unearned premium when We are notified of Your death or You exercise Your right to request cancellation.

**30 DAY REVIEW PERIOD**

If You feel this policy does not meet Your insurance needs, return it to Us or Your agent within 30 days after You have received it. We will return Your premium and consider the policy never to have been issued.

**CHECK YOUR APPLICATION**

**Caution: The issuance of this long-term care insurance policy is based upon Your responses to the questions on Your application. A copy of Your application is attached. If Your answers are incorrect or untrue, We have the right to deny benefits or rescind Your policy. 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 Us at State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710.**

**NOTICE TO BUYER**

This policy may not cover all of the costs associated with long-term care incurred by You during the period of coverage. You are advised to review carefully all policy limitations.

Countersigned \_\_\_\_\_  
Licensed Resident Agent

**LONG-TERM CARE INSURANCE PARTNERSHIP POLICY  
WITH COMPOUND INFLATION COVERAGE**

## Important Information Regarding Your Policy's Long-Term Care Insurance Partnership Status

This disclosure notice is issued in conjunction with your long-term care policy:

Some long-term care insurance policies sold in Arkansas qualify for the Arkansas Long-Term Care Insurance Partnership Program. Insurance Companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify as Partnership Policies may be entitled to special treatment, and in particular an "Asset Disregard," under Arkansas's Medicaid program.

**Asset Disregard** means that an amount of the policyholder's assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply. Asset Disregard is not available under a long-term care insurance policy that is not a Partnership Policy. **The purchase of a Partnership Policy does not automatically qualify you for Medicaid.**

**Partnership Policy Status.** Your long-term care insurance policy is intended to qualify as a Partnership Policy under the Arkansas Long-Term Care Partnership Program as of your Policy's effective date.

**What Could Disqualify Your Policy as a Partnership Policy.** If you make any changes to your policy, such changes could affect whether your policy continues to be a Partnership Policy. **Before you make any changes, you should consult with State Farm Mutual Automobile Insurance Company to determine the effect of a proposed change.** In addition, if you move to a State that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that State. The information contained in this Notice is based on current State and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Arkansas's Medicaid program.

**Additional Information.** If you have questions regarding your insurance policy please contact State Farm Mutual Automobile Insurance Company. If You have questions regarding current laws governing Medicaid eligibility, you should contact the Arkansas Department of Human Services.

**All benefit statements received should be kept with your policy.**

STATE OF ISSUE	[ANY STATE]		
INSURED	[DOE, JOHN D.]	[\$X, XXX.XX]	INITIAL PREMIUM
POLICY NUMBER	[H100000 1212]		
POLICY DATE	[NOVEMBER 1, 2008]	[ANNUAL]	PREMIUM MODE
	FIRST RENEWAL DATE:	[NOVEMBER 1, 2009]	

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THE BENEFITS AND PREMIUMS SHOWN ON THIS SCHEDULE ARE EFFECTIVE [NOVEMBER 1, 2008].

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#### COVERAGE SUMMARY

<u>FORM</u>	<u>COVERAGE INFORMATION</u>	<u>ANNUAL PREMIUM</u>
97061 ARC	LONG-TERM CARE POLICY	[\$X, XXX.XX]
	UP TO THE MAXIMUM DAILY BENEFIT	[\$100-\$500 (\$25 increments)]
	ELIMINATION PERIOD	[30 DAYS, 90 DAYS, 180 DAYS]
	ORIGINAL MAXIMUM LIFETIME BENEFIT	[\$XXX, XXX]
	5% COMPOUND INFLATION BENEFIT	
[99591 AR]	NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER (will only display if selected)	[XXX.XX]

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ANNUAL RENEWAL PREMIUMS SUBJECT TO RENEWABILITY PROVISION ON PAGE 1.

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**GUIDE TO YOUR LONG-TERM CARE POLICY**  
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## SECTION 1: IMPORTANT DEFINITIONS

Many words in Your policy have specific definitions. These words have been capitalized throughout Your policy for easy identification. This section defines these important terms.

### Activities of Daily Living:

1. **Bathing.** Washing Yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
2. **Continence.** The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
3. **Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
4. **Eating.** Feeding Yourself by getting food into Your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
5. **Toileting.** Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
6. **Transferring.** Moving into or out of a bed, chair, or wheelchair.

**Adult Day Care:** a program of day services and care provided in a community group setting outside the home that includes:

1. Care for six (6) or more individuals; and
2. Social and health-related services provided to support frail, impaired elderly, or other disabled adults, by providing Maintenance, Personal or Custodial Services.

**Adult Day Care Facility:** a facility that is licensed by the jurisdiction in which the services are provided, if offered or available, to provide Adult Day Care. An Adult Day Care Facility provides Adult Day Care for only part of a day. If licensing is not required or available, Adult Day Care Facility means a facility that provides Adult Day Care and satisfies all the following requirements:

1. A staff of at least two, to include one Registered Nurse or Licensed Practical/Licensed Vocational Nurse; and
2. Operates at least five (5) days a week for at least six (6) hours a day; and
3. Maintains daily records for all patients of the care and services provided; and
4. Has established procedures for obtaining appropriate aid in the event of a medical emergency.

**Alternate Care Facility:** a facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:

1. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care services sufficient to support the needs of a Chronically ILL individual; and
3. Has at least one (1) trained staff member on duty at all times; and

4. Provides three (3) meals per day, accommodating special dietary needs; and
5. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
6. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

**Calendar Week:** any seven (7) consecutive calendar days beginning on Sunday and ending on the following Saturday.

**Care Manager:** a medical professional or organization chosen at Our discretion, which may be used to perform physical and cognitive assessments of You, develop a Plan of Care to meet Your needs depending on their assessment, and identify eligible caregivers that would satisfy Your care needs.

**Caregiver Training:** specific training by a Licensed Health Care Practitioner, or their designee, which provides instruction to an uncompensated Informal Caregiver in basic caregiving techniques which will allow You to remain in Your Home if You have been certified Chronically ILL:

1. Advising how to provide safe and Substantial Assistance with Your Activities of Daily Living by instructing in the proper care and use of medical devices and equipment like urinary catheters, ostomy bags, wheelchairs, etc., and/or
2. Advising how to provide safe and Substantial Supervision.

**Chronically ILL:** certification by a Licensed Health Care Practitioner that You:

1. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or
2. Require Substantial Supervision to protect Your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically ILL for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

**Cognitive Impairment:** certification by a Licensed Health Care Practitioner that You have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect Yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:

1. Short and long term memory; and
2. Orientation as to person (who You are), place (Your location), and time (day, date, and year); and
3. Deductive or abstract reasoning.

**Durable Medical Equipment** is equipment which:

1. Can withstand repeated use;
2. Is primarily and customarily used to serve a medical purpose; and
3. Is generally not useful to a person in the absence of sickness or injury.

**Effective Date of Coverage:** the date when coverage starts under Your policy and is shown on the Policy Schedule. Coverage begins and ends at 12:01 A.M. in the area of Your residence.

**Elimination Period:** the number of days for which We will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of Your Elimination Period are shown on Your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

**Family Member:** Your spouse and anyone who is related to You or Your spouse (including adopted, in-law, and step-relatives) as a: parent, grandparent, child, or grandchild; brother or sister; aunt or uncle; first cousin, nephew or niece.

**Functional Incapacity:** the inability to perform at least two (2) Activities of Daily Living without Substantial Assistance.

**Hands-On Assistance:** physical assistance (minimal, moderate or maximal) provided to You by another person, without which You could not perform Your Activities of Daily Living.

**Home and Adult Day Care:** Qualified Long-Term Care services provided:

1. In Your Home by a Home Health Care Agency; or
2. In an Adult Day Care setting.

**Home Health Care Agency:** an entity or equally recognized agency which provides home health care or Hospice services that:

1. Has an agreement as a provider of home health care services or Hospice care and is certified under the Medicare program; or
2. Is licensed or certified to operate as a Home Health Care Agency, or equivalent, or Hospice by the appropriate licensing agency in the state where You receive care, when a license or certificate is offered or available; or
3. Obtains a license, certification, or other approval by the state as a personal care or similarly titled agency, and follows all requirements to obtain and retain this license, certification, or approval; or
4. Participates as an approved provider in the state Medicaid program;

And:

1. Secures physician orders, when required, before providing directed, medical care; and
2. Is able to provide hands-on assistance with Activities of Daily Living, when required; and
3. Receives appropriate training, as necessary, to accommodate needs for the supervision of individuals with a Cognitive Impairment; and
4. Receives training to properly administer medications or supervise self-administration of medications, as appropriate; and
5. Receives supervision by a Registered Nurse or other appropriate recognized and assigned personnel on a regular basis when providing medical care; and
6. Receives training in first aid, CPR, and other emergency situations, as indicated; and
7. Receives training in the proper documentation procedure for provided services and be required to maintain this documentation.

For purposes of this policy, a Home Health Care Agency includes an independently state licensed physical, occupational, respiratory, or speech therapist, or a registered, licensed practical, or licensed vocational nurse, operating under the structure and limitations of their license.

**Home Modification:** physically changing Your Home to accommodate and manage at Your Home, the condition or impairment for which You have been certified Chronically ILL.

**Hospice:** inpatient or outpatient organization, licensed by the state as a Hospice or participating in the Medicare program, designed to provide palliative care, alleviate the physical, emotional, social, and spiritual discomforts to You, when You have been diagnosed with a terminal illness, and there is no reasonable prospect of cure, with a life expectancy of six (6) months or less.

**Informal Caregiver:** a non-licensed person providing care to You. An Informal Caregiver is not eligible for payment of services provided to You under this policy.

**Licensed Health Care Practitioner:** a licensed Medical Doctor (M.D.), Doctor of Osteopathy (D.O.), Registered Nurse, or Licensed Social Worker, other than You or a Family Member, independent of Us and not an owner or in control of the operation of an Alternate Care Facility, Long-Term Care Facility, Home Health Care Agency, or Hospice, from whom You are receiving treatment.

**Long-Term Care Facility:** a facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:

1. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
3. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

**Maintenance, Personal, or Custodial Services:** any care for which the primary purpose is to provide non-skilled assistance in the performance of Activities of Daily Living or supervision after You have been certified Chronically ILL.

**Maximum Calendar Week Benefit:** the total maximum amount payable on a Calendar Week basis (Sunday through Saturday) under the Home and Adult Day Care Benefit.

**Maximum Daily Benefit:** the total maximum amount payable to You in one (1) day under the following:

1. Alternate Care Facility Benefit;
2. Long-Term Care Facility Benefit; and
3. Bed Reservation Benefit.

**Maximum Lifetime Benefit:** the total amount payable during the lifetime of Your policy for all benefits. Your original Maximum Lifetime Benefit is shown on Your Policy Schedule.

**Medicaid:** means the reimbursement system under Title XIX of the Federal Social Security Act, as amended.

**Medical Help System:** a communication system, located in Your Home, used to summon medical attention in case of a medical emergency.

**Medicare:** means the reimbursement system under Title XVIII of the Federal Social Security Act, as amended.

**Plan of Care:** a specific, written description of Your needs, including type of care, frequency, duration, and providers of this care which:

1. Is initiated by and approved in writing by a Licensed Health Care Practitioner who is not a Family Member or related to Your Family Member; and
2. May be confirmed in writing at least once every 60 days; and
3. Must be renewed at least every 12 months.

**Policy Schedule:** the page of Your policy which lists important facts, such as the effective date of Your policy, the policy number, Elimination Period, Maximum Daily Benefit, and the Maximum Lifetime Benefit as of the Effective Date of Coverage. Optional benefit information, if applicable, and premium information is also included on the Policy Schedule.

**Pre-existing Condition:** a health condition for which You received treatment or medical advice within the six (6) months before the effective date of Your policy, and did not disclose on Your application for insurance.

**Qualified Long-Term Care:** diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services which:

1. Are required by a Chronically ILL individual; and
2. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses You incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at Your request for beautification, comfort, convenience, or entertainment. Expenses You incur for medical supplies and prescription or nonprescription medication may be eligible when You are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

**Respite Care:** Qualified Long-Term Care services provided in Your Home or in an Alternate Care Facility, or Long-Term Care Facility, or in or by a Hospice to temporarily relieve the Informal Caregiver who normally provides care for You in Your Home.

**Stand-By Assistance:** presence of another person within arms reach of You who can provide assistance by physically intervening to prevent injury to You while performing Your Activities of Daily Living.

**Substantial Assistance:** assistance provided by another person that is either Hands-On or Stand-By in nature.

**Substantial Supervision:** supervision, including but not limited to cueing by verbal prompting, gesturing, or other demonstration, by another person.

**We, Our, Us:** The State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710-0001.

**You, Your, Yourself:** The insured named on the Policy Schedule.

**Your Home:** includes Your place of residence and living arrangements in a private home.

Your Home does not include or mean a Long-Term Care Facility or Alternate Care Facility, a hospital, a home for the retired or aged, a place which provides residential care, or a section of a nursing facility providing only residential care.

**Your Personal Representative:** a person legally authorized to make health care decisions on an individual's behalf or to act for a deceased individual or the estate.

## SECTION 2: BENEFITS OF YOUR POLICY

### Limitations or Conditions on Eligibility for Benefits General Benefit Information

This section describes the Benefits and how they are payable under Your policy.

**How to Qualify for Benefits:** To qualify for benefits under this policy, You must:

1. Be certified Chronically ILL; and
2. Satisfy Your Elimination Period, unless otherwise stated within the policy.

**Limitations or Conditions on Eligibility for Benefits:** Benefits will only be paid for expenses incurred while this policy is in force and that:

1. Are eligible, covered, Qualified Long-Term Care services under Your policy; and
2. Follow the recommendations identified in Your Plan of Care.

No benefits under Your policy will be paid for any services You receive or expenses You incur unless:

1. You are certified Chronically ILL; and
2. You satisfy Your Elimination Period, unless otherwise stated within the policy.

All benefits paid will apply toward, and will not be paid in excess of, Your Maximum Lifetime Benefit, with the exception of the Waiver of Premium Benefit.

Benefits will not be paid in excess of your Maximum Daily Benefit, unless otherwise stated within the policy.

We will not duplicate any payments made by Medicare for any service or item that may be eligible under this contract, including deductible and coinsurance amounts.

**Coverage for Alzheimer's Disease:** We provide benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

**No Need for Hospitalization:** You are not required to be hospitalized before receiving benefits under Your policy.

### Home and Community-Based Care Benefits What They Are and How They Work

#### Home and Adult Day Care Benefit

If You are certified Chronically ILL and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in Your Home or Adult Day Care, We will pay, on a Calendar Week basis, the lesser of:

1. Seven (7) times the Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided in a Calendar Week by:
  - a. A Home Health Care Agency; and/or
  - b. Adult Day Care.

Home and Adult Day Care benefits will not be payable if You are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

### **Respite Care Benefit**

In addition to any benefits payable above, We will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

### **Medical Help System Benefit**

If You are certified Chronically ILL, We will pay the expense You incur each month, not to exceed 25% of Your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of Your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if You are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid do not apply toward Your Elimination Period.

### **Caregiver Training Benefit**

If You require eligible, covered, Qualified Long-Term Care services, We will pay the expenses You incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to Your Maximum Daily Benefit.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward Your Elimination Period.

This benefit is payable to enable You to remain in Your Home or return to Your Home, to be cared for by Your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

## **Facility Benefits What They Are and How They Work**

### **Alternate Care Facility Benefit**

If You are certified Chronically ILL, each day You require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

### **Long-Term Care Facility Benefit**

If You are certified Chronically ILL, each day You require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

### **Bed Reservation Benefit**

If You are certified Chronically ILL and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while You are temporarily absent, We will pay up to 30 days per calendar year to hold Your room. The amount payable will be the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur to reserve Your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

### **Waiver of Premium Benefit What It Is and How It Works**

The premiums for Your policy that become due after You are certified Chronically ILL and receive 90 days of eligible, covered, Qualified Long-Term Care services, will be waived so long as You:

1. Remain Chronically ILL; and
2. Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If You recover or are no longer receiving eligible, covered, Qualified Long-Term Care services, or Your Maximum Lifetime Benefit Amount has been paid, You will need to resume paying Your premium to keep Your policy in force.

Days used to satisfy Your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

### **Alternate Plan of Care Benefit What It Is and How It Works**

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:

1. Requested by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care Benefit agreement is approved, benefits will be provided per this agreement. The Medical Help System Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist You to remain at home. We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expense You incur under this agreement.

### **Home Modification and Durable Medical Equipment Benefit What It Is and How It Works**

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable You to remain in Your Home if the following requirements are met:

1. The request is made by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Expected to enable You to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and
4. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to Your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for You to return to Your Home or enables You to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in Your body, or items commonly found in a household. Items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to Our approval of Your request. If Your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of Your or Our rights under the policy.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid will not apply toward Your Elimination Period.

### **Compound Automatic Increase Benefit What It Is and How It Works**

On the anniversary of Your policy's Effective Date of Coverage, the benefits provided in Your policy will increase in the following manner:

**Maximum Daily Benefit:** Your current Maximum Daily Benefit is the amount in effect on the most recent anniversary date of Your policy. This amount will increase by 5% annually, on the anniversary date of Your policy.

