

SERFF Tracking Number: AEGJ-125755497 State: Arkansas
Filing Company: Transamerica Life Insurance Company State Tracking Number: 39803
Company Tracking Number: TLC 1-TC 708
TOI: LTC05I Individual Long Term Care - Nursing Sub-TOI: LTC05I.001 Qualified
Home & Home Health Care
Product Name: TLIC AR Reg Update
Project Name/Number: /

Filing at a Glance

Company: Transamerica Life Insurance Company

Product Name: TLIC AR Reg Update SERFF Tr Num: AEGJ-125755497 State: ArkansasLH
TOI: LTC05I Individual Long Term Care - SERFF Status: Closed State Tr Num: 39803
Nursing Home & Home Health Care
Sub-TOI: LTC05I.001 Qualified Co Tr Num: TLC 1-TC 708 State Status: Re-opened
Filing Type: Form/Rate Co Status: Reviewer(s): Marie Bennett, Harris Shearer
Author: Laura Aleman Disposition Date: 09/24/2008
Date Submitted: 07/31/2008 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: This is a state specific form update due to regulatory changes to Rule 13.
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Group Market Size:
Overall Rate Impact: Group Market Type:
Filing Status Changed: 09/24/2008
State Status Changed: 09/19/2008 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
July 31, 2008

Arkansas Insurance Department
1200 W. Third Street

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Little Rock, AR 72201

RE: TRANSAMERICA LIFE INSURANCE COMPANY

NAIC# 86231, FEIN# 39-0989781

Individual Long Term Care Insurance Forms Filing

New Form Numbers Description

TLC 1-TC 708 Table of Contents

TLC 1-S (AR) 708 Schedule Page

TLC 1-EPT (AR) 708 Effective Date, Premium Payment, Right to Reduce
Benefits, Termination and New Coverage Offer Provisions

TLC 1-ALFD 708 Assisted Living Facility Definition

TLC 1-ALF 708 Assisted Living Facility Benefit

TLC 1-CNFB-LP-45 1207 Contingent Nonforfeiture Benefit and Reduced Paid-Up
Contingent Nonforfeiture Benefit

TLC 1 (AR) 708 O/C Outline of Coverage

TLC 1-PRI-DF-LP 1001 Potential Rate Increase Disclosure Form

DF-FAC Things You Should Know Page

DF-FAC-SP Things You Should Know Page – Single Premium

To Whom It May Concern:

Enclosed for your formal review and approval are the above referenced forms. These forms are new and not intended to replace any forms previously approved by your Department. These forms will bring previously approved forms into compliance with Arkansas's recent long term care Insurance Rule 13 changes.

Form TLC 1-TC 708, Table of Contents, is a revision of form TLC 1-TC 1001 approved 8/20/02. The line regarding "Effective Date..." was changed to "Effective Date, Premium Payment, Right to Reduce Benefits, Termination and New Coverage Offer Provisions". The form number was also changed to reflect this change.

Form TLC 1-S (AR) 708, Schedule Page, is a revision of form TLC 1-S (AR) 104 approved on 3/17/04. The line regarding the Contingent Nonforfeiture Benefit on page S-3 was changed to state: "Contingent Nonforfeiture Benefit and

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Reduced Paid-Up Contingent Nonforfeiture Benefit". The form number was also changed to reflect this change.

Form TLC 1-EPT (AR) 708, Effective Date...Provisions, is a revision of form TLC 1-EPT 1001 approved on 8/20/02. The heading was changed to include reference to the Right to Reduce Benefits and New Coverage Offer provisions that were added. Under What Happens When Premiums Are Not Paid, in the first paragraph, reference to the Your Right to Reduce Benefits provision was added. The sections for Your Right to Reduce Benefits and New Coverage Offer provision were added to this form. The form number was also changed to reflect these changes.

Form TLC 1-ALFD 708, Assisted Living Facility Definition, is a revision of form TLC 1-ALFD 1001 approved on 8/20/02. The definition was revised to add alternative criteria for those states where there is no facility that is licensed, certified or registered.

