

SERFF Tracking Number: UNUM-125649135 State: Arkansas  
Filing Company: Colonial Life & Accident Insurance Company State Tracking Number: 39015  
Company Tracking Number: LTC LIT  
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified  
Product Name: Long-term Care Advertising  
Project Name/Number: Long-term Care Advertising/Long-term Care Advertising

## Filing at a Glance

Company: Colonial Life & Accident Insurance Company

Product Name: Long-term Care Advertising SERFF Tr Num: UNUM-125649135 State: ArkansasLH  
TOI: LTC03I Individual Long Term Care SERFF Status: Closed State Tr Num: 39015  
Sub-TOI: LTC03I.001 Qualified Co Tr Num: LTC LIT State Status: Approved-Closed  
Filing Type: Advertisement Co Status: Reviewer(s): Harris Shearer  
Authors: Donna Mazloom, Angela Mctier, Lauren Sease, Annette Smith, Melissa Allen Disposition Date: 07/15/2008  
Date Submitted: 05/15/2008 Disposition Status: Approved-Closed  
Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

## General Information

Project Name: Long-term Care Advertising  
Project Number: Long-term Care Advertising  
Requested Filing Mode:

Explanation for Combination/Other:  
Submission Type: New Submission  
Overall Rate Impact:  
Filing Status Changed: 07/15/2008  
State Status Changed: 07/15/2008  
Corresponding Filing Tracking Number:  
Filing Description:  
Long-term Care Advertising

Status of Filing in Domicile: Not Filed  
Date Approved in Domicile:  
Domicile Status Comments: not required to be filed  
Market Type: Individual  
Group Market Size:  
Group Market Type:  
Deemer Date:

## Company and Contact

SERFF Tracking Number: UNUM-125649135 State: Arkansas  
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**Filing Contact Information**

Donna Mazloom, Contract Consultant DHMazloom@unum.com  
 1200 Colonial Life Boulevard (803) 798-5555 [Phone]  
 Columbia, SC 29202

**Filing Company Information**

Colonial Life & Accident Insurance Company CoCode: 62049 State of Domicile: South Carolina  
 1200 Colonial Life Boulevard Group Code: 565 Company Type:  
 Post Office Box 1365  
 Columbia, SC 29202 Group Name: State ID Number:  
 (803) 798-7000 ext. [Phone] FEIN Number: 57-0144607  
 -----

**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Colonial Life & Accident Insurance Company	\$25.00	05/15/2008	20344684

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor (FM)	07/15/2008	07/15/2008

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## **Disposition**

Disposition Date: 07/15/2008

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Cover Letter	Approved-Closed	Yes
<b>Supporting Document</b>	Outlines - Informational	Approved-Closed	Yes
<b>Form</b>	LTC Brochure	Approved-Closed	Yes
<b>Form</b>	LTC Brochure with Restoration	Approved-Closed	Yes
<b>Form</b>	Electronic Screens	Approved-Closed	Yes

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## Form Schedule

**Lead Form Number:** 69579

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
Approved-Closed	69579	Advertising	LTC Brochure	Initial			69579 LTC Rider Brochure.pdf
Approved-Closed	69580	Advertising	LTC Brochure with Restoration	Initial			69580 LTC-ROB Rider Brochure.pdf
Approved-Closed	NS-10279	Advertising	Electronic Screens	Initial			NS-10279 Electronic Advertising Screens.pdf

# Long-Term Care Benefit Rider



## Help preserve your independence and assets with Colonial Life's Optional Long-Term Care Benefit Rider

Long-term care costs, like most health care costs, are rising quickly. Purchasing coverage while you're in good health gives you access to long-term care benefits if you need them. At the same time, you may be able to maintain more control of your personal finances.

### How much does long-term care really cost?

Many people greatly underestimate the real cost of long-term care. Seniors underestimate the cost of long-term care by 100 percent – estimating around \$35,000 a year when the national average is closer to \$70,000 per year for nursing home care.<sup>1</sup>

Nursing Homes	Assisted Living Facilities	Home Care
Private room: \$70,912/year or \$194/day	Private one-bedroom unit: \$32,294/year or \$88.50/day	Home health aides: \$25.32/hour For 4 hours of home care per day: \$36,967/year or \$101.28/day

Genworth "Cost of Care" survey, 2006.

In addition to underestimating the cost, 59 percent of Americans over age 45 incorrectly believe that Medicare will pay for an extended nursing home stay.<sup>2</sup>

And long-term care benefits are not just for the elderly. Approximately 40 percent of people who use long-term care services are working-aged adults. They may have been in an accident, suffered a chronic illness or had a stroke.<sup>2</sup>

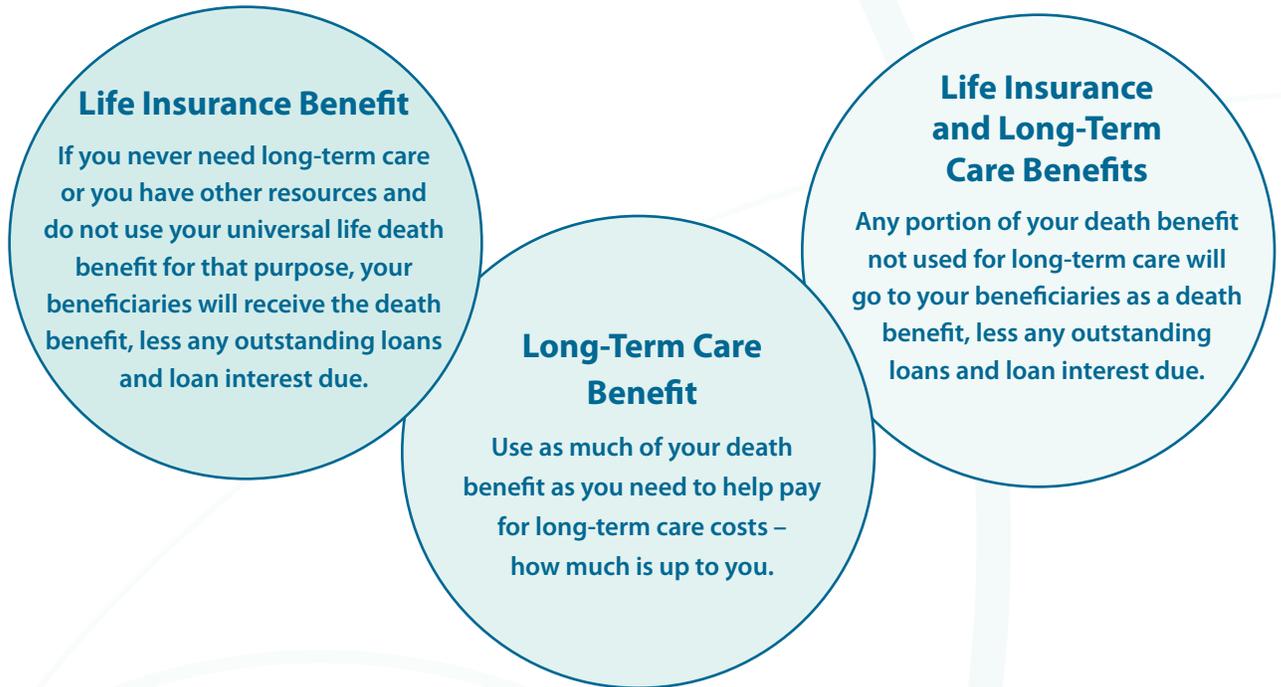
**About one out of four U.S. households is involved in the care of an older relative or friend.**

Society for Human Resource Management, "2006 Benefits Survey Report," June 2006.