**Maximum Lifetime Benefit:** As benefits are paid, the payable amounts are subtracted from Your Maximum Lifetime Benefit. Your current Maximum Lifetime Benefit is the Maximum Lifetime Benefit remaining, on the most recent anniversary date, minus any benefits paid during this policy year. This remaining amount will increase by 5% annually, on the anniversary date of Your policy.

If your Maximum Lifetime Benefit has been exhausted, no further increase is available.

Annual increases occur regardless of whether benefits are currently being paid.

### **Restoration of Benefits What It Is and How It Works**

If Your Maximum Lifetime Benefit is not exhausted, it will be fully restored to its original maximum as if no claim benefits have been paid, if:

1. You are no longer Chronically ILL; and
2. You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

## Contingent Nonforfeiture Benefit

If Your policy lapses within 120 days of the due date of a premium rate increase and You have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to You, then We will provide a Contingent Nonforfeiture Benefit to You.

### What Is The Contingent Nonforfeiture Benefit and How Does It Work

The Contingent Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if Your policy lapses as a result of a substantial premium increase as outlined below. The Contingent Nonforfeiture Benefit upon lapse shall be triggered every time We increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of Your initial annual premium set forth below:

Issue Age	Substantial Percent Over Initial Premium
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%
55-59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%

On or before the effective date of a substantial premium increase as outlined above, We will offer:

1. To reduce Your current policy benefits without evidence of insurability so that Your required premium payments are not increased; or
2. To convert Your current coverage to a paid up status with a shortened benefit period.

The contingent nonforfeiture benefit/shortened benefit payable for a Long-Term Care Facility stay or Home and Community-Based Care incurred after the date of lapse will be subject to the following limits:

- a. The Maximum Daily Facility Benefit and Home and Adult Day Care Maximum Daily Benefit will be the amounts in effect on the date of lapse.
- b. The Maximum Amount We will pay for all covered care or services You receive after the date of lapse is the greater of:
  - (1) 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any change in benefits; or
  - (2) 30 times the Nursing Facility Daily Benefit Amount in effect on the date of lapse.

The total benefits payable under the policy and all attached riders, including this contingent benefit, will not exceed the Maximum Lifetime Benefit Amount at the time of lapse.

3. Notify You that a default or lapse at any time during such 120 day period will be deemed to be the election to convert to the paid up status with the shortened benefit period.

## **SECTION 3: EXCLUSIONS AND LIMITATIONS**

### **When We Will Not Provide Benefits**

This section describes situations and conditions in which payment will be limited or denied even if You otherwise qualify for benefits.

#### **Exclusions**

We will not pay benefits when:

1. You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
2. Your condition or impairment is the result of war or any act of war, declared or undeclared;
3. Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
4. No charge is normally made in the absence of insurance;
5. Services are provided outside of the United States of America or its territories or possessions;
6. Your condition or impairment is brought about as a result of Your participation in a felony, riot, or insurrection;
7. Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or
8. Your condition or impairment is brought about, directly or indirectly, as a result of Your alcoholism or addiction to drugs or narcotics; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

### **Pre-existing Condition Limitation**

We will not pay for a loss due to a Pre-existing Condition which You did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause Your policy to be voided.

If this policy replaces another long-term care insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

## **SECTION 4: CLAIMS**

This section describes how to notify Us of a claim, how and when to file a claim, care management services, when and how Your claim is paid, and other rights and responsibilities under the policy.

### **Notifying Us of a Claim**

You must notify Us in writing of a claim within 30 days after a covered loss begins, or as soon as reasonably possible, through Your agent.

### **How to File a Claim**

We will send You appropriate claim forms within 15 days after We receive notice of Your claim. If We do not, You can meet the requirements of providing Us with a written proof of loss by sending Us a written statement describing the type and nature of Your loss.

### **When to File a Claim**

You should send us written proof of loss within 90 days after the end of the time period in which You were treated.

### **How We Evaluate a Claim**

Information will be obtained from You, Your Licensed Health Care Practitioner, and Care Manager as appropriate, to evaluate Your eligibility for benefits. It may be necessary to request an independent evaluation or physical examination, which would be done at Our expense. Periodically, similar reviews will be needed to determine Your ongoing eligibility for benefits by requesting an update to Your Plan of Care and confirming Your continued Chronically ILL status.

### **Care Management Services**

We can, with Your approval, provide You with access to care management professionals, named at Our discretion, who can work with You, Your Personal Representative, and Your Licensed Health Care Practitioner to create and monitor Your Plan of Care. Assessments of Your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to You and will not count against Your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.

### **When Your Claim Is Paid**

Your claim will be paid immediately after We receive due written proof of loss.

### **How Your Claim Is Paid**

Providing Your policy is in force, We will pay benefits to You, or Your estate, unless You have requested in writing that payment is to be made otherwise.

If benefits are payable to Your estate, We may pay up to \$1,000 to any Family Member of Yours We feel is entitled to the benefits. Any payments made in good faith will discharge Us to the extent of the payment.

### **Our Right to Obtain Information**

At Our expense, We have the right to have a physician or other qualified medical personnel examine You or obtain an assessment of Your Chronically ILL status as often as reasonably necessary while You are receiving benefits.

### **Appeals of Claim Denials**

If You, or a provider acting on Your behalf, have had a claim denied by Us, You have the opportunity to appeal that claim decision by notifying Us in writing with the reasons for Your appeal. We will respond to Your appeal within 60 days.

### **Misstatement of Your Age**

If Your age has been misstated on the application, Your policy benefits will be based on the amount Your premium would have purchased at Your correct age. If We would not have issued a policy, We will refund the premium You paid and consider the policy never to have been issued.

### **Limitations on Legal Actions**

You cannot sue or bring legal action against Us:

1. Before 60 days after We receive written proof of loss; or
2. More than three (3) years after written proof of loss is required.

## **SECTION 5: PREMIUM PAYMENT AND REINSTATEMENT OF YOUR POLICY**

This section discusses issues like premium payment, importance of paying premiums on time, what happens if premiums are not paid, protection available in the event of lapse of Your policy.

### **Paying Premiums**

Premiums are to be paid with United States currency. They are due at the beginning of each policy term. Payment may be made to Us at Our Home Office at One State Farm Plaza, Bloomington, Illinois 61710, or to Your agent. You can change the policy term if You notify Us in writing and it is agreed upon by You and Us.

### **What Happens When Premiums Are Not Paid**

You are allowed a 65 day grace period for late payment of each premium due after the first premium. Your policy will remain in force during this period.

If You do not pay Your premium by the end of the grace period, Your policy will terminate.

**Extension of Benefits:** If Your policy terminates for nonpayment of premium, during which You are confined in a Long-Term Care Facility or an Alternate Care Facility, We will extend benefits beyond the date of termination for as long as eligible, covered, Qualified Long-Term Care services continue without interruption. Benefits will continue to be provided following the guidelines established in Your Plan of Care, complying with all provisions of Your policy, until You have not received eligible care for at least 180 consecutive days.

### **Unintentional Lapse Protection**

You have the right to designate an individual in addition to Yourself to receive notification when Your policy will terminate because of nonpayment of premium.

We will notify the person You designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of Your policy, You will be given the right to change the designated person.

## **What Happens to Your Premiums if You Die**

When We are notified of Your death, We will make a refund of any unearned premium paid for the period beyond Your death.

## **Putting the Policy Back in Force**

If the renewal premium is not paid before the grace period ends, the policy will lapse. Later acceptance of the premium by Us or by an agent expressly authorized to accept payment without requiring an application for reinstatement, will reinstate this policy.

If We or Our agent require an application, You will be given a conditional receipt for the premium. If the application is approved, the policy will be reinstated as of the approval date. Unless We have previously written You of Our disapproval, the policy will be reinstated on the 45th day after the date of the receipt of such application.

The reinstated policy will cover only losses due to conditions that begin after the date of reinstatement. In all other respects, Your and Our rights remain the same, subject to any provisions noted on or attached to the reinstated policy.

Any premiums We accept for a reinstatement will be applied to a period for which premiums have not been paid. No premium will be applied to any period more than 60 days before the reinstatement date.

## **Putting the Policy Back in Force After Nonpayment of Premium Due to Cognitive Impairment or Functional Incapacity**

Also, within six (6) months following termination of Your policy for nonpayment of premium, You, or Your Personal Representative, may request reinstatement of Your policy on the basis that You suffered from Cognitive Impairment or Functional Incapacity, or You would have otherwise qualified for benefits under the policy, at the time of policy termination.

We will require evidence of clinical diagnosis or tests demonstrating that You suffered from Cognitive Impairment or Functional Incapacity at the time of policy termination. If such demonstration substantiates, to Our satisfaction, the existence of Cognitive Impairment or Functional Incapacity at the time of policy termination, We will reinstate Your policy. The clinical diagnosis and tests needed to affirm this diagnosis will be at Your expense.

If We reinstate Your policy after nonpayment of premium due to Cognitive Impairment or Functional Incapacity:

1. This reinstatement shall not require any evidence of insurability, and
2. The reinstated policy shall cover losses occurring from the date of policy cancellation. There will be no gaps in coverage. Coverage will be at the level provided prior to reinstatement, and
3. The premium shall be paid from the date of the last premium payment at the rate which would have been in effect had the policy remained in force. Payment must be made within 15 days following Our request.

## SECTION 6: THE CONTRACT

This section identifies the documents which describe all contractual agreements, the importance of accurate and truthful application completion, and other basic rights, obligations, and features.

### **What Makes Up the Contract**

This policy is a legal, binding contract between You and Us. The contract is made up of:

1. The policy;
2. The application; and
3. Any attached papers.

No one can change any part of this policy or waive any of its provisions unless the change is approved in writing on the policy by one of Our officers.

### **Importance of Information on the Application/Time Limit on Certain Defenses**

We issued this policy based on information You provided. Any incorrect or omitted information known to You at the time of application may cause Your policy to be voided or a claim to be denied.

If Your policy has been in force, or increase in coverage effective, for less than six (6) months, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is material to the acceptance of coverage.

If Your policy has been in force for at least six (6) months but less than two (2) years, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is both material to the acceptance of coverage and which pertains to the conditions for which benefits are sought.

After Your policy has been in force for two (2) years, only fraudulent misstatements in the application can be used to void the policy or deny a claim for loss incurred after the two (2) year period.

If We have paid benefits under this policy, such benefit payments may not be recovered by Us in the event that Your policy is rescinded.

### **Your Right to Reduce Coverage and Lower Premiums**

You have the right to reduce coverage and lower the policy premium at any time. The following options may be available depending on Your current policy benefits:

1. Decrease the daily benefit; or
2. Increase the Elimination Period; or
3. Decrease the maximum benefit factor; or
4. Removal of the optionally purchased Nonforfeiture Benefit/Shortened Benefit Rider, if purchased.

Contact Your agent to determine which of these options best suits Your financial needs. The age to determine the premium for the reduced coverage will be based on Your age when this policy was issued.

### Your Right to Request Cancellation

You have the right to cancel this policy at any time by written notice delivered or mailed to Us. Such cancellation will be effective upon receipt or on such later date as You state in such notice. We may waive these requirements by confirming the date and time of cancellation to You in writing. In this event, We will return promptly the pro rata unearned portion of any premium paid. Cancellation shall not prejudice any claim for expenses incurred prior to the effective date of cancellation.

### Conformity With Statutes

Any provisions of this policy which, on the Effective Date of Coverage, are in conflict with the statutes of the State of Issue on that Date are amended to conform to such statutes. The State of Issue is shown on the Policy Schedule.

The Internal Revenue Code, as administered by the Department of the U.S. Treasury, may affect the status of this policy as tax qualified. Changes in the Internal Revenue Code, regulations, and Revenue Rulings may establish different requirements.

We intend to administer this policy so it maintains qualification as a tax qualified plan.

## SECTION 7: MUTUAL CONDITIONS

1. **Membership.** While this policy is in force, you are entitled to vote at all meetings of members and to receive dividends the Board of Directors in its discretion may declare in accordance with reasonable classifications and groupings of policyholders established by such Board.
2. **No Contingent Liability.** This policy is non-assessable.
3. **Annual Meeting.** The annual meeting of the members of the company shall be held at its home office at Bloomington, Illinois, on the second Monday of June at the hour of 10:00 A.M., unless the Board of Directors shall elect to change the time and place of such meeting, in which case, but not otherwise, due notice shall be mailed each member at the address disclosed in this policy at least 10 days prior thereto.

In Witness Whereof, The State Farm Mutual Automobile Insurance Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.



Secretary



President

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## NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER

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In consideration of the additional premium shown on the Policy Schedule, it is agreed that the following benefit is added to Your policy.

### What It Is and How It Works

If You do not pay the premium that becomes due after the policy has been in force at least 3 years and the policy is not put back in force as described in Section 5, it will stay in force and the Nonforfeiture Benefit will apply.

The Nonforfeiture Date is the date that coverage under the policy would otherwise end in the absence of the Nonforfeiture Benefit. It cannot be less than 3 years after the Effective Date of Coverage.

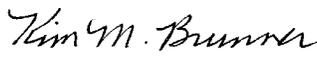
The Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if You stop paying premiums. The benefits payable for a Long-Term Care Facility stay or Home and Community-Based Care, which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:

1. The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
2. The maximum amount We will pay for all covered care or services You receive after the Nonforfeiture Date is the greater of:
  - a. 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any changes in benefits; or
  - b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy for a period of care, including this Nonforfeiture Benefit, will not exceed the Maximum Lifetime Benefit amount at the time of lapse.

Benefits will be payable in accordance with all other terms and conditions of the policy.

Issued by the STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY, of Bloomington, Illinois.



Secretary



President



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State Farm Mutual Automobile Insurance Company  
Home Office, Bloomington, IL 61710  
(309) 766-2311

Retain this for your records.

## Outline of Coverage

### Long-Term Care Insurance Partnership Policies

#### Form 97061 Series

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#### Solicitation Disclosure

#### Important Consumer Information Regarding the Arkansas Long-Term Care Insurance Partnership Program

Some long-term care insurance policies sold in Arkansas may qualify for the Arkansas Long-Term Care Insurance Partnership Program (the Partnership Program). The Partnership Program is a partnership between state government and private insurance companies to assist individuals in planning their long-term care needs. Insurance companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify as Partnership Policies may protect the policyholder's assets through a feature known as "Asset Disregard" under Arkansas Medicaid program.

**Asset Disregard** means that an amount of the policyholder's assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply. Asset Disregard is not available under a long-term care insurance policy that is not a Partnership Policy. Therefore, you should consider whether Asset Disregard is important to you, and whether a Partnership Policy meets your needs. ***The purchase of a Partnership Policy does not automatically qualify you for Medicaid.***

**What are the Requirements for a Partnership Policy.** In order for a policy to qualify as a Partnership Policy, it must, among other requirements:

- be issued to an individual after January 1, 2008;
- cover an individual who was an Arkansas resident when coverage first becomes effective under the policy;
- be a tax-qualified policy under Section 7702(B)(b) of the Internal Revenue Code of 1986;
- meet stringent consumer protection standards; and,
- must provide annual inflation protection for ages 75 and younger.

If you apply and are approved for long-term care insurance coverage, State Farm Mutual Automobile Insurance Company will provide you with written documentation as to whether your policy qualifies as a Partnership Policy.

**What Could Disqualify a Policy as a Partnership Policy.** Certain types of changes to a Partnership Policy could affect whether such policy continues to be a Partnership Policy. If you purchase a Partnership Policy and later decide to make *any* changes, you should first consult with State Farm Mutual Automobile Insurance Company to determine the effect of a proposed change. In addition, if you move to a state that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that state. The information contained in this disclosure is based on current Arkansas and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Arkansas's Medicaid program.

**Additional Information.** If you have questions regarding long-term care insurance policies please contact State Farm Mutual Automobile Insurance Company. If you have questions regarding current laws governing Medicaid eligibility, you should contact the Arkansas Department of Human Services.

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

**Caution:** The issuance of this Long-Term Care Insurance policy is based upon your responses to the questions on your application. A copy of your application will be attached to your policy. If your answers are incorrect or untrue, the company may have the right to deny benefits or rescind your policy. 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 the company at this address: State Farm Mutual Automobile Insurance Company, One State Farm Plaza, Bloomington, Illinois 61710-0001.

1. This policy is an individual policy of insurance which was issued in the State of Arkansas.
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 individual policy contains governing contractual provisions. This means that the 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 POLICY CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES.** This 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 POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED.**
  - (a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means you have the right, subject to the terms of your policy, to continue this policy as long as you pay your premiums on time. State Farm Mutual Automobile Insurance Company cannot change any of the terms of your policy on its own, except that, in the future, **IT MAY INCREASE THE PREMIUM YOU PAY.**

**(b) WAIVER OF PREMIUM BENEFIT.** We will waive premiums that become due after you are certified Chronically Ill and receive 90 days of eligible, covered, Qualified Long-Term Care services, so long as you:

- (1) Remain Chronically Ill; and
- (2) Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If you recover or are no longer receiving eligible, covered, Qualified Long-Term Care services or your Maximum Lifetime Benefit amount has been paid, you will need to resume paying your premium to keep your policy in force.