Form TLC 1-ALF 708, Assisted Living Facility Benefit, is a revision of form TLC 1-ALF 1001 approved on 8/20/02. Item 5 under Assisted Living Facility Benefit section was revised to state: "5. care and services must be provided while confined in an Assisted Living Facility as defined in the Policy." The form number was also changed to reflect this change.

TLC 1-CNFB-LP-45 1207, Contingent Nonforfeiture Benefit and Reduced Paid-Up Contingent Nonforfeiture Benefit, is a revision of form TLC 1-CNFB (AR) 206 approved on 5/30/06. It is revised by adding the Reduced Paid-Up Contingent Nonforfeiture Benefit.

TLC 1 (AR) 708 O/C, Outline of Coverage, is a revision of form TLC 1 (AR) 206 O/C approved on 5/30/06. It was revised to comply with the regulation change regarding the new standard format and to include the revised Contingent Nonforfeiture Benefit language.

Form TLC 1-PRI-DF 1001 reflect the new Potential Rate Increase Disclosure format.

Form DF-FAC and DF-FAC-SP reflect the new Things You Should Know page format.

These forms will be used with our currently approved policy form TLC 1-FP (AR) 206, et al., approved by your department on 5/30/06 and the associated forms which were approved on 8/20/02 and 3/17/04.

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Also enclosed is the required filing fee and certification.

Your review and approval of this submission will be greatly appreciated. Please call me toll-free at 1-800-553-7600, extension 3353 if you should have any questions regarding this submission. My email address is LAleman@aegonusa.com.

Sincerely,

Laura Aleman, HIA
Senior Policy Analyst
Long Term Care Division

Enclosures

Company and Contact

Filing Contact Information

Laura Aleman, Senior Policy Analyst
P.O. Box 93007
Bedford, TX 76053-3007

LAleman@aegonusa.com
(800) 553-7600 [Phone]
(817) 285-3394[FAX]

Filing Company Information

Transamerica Life Insurance Company
P O Box 93005
Hurst, TX 76053-3005
(800) 553-7600 ext. [Phone]

CoCode: 86231
Group Code: 468
Group Name:
FEIN Number: 39-0989781

State of Domicile: Iowa
Company Type:
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: \$200.00
Retaliatory? No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Transamerica Life Insurance Company	\$200.00	07/31/2008	21711108

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document (revised)	Health - Actuarial Justification		No
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		Yes
Form	Table of Contents		Yes
Form	Schedule Page		Yes
Form	Effective Date, Premium Payment, Right to Reduce Benefits, Termination and New Coverage Offer Provisions		Yes
Form	Assisted Living Facility Definition		Yes
Form	Assisted Living Facility Benefit		Yes
Form	Contingent Nonforfeiture Benefit and Reduced Paid-Up Contingent Nonforfeiture Benefit		Yes
Form	Outline of Coverage		Yes
Form	Potential Rate Increase Disclosure Form		Yes
Form	Things You Should Know Page		Yes
Form	Things You Should Know Page - Single Premium		Yes

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Form	Table of Contents		Yes
Form	Schedule Page		Yes
Form	Effective Date, Premium Payment, Right to Reduce Benefits, Termination and New Coverage Offer Provisions		Yes
Form	Assisted Living Facility Definition		Yes
Form	Assisted Living Facility Benefit		Yes
Form	Contingent Nonforfeiture Benefit and Reduced Paid-Up Contingent Nonforfeiture Benefit		Yes
Form	Outline of Coverage		Yes
Form	Potential Rate Increase Disclosure Form		Yes
Form	Things You Should Know Page		Yes
Form	Things You Should Know Page - Single Premium		Yes

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Amendment Letter

Amendment Date:

Submitted Date: 09/19/2008

Comments:

Please be advised that the actuarial memorandum/rates initially submitted contained an error. Please find a revised actuarial memorandum and rates attached. The only change that has been made was to the base rates for the lifetime benefit period.

Let me know if you have any questions.