## Two kinds of protection

Purchasing Colonial Life & Accident Insurance Company's Long-Term Care Benefit Rider on your Colonial Life Universal Life policy provides you with two kinds of insurance protection in one convenient policy – life insurance benefits and long-term care benefits.

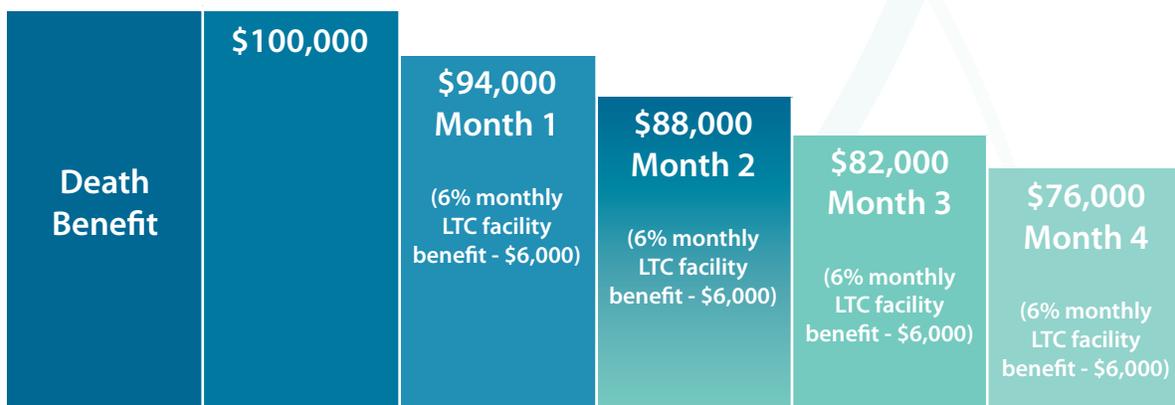
This approach allows you to use your policy's death benefit in different ways:



## How does it work?

Colonial Life's Long-Term Care Benefit Rider advances a portion of your universal life policy's death benefit to provide monthly payments for qualified long-term care services needed because of a chronic illness, serious accident, sudden illness or cognitive impairment. *(The insured must be unable to perform at least two of the six Activities of Daily Living (ADLs) or require substantial supervision due to severe cognitive impairment to receive benefits under this rider. Please see your Outline of Coverage or benefits representative for complete details.)*

**Example showing effect on a universal life policy death benefit when receiving monthly long-term care facility benefits under the rider:**



With these benefits, you can help preserve your savings and assets and have more choice in where you receive your qualified long-term care services. It provides coverage for various care settings – including the home.

*Note: In addition to reducing the death benefit, long-term care benefits under this rider will also proportionally reduce the policy's fund value, indebtedness, amount available for loans and withdrawals, surrender charges, and amount available for advance of the death benefit under any provision of the policy or any rider other than this rider.*

# Death Benefit Advances

The amount of the monthly death benefit advance is based on the care setting:

Care Setting	Monthly Benefit*
<b>LTC Facility, such as a nursing home</b>	6% of Death Benefit
<b>Assisted Living Facility</b>	6% of Death Benefit
<b>Home Health Care Agency or Licensed Home Health Care Professional</b>	4% of Death Benefit
<b>Adult Day Care</b>	4% of Death Benefit

Built-in Waiver of Monthly Deductions benefit waives all monthly deductions made on the universal life policy while long-term care benefits are being paid under the rider.

*\*Monthly benefit for each benefit period, less any policy loans, as of the end of the 90-day elimination period. Amount of monthly benefit may vary by state and may not be available in all states. See the Outline of Coverage within for complete details.*

**Combination life insurance and long-term care coverage – a convenient, cost-effective way to help protect your loved ones.**

<sup>1</sup>Press release: "Nation's Insurance Commissioners Help Consumers Cope With Cost, Confusion Regarding Health Insurance," June 19, 2006, National Association of Insurance Commissioners, 2006 NAIC survey

<sup>2</sup>American Association of Homes and Service for the Aging, "Aging Services: The Facts," [http://www2.aahsa.org/aging\\_services/default.asp#2](http://www2.aahsa.org/aging_services/default.asp#2), last updated: 11/30/2007

*This coverage has exclusions and limitations that may affect benefits payable. Benefits vary by state and may not be available in all states. See the Outline of Coverage within for complete details.*

Applicable to rider form R-UL-LTC. This brochure is not complete without the corresponding Outline of Coverage form R-UL-LTC-O, including state variations where applicable; for example, R-UL-LTC-O-TX.

**Learn more about Colonial Life at [coloniallife.com](http://coloniallife.com)**





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1200 Colonial Life Boulevard  
Columbia, South Carolina 29210  
coloniallife.com

69579

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*Making benefits count.*

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04/08 Rev.-0

Long-Term Care Benefit Rider

# Long-Term Care and Restoration of Benefits Riders



## Help preserve your independence and assets with Colonial Life's Optional Long-Term Care Benefit Rider

Long-term care costs, like most health care costs, are rising quickly. Purchasing coverage while you're in good health gives you access to long-term care benefits if you need them. At the same time, you may be able to maintain more control of your personal finances.

### How much does long-term care really cost?

Many people greatly underestimate the real cost of long-term care. Seniors underestimate the cost of long-term care by 100 percent – estimating around \$35,000 a year when the national average is closer to \$70,000 per year for nursing home care.<sup>1</sup>

Nursing Homes	Assisted Living Facilities	Home Care
Private room: \$70,912/year or \$194/day	Private one-bedroom unit: \$32,294/year or \$88.50/day	Home health aides: \$25.32/hour For 4 hours of home care per day: \$36,967/year or \$101.28/day

Genworth "Cost of Care" survey, 2006.