Days used to satisfy your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

**5. TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS.** Any change will apply to all policies in the same class as yours in the state where the policy was issued. We will notify you in writing 45 days before your premium changes.

**6. TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED.** It is important that you understand your policy and are satisfied with it. Please read it carefully. If you are not satisfied with it for any reason, return it to us at our Home Office at One State Farm Plaza, Bloomington, Illinois 61710-0001 or our agent through whom it was purchased within 30 days after you receive it. We will then refund any premium you have paid and the policy will be considered to never have been issued.

The policy contains a provision providing for refund of unearned premium upon notice of your death, or if you exercise your right to request cancellation.

**7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE.** If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the insurance company.

Neither the State Farm Mutual Automobile Insurance Company 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.

This policy provides coverage in the form of reimbursement of expenses for eligible, covered, Qualified Long-Term Care services, subject to policy limitations, waiting periods, and coinsurance requirements.

## 9. BENEFITS PROVIDED BY THIS POLICY

### (a) BENEFIT LIMITS

Maximum Daily Benefit: \$ \_\_\_\_\_

Maximum Weekly Adult Day Care Benefit: \$ \_\_\_\_\_

Maximum Lifetime Benefit: \$ \_\_\_\_\_

The Maximum Lifetime Benefit is the total amount payable in the lifetime of your policy for all benefits. Your original Maximum Lifetime Benefit is shown on your Policy Schedule.

Elimination Period: \_\_\_\_\_ Days

The Elimination Period is the number of days for which we will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of your Elimination Period are shown on your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

### (b) INSTITUTIONAL BENEFITS

#### (1) Alternate Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

#### (2) Long-Term Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

### (3) Bed Reservation Benefit

If you are certified Chronically Ill and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while you are temporarily absent, we will pay up to 30 days per calendar year to hold your room. The amount payable will be the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur to reserve your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

### (c) NONINSTITUTIONAL BENEFITS

#### (1) Home and Adult Day Care Benefit

If you are certified Chronically Ill and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in your Home or Adult Day Care, we will pay, on a calendar week basis, the lesser of:

- a. Seven (7) times the Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided in a calendar week by:
  1. A Home Health Care Agency; and/or
  2. Adult Day Care.

Home and Adult Day Care benefits will not be payable if you are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

#### (2) Home Modification and Durable Medical Equipment Benefit

If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that you need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable you to remain in Your Home if the following requirements are met:

- a. The request is made by you or Your Personal Representative; and
- b. Developed by or with a Licensed Health Care Practitioner; and
- c. Expected to enable you to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and

- d. Approved, in writing, by you or Your Personal Representative, the Licensed Health Care Practitioner, and us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for you to return to Your Home or enables you to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in your body, or items commonly found in a household, items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to our approval of your request. If your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of your or our rights under the policy.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid will not apply toward your Elimination Period.

### (3) Respite Care Benefit

In addition to any benefits payable above, we will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

(4) Medical Help System Benefit

If you are certified Chronically Ill, we will pay the expense you incur each month, not to exceed 25% of your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if you are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid do not apply toward your Elimination Period.

(5) Caregiver Training Benefit

If you require eligible, covered, Qualified Long-Term Care services, we will pay the expenses you incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to your Maximum Daily Benefit.

You do not have to satisfy your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward your Elimination Period.

This benefit is payable to enable you to remain in Your Home or return to Your Home, to be cared for by your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

(d) ELIGIBILITY FOR PAYMENT OF BENEFITS

(1) Activities of Daily Living: The Activities of Daily Living are:

- a. Bathing. Washing yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.

- b. Continence. The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
  - c. Dressing. Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
  - d. Eating. Feeding yourself by getting food into your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
  - e. Toileting. Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
  - f. Transferring. Moving into or out of a bed, chair, or wheelchair.
- (2) Alternate Care Facility: A facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:
- a. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where you receive care, when a license is offered or available; and
  - b. Provides 24-hour per day care services sufficient to support the needs of a Chronically Ill individual; and
  - c. Has at least one (1) trained staff member on duty at all times; and
  - d. Provides three (3) meals per day, accommodating special dietary needs; and
  - e. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
  - f. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

- (3) Chronically Ill: Certification by a Licensed Health Care Practitioner that you:
- a. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or

- b. Require Substantial Supervision to protect your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically Ill for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

- (4) Cognitive Impairment: Certification by a Licensed Health Care Practitioner that you have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:
  - a. Short and long term memory; and
  - b. Orientation as to person (who you are), place (your location), and time (day, date, and year); and
  - c. Deductive or abstract reasoning.
- (5) Long-Term Care Facility: A facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:
  - a. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
  - b. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
  - c. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

- (6) Qualified Long-Term Care: Diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services, which:
  - a. Are required by a Chronically Ill individual; and
  - b. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses you incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at your request for beautification, comfort, convenience, or entertainment. Expenses you incur for medical supplies and prescription or nonprescription medication may be eligible when you are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

(e) RESTORATION OF BENEFITS

Your Maximum Lifetime Benefit, if not already exhausted, will be fully restored to its original maximum as if no claim benefits have been paid, if:

- (1) You are no longer Chronically Ill; and
- (2) You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

(f) INFLATION PROTECTION BENEFITS REQUIREMENTS

**Compound Automatic Increase Benefit:** Applicants under 61 years of age are required to have a long-term care insurance policy with compound annual inflation protection. Applicants over 61 years of age may also select the policy with this benefit. On each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefit and your remaining Maximum Lifetime Benefit by 5%.

**The Simple Automatic Increase Benefit:** Applicants between 61 and 75 years of age must have at least this minimum level of inflation protection. If a policy with this benefit is selected, it means that on each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefit by a fixed amount of 5% of the amount shown on the Policy Schedule. Your remaining Maximum Lifetime Benefit will also be increased on a proportional basis.

**Applicants age 76 or older may elect to have a policy with either of the inflationary benefits; however, the Partnership Program in your state does not require any inflation protection**

(g) OPTIONAL BENEFITS

**Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR**

Selected \_\_\_\_\_ Not Selected \_\_\_\_\_

The Nonforfeiture Benefit provides for continuation of coverage during your lifetime if you stop paying premiums. The benefits payable for a Long-Term Care Facility stay or home and community-based care which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:

- (1) The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
- (2) The maximum amount we will pay for all covered care or services you receive after the Nonforfeiture Date is the greater of:

- a. 100% of the sum of all premiums paid for the policy, including the premiums paid prior to any changes in benefits; or
- b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy, including this Nonforfeiture Benefit, will not exceed the Maximum Lifetime Benefit amount at the time of lapse. Benefits will be payable in accordance with all other terms and conditions of the policy.

## 10. LIMITATIONS AND EXCLUSIONS

- (a) Pre-existing Condition Limitation. Pre-existing condition means a health condition for which you received treatment or medical advice within the six (6) months before the effective date of your policy, and did not disclose on your application for insurance.

We will not pay for a loss due to a Pre-existing Condition which you did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause your policy to be voided.

If this policy replaces another Long-Term Care Insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

- (b) Noneligible Facilities/Providers. Long-Term Care Facility does not mean Your Home, a hospital, clinic, boarding home or a place that operates primarily for the treatment of alcoholism or drug addiction. However, care or services provided in these facilities may be covered subject to the conditions of the Alternate Plan of Care benefit provision.

- (c) Exclusions/Exceptions. We will not pay benefits when:

- (1) You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
- (2) Your condition or impairment is the result of war or any act of war, declared or undeclared;
- (3) Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
- (4) No charge is normally made in the absence of insurance;
- (5) Services are provided outside of the United States of America or its territories or possessions;
- (6) Your condition or impairment is brought about as a result of your participation in a felony, riot, or insurrection;
- (7) Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or

- (8) Your condition or impairment is brought about, directly or indirectly, as a result of your alcoholism or addiction to drugs; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

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

- 11. 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 policy may be adjusted.

See the accompanying charts on pages 15 and 16 which illustrate Maximum Daily Benefits with and without an automatic increase benefit. Benefits automatically increase each year; premiums do **not** change because of the automatic benefit increase. **However, we do have the right to change premium in the future as described in 4 and 5 above.**

- 12. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS.** Your policy provides benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

**13. PREMIUM**

The total premium for this policy is \$ \_\_\_\_\_.

The portion of the premium for the Nonforfeiture Benefit/Shortened Benefit Rider, if selected, is \$ \_\_\_\_\_.

**14. ADDITIONAL FEATURES**

- (a) Medical underwriting is used for this policy.

Your eligibility for coverage is based on the answers to the medical questions in the application.

- (b) Unintentional Lapse Protection. You have the right to designate an individual in addition to yourself to receive notification when your policy will terminate because of nonpayment of premium.

We will notify the person you designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of your policy, you will be given the right to change the designated person.

Also, if the policy should terminate for nonpayment of premium because you suffered Cognitive Impairment or Functional Incapacity, or you would have otherwise qualified for benefits under the policy at the time of policy termination, we will reinstate the policy without requiring evidence of your insurability if you or your authorized representative request it within six (6) months following the termination of your policy for nonpayment of premium.

- (c) Contingent Benefit Upon Lapse. If your policy lapses within 120 days of the due date of a premium rate increase and you have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to you, then we will provide a contingent benefit to you.

The contingent benefit provides for continuation of coverage during your lifetime if your policy lapses as a result of a substantial premium increase as outlined in the policy. The contingent benefit upon lapse shall be triggered every time we increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding a percentage of your initial annual premium. (See policy language for specific information.)

- (d) Care Management. During your claim, we can, with your approval, provide you with access to care management professionals, named at our discretion, who can work with you, Your Personal Representative, and your Licensed Health Care Practitioner to create and monitor your Plan of Care. Assessments of your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to you and will not count against your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.
- (e) Alternate Plan of Care Benefit. If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:

- (1) Requested by You or Your Personal Representative; and
- (2) Developed by or with a Licensed Health Care Practitioner; and
- (3) Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

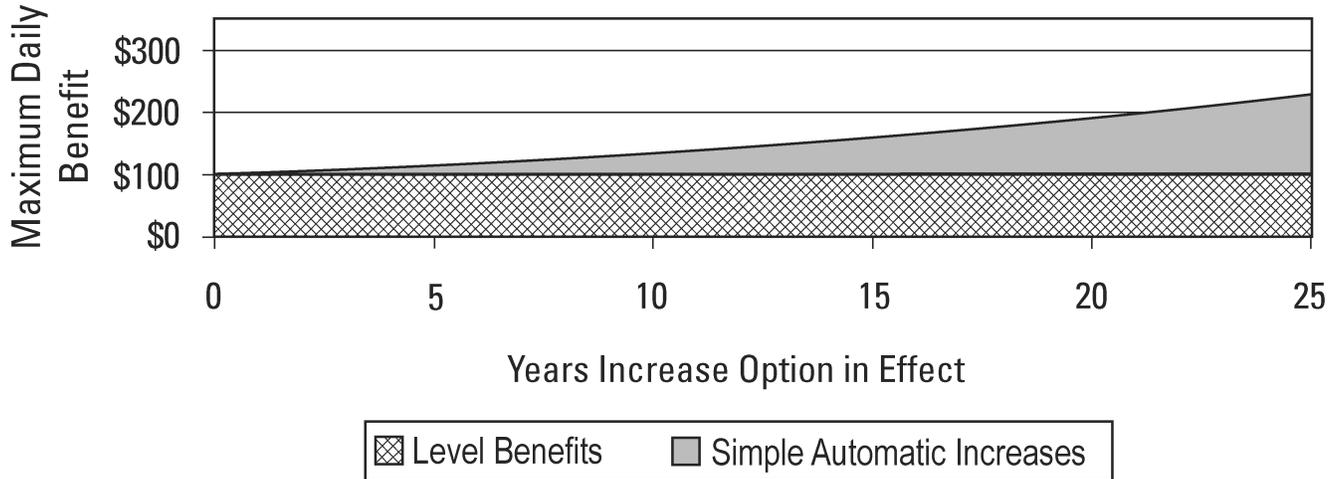
This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care agreement is approved, benefits will only be provided per this agreement. The Medical Help Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist you to remain at home. We will pay the lesser of:

- (1) The Maximum Daily Benefit; or
- (2) The expense You incur under this agreement.

15. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM TOLL-FREE AT 1-800-371-2782 IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE POLICY.

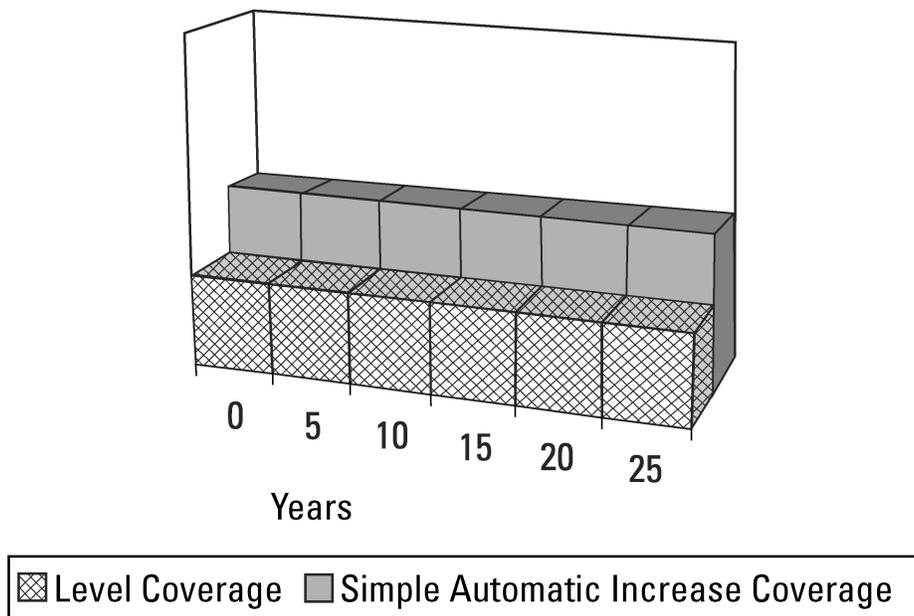
# Growth of Payment Maximums Over Time

Simple Automatic Increase Benefit



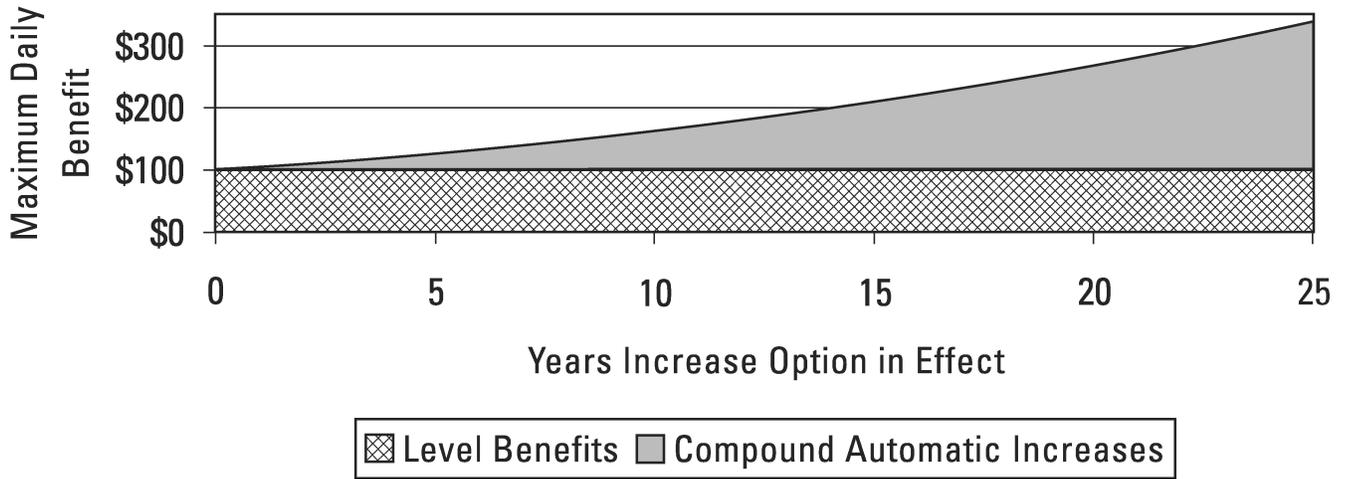
# Relative Premium Costs

Simple Automatic Increase Benefit



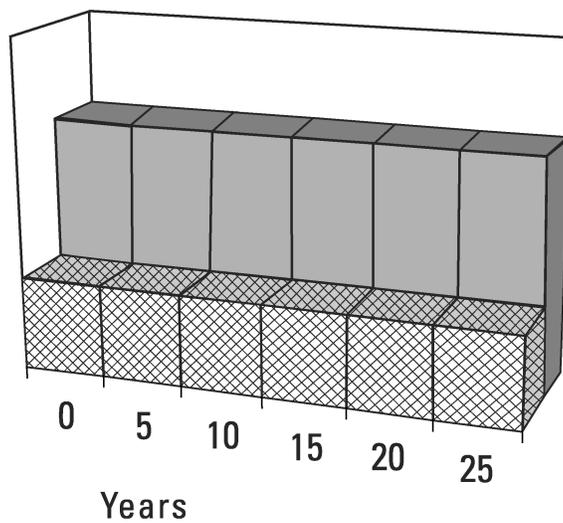
# Growth of Payment Maximums Over Time

Compound Automatic Increase Benefit



# Relative Premium Costs

Compound Automatic Increase Benefit





State Farm Mutual Automobile  
Insurance Company  
Home Office, Bloomington, IL 61710

BAR CODE ONLY

Doc  
Type: 25

## Long-Term Care Insurance Personal Worksheet Partnership Policy

People buy long-term care insurance for many reasons. Some don't want to use their own assets to pay for long-term care. Some buy insurance to make sure they can choose the type of care they get. Others don't want their family to have to pay for care or don't want to go on Medicaid. But long-term care insurance may be expensive, and may not be right for everyone.