Changed Items:

Supporting Document Schedule Item Changes:

Satisfied -Name: Health - Actuarial Justification

Comment:

TLIC - AR - Actuarial Memorandum.pdf

TLIC AR Filing Rates Rev 09172008.PDF

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Form Schedule

Lead Form Number: TLC 1-TC 708

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	TLC 1-TC 708	Policy/Cont	Table of Contents ract/Fratern al Certificate	Initial		40	TLC 1-TC 708.pdf
	TLC 1-S (AR) 708	Policy/Cont	Schedule Page ract/Fratern al Certificate	Initial		40	TLC 1-S _AR_ 708.pdf
	TLC 1-EPT (AR) 708	Policy/Cont	Effective Date, ract/Fratern al Certificate	Initial	Premium Payment, Right to Reduce Benefits, Termination and New Coverage Offer Provisions	40	TLC 1-EPT _AR_ 708.pdf
	TLC 1-ALFD 708	Policy/Cont	Assisted Living ract/Fratern al Certificate	Initial	Facility Definition	40	TLC 1-ALFD 708.pdf
	TLC 1-ALF 708	Policy/Cont	Assisted Living ract/Fratern al Certificate	Initial	Facility Benefit	40	TLC 1-ALF 708.pdf
	TLC 1-CNFB-LP-45 1207	Policy/Cont	Contingent ract/Fratern al Certificate	Initial	Nonforfeiture Benefit and Reduced Paid- Up Contingent Nonforfeiture Benefit	40	TLC 1-CNFB- LP-45 1207.pdf
	TLC 1 (AR) 708 O/C	Outline of	Coverage	Initial	Outline of Coverage	40	TLC 1 _AR_ 708 OC.pdf
	TLC 1-PRI-DF-LP	Other	Potential Rate Increase Disclosure	Initial		41	TLC 1-PRI- DF-LP

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SCHEDULE

Policy Number: [1234567]
Policyholder: [John Doe]
[Insured: Jane Doe]

Effective Date: [10-01-01]
Policyholder's Age: [72]
[Insured's Age:] [71]

Premium Paying Mode: [Quarterly]
Initial Premium: [\$XXX.XX]

Premium Paying Period: [Lifetime]
Mode Premium: [\$XXX.XX]

Our toll free number: [1-800-XXX-XXXX]

Note: The benefits shown on this Schedule are those that You elected and which became effective on the Effective Date of this Policy. Any changes to Your coverage, including the addition or deletion of benefits and their respective effective dates, will be shown by endorsement.

[Under the terms of this Policy:

- (1) all benefits paid for each Insured Person will reduce the single Maximum Benefit;**
- (2) only one Elimination Period needs to be satisfied during the life of this Policy, regardless of the number of Insured Persons covered.**

All other benefits and features of this Policy apply separately to each Insured Person, unless otherwise indicated in a Benefit Section.]

BENEFITS

REQUIRED NUMBER OF ACTIVITIES OF DAILY LIVING [2] [3]

Benefits subject to the Maximum Benefit are the:

- | | |
|--|--|
| [Nursing Home (NH) Benefit] | [Respite Care Benefit] |
| [NH – Bed Reservation Benefit] | [Therapeutic Device Benefit] |
| [Prescription Drug Benefit] | [Home Modification Benefit] |
| [NH Indemnity Payment Option] | [Medical Alert System Benefit] |
| [Ambulance Benefit] | [Caregiver Training Benefit] |
| [Assisted Living Facility (ALF) Benefit] | [Medication Management Benefit] |
| [ALF – Bed Reservation Benefit] | [Monthly Home Care Benefit] |
| [Home Health Care and Adult Day Care Benefits] | [Alternative Payment Benefit] |
| [Hospice Care Benefit] | [Care Coordination Benefit - one not selected from Our list] |

Maximum Benefit	[\$250,000]
Elimination Period	[90 Days]

[Benefits for Home Health Care and Adult Day Care are not subject to, nor will they satisfy, the Elimination Period.]