In addition to underestimating the cost, 59 percent of Americans over age 45 incorrectly believe that Medicare will pay for an extended nursing home stay.<sup>2</sup>

And long-term care benefits are not just for the elderly. Approximately 40 percent of people who use long-term care services are working-aged adults. They may have been in an accident, suffered a chronic illness or had a stroke.<sup>2</sup>

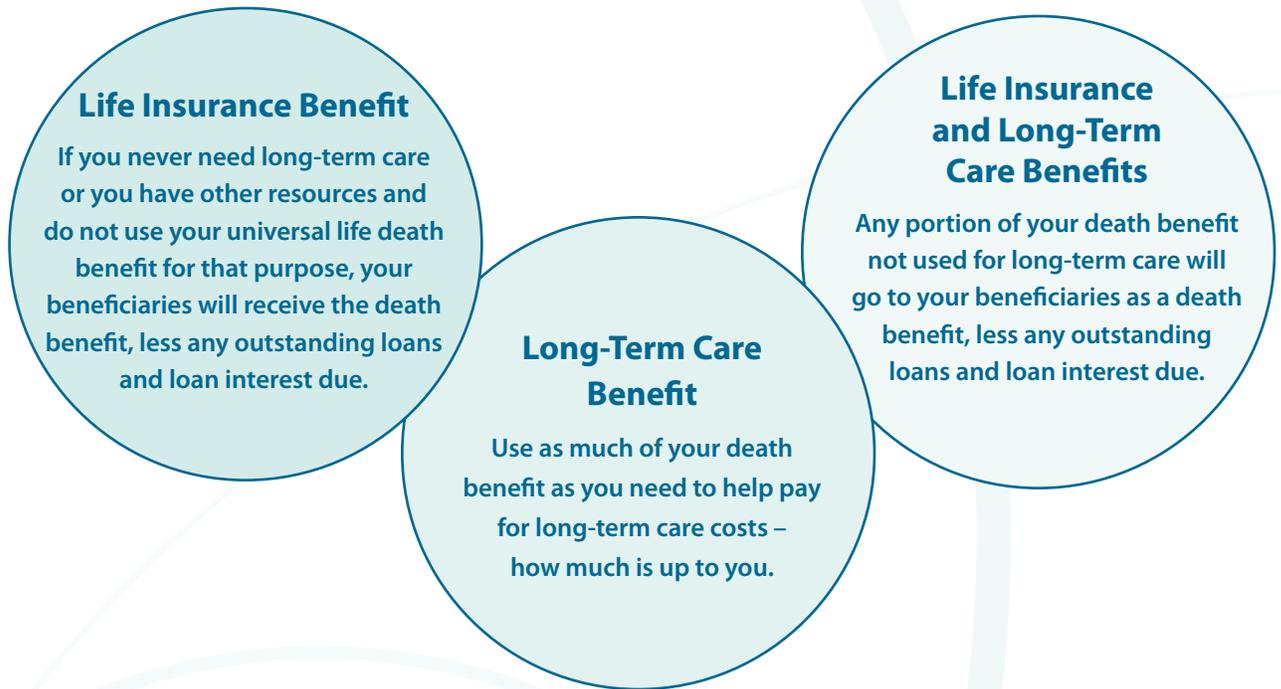
**About one out of four U.S. households is involved in the care of an older relative or friend.**

Society for Human Resource Management, "2006 Benefits Survey Report," June 2006.

## Two kinds of protection

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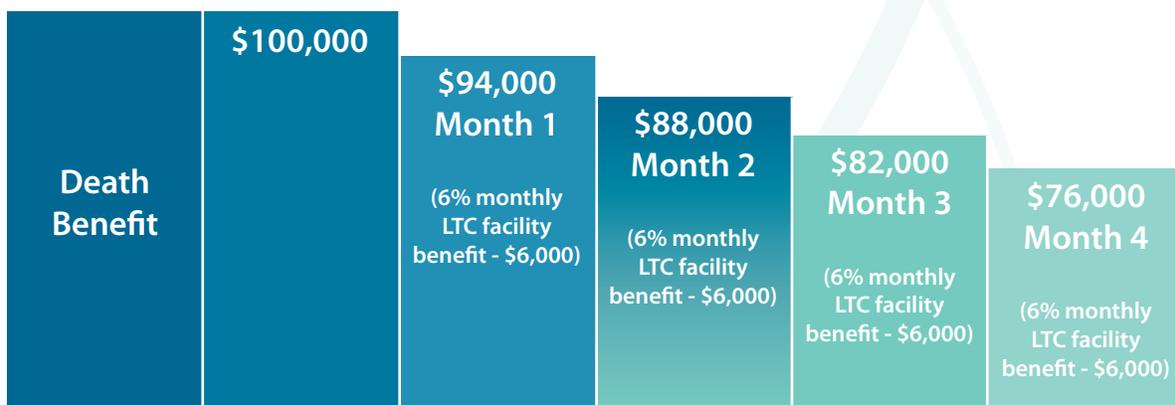
This approach allows you to use your policy's death benefit in different ways:



## How does it work?

Colonial Life's Long-Term Care Benefit Rider advances a portion of your universal life policy's death benefit to provide monthly payments for qualified long-term care services needed because of a chronic illness, serious accident, sudden illness or cognitive impairment. *(The insured must be unable to perform at least two of the six Activities of Daily Living (ADLs) or require substantial supervision due to severe cognitive impairment to receive benefits under this rider. Please see your Outline of Coverage or benefits representative for complete details.)*

**Example showing effect on a universal life policy death benefit when receiving monthly long-term care facility benefits under the rider:**



With long-term benefits, you can help preserve your savings and assets and have more choice in where you receive your qualified long-term care services. It provides coverage for various care settings – including the home.

*Note: In addition to reducing the death benefit, long-term care benefits under this rider will also proportionally reduce the policy's fund value, indebtedness, amount available for loans and withdrawals, surrender charges, and amount available for advance of the death benefit under any provision of the policy or any rider other than this rider.*

# Death Benefit Advances

The amount of the monthly death benefit advance is based on the care setting:

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Built-in Waiver of Monthly Deductions benefit waives all monthly deductions made on the universal life policy while long-term care benefits are being paid under the rider.

*\*Monthly benefit for each benefit period, less any policy loans, as of the end of the 90-day elimination period. Amount of monthly benefit may vary by state and may not be available in all states. See the Outline of Coverage within for complete details.*

## Restore your death benefit with the Restoration of Benefits Rider

Concerned about depleting your universal life insurance death benefit? You may purchase a Restoration of Benefits Rider along with the Long-Term Care Benefit Rider. This additional rider automatically restores your death benefit on a monthly basis when a long-term care benefit is paid. The maximum restoration amount is equal to your policy's death benefit, so the rider will fully restore the death benefit one time.

	Month 1	Month 2	Month 3	Month 4
Death Benefit Before LTC Benefit	\$100,000	\$100,000	\$100,000	\$100,000
6% Monthly LTC Facility Benefit	- \$6,000	- \$6,000	- \$6,000	- \$6,000
Remaining Restoration Benefit	\$94,000	\$88,000	\$82,000	\$76,000
Restoration Benefit	+ \$6,000	+ \$6,000	+ \$6,000	+ \$6,000
Death Benefit After Restoration Benefit	\$100,000	\$100,000	\$100,000	\$100,000

Purchasing this additional rider allows you to use your long-term care benefits if you need them and help you protect your beneficiaries. Even if you use 100 percent of your death benefit for qualified long-term care services, your universal life death benefit will not be affected.



# Combination life insurance and long-term care coverage – a convenient, cost-effective way to help protect your loved ones.