By state law, the insurance company must fill out part of the information on this worksheet and ask you to fill out the rest to help you and the company decide if you should buy this policy.

### Premium Information

Policy Form Numbers 97061 series

The premium for the coverage you are considering will be \$ \_\_\_\_\_ per year.

**Type of Policy** - Guaranteed Renewable

### The Company's Right to Increase Premiums

The company has a right to increase premiums on this policy form in the future, provided it raises rates for all policies in the same class in this state.

### Rate Increase History

The company has sold long-term care insurance since 1997 and has sold this policy since 2008. The company has never raised its rates for any long-term care policy it has sold in this state or any other state.

### Questions Related to Your Income

How will you pay each year's premium? (check one)

- From my Income       From my Savings/Investments       My Family will Pay

Have you considered whether you could afford to keep this policy if the premiums went up, for example, by 20%?

What is your annual income? (check one)

- Under \$10,000       \$10-20,000       \$20-30,000       \$30-50,000       Over \$50,000

*Please complete other side.*

How do you expect your income to change over the next 10 years? (check one)

- No change       Increase       Decrease

*If you will be paying premiums with money received only from your own income, a rule of thumb is that you may not be able to afford this policy if the premiums will be more than 7% of your income.*

**Will you buy inflation protection? (check one)**       Yes       No

If not, have you considered how you will pay for the difference between future costs and your daily benefit amount?

- From my Income       From my Savings/Investments       My Family will Pay

The National average annual cost of care in 2001 was \$56,000, but this figure varies across the country. In ten years the national average annual cost would be about \$91,200 if costs increase 5% annually.

**What elimination period are you considering? Number of days \_\_\_\_\_** Approximate cost

\$ \_\_\_\_\_ for that period of care.

**How are you planning to pay for your care during the elimination period? (check one)**

- From my Income       From my Savings/Investments       My Family will Pay

### Questions Related to Your Savings and Investments

Not counting your home, about how much are all of your assets (your savings and investments) worth? (check one)

- Under \$20,000       \$20-30,000       \$30-50,000       Over \$50,000

How do you expect your assets to change over the next ten years? (check one)

- Stay about the same       Increase       Decrease

*If you are buying this policy to protect your assets and your assets are less than \$30,000, you may wish to consider other options for financing your long-term care.*

***Please complete next page.***

## Disclosure Statement

The answers to the questions above describe my financial situation.

**OR**  
(Check one)

I choose not to complete this information.

I acknowledge that the carrier and/or its agent (below) has reviewed this form with me including the premium, premium rate increase history and potential for premium increases in the future. I understand the above disclosures. **I understand that the rates for this policy may increase in the future. (This box must be checked.)**

X \_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

I explained to the applicant the importance of completing this information.

X \_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent's Printed Name

My agent has advised me that this policy does not appear to be suitable for me. However, I still want the company to consider my application.

X \_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

*The company may contact you to verify your answers.*



State Farm Mutual Automobile Insurance Company  
One State Farm Plaza  
Bloomington, Illinois 61710-0001  
309-766-2311

## Long-Term Care Insurance Potential Rate Increase Disclosure

1. **Premium Rate:** The Premium Rate that is applicable to you and that will be in effect until a request is made and approved for an increase is on the application.
2. **The premium for this policy will be shown on the schedule page of your policy.**
3. **Rate Schedule Adjustments:** If your rates are changed, the new rates will become effective on the next renewal date. The new rates remain in effect until another request is made and filed with the department of insurance. You have the right to receive a revised premium rate schedule if the premium rate is changed.

#### 4. **Potential Rate Revisions:**

**This policy is Guaranteed Renewable.** This means that the rates for this product may be increased in the future.

Your rates can NOT be increased due to your increasing age or declining health, but your rates may go up based on the experience of all policyholders with a policy similar to yours.

**If you receive a premium rate increase in the future, you will be notified of the new premium amount and you will be able to exercise at least one of the following options:**

- (a) Pay the increased premium and continue your policy in force as is.
- (b) Reduce your policy benefits to a level such that your premiums will not increase. (Subject to state law minimum standards.)
- (c) Exercise your nonforfeiture option if purchased. (This option is available for purchase for an additional premium.)
- (d) Exercise your contingent nonforfeiture rights. \*\*\* (This option may be available if you do not purchase a separate nonforfeiture option.)

#### \*\*\* **Contingent Nonforfeiture**

If the premium rate for your policy goes up in the future and you didn't buy a nonforfeiture option, you may be eligible for contingent nonforfeiture. Here's how to tell if you are eligible:

- (a) You will keep some long-term care insurance coverage, if:
  - (1) Your premium after the increase exceeds your original premium by the percentage shown (or more) in the following table; and
  - (2) You lapse (not pay more premiums) within 120 days of the increase.
- (b) The amount of coverage (i.e. new lifetime maximum benefit amount) you will keep will equal the total amount of premiums you've paid since your policy was first issued. If you have already received benefits under the policy, so that the remaining maximum benefit amount is less than the total amount of premiums you've paid, the amount of coverage will be that remaining amount.
- (c) Except for this reduced lifetime maximum benefit amount, all other policy benefits will remain at the levels attained at the time of the lapse and will not increase thereafter.

Should you choose this Contingent Nonforfeiture option, your policy, with its reduced maximum benefit amount, will be considered "paid up" with no further premium due.

Example:

- You bought the policy at age 65 and paid the \$1,000 annual premium for 10 years, so you have paid a total of \$10,000 in premium.
- In the eleventh year, you receive a rate increase of 50%, or \$500 for a new annual premium of \$1,500 and you decide to lapse the policy (not pay any more premiums).
- Your "paid-up" policy benefits are \$10,000 (provided you have at least \$10,000 of benefits remaining under your policy).

## Contingent Nonforfeiture Cumulative Premium Increase over Initial Premium That Qualifies for Contingent Nonforfeiture

(Percentage increase is cumulative from date of original issue. It does NOT represent a one-time increase.)

Issue Age	Percent Increase Over Initial Premium
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%
55-59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%



State Farm Mutual Automobile  
Insurance Company  
Home Office, Bloomington, IL 61710

BAR CODE ONLY

Doc  
Type: **36**

**Save this Notice! It may be important to you in the future.**

## Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-Term Care Insurance

According to your application, you intend to lapse or otherwise terminate existing accident and sickness or long-term care insurance and replace it with an individual long-term care insurance policy to be issued by State Farm Mutual Automobile Insurance Company. Your new policy provides thirty (30) days within which you may decide, without cost, whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

You should review this new coverage carefully, comparing it with all accident and sickness or long-term care insurance coverage you now have, and terminate your present policy only if, after due consideration, you find that purchase of this long-term care coverage is a wise decision.

### Statement to Applicant by Agent:

I have reviewed your current medical or health insurance coverage. I believe the replacement of insurance involved in this transaction materially improves your position. My conclusion has taken into account the following considerations, which I call to your attention:

1. Health conditions that you may presently have (preexisting condition), may not be immediately or fully covered under the new policy. This could result in denial or delay in payment of benefits under the new policy, whereas a similar claim might have been payable under your present policy.
2. State law provides that your replacement policy or certificate may not contain new preexisting conditions or probationary periods. The insurer will waive any time periods applicable to preexisting conditions or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.
3. If you are replacing existing long-term care insurance coverage, you may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.
4. If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, read it carefully to be certain that all information has been properly recorded.

\_\_\_\_\_  
(Signature of Agent)

\_\_\_\_\_  
(Printed Name of Agent)

The above "Notice to Applicant" was delivered to me on:

\_\_\_\_\_  
(Applicant's Signature)

\_\_\_\_\_  
(Date)





State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARP  
 Partnership Policy - No Inflation Protection

**Select Rate Per \$1 of Daily Benefit**

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
76	33.20	44.54	61.29	77.47	78.71
77	37.31	50.61	70.08	87.71	89.11
78	41.43	56.68	78.88	97.94	99.51
79	45.64	62.84	87.73	108.18	109.91

**Preferred Rate Per \$1 of Daily Benefit**

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
76	29.88	40.09	55.16	69.72	70.84
77	33.58	45.55	63.07	78.94	80.20
78	37.29	51.01	70.99	88.15	89.56
79	41.08	56.56	78.96	97.36	98.92

Modes Other Than Annual

Semiannual Mode: 51% of Annual

Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
 30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARP  
 Partnership Policy - No Inflation Protection

**Select Rate Per \$1 of Daily Benefit**

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
76	28.94	39.22	53.74	67.57	68.62
77	32.61	44.37	61.12	76.05	77.24
78	36.28	49.51	68.50	84.53	85.85
79	40.05	54.78	76.01	93.01	94.46

**Preferred Rate Per \$1 of Daily Benefit**

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
76	26.05	35.30	48.37	60.81	61.76
77	29.35	39.93	55.01	68.45	69.52
78	32.65	44.56	61.65	76.08	77.27
79	36.05	49.30	68.41	83.71	85.01

Modes Other Than Annual  
 Semiannual Mode: 51% of Annual  
 Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
 30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARP  
 Partnership Policy - No Inflation Protection

**Select Rate Per \$1 of Daily Benefit**

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
76	25.03	33.05	45.01	56.26	57.10
77	27.89	37.20	50.88	62.90	63.83
78	30.75	41.35	56.76	69.54	70.57
79	33.61	45.63	62.81	76.17	77.30

**Preferred Rate Per \$1 of Daily Benefit**

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
76	22.53	29.75	40.51	50.63	51.39
77	25.10	33.48	45.79	56.61	57.45
78	27.68	37.22	51.08	62.59	63.51
79	30.25	41.07	56.53	68.55	69.57

Modes Other Than Annual

Semiannual Mode: 51% of Annual

Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
 30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARC  
Partnership Policy - Compound Inflation Protection  
**Select Rate Per \$1 of Daily Benefit**

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	14.39	17.46	20.88	29.56	30.04
35-39	14.97	18.13	21.65	30.62	31.12
40	15.23	18.42	21.98	31.09	31.60
41	15.38	18.60	22.18	31.34	31.86
42	15.55	18.79	22.39	31.60	32.12
43	15.71	18.99	22.60	31.87	32.39
44	15.87	19.19	22.84	32.15	32.68
45	16.02	19.37	23.09	32.45	32.98
46	16.22	19.59	23.34	32.79	33.32
47	16.44	19.84	23.63	33.15	33.69
48	16.67	20.09	23.93	33.53	34.07
49	16.91	20.36	24.21	33.94	34.49
50	17.17	20.65	24.56	34.40	34.94
51	17.44	20.96	24.97	34.90	35.45
52	17.71	21.28	25.43	35.46	36.02
53	18.01	21.62	25.91	36.05	36.60
54	18.31	21.98	26.41	36.66	37.23
55	18.65	22.38	26.77	37.16	37.73
56	18.97	22.77	27.02	37.58	38.15
57	19.29	23.15	27.16	37.90	38.47
58	19.63	23.58	27.32	38.24	38.82
59	20.05	24.10	27.60	38.75	39.33
60	20.59	24.75	28.15	39.54	40.14
61	21.25	25.51	28.99	40.68	41.32
62	22.00	26.35	29.79	41.80	42.50
63	22.84	27.31	30.74	43.05	43.81
64	23.78	28.43	31.94	44.82	45.44
65	24.84	29.75	33.85	47.12	47.78
66	25.99	31.25	36.28	49.90	50.62
67	27.24	32.90	39.14	53.02	53.84
68	28.61	34.74	42.43	56.64	57.56
69	30.11	36.80	46.18	60.85	61.88
70	31.77	39.10	50.40	65.77	66.91
71	33.85	42.22	55.03	71.58	72.77
72	36.10	45.64	59.93	77.65	78.92
73	38.64	49.47	65.30	84.29	85.63
74	41.57	53.78	71.37	91.75	93.19
75	44.97	58.70	78.35	100.34	101.88
76	49.70	65.43	87.96	111.97	113.68
77	54.42	71.96	97.31	123.65	125.51
78	59.15	78.45	106.63	135.27	137.30
79	63.97	85.12	116.11	146.81	148.99

Modes Other Than Annual

Semiannual Mode: 51% of Annual

Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARC  
Partnership Policy - Compound Inflation Protection  
**Select Rate Per \$1 of Daily Benefit**

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	11.71	14.27	17.16	24.47	24.88
35-39	12.22	14.87	17.83	25.37	25.78
40	12.44	15.13	18.13	25.76	26.19
41	12.56	15.28	18.27	25.98	26.41
42	12.69	15.43	18.45	26.22	26.65
43	12.82	15.60	18.63	26.45	26.88
44	12.96	15.76	18.79	26.70	27.14
45	13.10	15.93	18.90	26.98	27.42
46	13.28	16.13	19.12	27.27	27.71
47	13.45	16.34	19.37	27.58	28.03
48	13.64	16.56	19.66	27.92	28.38
49	13.84	16.79	19.91	28.24	28.68
50	14.06	17.04	20.23	28.64	29.09
51	14.30	17.31	20.61	29.09	29.55
52	14.54	17.61	21.04	29.58	30.05
53	14.81	17.91	21.47	30.09	30.59
54	15.08	18.22	21.91	30.67	31.15
55	15.38	18.46	22.22	31.17	31.67
56	15.65	18.65	22.42	31.66	32.17
57	15.91	18.76	22.46	32.11	32.63
58	16.19	18.88	22.53	32.61	33.14
59	16.54	19.08	22.73	33.22	33.77
60	16.99	19.45	23.22	34.04	34.61
61	17.53	20.00	24.02	35.07	35.65
62	18.13	20.53	24.80	36.09	36.69
63	18.82	21.14	25.68	37.23	37.86
64	19.61	21.94	27.06	38.66	39.32
65	20.52	23.19	28.93	40.53	41.22
66	21.52	24.81	31.38	43.19	43.95
67	22.62	26.72	34.20	46.31	47.12
68	23.85	28.93	37.39	49.89	50.76
69	25.20	31.41	40.96	53.96	54.90
70	26.70	34.18	44.86	58.54	59.54
71	28.75	37.24	49.02	63.72	64.79
72	30.99	40.49	53.46	69.16	70.29
73	33.48	44.02	58.29	75.07	76.26
74	36.27	47.90	63.67	81.62	82.89
75	39.43	52.24	69.74	88.99	90.35
76	43.60	58.00	77.87	98.71	100.20
77	47.64	63.59	85.76	108.42	110.04
78	51.63	69.10	93.55	118.07	119.82
79	55.79	74.83	101.62	127.61	129.49

Modes Other Than Annual  
Semiannual Mode: 51% of Annual  
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is 30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARC  
Partnership Policy - Compound Inflation Protection  
**Select Rate Per \$1 of Daily Benefit**

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	10.19	12.44	14.95	21.43	21.79
35-39	10.64	13.00	15.59	22.24	22.61
40	10.84	13.24	15.87	22.59	22.97
41	10.96	13.37	16.04	22.79	23.18
42	11.08	13.52	16.19	23.01	23.40
43	11.22	13.66	16.36	23.24	23.63
44	11.34	13.81	16.53	23.48	23.87
45	11.45	13.96	16.72	23.74	24.13
46	11.60	14.14	16.93	24.00	24.39
47	11.77	14.34	17.15	24.29	24.69
48	11.94	14.53	17.39	24.60	24.99
49	12.13	14.76	17.60	24.87	25.27
50	12.33	14.97	17.87	25.22	25.62
51	12.52	15.21	18.21	25.65	26.05
52	12.73	15.47	18.60	26.10	26.53
53	12.94	15.73	18.98	26.59	27.03
54	13.16	15.99	19.36	27.08	27.52
55	13.40	16.21	19.63	27.43	27.90
56	13.62	16.35	19.76	27.69	28.16
57	13.83	16.42	19.79	27.83	28.29
58	14.06	16.50	19.82	27.97	28.43
59	14.36	16.68	19.96	28.25	28.70
60	14.75	17.07	20.38	28.79	29.22
61	15.24	17.65	21.07	29.70	30.15
62	15.81	18.36	21.75	30.61	31.04
63	16.45	19.21	22.52	31.60	32.06
64	17.17	20.22	23.72	32.85	33.33
65	17.97	21.40	25.33	34.47	34.94
66	18.81	22.70	27.44	36.89	37.48
67	19.74	24.13	29.89	39.79	40.53
68	20.74	25.73	32.64	43.09	43.98
69	21.88	27.58	35.69	46.74	47.81
70	23.19	29.75	38.98	50.70	51.87
71	24.88	32.34	42.48	55.00	56.13
72	26.90	35.08	46.18	59.53	60.63
73	29.31	38.03	50.18	64.39	65.48
74	31.87	41.28	54.62	69.71	70.82
75	34.58	44.83	59.55	75.66	76.78
76	37.85	49.49	66.05	83.30	84.52
77	41.01	53.99	72.34	90.94	92.25
78	44.12	58.43	78.56	98.53	99.94
79	47.24	63.07	85.06	106.02	107.53