[Nursing Home Benefits]	[Included]
[Maximum Daily Benefit]	[\$100]
[NH – Bed Reservation Benefit]	
[Maximum Number of Days per Calendar Year]	[30 Days]

[Prescription Drug Benefit]	[Included] [Elected] [Premium \$XXX.XX]
[Monthly Prescription Drug Benefit]	[\$100]

[Nursing Home Indemnity Payment Option]	[Included] [Elected] [Premium \$XXX.XX]
[Ambulance Benefit]	[Included] [Elected] [Premium \$XXX.XX]
[Restoration of Nursing Home Benefits]	[Included] [Elected] [Premium \$XXX.XX]
[Assisted Living Facility Benefits]	[Included]
[Maximum Daily Benefit]	[\$100]
[ALF – Bed Reservation Benefit]	
[Maximum Number of Days per Calendar Year]	[30 Days]
[Home Health Care and Adult Day Care Benefits]	[Included]
[Maximum Daily Professional Services Benefit]	[\$100]
[Maximum Daily Basic Services Benefit]	[\$50]
[Maximum Daily Adult Day Care Benefit]	[\$50]
[Hospice Care Benefit]	[Included]
[Maximum Daily Benefit]	[\$50]
[Care Coordination Benefit - one selected from Our list]	[Included]
[Maximum]	[Unlimited]
[Care Coordination Benefit - one not selected from Our list]	[Included]
[Maximum Lifetime Care Coordination Benefit]	[\$2,500]
[Respite Care Benefit]	[Included]
[Maximum Daily Benefit]	[\$50]
[Maximum Number of Days per Calendar Year]	[30 Days]
[Therapeutic Device Benefit]	[Included]
[Maximum Lifetime Therapeutic Device Benefit]	[\$2,500]
[Home Modification Benefit]	[Included]
[Maximum Lifetime Home Modification Benefit]	[\$2,500]
[Medical Alert System Benefit]	[Included]
[Monthly Medical Alert System Benefit]	[\$25]
[Maximum Medical Alert System Benefit]	[\$2,500]
[Caregiver Training Benefit]	[Included]
[Maximum Lifetime Caregiver Training Benefit]	[\$500]
[Patient Advocacy and Medication Management Benefits]	[Included] [Elected] [Premium \$XXX.XX]
[Monthly Home Care Benefit]	[Included] [Elected] [Premium \$XXX.XX]
[Alternative Payment Benefit]	[Included] [Elected] [Premium \$XXX.XX]
[Monthly Benefit]	[\$500]
[Full Restoration of Benefits]	[Included] [Elected] [Premium \$XXX.XX]

ADDITIONAL BENEFITS

[Waiver of Premium Benefit]	[Included]
[Joint Waiver of Premium]	[Included] [Elected] [Premium \$XXX.XX]
[Lifetime Waiver of Premium] [Consecutive Day Waiting Period]	[Included] [Elected] [Premium \$XXX.XX] [180 Days]
[Spouse Survivorship-Waiver of Premium] [Number of Years Insured]	[Included] [Elected] [Premium \$XXX.XX] [5]
[Survivorship-Waiver of Premium] [Number or Years Insured]	[Included] [Elected] [Premium \$XXX.XX] [5]
[Simple Benefit Increase Option] [Percentage] [Maximum Multiple]	[Included] [Elected] [Premium \$XXX.XX] [5%] [2 Times]
[Compound Benefit Increase Option] [Percentage] [Maximum Multiple]	[Included] [Elected] [Premium \$XXX.XX] [5%] [2 Times]
[Step-Rated Compound Benefit Increase Option] [Benefit Increase Percentage] [Premium Increase Percentage] [Premium Increase Frequency]	[Included] [Elected] [Premium \$XXX.XX] [5%] [5%] [16%] [28%] Every [year] [third year] [fifth year] on the anniversary date of the Policy
[Deferred Benefit Increase Option]	[Included] [Elected] [Premium \$XXX.XX]
[Guaranteed Purchase Option]	[Included] [Elected] [Premium \$XXX.XX]
[Return of Premium] [Return of Premium Maximum Benefit]	[Included] [Elected] [Premium \$XXX.XX] [\$10,000]
[Full Return of Premium] [Return of Premium Maximum Benefit]	[Included] [Elected] [Premium \$XXX.XX] [\$10,000]
[Paid-Up Provision]	[Included] [Elected] [Premium \$XXX.XX]
[Nonforfeiture Benefit]	[Included] [Elected] [Premium \$XXX.XX]
[Contingent Nonforfeiture Benefit and Reduced Paid-Up Contingent Nonforfeiture Benefit]	[Included]
[Cancellation Provision]	[Included] [Elected] [Premium \$XXX.XX]
[Rate Guarantee] [Period of Time]	[Included] [Elected] [Premium \$XXX.XX] [5 Years] [10 Years] [20 Years]
TOTAL PREMIUM FOR INCLUDED BENEFITS	[\$XXX.XX]