<sup>1</sup>Press release: "Nation's Insurance Commissioners Help Consumers Cope With Cost, Confusion Regarding Health Insurance," June 19, 2006, National Association of Insurance Commissioners, 2006 NAIC survey

<sup>2</sup>American Association of Homes and Service for the Aging, "Aging Services: The Facts," [http://www2.aahsa.org/aging\\_services/default.asp#2](http://www2.aahsa.org/aging_services/default.asp#2), last updated : 11/30/2007

Learn  
more about  
Colonial Life at  
[coloniallife.com](http://coloniallife.com)

This coverage has exclusions and limitations that may affect benefits payable. Benefits vary by state and may not be available in all states. See the Outline of Coverage within for complete details.

Applicable to rider forms R-UL-LTC and R-UL-RB. This brochure is not complete without the corresponding Outlines of Coverage forms R-UL-LTC-O and R-UL-RB-O, including state variations where applicable; for example, R-UL-LTC-O-TX and R-UL-RB-O-TX.

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04/08 Rev.-0

## Why Buy Universal Life Insurance

As time passes, we all face different challenges and opportunities – getting married, buying a home, having children. But with each stage of life, one thing stays the same: the need to protect the life you're building for you and your loved ones.

Whatever stage of life you're in, life insurance can help you secure your family's future. With Colonial Life's Universal Life Insurance, you have the flexibility you need to protect the life you're building – when your needs change, when you set or attain new goals, even when unexpected challenges arise.

### Benefits and Features

#### The Features of Universal Life Insurance

- Provides a **death benefit** (to age 100) that can be paid to your beneficiaries tax-free.
- Offers flexible premiums and death benefit amounts <sup>?</sup>.
- Builds cash value <sup>?</sup> at current credited interest rates.
- Provides access to the policy's cash value <sup>?</sup> **when needed.**
- **It's yours.** Keep the coverage at the same premium if you change jobs or retire.
- Accelerated Death Benefit <sup>?</sup> built in to the policy.

### Plan Options

Universal Life Insurance offers two plan options from which to choose:

- Option A establishes a basic program of cash value life insurance – offers a level death benefit; builds cash value at current credited interest rates.
- Option B offers life insurance benefits that increase as the policy's cash value increases.

### Optional Coverage for Your Spouse and Dependent Children Available at an Additional Cost

#### Options for Your Spouse

- Universal Life Policy for Your Spouse <sup>?</sup>
- Spouse Term Rider <sup>?</sup>: Add term life insurance for your spouse to your policy.

#### Option for Your Dependent Children

- Universal Life Policy for Each Eligible Child <sup>?</sup>
- Children's Term Rider <sup>?</sup>: Add term life insurance to your policy to cover all your eligible children for one premium.

### Added Protection with Optional Benefits

Create a plan that helps meet your individual needs by adding one or more of these optional riders to your universal life policy at an additional cost:

Accidental Death Benefit Rider 

Additional Coverage Term Rider 

Guaranteed Purchase Option Rider 

Waiver of Monthly Deductions Rider 

Long-Term Care Rider 

Restoration of Benefits Rider 

This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about Universal Life Insurance for complete details once you have gotten a quote.

Underwritten by Colonial Life & Accident Insurance Company.

## UL1000 rollover text

### Flexible premiums and death benefit amounts

You can change your premium payments and/or death benefit amount to adapt to your changing needs and goals with every life stage, subject to IRS and underwriting guidelines.

### Cash Value

Cash value has the ability to grow through current interest rate crediting, and Universal Life Insurance cash value is *guaranteed* to be credited at a minimum guaranteed interest rate of 4 percent. It also grows on a tax-deferred basis.

- As with any universal life policy, your policy's projected cash value may change over time due to fluctuations in interest rates, changes in the cost of insurance, non-payment of premiums, or certain policy changes. We encourage you to maintain consistent premium payments and repay any outstanding loans in a timely fashion to help avoid an early termination of coverage under your policy.
- To provide you with a valuable record of your policy activity, Colonial Life mails you a universal life annual report each year showing what you have paid, how much cash value you have, plus the status of any loans, interest credited, administrative charges and projected termination dates. Be sure to review the universal life annual report carefully.

### Access to policy's cash value

You may borrow against your policy's cash value or take cash withdrawals from the cash value if needed. But keep in mind that loans and withdrawals can reduce the cash value and death benefit and may even cause your policy to terminate.

### Accelerated Death Benefit

This benefit allows you to be advanced up to 75 percent of the death benefit, not to exceed \$150,000, upon diagnosis of a terminal illness of the insured.

State variations exist for this benefit. See the Important Information about Universal Life Insurance for complete details once you have gotten a quote.

### Universal Life Policy for Your Spouse

Provide your spouse a universal life insurance policy with the same flexible features available to you – whether or not you buy a policy on yourself.

This optional coverage for your spouse is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about the Universal Life Insurance for complete details once you have gotten a quote.

### Spouse Term Rider

- Choose a death benefit from \$5,000 to \$50,000.

- Choose to convert the term rider later to a cash value life insurance policy – without proof of good health – if the rider terminates before the spouse's 70<sup>th</sup> birthday

This optional coverage for your spouse is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about Spouse Term Rider for complete details once you have gotten a quote.

#### **Universal Life Policy for Each Eligible Child**

- Purchase a policy while children are young because premiums are lower.
- They can keep the coverage even if health problems develop in the future.
- Available whether or not you buy a policy on yourself.
- Opportunity to increase coverage at the child's ages 18, 21 and 24 without proof of good health.

This optional coverage for your dependent children is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about Universal Life Insurance for complete details once you have gotten a quote.

#### **Children's Term Rider**

- Add term life insurance to your policy to cover all your eligible children for one premium.
- Choose a death benefit from \$1,000 to \$10,000.
- Choose to convert the term rider later to a cash value life insurance policy – without proof of the child's good health – upon your 70<sup>th</sup> birthday or the child's 25<sup>th</sup> birthday, whichever comes first.

This optional coverage for your dependent children is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about Children's Term Rider for complete details once you have gotten a quote.

### **Optional Benefits**

#### **Accidental Death Benefit Rider**

- Pays an additional benefit if you die as a result of an accidental bodily injury before age 70.
- Benefit doubles if the accidental bodily injury occurs while you are a fare-paying passenger within a public conveyance such as a subway or city bus.
- An additional 25% of the accidental death benefit will be paid should the insured die due to accidental bodily injury sustained while driving or riding in a private passenger vehicle and wearing a seatbelt.

This optional benefit is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about Accidental Death Benefit Rider for complete details once you have gotten a quote.

### **Additional Coverage Term Rider**

- Add 20-year level term coverage of up to 100 percent of your policy's death benefit.
- Choose to convert the additional coverage term rider to any new or existing cash value life insurance plan without proof of good health if the universal life policy terminates or the additional coverage term rider terminates.
- Premiums remain level for the duration of the rider.

This optional benefit is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about the Additional Coverage Term Rider for complete details once you have gotten a quote.

### **Guaranteed Purchase Option Rider**

- Increase your universal life coverage without providing proof of good health.
- Increase your coverage under your universal life policy at the second, fifth and eighth policy years or when specified life events occur.
- Premium determined by your age at the time of the increase and amount of insurance you choose.