Modes Other Than Annual

Semiannual Mode: 51% of Annual

Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARC  
Partnership Policy - Compound Inflation Protection  
**Preferred Rate Per \$1 of Daily Benefit**

30 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	12.95	15.72	18.79	26.61	27.04
35-39	13.47	16.32	19.49	27.56	28.01
40	13.71	16.58	19.78	27.98	28.44
41	13.84	16.74	19.96	28.21	28.68
42	14.00	16.91	20.15	28.44	28.90
43	14.14	17.09	20.34	28.68	29.15
44	14.28	17.28	20.55	28.93	29.42
45	14.42	17.44	20.78	29.20	29.68
46	14.60	17.63	21.00	29.51	29.99
47	14.80	17.85	21.27	29.84	30.33
48	15.01	18.08	21.54	30.18	30.66
49	15.22	18.32	21.79	30.55	31.04
50	15.45	18.58	22.10	30.96	31.45
51	15.70	18.87	22.48	31.41	31.90
52	15.94	19.15	22.89	31.91	32.42
53	16.21	19.45	23.32	32.44	32.94
54	16.48	19.78	23.77	32.99	33.50
55	16.79	20.14	24.09	33.44	33.95
56	17.07	20.49	24.32	33.82	34.33
57	17.36	20.84	24.45	34.11	34.63
58	17.67	21.23	24.59	34.42	34.94
59	18.04	21.69	24.84	34.87	35.40
60	18.53	22.28	25.34	35.58	36.13
61	19.13	22.96	26.09	36.61	37.19
62	19.81	23.71	26.82	37.62	38.26
63	20.56	24.58	27.66	38.75	39.43
64	21.41	25.59	28.74	40.34	40.90
65	22.35	26.77	30.47	42.40	43.00
66	23.39	28.12	32.65	44.91	45.56
67	24.51	29.61	35.22	47.72	48.46
68	25.75	31.27	38.18	50.97	51.81
69	27.10	33.13	41.57	54.76	55.69
70	28.59	35.19	45.36	59.20	60.22
71	30.46	38.00	49.53	64.42	65.50
72	32.49	41.08	53.94	69.88	71.02
73	34.78	44.52	58.77	75.86	77.07
74	37.41	48.40	64.23	82.58	83.87
75	40.47	52.83	70.51	90.31	91.69
76	44.73	58.89	79.16	100.77	102.31
77	48.98	64.77	87.58	111.29	112.96
78	53.24	70.60	95.97	121.75	123.57
79	57.58	76.61	104.50	132.13	134.09

Modes Other Than Annual

Semiannual Mode: 51% of Annual

Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARC  
Partnership Policy - Compound Inflation Protection  
**Preferred Rate Per \$1 of Daily Benefit**

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	10.54	12.85	15.44	22.02	22.39
35-39	11.00	13.39	16.05	22.84	23.20
40	11.20	13.62	16.32	23.19	23.58
41	11.31	13.76	16.45	23.38	23.77
42	11.42	13.88	16.61	23.60	23.99
43	11.54	14.04	16.76	23.81	24.20
44	11.66	14.19	16.91	24.03	24.43
45	11.79	14.34	17.01	24.28	24.68
46	11.96	14.52	17.21	24.55	24.94
47	12.10	14.71	17.43	24.83	25.22
48	12.28	14.90	17.69	25.12	25.54
49	12.46	15.12	17.92	25.41	25.81
50	12.66	15.33	18.21	25.77	26.18
51	12.87	15.58	18.55	26.18	26.60
52	13.09	15.85	18.94	26.62	27.04
53	13.33	16.12	19.32	27.08	27.53
54	13.57	16.39	19.72	27.60	28.04
55	13.85	16.61	20.00	28.05	28.50
56	14.08	16.78	20.18	28.49	28.95
57	14.32	16.88	20.21	28.90	29.36
58	14.57	17.00	20.28	29.35	29.83
59	14.89	17.18	20.46	29.90	30.39
60	15.29	17.50	20.90	30.64	31.15
61	15.77	18.00	21.62	31.57	32.09
62	16.32	18.48	22.32	32.48	33.02
63	16.94	19.03	23.12	33.51	34.08
64	17.65	19.75	24.36	34.79	35.38
65	18.47	20.87	26.04	36.48	37.10
66	19.37	22.33	28.24	38.87	39.56
67	20.36	24.04	30.78	41.68	42.40
68	21.46	26.04	33.66	44.90	45.69
69	22.68	28.27	36.86	48.57	49.41
70	24.03	30.77	40.37	52.69	53.59
71	25.87	33.52	44.12	57.35	58.32
72	27.89	36.44	48.11	62.24	63.26
73	30.13	39.62	52.46	67.56	68.63
74	32.65	43.11	57.30	73.46	74.60
75	35.48	47.01	62.76	80.09	81.32
76	39.24	52.20	70.09	88.84	90.18
77	42.88	57.23	77.19	97.58	99.04
78	46.47	62.19	84.20	106.27	107.84
79	50.22	67.35	91.46	114.85	116.54

Modes Other Than Annual  
Semiannual Mode: 51% of Annual  
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is 30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARC  
Partnership Policy - Compound Inflation Protection  
**Preferred Rate Per \$1 of Daily Benefit**

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	9.17	11.20	13.46	19.29	19.61
35-39	9.58	11.70	14.03	20.01	20.35
40	9.75	11.92	14.28	20.34	20.68
41	9.87	12.03	14.44	20.51	20.86
42	9.98	12.17	14.57	20.71	21.06
43	10.10	12.29	14.72	20.91	21.26
44	10.21	12.43	14.88	21.14	21.49
45	10.30	12.56	15.05	21.36	21.72
46	10.44	12.73	15.24	21.60	21.96
47	10.59	12.91	15.43	21.87	22.22
48	10.75	13.08	15.65	22.14	22.49
49	10.92	13.29	15.84	22.38	22.74
50	11.10	13.47	16.09	22.70	23.06
51	11.27	13.69	16.39	23.09	23.45
52	11.46	13.93	16.75	23.49	23.88
53	11.65	14.15	17.08	23.93	24.33
54	11.84	14.39	17.43	24.37	24.77
55	12.07	14.59	17.66	24.69	25.11
56	12.26	14.72	17.79	24.93	25.35
57	12.45	14.77	17.81	25.05	25.46
58	12.65	14.85	17.84	25.18	25.59
59	12.92	15.02	17.96	25.43	25.83
60	13.28	15.36	18.34	25.91	26.30
61	13.72	15.88	18.96	26.73	27.13
62	14.23	16.53	19.58	27.55	27.94
63	14.81	17.29	20.27	28.44	28.85
64	15.45	18.20	21.35	29.57	30.00
65	16.18	19.26	22.79	31.02	31.45
66	16.93	20.43	24.69	33.20	33.74
67	17.76	21.72	26.90	35.81	36.48
68	18.67	23.16	29.38	38.78	39.58
69	19.69	24.83	32.13	42.06	43.03
70	20.88	26.77	35.09	45.63	46.68
71	22.40	29.10	38.24	49.50	50.51
72	24.21	31.57	41.56	53.58	54.57
73	26.38	34.23	45.17	57.95	58.93
74	28.69	37.15	49.16	62.74	63.74
75	31.12	40.35	53.60	68.10	69.10
76	34.07	44.55	59.45	74.97	76.07
77	36.91	48.59	65.10	81.85	83.03
78	39.71	52.59	70.70	88.68	89.94
79	42.52	56.77	76.56	95.42	96.78

Modes Other Than Annual

Semiannual Mode: 51% of Annual

Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARS  
Partnership Policy - Simple Inflation Protection

**Select Rate Per \$1 of Daily Benefit**

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
61	15.94	19.22	22.86	32.64	33.11
62	16.86	20.29	23.98	34.34	34.83
63	17.89	21.49	25.28	36.24	36.75
64	19.02	22.84	26.90	38.44	38.98
65	20.31	24.39	28.99	41.03	41.60
66	21.69	26.04	31.50	43.88	44.52
67	23.14	27.76	34.36	46.92	47.65
68	24.75	29.70	37.60	50.36	51.18
69	26.58	31.98	41.28	54.37	55.29
70	28.74	34.75	45.43	59.15	60.18
71	31.19	38.14	49.99	64.89	65.97
72	33.86	41.68	54.80	70.84	71.99
73	36.81	45.56	60.08	77.35	78.57
74	40.11	49.91	66.09	84.73	86.06
75	43.80	54.92	73.10	93.36	94.79
76	48.62	61.77	82.85	105.21	106.81
77	53.42	68.47	92.40	117.15	118.90
78	58.24	75.18	102.01	129.12	131.05
79	63.14	82.02	111.70	140.99	143.08

**Preferred Rate Per \$1 of Daily Benefit**

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
61	14.35	17.30	20.57	29.38	29.80
62	15.18	18.26	21.59	30.91	31.35
63	16.11	19.34	22.75	32.62	33.08
64	17.12	20.56	24.21	34.60	35.08
65	18.28	21.95	26.09	36.92	37.44
66	19.52	23.43	28.35	39.49	40.07
67	20.82	24.98	30.92	42.23	42.89
68	22.28	26.73	33.84	45.32	46.07
69	23.93	28.79	37.16	48.93	49.76
70	25.86	31.28	40.89	53.24	54.17
71	28.07	34.32	44.99	58.40	59.38
72	30.47	37.52	49.32	63.75	64.79
73	33.13	41.00	54.07	69.61	70.72
74	36.10	44.92	59.48	76.26	77.45
75	39.42	49.42	65.79	84.03	85.31
76	43.76	55.60	74.56	94.69	96.13
77	48.08	61.62	83.16	105.44	107.01
78	52.42	67.66	91.81	116.21	117.95
79	56.83	73.82	100.53	126.89	128.77

Modes Other Than Annual  
Semiannual Mode: 51% of Annual  
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is 30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARS  
Partnership Policy - Simple Inflation Protection

**Select Rate Per \$1 of Daily Benefit**

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
61	13.04	15.74	19.18	26.82	27.20
62	13.79	16.55	20.15	28.08	28.47
63	14.64	17.47	21.31	29.53	29.93
64	15.58	18.62	22.78	31.37	31.79
65	16.66	20.04	24.72	33.74	34.21
66	17.79	21.73	27.16	36.65	37.20
67	18.96	23.63	29.95	39.99	40.62
68	20.28	25.78	33.08	43.76	44.48
69	21.81	28.20	36.59	47.98	48.80
70	23.66	30.93	40.44	52.65	53.55
71	25.92	33.96	44.54	57.77	58.75
72	28.29	37.15	48.89	63.11	64.13
73	30.86	40.63	53.63	68.92	70.00
74	33.71	44.50	58.97	75.42	76.58
75	36.95	48.88	65.07	82.83	84.08
76	41.20	54.75	73.33	92.72	94.11
77	45.38	60.50	81.42	102.71	104.24
78	49.53	66.22	89.49	112.68	114.35
79	53.83	72.12	97.76	122.55	124.35

**Preferred Rate Per \$1 of Daily Benefit**

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
61	11.73	14.17	17.27	24.14	24.48
62	12.42	14.90	18.14	25.27	25.62
63	13.18	15.73	19.18	26.58	26.94
64	14.03	16.76	20.50	28.23	28.61
65	15.00	18.04	22.25	30.37	30.79
66	16.01	19.56	24.44	32.98	33.48
67	17.06	21.26	26.95	35.99	36.55
68	18.25	23.21	29.78	39.39	40.04
69	19.63	25.38	32.93	43.19	43.92
70	21.29	27.84	36.39	47.38	48.19
71	23.33	30.57	40.09	51.99	52.88
72	25.46	33.44	44.00	56.80	57.71
73	27.77	36.57	48.26	62.03	63.00
74	30.34	40.05	53.07	67.88	68.93
75	33.25	43.99	58.56	74.55	75.67
76	37.08	49.28	66.00	83.45	84.70
77	40.84	54.45	73.28	92.44	93.82
78	44.58	59.60	80.54	101.42	102.92
79	48.45	64.91	87.99	110.30	111.91

Modes Other Than Annual  
Semiannual Mode: 51% of Annual  
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois

Long Term Care Insurance Policy Form 97061 ARS  
Partnership Policy - Simple Inflation Protection

**Select Rate Per \$1 of Daily Benefit**

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
61	11.44	13.82	17.04	23.61	23.95
62	12.12	14.56	17.85	24.75	25.10
63	12.88	15.40	18.79	26.06	26.41
64	13.73	16.41	20.01	27.67	28.06
65	14.66	17.65	21.65	29.73	30.13
66	15.63	19.11	23.75	32.20	32.68
67	16.64	20.75	26.18	35.03	35.57
68	17.75	22.58	28.88	38.21	38.82
69	19.05	24.63	31.89	41.73	42.44
70	20.61	26.94	35.15	45.61	46.39
71	22.59	29.50	38.60	49.88	50.72
72	24.78	32.20	42.25	54.34	55.22
73	27.15	35.12	46.20	59.14	60.07
74	29.71	38.36	50.62	64.45	65.44
75	32.45	41.95	55.58	70.46	71.50
76	35.81	46.71	62.21	78.27	79.41
77	39.09	51.37	68.69	86.16	87.40
78	42.34	55.99	75.14	94.05	95.39
79	45.60	60.79	81.84	101.82	103.27

**Preferred Rate Per \$1 of Daily Benefit**

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
61	10.30	12.44	15.34	21.25	21.55
62	10.91	13.11	16.07	22.27	22.59
63	11.59	13.86	16.91	23.46	23.77
64	12.35	14.77	18.01	24.90	25.26
65	13.20	15.89	19.48	26.75	27.12
66	14.06	17.20	21.37	28.98	29.42
67	14.97	18.68	23.56	31.53	32.01
68	15.98	20.32	25.99	34.39	34.94
69	17.14	22.17	28.71	37.55	38.20
70	18.55	24.24	31.64	41.05	41.75
71	20.34	26.55	34.74	44.89	45.65
72	22.31	28.98	38.02	48.91	49.70
73	24.43	31.61	41.58	53.23	54.06
74	26.74	34.52	45.56	58.01	58.90
75	29.20	37.76	50.03	63.42	64.35
76	32.23	42.04	55.99	70.44	71.47
77	35.18	46.23	61.82	77.54	78.66
78	38.11	50.40	67.62	84.65	85.85
79	41.04	54.71	73.66	91.64	92.94

Modes Other Than Annual  
Semiannual Mode: 51% of Annual  
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591AR is  
30% of the resulting modal premium shown above after application of Spousal Discount.

SERFF Tracking Number: STFH-125833529 State: Arkansas  
Filing Company: State Farm Mutual Automobile Insurance State Tracking Number: 40363  
Company  
Company Tracking Number:  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.003 Other  
Product Name: Long-Term Care Insurance Partnership Policies 97061 ARP,ARS, ARC et al  
Project Name/Number: /

## Supporting Document Schedules

**Review Status:**  
**Satisfied -Name:** Certification/Notice 09/25/2008  
**Comments:**  
**Attachment:**  
READABILITY SCORE AND CERTIFICATION FOR LTC Partnership 97061 ARP, ARS, ARC.pdf

**Review Status:**  
**Satisfied -Name:** Application 09/25/2008  
**Comments:**  
Please see Forms Schedule Tab.

**Review Status:**  
**Satisfied -Name:** Outline of Coverage 09/25/2008  
**Comments:**  
**Attachment:**  
AR Partnership Outline 1000832.pdf

**Review Status:**  
**Satisfied -Name:** LTC Partnership Certification 09/25/2008  
**Comments:**  
**Attachment:**  
Attachment C - Arkansas Issuer Certification Form.pdf

**Review Status:**  
**Satisfied -Name:** Exhibits 09/26/2008  
**Comments:**  
**Attachments:**  
Exhibit I - Reserve Sample - Partnership.pdf  
Exhibit II - Gross Premium, Net Premium and Renewal Expenses - Partnership.pdf  
Exhibit III - Premium Comparison - Arkansas Partnership.pdf  
Exhibit IV - Projection - Partnership.pdf

SERFF Tracking Number: STFH-125833529 State: Arkansas  
Filing Company: State Farm Mutual Automobile Insurance State Tracking Number: 40363  
Company  
Company Tracking Number:  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.003 Other  
Product Name: Long-Term Care Insurance Partnership Policies 97061 ARP,ARS, ARC et al  
Project Name/Number: /

**Review Status:**

**Satisfied -Name:** Cover Letter

09/26/2008

**Comments:**

**Attachment:**

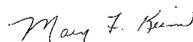
Cover Letter.pdf

## **READABILITY SCORE AND CERTIFICATION FOR**

The Flesch reading ease test score for the following forms are:

Long-Term Care Insurance Policy 97061ARP – 44.2  
Long-term Care Insurance Policy 97061 ARS – 43.8  
Long-term Care Insurance Policy 97061 ARC – 43.8  
Nonforfeiture Benefit/Shortened Benefit Rider 99591 AR – 42.6  
Long-Term Care Insurance Application 1000896 – 49.6

This meets the minimum reading ease test score required in this state.