TOTAL PREMIUM FOR ELECTED BENEFITS

[\$XXX.XX]

EFFECTIVE DATE, PREMIUM PAYMENT, RIGHT TO REDUCE BENEFITS, TERMINATION AND NEW COVERAGE OFFER PROVISIONS

This section explains: when this Policy becomes effective; how and when to pay premiums; the importance of paying premiums on time; what happens if premiums are not paid on time; and when this Policy ends.

The Policy Taking Effect

Effective Date and Consideration: This Policy is issued based on the answers to the questions on the application and payment of the Initial Premium. It takes effect on the Effective Date shown on the Schedule, provided the Initial Premium is paid. Any new benefit added and any increase or decrease in benefit amounts will be effective from the effective date shown on the endorsement for such benefit addition, increase or decrease.

Paying Premiums

After payment of the Initial Premium, each additional premium, if any, is due at the end of the period for which the prior premium was paid. The Premium Paying Mode shown on the Schedule states how often premiums are to be paid. The Premium Paying Mode You select will impact Your overall cost of insurance. The Premium Paying Period shown on the Schedule states how long premiums are to be paid. Premiums are to be paid to Us at Our Administrative Office.

[Any Rate Guarantee is only applicable from the original Policy Effective Date. Any subsequent changes will not have a Rate Guarantee.]

What Happens When Premiums Are Not Paid

Grace Period: A Grace Period of 31 days following the Premium Due Date is allowed for the payment of each premium, if any, after the Initial Premium. During this period, this Policy will remain in force. At the end of the Grace Period, Your coverage will Lapse as of the last Premium Due Date, subject to the Third Party Notification and Your Right to Reduce Benefits provisions.

Third Party Notification: If You have designated a third party to be notified in the event Your premium is not received by the end of the Grace Period, We will mail a notice to the person(s) You have designated, as well as to You. This Policy will not Lapse until 35 days after the date on the notice We have mailed to You and the third party. You have the right, at any time, to change the third party to be notified by providing Us with written notice of the change.

If You do not designate a third party to be notified in the event Your premium is not received by the end of the Grace Period, Your Policy will Lapse if We do not receive the premium before the Grace Period ends. If You designate a third party to be notified in the event Your premium is not received by the end of the Grace Period, Your Policy will Lapse if We do not receive the premium within 35 days after the date on the notice We mail to the designated third party.

Your Right to Reduce Benefits

Reduction of Benefits: You have the right to request a reduction in benefits in writing at any time while this Policy is in force. You may:

- (1) reduce only the Maximum Benefit; and/or
- (2) reduce the Maximum Daily Benefit resulting in a reduction in the Maximum Benefit; and/or
- (3) reduce other benefits consistent with the Policy design and Our administrative processes.

The premium for the Policy containing the reduced benefits will be based on the age used to determine the premiums currently in force and the reduced amount of coverage elected. You may not reduce Your coverage below the minimum requirements for this coverage as required by Arkansas law.

If Your Policy is about to Lapse, We will advise You of Your right to lower Your premium by reducing Your coverage and the applicable premium for the reduced coverage. Notice will be sent 30 days after the premium is due. You will have no less than 30 days to consider the offer. It will be Your responsibility to continue to promptly pay this new reduced premium before the end of each Grace Period.

Putting This Policy Back In Force

Reinstatement: Once this Policy Lapses, We may or may not put it back in force (reinstate) at Our option. We will require an application for reinstatement, and if the application is approved by Us, this Policy will be put back in force as of the Lapse date, upon payment of all past-due premiums.