This optional benefit is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about Guaranteed Purchase Option Rider for complete details once you have gotten a quote.

### **Waiver of Monthly Deductions Rider**

- Waives all monthly deductions (cost of insurance for your universal life policy and any riders) if you become totally disabled before age 65 and you satisfy the six-month elimination period.
- The disability must continue with no interruptions for at least six consecutive months before you are eligible to have your monthly deductions waived by us.
- Premiums waived by this provision don't have to be repaid.
- Your policy's cash value remains intact and continues earning interest.

This optional benefit is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Important Information about Wavier of Monthly Deductions Rider for complete details once you have gotten a quote.

### **Long-Term Care Rider**

Purchasing the Long-Term Care Rider on your Colonial Life Universal Life policy provides you with two kinds of insurance protection in one convenient policy – life insurance benefits and long-term care benefits. The rider:

- Advances a portion of your universal life policy's death benefit to provide monthly lump-sum payments for qualified long-term care services.
- Helps protect your savings and assets.
- Offers more choice in where you receive your qualified long-term care services by providing coverage for various care settings – including the home.

*Note: In addition to reducing the death benefit, long-term care benefits under this rider will also proportionally reduce the policy's fund value, indebtedness, amount available for loans and withdrawals, surrender charges, and amount available for advance of the death benefit under any provision of the policy or any rider other than this rider.*

This optional benefit is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Outline of Coverage for complete details once you have gotten a quote.

#### **Restoration of Benefits Rider**

You may purchase a Restoration of Benefits rider along with the Long-Term Care rider.

- This additional rider automatically restores your death benefit on a monthly basis when a long-term care benefit is paid.
- The rider will restore the full death benefit one time.

This optional benefit is available at an additional cost. This product has exclusions and limitations that may affect benefits payable. Coverage may vary by state or be unavailable in some states. See the Outline of Coverage for complete details once you have gotten a quote.

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## Rate Information

Rate data does NOT apply to filing.

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## Supporting Document Schedules

**Satisfied -Name:** Cover Letter **Review Status:** Approved-Closed 07/15/2008  
**Comments:**  
**Attachment:**  
LTC Advertising Draft Submission Letter.pdf

**Satisfied -Name:** Outlines - Informational **Review Status:** Approved-Closed 07/15/2008  
**Comments:**  
**Attachments:**  
R-UL-LTC-O[1].pdf  
R-UL-RB-O[3].pdf

**Colonial Life & Accident  
Insurance Company**

1200 Colonial Life Boulevard  
Columbia, SC 29210  
803.798.7000  
coloniallife.com

May 15, 2008

Julie Benafield Bowman  
State Insurance Commissioner  
Arkansas Insurance Dept.  
Attention: Life and Health  
1200 West 3rd Street  
Little Rock AR 72201-1904

RE: NAIC#/Group: 62049 / 0565  
Insurer: Colonial Life & Accident Insurance Company  
Filing Type: Advertising Materials  
Line of Business: Health-Individual Long-Term Care  
Form(s): R-UL-LTC, et al

Dear Commissioner Bowman:

Enclosed for your review and approval are advertising forms:

69579	Long-Term Care Benefit Rider Brochure
69580	Long-Term Care Benefit Rider with Restoration of Benefits Rider Brochure
NS-10279	Electronic Advertising Screens

These are new forms and do not replace any forms currently on file with your department. The forms are intended for presentation and description to the insurance-buying public and are designed to be used with Colonial Life & Accident Insurance Company's Individual Long-Term Care products.

These forms represent the advertising material that will be used to solicit the Long-Term Care Benefit rider and Restoration of Benefits rider that will be sold with our Universal Life policy form, UL1000-AR. Our Long-Term Care Benefit riders, R-UL-LTC and associated forms were previously approved by your department on 5/9/2008 with SERFF tracking number, UNUM-125350597.

For informational purposes, we included the outline of coverage which will be attached to the brochure.

Pictures will be added to the brochures at a later time. No other changes will be made to the brochures. Formatting and/or pictures will be added to the electronic advertising screens upon approval of the text. However, the font size of the text will remain the same.

If acceptable, we shall appreciate your notifying us via SERFF. If you have any questions, please contact me at (800) 845-7330, extension 8429. My email address is [dhmazloom@coloniallife.com](mailto:dhmazloom@coloniallife.com). The fax number is (803) 750-7341.

Sincerely,

A handwritten signature in black ink that reads "Donna Mazloom". The signature is written in a cursive, flowing style.

Donna Mazloom  
Compliance Consultant



**COLONIAL LIFE & ACCIDENT INSURANCE COMPANY**  
1200 Colonial Life Boulevard, P.O. Box 1365, Columbia, South Carolina 29202  
1-800-325-4368 www.coloniallife.com  
A Stock Company

**LONG-TERM CARE BENEFIT RIDER**

**OUTLINE OF COVERAGE**

(Applicable to Rider form, R- UL-LTC, including state abbreviations where used.)

**Caution:** The issuance of the Long-Term Care Benefit Rider is based upon your responses to the questions on your application. A copy of your application is enclosed. 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 question is now, before a claim arises! If for any reason, any of your answers are incorrect, contact us at this address: Colonial Life & Accident Insurance Company, P.O. Box 1365, Columbia, South Carolina 29202.

**NOTICE TO BUYER:** The rider may not cover all the expenses associated with your Qualified Long-Term Care Services needs. You are advised to carefully review all rider limitations.

**STATEMENT OF INSURANCE:** The rider is attached to an individual policy of insurance.

**PURPOSE OF OUTLINE OF COVERAGE**

This outline of coverage provides a very brief description of the important features of the rider. You should compare this outline of coverage to outlines of coverage for other riders available to you. This is not an insurance contract, but only a summary of coverage. Only the individual rider contains governing contractual provisions. This means that the rider 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 RIDER CAREFULLY!**

**FEDERAL TAX CONSEQUENCES**

**THE RIDER IS INTENDED TO BE A FEDERALLY QUALIFIED LONG-TERM INSURANCE CONTRACT UNDER SECTION 7702B(b) and (e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

The benefit amount paid may be taxable. If so, you or your beneficiary may incur a tax obligation. As with all tax matters, you should consult your personal tax advisor to assess the impact of this benefit.

**TERMS UNDER WHICH THE RIDER MAY BE CONTINUED IN FORCE OR DISCONTINUED**

**RENEWABILITY: THE RIDER IS GUARANTEED RENEWABLE** This means you have the right, subject to the terms of your rider, to continue The rider as long as you pay your Premiums on time.

**TERMS UNDER WHICH COMPANY MAY CHANGE PREMIUMS**

We reserve the right to change Premiums for the rider. The Premium can be changed only if we change it on all riders of this kind in force in the state where the rider was issued. Premiums cannot be increased because of a change in the age or health of the Insured.

**TERMS UNDER WHICH THE RIDER MAY BE RETURNED AND PREMIUM REFUNDED**

**Your Right to Return The Rider**

If, for any reason, you are not satisfied with the rider, you can return it to us at our home office within 31 days after you receive it. At that time, you should ask us in writing to cancel it. We will consider the rider as if it never existed. Any Premium paid will be refunded.