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Mary F. Keim  
Assistant Secretary/Treasurer



State Farm Mutual Automobile Insurance Company  
Home Office, Bloomington, IL 61710  
(309) 766-2311

Retain this for your records.

## Outline of Coverage

### Long-Term Care Insurance Partnership Policies

#### Form 97061 Series

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#### Solicitation Disclosure

#### Important Consumer Information Regarding the Arkansas

#### Long-Term Care Insurance Partnership Program

Some long-term care insurance policies sold in Arkansas may qualify for the Arkansas Long-Term Care Insurance Partnership Program (the Partnership Program). The Partnership Program is a partnership between state government and private insurance companies to assist individuals in planning their long-term care needs. Insurance companies voluntarily agree to participate in the Partnership Program by offering long-term care insurance coverage that meets certain State and Federal requirements. Long-term care insurance policies that qualify as Partnership Policies may protect the policyholder's assets through a feature known as "Asset Disregard" under Arkansas Medicaid program.

**Asset Disregard** means that an amount of the policyholder's assets equal to the amount of long-term care insurance benefits received under a qualified Partnership Policy will be disregarded for the purpose of determining the insured's eligibility for Medicaid. This generally allows a person to keep assets equal to the insurance benefits received under a qualified Partnership Policy without affecting the person's eligibility for Medicaid. All other Medicaid eligibility criteria will apply. Asset Disregard is not available under a long-term care insurance policy that is not a Partnership Policy. Therefore, you should consider whether Asset Disregard is important to you, and whether a Partnership Policy meets your needs. ***The purchase of a Partnership Policy does not automatically qualify you for Medicaid.***

**What are the Requirements for a Partnership Policy.** In order for a policy to qualify as a Partnership Policy, it must, among other requirements:

- be issued to an individual after January 1, 2008;
- cover an individual who was an Arkansas resident when coverage first becomes effective under the policy;
- be a tax-qualified policy under Section 7702(B)(b) of the Internal Revenue Code of 1986;
- meet stringent consumer protection standards; and,
- must provide annual inflation protection for ages 75 and younger.

If you apply and are approved for long-term care insurance coverage, State Farm Mutual Automobile Insurance Company will provide you with written documentation as to whether your policy qualifies as a Partnership Policy.

**What Could Disqualify a Policy as a Partnership Policy.** Certain types of changes to a Partnership Policy could affect whether such policy continues to be a Partnership Policy. If you purchase a Partnership Policy and later decide to make *any* changes, you should first consult with State Farm Mutual Automobile Insurance Company to determine the effect of a proposed change. In addition, if you move to a state that does not maintain a Partnership Program or does not recognize your policy as a Partnership Policy, you would not receive beneficial treatment of your policy under the Medicaid program of that state. The information contained in this disclosure is based on current Arkansas and Federal laws. These laws may be subject to change. Any change in law could reduce or eliminate the beneficial treatment of your policy under Arkansas's Medicaid program.

**Additional Information.** If you have questions regarding long-term care insurance policies please contact State Farm Mutual Automobile Insurance Company. If you have questions regarding current laws governing Medicaid eligibility, you should contact the Arkansas Department of Human Services.

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

**Caution:** The issuance of this Long-Term Care Insurance policy is based upon your responses to the questions on your application. A copy of your application will be attached to your policy. If your answers are incorrect or untrue, the company may have the right to deny benefits or rescind your policy. 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 the company at this address: State Farm Mutual Automobile Insurance Company, One State Farm Plaza, Bloomington, Illinois 61710-0001.

1. This policy is an individual policy of insurance which was issued in the State of Arkansas.
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 individual policy contains governing contractual provisions. This means that the 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 POLICY CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES.** This 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 POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED.**
  - (a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means you have the right, subject to the terms of your policy, to continue this policy as long as you pay your premiums on time. State Farm Mutual Automobile Insurance Company cannot change any of the terms of your policy on its own, except that, in the future, **IT MAY INCREASE THE PREMIUM YOU PAY.**

**(b) WAIVER OF PREMIUM BENEFIT.** We will waive premiums that become due after you are certified Chronically Ill and receive 90 days of eligible, covered, Qualified Long-Term Care services, so long as you:

- (1) Remain Chronically Ill; and
- (2) Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If you recover or are no longer receiving eligible, covered, Qualified Long-Term Care services or your Maximum Lifetime Benefit amount has been paid, you will need to resume paying your premium to keep your policy in force.

Days used to satisfy your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

**5. TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS.** Any change will apply to all policies in the same class as yours in the state where the policy was issued. We will notify you in writing 45 days before your premium changes.

**6. TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED.** It is important that you understand your policy and are satisfied with it. Please read it carefully. If you are not satisfied with it for any reason, return it to us at our Home Office at One State Farm Plaza, Bloomington, Illinois 61710-0001 or our agent through whom it was purchased within 30 days after you receive it. We will then refund any premium you have paid and the policy will be considered to never have been issued.

The policy contains a provision providing for refund of unearned premium upon notice of your death, or if you exercise your right to request cancellation.

**7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE.** If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the insurance company.

Neither the State Farm Mutual Automobile Insurance Company 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.

This policy provides coverage in the form of reimbursement of expenses for eligible, covered, Qualified Long-Term Care services, subject to policy limitations, waiting periods, and coinsurance requirements.

## 9. BENEFITS PROVIDED BY THIS POLICY

### (a) BENEFIT LIMITS

Maximum Daily Benefit: \$ \_\_\_\_\_

Maximum Weekly Adult Day Care Benefit: \$ \_\_\_\_\_

Maximum Lifetime Benefit: \$ \_\_\_\_\_

The Maximum Lifetime Benefit is the total amount payable in the lifetime of your policy for all benefits. Your original Maximum Lifetime Benefit is shown on your Policy Schedule.

Elimination Period: \_\_\_\_\_ Days

The Elimination Period is the number of days for which we will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of your Elimination Period are shown on your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

### (b) INSTITUTIONAL BENEFITS

#### (1) Alternate Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

#### (2) Long-Term Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

### (3) Bed Reservation Benefit

If you are certified Chronically Ill and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while you are temporarily absent, we will pay up to 30 days per calendar year to hold your room. The amount payable will be the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur to reserve your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

### (c) NONINSTITUTIONAL BENEFITS

#### (1) Home and Adult Day Care Benefit

If you are certified Chronically Ill and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in your Home or Adult Day Care, we will pay, on a calendar week basis, the lesser of:

- a. Seven (7) times the Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided in a calendar week by:
  1. A Home Health Care Agency; and/or
  2. Adult Day Care.

Home and Adult Day Care benefits will not be payable if you are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

#### (2) Home Modification and Durable Medical Equipment Benefit

If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that you need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable you to remain in Your Home if the following requirements are met:

- a. The request is made by you or Your Personal Representative; and
- b. Developed by or with a Licensed Health Care Practitioner; and
- c. Expected to enable you to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and

- d. Approved, in writing, by you or Your Personal Representative, the Licensed Health Care Practitioner, and us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for you to return to Your Home or enables you to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in your body, or items commonly found in a household, items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to our approval of your request. If your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of your or our rights under the policy.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid will not apply toward your Elimination Period.

### (3) Respite Care Benefit

In addition to any benefits payable above, we will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

(4) Medical Help System Benefit

If you are certified Chronically Ill, we will pay the expense you incur each month, not to exceed 25% of your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if you are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid do not apply toward your Elimination Period.

(5) Caregiver Training Benefit

If you require eligible, covered, Qualified Long-Term Care services, we will pay the expenses you incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to your Maximum Daily Benefit.

You do not have to satisfy your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward your Elimination Period.

This benefit is payable to enable you to remain in Your Home or return to Your Home, to be cared for by your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

(d) ELIGIBILITY FOR PAYMENT OF BENEFITS

(1) Activities of Daily Living: The Activities of Daily Living are:

- a. Bathing. Washing yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.

- b. Continence. The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
  - c. Dressing. Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
  - d. Eating. Feeding yourself by getting food into your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
  - e. Toileting. Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
  - f. Transferring. Moving into or out of a bed, chair, or wheelchair.
- (2) Alternate Care Facility: A facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:
- a. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where you receive care, when a license is offered or available; and
  - b. Provides 24-hour per day care services sufficient to support the needs of a Chronically Ill individual; and
  - c. Has at least one (1) trained staff member on duty at all times; and
  - d. Provides three (3) meals per day, accommodating special dietary needs; and
  - e. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
  - f. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

- (3) Chronically Ill: Certification by a Licensed Health Care Practitioner that you:
- a. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or

- b. Require Substantial Supervision to protect your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically Ill for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

- (4) Cognitive Impairment: Certification by a Licensed Health Care Practitioner that you have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:
  - a. Short and long term memory; and
  - b. Orientation as to person (who you are), place (your location), and time (day, date, and year); and
  - c. Deductive or abstract reasoning.
- (5) Long-Term Care Facility: A facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:
  - a. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
  - b. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
  - c. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

- (6) Qualified Long-Term Care: Diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services, which:
  - a. Are required by a Chronically Ill individual; and
  - b. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses you incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at your request for beautification, comfort, convenience, or entertainment. Expenses you incur for medical supplies and prescription or nonprescription medication may be eligible when you are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

(e) RESTORATION OF BENEFITS

Your Maximum Lifetime Benefit, if not already exhausted, will be fully restored to its original maximum as if no claim benefits have been paid, if:

- (1) You are no longer Chronically Ill; and
- (2) You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

(f) INFLATION PROTECTION BENEFITS REQUIREMENTS

**Compound Automatic Increase Benefit:** Applicants under 61 years of age are required to have a long-term care insurance policy with compound annual inflation protection. Applicants over 61 years of age may also select the policy with this benefit. On each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefit and your remaining Maximum Lifetime Benefit by 5%.

**The Simple Automatic Increase Benefit:** Applicants between 61 and 75 years of age must have at least this minimum level of inflation protection. If a policy with this benefit is selected, it means that on each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefit by a fixed amount of 5% of the amount shown on the Policy Schedule. Your remaining Maximum Lifetime Benefit will also be increased on a proportional basis.

**Applicants age 76 or older may elect to have a policy with either of the inflationary benefits; however, the Partnership Program in your state does not require any inflation protection**

(g) OPTIONAL BENEFITS

**Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR**

Selected \_\_\_\_\_ Not Selected \_\_\_\_\_

The Nonforfeiture Benefit provides for continuation of coverage during your lifetime if you stop paying premiums. The benefits payable for a Long-Term Care Facility stay or home and community-based care which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:

- (1) The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
- (2) The maximum amount we will pay for all covered care or services you receive after the Nonforfeiture Date is the greater of:

- a. 100% of the sum of all premiums paid for the policy, including the premiums paid prior to any changes in benefits; or
- b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy, including this Nonforfeiture Benefit, will not exceed the Maximum Lifetime Benefit amount at the time of lapse. Benefits will be payable in accordance with all other terms and conditions of the policy.

## 10. LIMITATIONS AND EXCLUSIONS

- (a) Pre-existing Condition Limitation. Pre-existing condition means a health condition for which you received treatment or medical advice within the six (6) months before the effective date of your policy, and did not disclose on your application for insurance.

We will not pay for a loss due to a Pre-existing Condition which you did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause your policy to be voided.

If this policy replaces another Long-Term Care Insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

- (b) Noneligible Facilities/Providers. Long-Term Care Facility does not mean Your Home, a hospital, clinic, boarding home or a place that operates primarily for the treatment of alcoholism or drug addiction. However, care or services provided in these facilities may be covered subject to the conditions of the Alternate Plan of Care benefit provision.

- (c) Exclusions/Exceptions. We will not pay benefits when:

- (1) You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
- (2) Your condition or impairment is the result of war or any act of war, declared or undeclared;
- (3) Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
- (4) No charge is normally made in the absence of insurance;
- (5) Services are provided outside of the United States of America or its territories or possessions;
- (6) Your condition or impairment is brought about as a result of your participation in a felony, riot, or insurrection;
- (7) Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or

- (8) Your condition or impairment is brought about, directly or indirectly, as a result of your alcoholism or addiction to drugs; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

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

- 11. 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 policy may be adjusted.

See the accompanying charts on pages 15 and 16 which illustrate Maximum Daily Benefits with and without an automatic increase benefit. Benefits automatically increase each year; premiums do **not** change because of the automatic benefit increase. **However, we do have the right to change premium in the future as described in 4 and 5 above.**

- 12. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS.** Your policy provides benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

**13. PREMIUM**

The total premium for this policy is \$ \_\_\_\_\_.

The portion of the premium for the Nonforfeiture Benefit/Shortened Benefit Rider, if selected, is \$ \_\_\_\_\_.

**14. ADDITIONAL FEATURES**

- (a) Medical underwriting is used for this policy.

Your eligibility for coverage is based on the answers to the medical questions in the application.

- (b) Unintentional Lapse Protection. You have the right to designate an individual in addition to yourself to receive notification when your policy will terminate because of nonpayment of premium.

We will notify the person you designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of your policy, you will be given the right to change the designated person.

Also, if the policy should terminate for nonpayment of premium because you suffered Cognitive Impairment or Functional Incapacity, or you would have otherwise qualified for benefits under the policy at the time of policy termination, we will reinstate the policy without requiring evidence of your insurability if you or your authorized representative request it within six (6) months following the termination of your policy for nonpayment of premium.

- (c) Contingent Benefit Upon Lapse. If your policy lapses within 120 days of the due date of a premium rate increase and you have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to you, then we will provide a contingent benefit to you.

The contingent benefit provides for continuation of coverage during your lifetime if your policy lapses as a result of a substantial premium increase as outlined in the policy. The contingent benefit upon lapse shall be triggered every time we increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding a percentage of your initial annual premium. (See policy language for specific information.)

- (d) Care Management. During your claim, we can, with your approval, provide you with access to care management professionals, named at our discretion, who can work with you, Your Personal Representative, and your Licensed Health Care Practitioner to create and monitor your Plan of Care. Assessments of your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to you and will not count against your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.
- (e) Alternate Plan of Care Benefit. If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:

- (1) Requested by You or Your Personal Representative; and
- (2) Developed by or with a Licensed Health Care Practitioner; and
- (3) Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

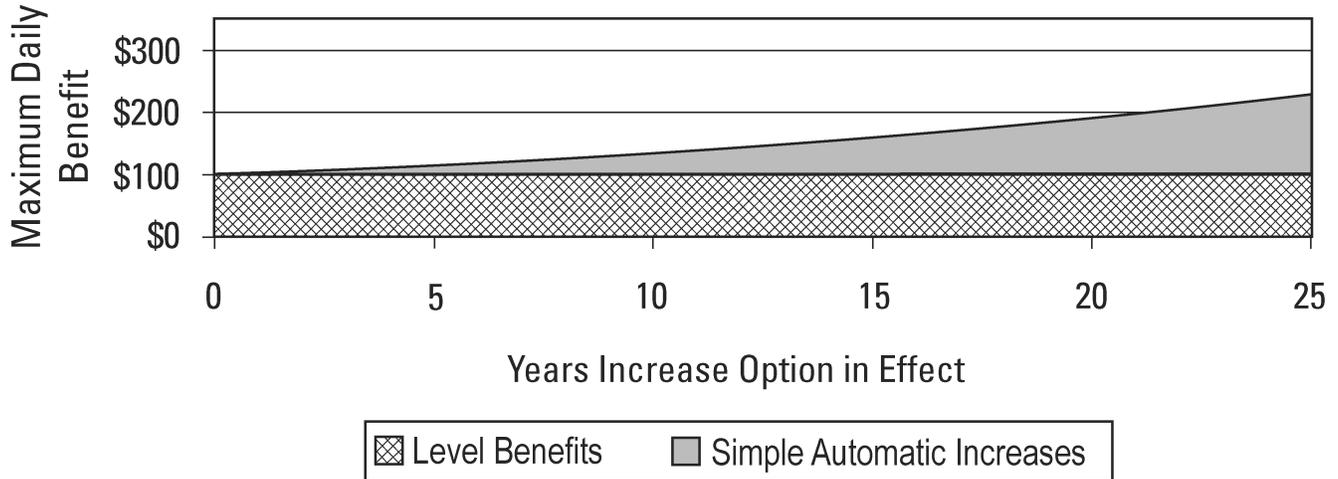
This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care agreement is approved, benefits will only be provided per this agreement. The Medical Help Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist you to remain at home. We will pay the lesser of:

- (1) The Maximum Daily Benefit; or
- (2) The expense You incur under this agreement.

15. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM TOLL-FREE AT 1-800-371-2782 IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE POLICY.