Your reinstated Policy will only provide benefits for losses that result from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects, Your rights and Our rights will be the same as before this Policy Lapsed, unless there are special conditions that apply to the reinstatement. If there are, they will be endorsed on or attached to the reinstated Policy.

Unintentional Lapse: If Your Policy Lapses, We will reinstate Your coverage if:

- (1) We receive the request for reinstatement in Our Administrative Office within 180 days of the last Premium Due Date; and
- (2) We receive Your Licensed Health Care Practitioner's written certification that You were diagnosed, using generally accepted medical diagnostic methods and tests, with Cognitive Impairment or as being unable to perform at least the Required Number of Activities of Daily Living shown on the Schedule at the time the Policy Lapsed. It must be documented in Your Licensed Health Care Practitioner's records that an event had occurred prior to the Lapse that would have resulted in a diagnosis of Cognitive Impairment or inability to perform at least the Required Number of Activities of Daily Living, which made You unable to pay the premium; and
- (3) We receive all past-due premiums for the benefits that were in force at the time the Policy Lapsed.

Coverage will be continuous subject to these requirements. Any claim incurred during the 180-day period will be considered for benefits subject to all other Policy provisions.

When the Policy Terminates

We will not cancel, nonrenew, or otherwise terminate or end this Policy because of age or the deterioration of mental or physical health.

Termination: This Policy will end, subject to any provision to the contrary, as of the earliest of the following:

- (1) the date coverage under this Policy Lapses; or
- (2) the date of Your death; or
- (3) the date the Maximum Benefit[s] [has] [have] been exhausted; or
- (4) the next Policy monthly anniversary following Our receipt of Your written request to cancel this coverage, if You have not specified a future date for the cancellation in Your written request. If You request in writing a future date for cancellation of this Policy, it will end on the next Policy monthly anniversary following Your requested future cancellation date.

Payment of benefits for loss incurred prior to termination of this Policy will not be affected.

Refund of Premiums

Upon notification of Your death during the Premium Paying Period and while this Policy is in force, We will refund any premiums paid which apply to the Premium Paying Period following death, subject to any provisions to the contrary. We will determine the amount of the refund, if any, by prorating the premiums paid on a monthly basis. We will pay any refunded premiums to Your estate.

Should We receive a written request from You to cancel this Policy, We will refund to You any premiums paid which apply to the Premium Paying Period following the Policy monthly anniversary on which the Policy terminated.

New Coverage Offer

In the event We develop new long term care policies or benefits not included in this Policy; if no Insured Person:

- (1) is eligible for benefits;
- (2) is receiving benefits;
- (3) is in the process of satisfying his or her Elimination Period; or
- (4) has previously been in claim status under this Policy.

We will offer You the opportunity to apply for the new Policy or benefits, unless any Insured Person would be ineligible to apply for coverage due to issue age limitations under the new Policy.

We will offer the new Policy or benefits in one of the following ways. The choice of which one of these ways to make such an offer will be solely at Our discretion.

- (1) By adding a Rider to this Policy containing the new benefits, which may require the payment of a separate premium based on Your attained age; or
- (2) By exchanging this Policy with a new Policy with an issue age based on Your present age, and recognizing past insured status by granting a premium credit toward the new Policy; or
- (3) By exchanging this Policy with a new Policy, and recognizing past insured status on this Policy by basing premium for the new Policy on the appropriate issue age(s) for this Policy; or
- (4) By an alternative program developed by Us that has been approved by the Arkansas Insurance Department.

All Insured Persons must apply for the new Policy or increase in coverage and provide the information We need at the time so We can determine whether the Insured Person(s) qualify for additional coverage. All Insured Persons must be eligible for the new coverage based on Our underwriting requirements in effect at the time the request is received by Us.

Assisted Living Facility

A facility which is licensed, certified, or registered by the appropriate authority in the state in which it is located to provide inpatient care for persons who are not in need of the level of care provided in a hospital or Nursing Home but who are in need of assistance with Activities of Daily Living or are Cognitively Impaired.