**Refund of Premium Due to Termination**

If the rider is terminated, we will refund the Premium paid for any period beyond the date of termination. The refund will be made within 30 days of the effective date of such termination. Such payments will be made to you, unless you specify otherwise.

The rider does not contain provisions providing for a refund or partial refund of Premium upon the death of an Insured.

**THIS IS NOT MEDICARE SUPPLEMENT COVERAGE; IT IS NOT DESIGNED TO FILL THE GAPS OF MEDICARE.** If you are eligible for Medicare, review the [Guide To Health Insurance for People with Medicare](#) available from the company. Neither Colonial Life & Accident Insurance Company nor its agents represent Medicare, the federal government or any state government.

**LONG-TERM CARE COVERAGE.** Riders of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community or in the home. The rider may not cover all the expenses associated with your Long-Term Care needs.

The rider provides coverage in the form of a fixed dollar indemnity benefit for covered Long-Term Care expenses, subject to policy limitations.

**BENEFITS PROVIDED BY THE RIDER.** When we receive satisfactory proof that the Insured receives care, services or confinement while the rider and the policy to which it is attached are in force, we will pay to the Insured the benefits according to the terms and conditions of the rider.

The rider provides benefits for Long-Term Care Confinement, Assisted Living Confinement, Home Health Care and Adult Day Care services for the Insured. We have issued the rider as a part of the policy to which it is attached. It is issued in consideration of the application and the payment of the additional Premium shown on the Rider Schedule. All terms of the policy apply to the rider except as provided herein.

## **BENEFITS**

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

We will pay the monthly Long-Term Care Facility Benefit if:

- we receive a Licensed Health Care Practitioner Certification dated within the last 12 months;
- the Insured has satisfied the Elimination Period; and
- the Insured receives Long-Term Care Confinement.

The Monthly Long-Term Care Facility Benefit amount is 6% of the Death Benefit in effect under the policy on the date the Elimination Period ends less any outstanding Policy Loans.

### **Assisted Living Facility Benefit**

We will pay the monthly Assisted Living Facility Benefit if:

- we receive a Licensed Health Care Practitioner Certification dated within the last 12 months;
- the Insured has satisfied the Elimination Period; and
- the Insured receives Assisted Living Confinement.

The monthly Assisted Living Facility Benefit amount is 6% of the Death Benefit in effect under the policy on the date the Elimination Period ends less any outstanding Policy Loans.

### **Home Health Care Benefit**

We will pay the monthly Home Health Care Benefit if:

- we receive a licensed Health Care Practitioner Certification dated within the last 12 months;
- the Insured has satisfied the Elimination Period; and
- the Insured receives Home Health Care.

The monthly Home Health Care Benefit amount is 4% of the Death Benefit in effect under the policy on the date the Elimination Period ends less any outstanding Policy Loans.

### **Adult Day Care Benefit**

We will pay the monthly Adult Day Care Benefit if:

- we receive a Licensed Health Care Practitioner Certification dated within the last 12 months;
- the Insured has satisfied the Elimination Period; and
- the Insured receives Adult Day Care.



The monthly Adult Day Care Benefit amount is 4% of the Death Benefit in effect under the policy on the date the Elimination Period ends less any outstanding Policy Loans.

### **Payment of Monthly Benefit Amounts**

For a partial month of Qualified Long-Term Care Services, benefits are payable on a prorated basis. 1/30<sup>th</sup> of the monthly benefit amount will be paid for each 24-hour day of Qualified Long-Term Care Services. We will also prorate for any change during the month from a LTC Facility Benefit Amount (6%) or an Assisted Living Facility Benefit Amount (6%), to the Home Health Care Benefit Amount (4%), or the Adult Day Care Benefit Amount (4%), as well as if the situation were reversed.

If a new term of Qualified Long-Term Care Services occurs within the same Benefit Period as a previous term, benefits are resumed at the appropriate monthly benefit amount. Such benefits are subject to the Benefit Period Maximum.

If more than one Chronic Illness contributes to the Long-Term Care, the monthly benefit amount payable remains the same as for a single cause.

### **Prior Rider Benefits Paid**

In determining the monthly benefit amount payable, the Death Benefit at the end of the Elimination Period is reduced by the total amount of Qualified Long-Term Care Services benefits paid during all previous Benefit Periods.

### **Change in Benefit Amount**

During a Benefit Period the monthly benefit amount will be unaffected by changes in the Death Benefit, except that if a Cash Withdrawal, a decrease in Specified Amount, or a Policy Loan occurs during a Benefit Period at your request, the monthly benefit amount will be re-determined. The revised benefit, and future payments in this Benefit Period, will be based on the Death Benefit as it exists immediately following the Cash Withdrawal, decrease in Specified Amount or Policy Loan. The monthly benefit payable during a Benefit Period will not change on account of any increase in the Death Benefit of the policy.

### **Extension of Benefits**

Termination of the rider will not affect payment of any benefits payable for Long-Term Care Confinement or Assisted Living Facility Confinement if such confinement began while the rider was in force and continues without interruption after termination. Such extension of benefits beyond the period the rider was in force is subject to the Benefit Period Maximum and may be subject to any Elimination Period, and all other applicable provisions of the rider.

### **Effects of Long-Term Care Benefit Payments on the Policy**

Each monthly or partial payment under the rider will reduce the following items under the policy, as applicable:

- Specified Amount;
- Death Benefit;
- Fund Value;
- Any indebtedness;
- Amount available for Policy Loans and Cash Withdrawals;
- Surrender Charges; and
- Amount available for advance of any part of the Death Benefit under any provision of the policy or any rider other than the rider.

Each monthly benefit payment will reduce each of the items listed above by a proportional amount. This proportion will equal the monthly benefit payment divided by the Death Benefit at that time. A prorata reduction will be made for a partial month of payment.

During the Benefit Period you may not exercise increases, Death Benefit Option changes or rider additions under the policy.

### **Definitions**

**Activities of Daily Living (ADLs)** means the following activities:

- *Bathing* means washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- *Continence* means the ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
- *Dressing* means putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.

- *Eating* means feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.
- *Toileting* means getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- *Transferring* means the ability to move in or out of a chair, bed or wheelchair.

The Insured will not be considered unable to perform the ADL if he can perform the ADL using equipment or adaptive devices and does not require substantial assistance in order to do so.

**Adult Day Care** means a program for six or more individuals of social and health related services provided during the day in a group setting. Its purpose is to support frail, impaired elderly or other disabled adults who can benefit from care in a group setting outside the home in an Adult Day Care Facility.

**Adult Day Care Facility** means a facility that provides Adult Day Care and meets all of the following requirements:

- operates under state licensing laws and any other laws that apply;
- operates at least five days per week for at least six hours per day and is not an overnight facility;
- maintains a written record for each client which includes a Plan of Care and a record of services provided;
- has a staff that includes a full-time director and at least one registered nurse (RN) who is there during operating hours for at least four hours per day;
- maintains a full-time staff to client ratio of at least one to eight respectively;
- has established procedures for obtaining appropriate aid in the event of a medical emergency; and
- provides a range of physical and social support services to adults including formal arrangements to provide the services of a physician, dietician, licensed physical therapist, licensed speech therapist, and licensed occupational therapist.