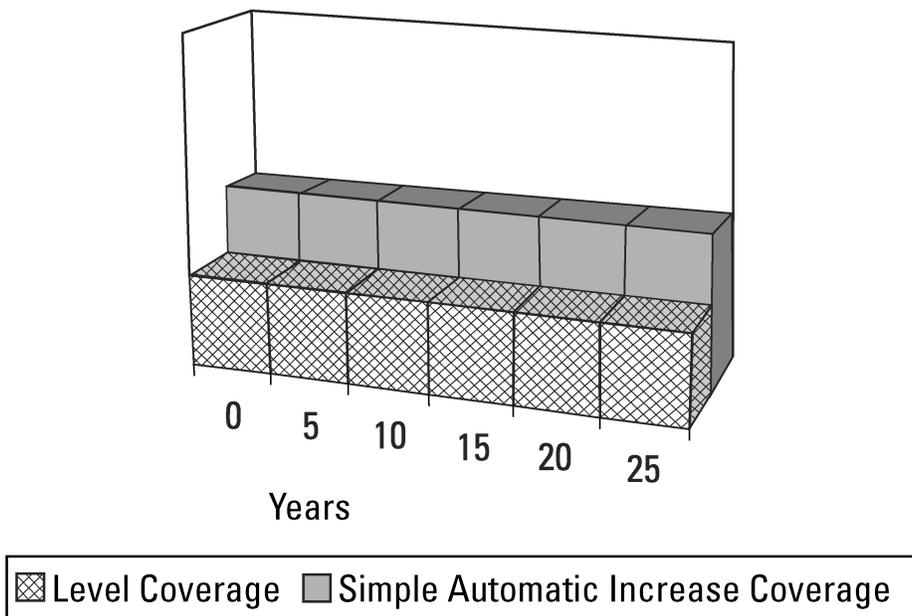
# Growth of Payment Maximums Over Time

Simple Automatic Increase Benefit



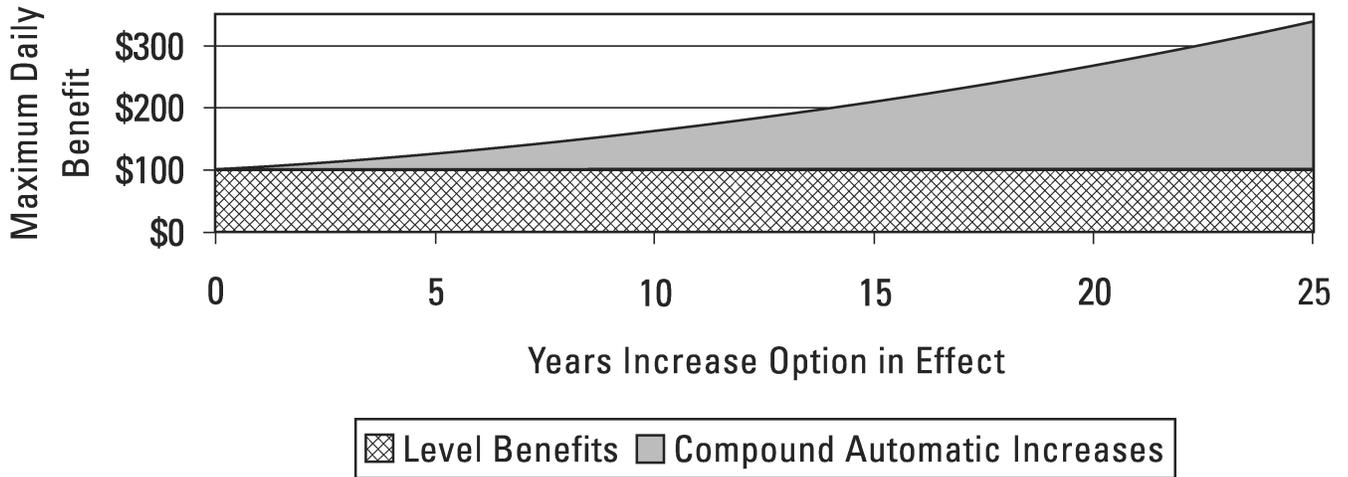
# Relative Premium Costs

Simple Automatic Increase Benefit



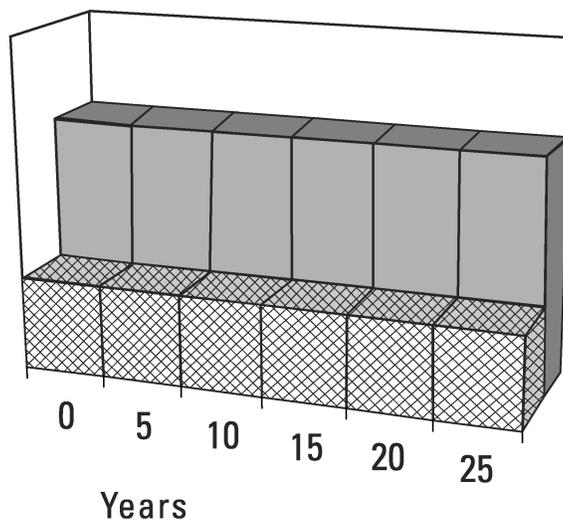
# Growth of Payment Maximums Over Time

Compound Automatic Increase Benefit



# Relative Premium Costs

Compound Automatic Increase Benefit



**APPENDIX C**  
**ISSUER CERTIFICATION FORM**  
(relating to Qualified State Long-Term Care Insurance Partnership)

In order to provide the Insurance Commissioner with information necessary to provide a certification for policies, this Issuer Certification Form requires information and a certification from issuers of long-term care insurance policies with respect to policy forms that may be covered under the Qualified Partnership of the State.

An insurance company may request certification of policies from time to time and, accordingly, may supplement this issuer certification form, *e.g.*, as it introduces new long-term care insurance policy forms for issuance.

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**I. GENERAL INFORMATION**

**A. Name, address and telephone number of issuer:**

State Farm Mutual Automobile Insurance Company  
One State Farm Plaza  
Bloomington, IL 61710-0001

**B. Name, address, telephone number, and email address (if available) of an employee of issuer who will be the contact person for information relating to this form:**

Barb Metz  
One State Farm Plaza - B-2 (Health Contracts & Compliance)  
309-766-6544      barb.metz.bfn5@statefarm.com

**C. Policy form number(s) (or other identifying information, such as certificate series) for policies covered by this Issuer Certification Form (expand the space below as required):**

97061 ARP  
97061 ARS  
97061 ARC

Specimen copies of each of the above policy forms, including any riders and endorsements, shall be provided upon request.

**II. CERTIFICATIONS**

- A. I hereby certify that the policy forms listed above are in compliance with Rule 13 and Rule 94 and all other Arkansas statutes and rules regarding long-term care insurance.
- B. I hereby certify to the best of my knowledge and belief that all producers who sell, solicit or negotiate long-term care insurance products on {insert issuer name's} behalf have received the training required for Partnership policies and that they demonstrate an understanding of the policies and their relationship to public and private long-term care coverage.
- C. I hereby certify that the answers, accompanying documents, and other information set forth herein are, to the best of my knowledge and belief, true, correct, and complete.

9-26-08  
Date

Mary F. Keim - Assistant Secretary/Treasurer  
Name and title of officer of the Issuer

*Mary F. Keim*  
Signature of officer of the Issuer

## Exhibit I

### Reserve Basis and Sample Calculation

Reserves are established in conformity with NAIC Model Accident and Health Reserve Standards using the following basis:

Method:	One Year Preliminary Term
Interest Rate:	4.00%
Mortality:	94 Group Annuity Mortality Table
Voluntary Lapses:	min{6%, 80% of pricing lapses} for 1 <sup>st</sup> year min{4%, 80% of pricing lapses} for years 2 - 4 min{2%, 100% of pricing lapses} for remaining years
Morbidity:	pricing claim costs
Type of Reserve Factor:	Mid terminal

Sex distinct reserves are held with an explicit load for conservatism applied to the reserves calculated using the basis above. The overall load is 5%. Sample calculations are shown on the following page.

Exhibit I (continued)

Male Age 55, Lifetime Benefit Period, 90 Day Elimination Period, Compound Inflation, \$100 Initial Daily Benefit

1Yr Pre Term Net Premium: 1,300.02  
Load for margin: 5%

Policy Duration	Attained Age	Inforce BOY	Mortality per 1000	Pricing				Inforce MidYear	Claim Cost	Waiver Cost	Interest Rates	Discount BOY	Discount MidYear	PV Benefits	PV \$ Prem	Terminal Reserve	Loaded Mid Terminal Reserve Factors
				Lapse Rate	80% or 100% Lapse	Allowed Lapse	Anti-Select MidYear										
0	55	1.00	4.43	0.06	0.05	0.05	0.00	0.99779	18.68	1.54	4.0%	1.00	0.98	19.79	1.00	0.00	
1	56	0.95	4.95	0.04	0.03	0.03	0.00	0.950	35.41	2.79	4.0%	0.96	0.94	34.21	0.91	1,259.36	
2	57	0.91	5.58	0.03	0.02	0.02	0.00	0.913	53.54	4.01	4.0%	0.92	0.91	47.64	0.84	2,603.09	
3	58	0.89	6.30	0.02	0.01	0.01	0.00	0.889	73.88	5.27	4.0%	0.89	0.87	61.33	0.79	3,996.35	
4	59	0.87	7.09	0.01	0.01	0.01	0.00	0.870	92.18	6.26	4.0%	0.85	0.84	71.75	0.74	5,442.74	
5	60	0.86	7.98	0.01	0.01	0.01	0.00	0.854	128.04	8.29	4.0%	0.82	0.81	93.83	0.70	6,920.01	
6	61	0.84	8.99	0.01	0.01	0.01	0.00	0.840	158.32	9.76	4.0%	0.79	0.77	109.44	0.66	8,439.47	
7	62	0.83	10.15	0.01	0.01	0.01	0.00	0.826	192.67	11.31	4.0%	0.76	0.75	125.52	0.63	10,017.85	
8	63	0.81	11.47	0.01	0.01	0.01	0.00	0.811	231.53	12.95	4.0%	0.73	0.72	142.01	0.59	11,658.97	
9	64	0.80	12.94	0.01	0.01	0.01	0.00	0.795	274.98	14.64	4.0%	0.70	0.69	158.59	0.56	13,368.00	
10	65	0.78	14.54	0.01	0.01	0.01	0.00	0.778	316.09	16.03	4.0%	0.68	0.66	171.18	0.53	15,158.48	
11	66	0.77	16.24	0.01	0.01	0.01	0.00	0.760	363.48	17.56	4.0%	0.65	0.64	184.54	0.49	17,036.86	
12	67	0.75	18.03	0.01	0.01	0.01	0.00	0.742	418.25	19.24	4.0%	0.62	0.61	198.74	0.46	19,009.82	
13	68	0.73	19.86	0.01	0.01	0.01	0.00	0.722	493.60	21.62	4.0%	0.60	0.59	219.13	0.43	21,072.04	
14	69	0.71	21.73	0.01	0.01	0.01	0.00	0.702	576.50	24.05	4.0%	0.58	0.57	238.68	0.41	23,230.96	
15	70	0.69	23.73	0.01	0.01	0.01	0.00	0.681	666.51	26.48	4.0%	0.56	0.54	256.88	0.38	25,496.17	
16	71	0.67	25.95	0.01	0.01	0.01	0.00	0.659	771.15	29.18	4.0%	0.53	0.52	276.08	0.35	27,873.85	
17	72	0.64	28.48	0.01	0.01	0.01	0.00	0.636	891.98	32.15	4.0%	0.51	0.50	295.95	0.33	30,373.72	
18	73	0.62	31.20	0.01	0.01	0.01	0.00	0.613	1,107.23	38.01	4.0%	0.49	0.48	339.58	0.30	32,934.00	
19	74	0.60	34.05	0.01	0.01	0.01	0.00	0.588	1,374.09	44.92	4.0%	0.47	0.47	388.44	0.28	35,530.91	
20	75	0.57	37.21	0.01	0.01	0.01	0.00	0.563	1,705.10	53.09	4.0%	0.46	0.45	442.96	0.26	38,126.67	
21	76	0.55	40.86	0.01	0.01	0.01	0.00	0.537	2,116.78	62.77	4.0%	0.44	0.43	503.60	0.24	40,674.08	
22	77	0.52	45.17	0.01	0.01	0.01	0.00	0.510	2,627.73	74.21	4.0%	0.42	0.41	570.18	0.22	43,115.74	
23	78	0.49	50.21	0.01	0.01	0.01	0.00	0.482	3,062.91	82.38	4.0%	0.41	0.40	603.26	0.20	45,575.32	
24	79	0.47	55.86	0.01	0.01	0.01	0.00	0.453	3,572.43	91.50	4.0%	0.39	0.38	635.12	0.18	48,050.33	
25	80	0.44	62.03	0.01	0.01	0.01	0.00	0.423	4,165.27	101.61	4.0%	0.38	0.37	664.31	0.16	50,531.95	
26	81	0.41	68.62	0.01	0.01	0.01	0.00	0.393	4,865.61	113.04	4.0%	0.36	0.35	691.48	0.14	52,989.98	
27	82	0.38	75.53	0.01	0.01	0.01	0.00	0.362	5,678.95	125.65	4.0%	0.35	0.34	714.02	0.13	55,387.29	
28	83	0.34	82.51	0.01	0.01	0.01	0.00	0.331	6,662.50	140.40	4.0%	0.33	0.33	735.60	0.11	57,626.87	
29	84	0.31	89.61	0.01	0.01	0.01	0.00	0.300	7,811.38	156.77	4.0%	0.32	0.31	751.61	0.10	59,589.15	
30	85	0.28	97.24	0.01	0.01	0.01	0.00	0.270	9,153.55	174.96	4.0%	0.31	0.30	761.43	0.08	61,116.26	
31	86	0.25	105.79	0.01	0.01	0.01	0.00	0.241	10,750.34	195.69	4.0%	0.30	0.29	766.28	0.07	61,998.72	
32	87	0.23	115.67	0.01	0.01	0.01	0.00	0.213	12,624.10	218.86	4.0%	0.29	0.28	763.24	0.06	62,004.32	
33	88	0.20	126.98	0.01	0.01	0.01	0.00	0.185	13,992.35	231.03	4.0%	0.27	0.27	709.08	0.05	61,618.02	
34	89	0.17	139.45	0.01	0.01	0.01	0.00	0.160	15,483.69	243.48	4.0%	0.26	0.26	648.88	0.04	60,812.41	
35	90	0.15	152.93	0.01	0.01	0.01	0.00	0.135	17,092.96	255.98	4.0%	0.25	0.25	583.58	0.03	59,528.98	
36	91	0.12	167.26	0.01	0.01	0.01	0.00	0.113	18,912.76	269.75	4.0%	0.24	0.24	517.57	0.03	57,583.67	
37	92	0.10	182.28	0.01	0.01	0.01	0.00	0.093	20,823.06	282.85	4.0%	0.23	0.23	448.85	0.02	54,819.37	
38	93	0.08	198.39	0.01	0.01	0.01	0.00	0.074	21,487.54	277.98	4.0%	0.23	0.22	358.01	0.02	52,181.46	
39	94	0.07	215.70	0.01	0.01	0.01	0.00	0.059	22,221.45	273.78	4.0%	0.22	0.21	280.34	0.01	49,679.86	
40	95	0.05	233.61	0.01	0.01	0.01	0.00	0.045	22,952.37	269.32	4.0%	0.21	0.20	214.43	0.01	47,399.35	
41	96	0.04	251.51	0.01	0.01	0.01	0.00	0.034	23,817.04	266.16	4.0%	0.20	0.20	161.00	0.01	45,285.42	
42	97	0.03	268.82	0.01	0.01	0.01	0.00	0.025	24,625.94	262.10	4.0%	0.19	0.19	117.67	0.00	43,385.84	
43	98	0.02	285.28	0.01	0.01	0.01	0.00	0.018	25,847.09	261.99	4.0%	0.19	0.18	85.32	0.00	41,327.12	
44	99	0.01	301.30	0.01	0.01	0.01	0.00	0.013	26,868.02	259.37	4.0%	0.18	0.17	59.90	0.00	39,087.10	
45	100	0.01	317.24	0.01	0.01	0.01	0.00	0.009	27,763.17	255.25	4.0%	0.17	0.17	40.87	0.00	36,583.17	
46	101	0.01	333.46	0.01	0.01	0.01	0.00	0.006	28,504.14	249.59	4.0%	0.16	0.16	27.06	0.00	33,720.14	
47	102	0.00	350.33	0.01	0.01	0.01	0.00	0.004	29,036.62	242.14	4.0%	0.16	0.16	17.35	0.00	30,387.82	
48	103	0.00	368.54	0.01	0.01	0.01	0.00	0.002	28,870.20	229.29	4.0%	0.15	0.15	10.57	0.00	26,782.78	
49	104	0.00	387.86	0.01	0.01	0.01	0.00	0.002	28,286.01	213.95	4.0%	0.15	0.14	6.17	0.00	22,951.39	
50	105	0.00	407.22	0.01	0.01	0.01	0.00	0.001	27,147.63	195.56	4.0%	0.14	0.14	3.41	0.00	18,957.21	
51	106	0.00	425.60	0.01	0.01	0.01	0.00	0.001	25,344.90	173.88	4.0%	0.14	0.13	1.78	0.00	14,824.04	
52	107	0.00	441.94	0.01	0.01	0.01	0.00	0.000	22,840.44	149.24	4.0%	0.13	0.13	0.87	0.00	10,483.13	
53	108	0.00	457.55	0.01	0.01	0.01	0.00	0.000	19,688.55	122.52	4.0%	0.13	0.12	0.40	0.00	5,695.24	
54	109	0.00	473.15	0.01	0.01	0.01	0.00	0.000	15,917.99	94.34	4.0%	0.12	0.12	0.16	0.00	11,001.65	