In addition, such facility charges a fee and provides the following:

- (1) Maintenance or Personal Care Services by on-site facility staff and 3 meals a day, including special diets; and
- (2) has procedures in place establishing appropriate protocol for medication management and the handling and administration of drugs and biologicals; and
- (3) an emergency call system and on-site facility staff able to respond to and meet both scheduled and unpredictable needs of residents on a 24-hour-a-day basis, including supervision of safety and security, and who are aware of the whereabouts of the residents at all times; and
- (4) has a central dining room, living room or parlor, and common activity areas; and
- (5) has a Registered Nurse on-site to provide Nursing Services specified in the Plan of Care.

Regardless of name, any properly licensed, certified, or registered facility providing the services shown above will qualify as an Assisted Living Facility. As an example, this could include adult foster care facilities, congregate care facilities, basic care facilities, residential care facilities, family and group assisted living facilities, personal care boarding homes, domiciliary care homes and personal care homes.

In those states where there is no facility that is licensed, certified or registered to provide inpatient care for persons who are in need of assistance with Activities of Daily Living or are Cognitively Impaired, a facility must meet all of the requirements in items # 1-5 listed above and in addition must meet all of the following requirements in order to qualify as an Assisted Living Facility:

- (6) the following information must be provided in writing to each resident:
 - a. A tenant services contract or agreement in place for each resident; and
 - b. Admission and Transfer/Discharge requirements; and
- (7) provides a minimum of 10 beds; and
- (8) has staff on-site 24-hours-a-day to provide Personal Care Services.

An Assisted Living Facility is not a nursing home, hospital, or rehabilitation hospital, although it may be a separate and distinct wing or section of such an institution, if such wing or section, including an Insured Person's assigned bed, is appropriately licensed, certified, or registered to provide the level of care defined above. An Assisted Living Facility is also not an independent living apartment.

ASSISTED LIVING FACILITY BENEFIT

We will pay the actual charges incurred for room and board, not to exceed the charge for a one-bedroom unit, and for the necessary Maintenance and Personal Care Services for each day an Insured Person is confined in an Assisted Living Facility subject to:

- (1) the Benefit Eligibility provision;
- (2) the Elimination Period;
- (3) the Maximum Daily Benefit;
- (4) the Maximum Benefit; and
- (5) care and services must be provided while confined in an Assisted Living Facility as defined in the Policy.

ASSISTED LIVING FACILITY BED RESERVATION BENEFIT

When an Insured Person is absent for any reason (except discharge) during an Assisted Living Facility confinement, the benefit will be one or a combination of the following:

- (1) if the absence occurs after the Elimination Period has been met, We will pay the actual Assisted Living Facility charges incurred for room and board while the room in the Assisted Living Facility is being reserved during each day of the Insured Person's absence, up to the Maximum Daily Benefit; or
- (2) if the absence occurs while satisfying the Elimination Period and room and board charges are incurred from the Assisted Living Facility to hold the room, We will give credit toward the Elimination Period for each day the Insured Person is absent.

This benefit is available for the Maximum Number of Days per Calendar Year shown on the Schedule and subject to the Benefit Eligibility provision.

CONTINGENT NONFORFEITURE BENEFIT AND REDUCED PAID-UP CONTINGENT NONFORFEITURE BENEFIT

[After the expiration of the rate guarantee, if any,] if We increase Your premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of Your Initial Premium set forth below and You are unable to afford the increased premium, You may choose one of the two coverage options offered in this provision. We will notify You at least 45 days prior to the due date of the premium reflecting the rate increase.

Your Initial Premium is based on Your age when the Policy was issued, plus the premium for any benefits that You have added since then, and/or minus the premium for any benefits that You have reduced since Your Policy was issued.

Triggers for a Substantial Premium Increase

Issue Age	Percent Increase Over Initial Premium	Issue Age	Percent Increase Over Initial Premium
29 and under	200%	72	36%
30 - 34	190%	73	34%
35 - 39	170%	74	32%
40 - 44	150%	75	30%
45 - 49	130%	76	28%
50 - 54	110%	77	26%
55 - 59	90%	78	24%
60	70%	79	22%
61	66%	80	20%
62	62%	81	19%
63	58%	82	18%
64	54%	83	17%
65	50%	84	16%
66	48%	85	15%
67	46%	86	14%
68	44%	87	13%
69	42%	88	12%
70	40%	89	11%
71	38%	90 and over	10%

Coverage Options

If a Trigger for a Substantial Premium Increase should occur and You are unable to afford the increased premium, We will notify You that You may elect to:

- (1) reduce Your current Policy benefits, but not less than an amount that is currently available, so that required premium payments are not increased, or
- (2) convert Your coverage as provided under the Shortened Benefit Period described below. This option must be elected anytime during the 120 days following the Premium Due Date for the increased premium. However, should Your Policy Lapse during this 120-day period, the Shortened Benefit Period will automatically take effect.