**Assisted Living Facility** means a facility that is licensed by the appropriate federal or state agency to engage primarily in providing care and services sufficient to support the needs of the Insured resulting from a Chronic Illness.

An Assisted Living Facility must also:

- provide care 24 hours per day;
- provide Qualified Long-Term Care Services for a charge, including room and board; and
- have formal arrangements for services of a physician or nurse in the event of a medical emergency.

**Assisted Living Confinement** means the Insured's confinement in an Assisted Living Facility due to Chronic Illness.

**Benefit Period** means continuous or successive periods of Long-Term Care Confinement, Assisted Living Confinement, Home Health Care, and Adult Day Care services that:

- are due to the same or related condition;
- are not separated by more than six months; and
- occur while the rider is in force.

A benefit period may include, in any sequence, any or all of the following: Long-Term Care Confinement, Assisted Living Confinement, Home Health Care, and Adult Day Care. If separated by more than six months, a new Benefit Period begins, subject to a new Elimination Period.

**Benefit Period Maximum** means the maximum amount of benefits that may be paid during a Benefit Period. This amount equals 100% of the Death Benefit of the policy, less any indebtedness, at the end of the Elimination Period of each Benefit Period. No benefits will be paid under the rider once the Benefit Period Maximum has been reached.

A payment or advance of any part of the Death Benefit under any provision of the policy, or any rider other than the rider, will reduce the amount payable under the rider by the requested amount of such payment or advance. The Benefit Period Maximum will be reduced by any Policy Loan made after benefits have begun. In no event will the benefits paid under any provision of the policy, or any rider attached thereto providing a payment or advance of any part of the Death Benefit, ever exceed the Death Benefit, except as otherwise explicitly stated.



**Chronic Illness or Chronically Ill** means the Insured has been certified within the last 12 months by a Licensed Health Care Practitioner as:

- being unable to perform, without Substantial Assistance from another individual, at least two Activities Of Daily Living for a period of at least 90 days due to a loss of functional capacity; or
- requiring Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment.

**Doctor or Physician** means a person, other than the named Insured or a family member, who:

- is licensed by the state to practice a healing art; and
- performs services for an Insured which are allowed by his license and the services are appropriate to the care of the Insured's Chronic Illness.

**Elimination Period** means the first 90 days of the Benefit Period. No benefits are payable for care or service received during this time.

**Family Member** means you, your spouse, the Insured or Insured's spouse; and any persons related to the aforementioned, including children, parents, grandparents, grandchildren, brothers, sisters, in-law and step relatives and their respective spouses.

**Home Health Care** means Qualified Long-Term Care Services provided to the Insured for at least one hour or more per day by/through a Licensed Home Health Care Agency or by a Licensed Home Health Care Professional.

**Home Health Care Agency** means:

- An organization that is either:
  - a) licensed or certified by the appropriate licensing agency of the state where Qualified Long-Term Care Services will be provided; or
  - b) certified as a Home Health Care organization as defined under Medicare; or
- Any organization that meets all of the following tests:
  - a) primarily provides nursing care and other therapeutic services;
  - b) has standards, policies and rules established by a professional group which is associated with the organization;
  - c) includes at least one physician or one registered nurse on staff; and
  - d) requires a Plan Of Care and a written record of care or services provided to be maintained for each person served by the organization.

**Insured** means the person named as the Insured on the Policy Schedule. It does not include other persons who may be covered by riders under the policy.

**Licensed Health Care Practitioner** means a Physician, a registered professional nurse, licensed social worker or other individual who meets requirements prescribed by the Secretary of the Treasury. We will consider a person to be a Licensed Health Care Practitioner only when that person is performing tasks that are within the limits of their license, and such tasks are appropriate to the care of the Insured's Chronic Illness. We will not recognize a Family member as a Licensed Health Care Practitioner under the rider.

**Licensed Health Care Practitioner's Certification** means a written certification provided by a licensed Health Care Practitioner that the Insured:

- is unable to perform (without Substantial Assistance) at least two ADLs for a period of at least 90 days; or
- requires Substantial Supervision due to Severe Cognitive Impairment.

**Licensed Home Health Care Professional** means a licensed therapist, practical nurse or vocational nurse or a registered nurse, or a certified hospice caregiver operating within the scope of their license and/or certification. A Licensed Home Health Care Professional must provide services pursuant to a Plan of Care and maintain patient records. We will not recognize a Family member as a Licensed Home Health Care Professional under the rider.

**Long-Term Care (LTC) Facility** means a facility (including nursing, hospice, rehabilitation, Alzheimer's or residential care facilities) that is licensed by the appropriate federal or state agency to engage primarily in providing care and services sufficient to support the needs of the Insured resulting from a Chronic Illness.

A LTC Facility must also:

- provide care 24 hours per day;
- provide three meals per day, including special dietary requirements;
- have at least one employee on duty at all times who is awake, trained and ready to provide care;
- have formal arrangements for services of a Physician or nurse in the event of a medical emergency;
- be authorized to administer medication to patients on the order of a Physician;
- have accommodations for at least three inpatients in one location; or be a facility that provides a formal program of care for terminally ill patients whose life expectancy is less than six months, provided on an inpatient basis and directed by a Physician, such as a hospice facility; and
- be Medicare certified, or be a similar facility approved by us.

NOTE: If a facility has multiple licenses or purposes, a portion, ward, wing or unit thereof will qualify as a LTC facility only if it:

- meets all the above criteria;
- is authorized by its license, to the extent that licensing is required by law to provide such care to inpatients; and
- is primarily engaged in providing not only room and board, but also care and services, which meet all of the above criteria.

A Long-Term Care Facility is not:

- a hospital or clinic;
- a sub-acute hospital or unit;
- a place which operates primarily for the treatment of alcoholism or drug addiction;
- the Insured's primary place of residence in an area used principally for independent residential living (including, but not limited to, boarding homes and adult foster care facilities); or
- a substantially similar establishment.

**Long-Term Care Confinement** means the Insured's confinement in a LTC Facility due to Chronic Illness.

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

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

**Plan of Care** means a written plan prescribed by a Licensed Health Care Practitioner, based upon an evaluation of the Insured's level of functional capacity. The Plan of Care must describe the necessary services to be performed, the frequency, the type of care, and the most appropriate providers for such care. The care described must be in accordance with acceptable medical and nursing standards of practice and must be appropriate for the Chronic Illness of the Insured.

**Preexisting Condition** means a condition for which medical advice or treatment was recommended by, or received from a provider of health care services, within the six months preceding the effective date of the rider.