Exhibit II  
Gross Premium, Net Premium, Renewal Expense Comparison

**Per \$100 Maximum Daily Benefit**

Issue Age	Benefit Period	Elimination Period	Inflation Protection	Gross Premium	Net Premium	Levelized Renewal Expenses
65	2	30	Simple	1,617.16	1,131.78	314.06
70	2	30	Simple	2,322.61	1,584.94	451.12
75	2	30	Simple	3,623.39	2,340.35	702.93
65	2	90	Simple	1,325.71	905.51	259.67
70	2	90	Simple	1,911.73	1,258.95	372.58
75	2	90	Simple	3,054.25	1,830.26	589.36
65	2	180	Simple	1,166.98	781.13	230.10
70	2	180	Simple	1,664.91	1,087.37	326.32
75	2	180	Simple	2,628.43	1,586.69	509.79
65	3	30	Simple	1,941.69	1,384.39	374.54
70	3	30	Simple	2,807.71	1,939.31	542.43
75	3	30	Simple	4,543.04	2,882.99	874.28
65	3	90	Simple	1,594.79	1,115.63	309.80
70	3	90	Simple	2,498.86	1,555.23	478.94
75	3	90	Simple	4,043.31	2,275.42	768.74
65	3	180	Simple	1,405.30	967.24	274.51
70	3	180	Simple	2,175.51	1,349.27	418.96
75	3	180	Simple	3,470.41	1,978.74	663.03
65	5	30	Simple	2,307.35	1,667.55	442.77
70	5	30	Simple	3,670.67	2,345.34	697.89
75	5	30	Simple	6,047.04	3,520.87	1,145.17
65	5	90	Simple	1,967.71	1,352.00	377.92
70	5	90	Simple	3,266.89	1,890.17	616.46
75	5	90	Simple	5,381.87	2,788.71	1,008.05
65	5	180	Simple	1,722.93	1,174.20	332.71
70	5	180	Simple	2,839.77	1,641.71	538.05
75	5	180	Simple	4,597.32	2,423.12	865.10
65	10	30	Simple	3,266.08	2,403.61	621.93
70	10	30	Simple	4,779.32	3,360.56	913.47
75	10	30	Simple	7,722.60	5,060.87	1,475.87
65	10	90	Simple	2,685.56	1,958.37	513.56
70	10	90	Simple	4,253.59	2,724.51	805.96
75	10	90	Simple	6,851.41	4,022.47	1,293.88
65	10	180	Simple	2,366.36	1,709.28	454.13
70	10	180	Simple	3,685.34	2,374.41	701.15
75	10	180	Simple	5,827.08	3,498.93	1,106.19
65	Lifetime	30	Simple	3,311.91	2,439.08	630.44
70	Lifetime	30	Simple	4,861.75	3,409.94	928.53
75	Lifetime	30	Simple	7,840.67	5,137.52	1,497.76
65	Lifetime	90	Simple	2,722.69	1,987.26	520.45
70	Lifetime	90	Simple	4,326.96	2,764.72	819.25
75	Lifetime	90	Simple	6,955.59	4,083.78	1,313.01
65	Lifetime	180	Simple	2,399.03	1,734.70	460.20
70	Lifetime	180	Simple	3,748.30	2,409.65	712.59
75	Lifetime	180	Simple	5,913.95	3,552.32	1,122.22

Exhibit II  
Gross Premium, Net Premium, Renewal Expense Comparison

**Per \$100 Maximum Daily Benefit**

Issue Age	Benefit Period	Elimination Period	Inflation Protection	Gross Premium	Net Premium	Levelized Renewal Expenses
40	2	30	Compound	1,257.06	1,017.21	231.64
50	2	30	Compound	1,370.43	1,063.49	252.44
60	2	30	Compound	1,622.05	1,174.81	301.87
70	2	30	Compound	2,566.78	1,707.99	485.52
40	2	90	Compound	1,026.32	822.00	192.60
50	2	90	Compound	1,122.51	860.47	209.77
60	2	90	Compound	1,337.94	948.01	251.50
70	2	90	Compound	2,156.94	1,365.53	408.54
40	2	180	Compound	894.47	710.35	170.31
50	2	180	Compound	983.74	745.16	185.90
60	2	180	Compound	1,161.73	820.72	220.51
70	2	180	Compound	1,873.06	1,183.56	356.88
40	3	30	Compound	1,520.07	1,239.60	276.23
50	3	30	Compound	1,648.44	1,296.64	300.44
60	3	30	Compound	1,949.39	1,433.57	359.96
70	3	30	Compound	3,159.20	2,086.60	593.39
40	3	90	Compound	1,248.71	1,010.07	230.30
50	3	90	Compound	1,360.14	1,057.59	250.77
60	3	90	Compound	1,531.32	1,164.80	286.74
70	3	90	Compound	2,761.35	1,681.69	516.72
40	3	180	Compound	1,092.42	877.73	203.87
50	3	180	Compound	1,195.20	920.57	222.39
60	3	180	Compound	1,344.58	1,013.13	253.65
70	3	180	Compound	2,402.94	1,463.17	451.80
40	5	30	Compound	1,814.09	1,486.95	326.20
50	5	30	Compound	1,960.44	1,554.79	354.44
60	5	30	Compound	2,216.51	1,717.78	408.68
70	5	30	Compound	4,071.78	2,510.38	755.67
40	5	90	Compound	1,496.26	1,219.24	272.36
50	5	90	Compound	1,614.71	1,275.59	294.88
60	5	90	Compound	1,827.65	1,404.06	339.54
70	5	90	Compound	3,623.88	2,034.21	668.78
40	5	180	Compound	1,310.25	1,061.75	240.90
50	5	180	Compound	1,426.67	1,112.16	262.46
60	5	180	Compound	1,604.43	1,222.85	299.97
70	5	180	Compound	3,149.47	1,770.80	583.53
40	10	30	Compound	2,565.84	2,110.32	454.23
50	10	30	Compound	2,745.44	2,202.69	490.82
60	10	30	Compound	3,114.55	2,437.20	569.42
70	10	30	Compound	5,313.84	3,555.38	989.64
40	10	90	Compound	2,126.17	1,745.44	379.64
50	10	90	Compound	2,285.15	1,822.26	411.24
60	10	90	Compound	2,680.01	2,007.96	490.67
70	10	90	Compound	4,729.32	2,898.53	874.96
40	10	180	Compound	1,864.19	1,527.93	335.30
50	10	180	Compound	2,013.03	1,596.43	364.34
60	10	180	Compound	2,267.37	1,754.88	418.63
70	10	180	Compound	4,096.87	2,530.48	760.89
40	Lifetime	30	Compound	2,608.26	2,145.46	461.48
50	Lifetime	30	Compound	2,789.28	2,238.76	498.45
60	Lifetime	30	Compound	3,161.10	2,474.60	577.72
70	Lifetime	30	Compound	5,405.52	3,608.00	1,006.08
40	Lifetime	90	Compound	2,161.46	1,774.69	385.68
50	Lifetime	90	Compound	2,321.51	1,852.21	417.56
60	Lifetime	90	Compound	2,724.54	2,038.92	498.52
70	Lifetime	90	Compound	4,810.92	2,941.64	889.48
40	Lifetime	180	Compound	1,895.39	1,553.78	340.64
50	Lifetime	180	Compound	2,045.15	1,622.88	369.93
60	Lifetime	180	Compound	2,301.07	1,782.03	424.64
70	Lifetime	180	Compound	4,191.07	2,569.22	777.40

Exhibit III  
 State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois

**Rate difference between current 97059 AR Rates and proposed 97061 ARP Rates**

30 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

**Rate difference between current 97059 MO Rates with Simple Rider and proposed 97061 ARS**

30 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)  
 State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois

**Rate difference between current 97059 AR Rates and proposed 97061 ARP Rates**

90 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

**Rate difference between current 97059 MO Rates with Simple Rider and proposed 97061 ARS**

90 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)  
 State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois

**Rate difference between current 97059 AR Rates and proposed 97061 ARP Rates**

180 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

**Rate difference between current 97059 MO Rates with Simple Rider and proposed 97061 ARS**

180 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)  
 State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois  
**Rate difference between current 97059 MO Rates with Compound Rider and proposed 97061 ARC**

30 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)  
 State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois  
**Rate difference between current 97059 MO Rates with Compound Rider and proposed 97061 ARC**

90 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)  
 State Farm Mutual Automobile Insurance Company  
 Bloomington, Illinois

**Rate difference between current 97059 MO Rates with Compound Rider and proposed 97061 ARC**

180 Day Elimination Period

Issue <u>Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%
76	0.0%	0.0%	0.0%	0.0%	0.0%
77	0.0%	0.0%	0.0%	0.0%	0.0%
78	0.0%	0.0%	0.0%	0.0%	0.0%
79	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit IV  
State Farm Mutual Automobile Insurance Company

Loss Ratio Calculation Exhibit

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY  
BLOOMINGTON, ILLINOIS

Loss Ratio Demonstration by Policy Year  
Assumes 1,000 Policies Issued According to the Distribution Shown in the Memorandum

<u>Policy Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1	1,957,636	16,493	1%
2	1,844,207	28,616	2%
3	1,761,662	41,462	2%
4	1,712,728	56,931	3%
5	1,675,103	74,488	4%
6	1,649,340	96,198	6%
7	1,625,418	118,013	7%
8	1,598,795	140,656	9%
9	1,569,165	166,521	11%
10	1,536,291	194,574	13%
11	1,501,200	225,184	15%
12	1,464,992	262,568	18%
13	1,427,624	303,978	21%
14	1,389,096	347,564	25%
15	1,349,489	397,103	29%
16	1,308,890	452,238	35%
17	1,267,336	517,287	41%
18	1,224,824	590,226	48%
19	1,181,392	661,353	56%
20	1,137,176	741,616	65%
21	1,092,322	829,795	76%
22	1,046,920	930,325	89%
23	1,001,019	1,042,197	104%
24	954,703	1,134,872	119%
25	908,148	1,238,978	136%
26	861,558	1,353,804	157%
27	815,092	1,481,685	182%
28	768,872	1,620,916	211%
29	723,045	1,714,604	237%
30	677,823	1,819,859	268%
31	633,427	1,934,540	305%
32	590,028	2,058,523	349%
33	547,756	2,189,233	400%
34	506,732	2,239,752	442%
35	467,116	2,298,685	492%
36	429,072	2,361,719	550%
37	392,728	2,426,829	618%
38	358,170	2,490,832	695%
39	325,459	2,446,576	752%
40	294,657	2,413,111	819%
41	265,818	2,385,437	897%
42	238,968	2,362,912	989%
43	214,094	2,342,306	1094%
44	191,151	2,233,167	1168%
45	170,085	2,142,465	1260%
46	150,834	2,065,725	1370%
47	133,317	2,002,555	1502%
48	117,437	1,949,049	1660%
49	103,081	1,829,142	1774%
50	90,138	1,728,984	1918%
51	78,508	1,643,411	2093%
52	68,089	1,570,207	2306%
53	58,785	1,505,228	2561%
54	50,495	1,390,091	2753%
55	43,131	1,290,461	2992%
56	36,614	1,201,463	3281%
57	30,875	1,120,701	3630%
58	25,846	1,044,853	4043%
59	21,461	929,358	4330%
60	17,657	825,671	4676%
61	14,380	730,459	5080%
62	11,583	642,803	5549%
63	9,221	560,325	6077%
64	7,247	463,605	6397%
65	5,616	379,398	6756%
Lifetime @ 4.0%	27,063,054	19,150,385	71%

**State Farm Mutual Automobile  
Insurance Company**

Home Office, Bloomington, Illinois 61710



September 26, 2008

Julie Benafield Bowman  
Commissioner of Insurance  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

Re: Long-Term Care Insurance Partnership Policy Form 97061 ARP  
Long-Term Care Insurance Partnership Policy Form 97061 ARS  
Long-Term Care Insurance Partnership Policy Form 97061 ARC  
Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR  
Long-Term Care Partnership Insurance Application Form 1000896  
Long-Term Care Partnership Outline of Coverage Form 1000832  
Personal Worksheet 1000482  
Potential Rate Increase Disclosure Form 1000486  
Replacement Notice 126729.1  
Rates

Dear Ms. Bowman:

Enclosed for filing on behalf of the State Farm Mutual Automobile Insurance Company of Bloomington, Illinois are the referenced forms. These forms will be utilized for those individuals who desire a long-term care partnership policy.

We have submitted a separate filing for two non-partnership long-term care policies. It may be advantageous to review these filings together since the changes made are very similar.

Long-Term Care Insurance Partnership Policy Form 97061 ARP

Long-Term Care Insurance Policy Form 97061 ARP is a new policy form created for those individuals age 76 to 79 years of age who desire long-term care insurance coverage without any inflation protection. We have utilized our previously approved 97059 AR policy as a basis to create this policy form. The following changes were made:

- Modified the definition of Home Health Care Agency.
- Modified the 2<sup>nd</sup> paragraph of the Medical Help System Benefit.
- Modified the 3<sup>rd</sup> paragraph of the Waiver of Premium Benefit.
- Deleted reference to Alternate Care Facility in the 1<sup>st</sup> paragraph of the Alternate Plan of Care Benefit and the 1<sup>st</sup> paragraph of the Home Modification and Durable Medical Equipment Benefit.
- Modified the 4<sup>th</sup> paragraph of the Home Modification and Durable Medical Equipment Benefit.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois 61710-0001

Julie Benafield Bowman

Page 2

September 26, 2008

- The Contingent Nonforfeiture Benefit was previously provided as an amendment rider to the policy; however, now the language has been added within the policy.
- Deleted the incarceration exclusion.
- Deleted the Future Purchase Option provision
- Added a provision entitled Your Right to Reduce Coverage and Lower Premiums.
- Modified the Mutual Conditions language.

Long-Term Care Insurance Partnership Policy Form 97061 ARS

The 97061 ARS is a new policy form created for those individuals 61 to 79 years of age who desire a long-term care insurance policy with simple inflation protection. This policy is identical to the 97061 ARP policy with the exception of the addition of the Simple Automatic Increase Benefit.

Long-Term Care Insurance Partnership Policy Form 97061 ARC

Long-Term Care Insurance Partnership Policy Form 97061 ARC is a new policy form created for those individuals 30-79 who desire a long-term care insurance policy with compound inflation protection. This policy is identical to the 97061 ARP policy with the exception of the addition of the Compound Automatic Increase Benefit.

Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR

Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR will replace Nonforfeiture Benefit/Shortened Benefit Rider form 99591, approved September 24, 2003. No verbiage changes were made to this rider.

Long-Term Care Partnership Insurance Application Form 1000896

Long-Term Care Partnership Insurance Application Form 1000896 is a new application created for use with the sale of one of the Long-Term Care Partnership policies.

Long-Term Care Partnership Outline of Coverage Form 1000832

Long-Term Care Outline of Coverage Form 1000832 is a new form. This outline will be utilized with the sales presentation for 97061 ARP, 97061 ARS and 97061 ARC policies.

State Farm Mutual Automobile Insurance Company  
Bloomington, Illinois 61710-0001

Julie Benafield Bowman  
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Personal Worksheet 1000482  
Replacement Notice 126729.1  
Potential Rate Increase Disclosure Form 1000486

These forms were created following the NAIC Model Rules and will be utilized with the sales presentation for the 97061 ARP, 97061 ARS and 97061 ARC policies.

Previously Approved Forms

The following approved forms will be utilized with these policies/applications:

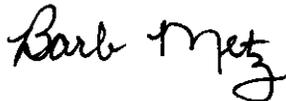
Form #	Name of Form	Approval Date
99005	Amendment of Application for Health Ins.	07-23-70

Rates

The actuarial memorandum, exhibits and rates are enclosed for the forms submitted.

If you have any questions, please let us know.

Sincerely,



Barb Metz  
Analyst-Health Contracts and Compliance  
(309) 766-6544  
FAX (309) 766-8483  
E-mail – Barb.Metz.bfn5@statefarm.com



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## NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER

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In consideration of the additional premium shown on the Policy Schedule, it is agreed that the following benefit is added to Your policy.

### What It Is and How It Works

If You do not pay the premium that becomes due after the policy has been in force at least 3 years and the policy is not put back in force as described in Section 5, it will stay in force and the Nonforfeiture Benefit will apply.

The Nonforfeiture Date is the date that coverage under the policy would otherwise end in the absence of the Nonforfeiture Benefit. It cannot be less than 3 years after the Effective Date of Coverage.

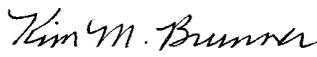
The Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if You stop paying premiums. The benefits payable for a Long-Term Care Facility stay or Home and Community-Based Care, which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:

1. The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
2. The maximum amount We will pay for all covered care or services You receive after the Nonforfeiture Date is the greater of:
  - a. 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any changes in benefits; or
  - b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy for a period of care, including this Nonforfeiture Benefit, will not exceed the benefit period stated on the Policy Schedule.

Benefits will be payable in accordance with all other terms and conditions of the policy.

Issued by the STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY, of Bloomington, Illinois.



Secretary



President