**Qualified Long-Term Care Services** means necessary diagnostic, preventive, therapeutic, curative, treatment, mitigation and rehabilitative services, and maintenance or personal care services which are required by a Chronically Ill individual, and are provided pursuant to a Plan Of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care Services do not include any of the following: durable medical equipment; hospital and laboratory charges; medical supplies; Physician charges; prescription or non-prescription medication; transportation and items or services furnished for the beautification, comfort, convenience, or entertainment of the Insured.

**Severe Cognitive Impairment** means severe deterioration or loss in:

- short or long-term memory;
- orientation as to person, place, or time; or
- deductive or abstract reasoning or judgment as it relates to safety awareness.

**Specified Amount** means the Specified Amount shown on the Policy Schedule.

**Substantial Assistance** means stand-by or hands-on assistance without which the Insured would not be able to safely and completely perform the ADLs. Stand-by assistance means the presence of another person within arm's reach of the Insured while the ADLs are



performed. Hands-on assistance means physical assistance from another person (minimal, moderate, or maximal) without which the Insured would not be able to perform the ADL.

**Substantial Supervision** means constant direction and management (which may include cueing by verbal prompting, gestures or other demonstrations) by another person for the purpose of protecting the Insured from threats to his health or safety.

## **LIMITATIONS AND EXCLUSIONS**

### **Pre-existing Condition Limitations**

No benefits will be paid for any benefit period that results from a Pre-Existing Condition and that starts during the first six months after the effective date of the rider.

### **Other Limitations or Conditions on Eligibility for Benefits**

We will not pay benefits for confinement or services:

- resulting from mental or nervous disorder; however, Alzheimer's Disease and related degenerative and dementing illnesses are covered;
- resulting from alcoholism, alcohol abuse, drug addiction or drug abuse;
- for which there is no charge in the absence of insurance;
- provided by a Family Member;
- received while residing or confined outside the United States and Canada; and
- due to Chronic Illnesses resulting from;
  - war or any act of war, whether declared or undeclared, or service in any armed forces or auxiliary units thereto;
  - intentionally self-inflicted injuries or suicide;
  - participation in a felony, riot or insurrections; and
  - aviation (if a non-fare paying passenger).

### **Non-Duplication of Benefits**

Qualified Long-Term Care Services do not include services for which charges are covered under any of the following:

- Medicare (including amounts that would be reimbursable but for the application of a deductible or coinsurance amounts);
- any other government program or facility (except Medicaid); and
- any state or federal worker's compensation, employer's liability or occupational disease law, or under any motor vehicle no-fault law.

## **THE RIDER MAY NOT COVER ALL OF THE EXPENSES ASSOCIATED WITH YOUR QUALIFIED LONG-TERM CARE SERVICES NEEDS.**

### **RELATIONSHIP OF COST OF CARE AND BENEFITS**

Because the cost of Long-Term Care Facility, Assisted Living Facility, Home Health Care and Adult Day Care services will likely increase over time, you should consider whether and how the benefits of the plan may be adjusted.

The level of benefits under the rider is directly related to the Death Benefit under the policy, excluding any term rider. Under policy Death Benefit Option A, the Death Benefit is generally related to the Specified Amount of the policy and, therefore, would remain level. Whereas, under policy Death Benefit Option B, the Death Benefit normally increases over time as it includes the Fund Value. The level of benefit may be increased by increasing the Death Benefit of the policy to which the rider is attached, but only before benefits begin. Any increase in the policy Death Benefit is subject to the terms of the policy. The cost for any additional benefit added as described above will be calculated on the same basis as the level of benefits prior to the increase.

### **ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS**

Loss due to Alzheimer's disease and related degenerative and dementing illnesses will be covered by the rider.

### **PREMIUM**

The monthly Premium for the rider is on the Rider Schedule.

**ADDITIONAL FEATURES**

Issue of the rider is subject to the Insured furnishing evidence of insurability satisfactory to us.

**CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT THE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE RIDER.**



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A Stock Company

**RESTORATION OF BENEFITS RIDER**

**OUTLINE OF COVERAGE**

(Applicable to Rider form, R- UL-RB, including state abbreviations where used.)

**Your Right to Return The Rider**

If, for any reason, you are not satisfied with the rider, you can return it to us at our home office within 31 days after you receive it. At that time, you should ask us in writing to cancel it. We will consider the rider as if it never existed. Any Premium paid will be refunded.

**About The Rider**

The rider restores the policy values on a monthly basis as benefits are paid under the Long-Term Care Benefit Rider. We have issued the rider as a part of the policy to which it is attached. It is issued in consideration of the application and the payment of the additional Premium shown on the Rider Schedule. All terms of the policy apply to the rider except as provided herein.

**Coverage Provided by The Rider**

The following values in the policy to which the rider is attached will be restored 100% under the rider:

- Specified Amount;
- Fund Value; and
- Death Benefit.

In addition, any applicable policy Surrender Charges will be restored. The terms, conditions, exclusions and limitations of the Long-Term Care Benefit Rider govern the payment of restored benefits under the rider.

Restoration Benefits begin with the first full month for which benefits are paid under the Long-Term Care Benefit Rider. Subsequent restorations shall be made on a monthly basis coinciding with the payment of benefits under the Long-Term Care Benefit Rider.

Benefits continue until the first of the following occurs:

- the restored policy values equal 100% of the amount of the policy values which were reduced when the benefits were paid under the Long-Term Care Benefit rider;
- the Insured no longer meets the conditions for payment of benefits under the Long-Term Care Benefit Rider; or
- the sum of all Restoration Benefits equals 100% of the Specified Amount.

**Rider Effective Date**

The effective date of the rider is the same as that of the policy to which it is attached unless otherwise indicated on the Rider Schedule.

**Incontestability**

The coverage provided by the rider may only be Contested on the same basis as the Long-Term Care Benefit Rider.

**Monthly Rider Premium**

The Monthly Rider Premium for the rider is shown on the Rider Schedule. We reserve the right to change Premiums for the rider. The Premium can be changed only if we change it on all policies of the kind in force in the state where the rider was issued. Premiums cannot be increased because of a change in the age or health of the Insured. We will send you written notice of any change in Premiums at least 60 days in advance.

**Termination**

The rider will terminate on the first date that any of the following occurs:

- the date the Long-Term Care Rider terminates;
- the date all benefits in the rider are exhausted;
- the date the policy to which the rider is attached terminates; or
- the date we receive your written request to terminate the rider.

**Grace Period**

The Grace Period provision of the policy also applies to the rider.

**Reinstatement**

If the policy and the Long-Term Care Benefit Rider are put back in force, you may have the right to put the rider back in force, if you meet certain requirements:

- you must furnish us with proof that the Insured is insurable. We may require a physical examination; and
- you must pay enough Premiums to keep the policy and the rider in force for two months, plus the Minimum Monthly Premium for the two months of coverage provided in the Grace Period provision in the policy.

When these conditions are met, we will reinstate the rider as of the policy's reinstatement date.

In the event of lapse we will reinstate the coverage, if we are provided proof that the Insured was Severely Cognitively Impaired or had a loss of functional capacity before the Grace Period contained in the policy expired. This option will be available to you if reinstatement is requested within five months after termination and will allow for the collection of past due Premium, where appropriate.