Shortened Benefit Period

Your coverage will continue on a limited basis if this option is put into effect.

The daily benefit amounts available will be the same amounts available at the time Your Policy would have Lapsed. The minimum benefit provided under this Shortened Benefit Period will be equal to 30 times Your Nursing Home Maximum Daily Benefit at the time of Lapse.

If You have a benefit increase option of any kind in force, the benefits available will NOT continue to increase.

The maximum benefit amount in force will be equal to all premiums paid, excluding waived premiums, for all Your coverage combined.

REDUCED PAID-UP CONTINGENT NONFORFEITURE BENEFIT

In addition to the Contingent Nonforfeiture benefits described above, the following Reduced Paid-Up Contingent Nonforfeiture benefit is an option in all policies that have a fixed or limited premium payment period, even if You selected a nonforfeiture benefit when You bought Your Policy. If both the Reduced Paid-Up Benefit AND the Contingent Benefit described above are triggered by the same rate increase, You can choose either of the two benefits.

You are eligible for the Reduced Paid-Up Contingent Nonforfeiture Benefit when all three conditions shown below are met:

- (1) The premium You are required to pay after the increase exceeds Your original premium by the same percentage or more shown in the chart below:

Triggers for a Substantial Premium Increase	
Issue Age	Percent Increase Over Initial Premium
Under 65	50%
65 - 80	30%
Over 80	10%

- (2) You stop paying Your premiums within 120 days of when the premium increase took effect; AND
- (3) The ratio of the number of months You already paid premiums is 40% or more than the number of months You originally agreed to pay.

If You exercise this option Your coverage will be converted to reduced “paid-up” status. That means there will be no additional premiums required. Your benefits will change in the following ways:

- (a) The total lifetime amount of benefits Your reduced paid up Policy will provide can be determined by multiplying 90% of the lifetime benefit amount at the time the Policy becomes paid up by the ratio of the number of months You already paid premiums to the number of months You agreed to pay them.
- (b) The daily benefit amounts You purchased will also be adjusted by the same ratio.

If You purchased lifetime benefits, only the daily benefit amounts You purchased will be adjusted by the applicable ratio.

Example:

You bought the Policy at age 65 with an annual premium payable for 10 years.

In the sixth year, You receive a rate increase of 35% and You decide to stop paying premiums.

Because You have already paid 50% of Your total premium payments and that is more than the 40% ratio, Your “paid-up” Policy benefits are .45 (.90 times .50) times the total benefit amount that was in effect when You stopped paying Your premiums. If You purchased inflation protection, it will not continue to apply to the benefits in the reduced “paid-up” Policy.

Coverage Options

For Policies that have a fixed or limited premium payment period, if a Trigger for a Substantial Premium Increase should occur, You are unable to afford the increased premium and You meet conditions 1-3 above for the Reduced Paid-Up Contingent Nonforfeiture Benefit, We will notify You that You may elect to:

- (1) reduce Your current Policy benefits, but not less than an amount that is currently available, so that required premium payments are not increased, or
- (2) convert Your coverage as provided under the Shortened Benefit Period described above. This option must be elected anytime during the 120 days following the Premium Due Date for the increased premium, or
- (3) convert Your coverage as provided under the Reduced Paid-Up Contingent Nonforfeiture Benefit described above. This option must be elected anytime during the 120 days following the Premium Due Date for the increased premium. However, should Your Policy Lapse during this 120-day period, the Reduced Paid-Up Contingent Nonforfeiture Benefit will automatically take effect.

For both the Contingent Nonforfeiture Benefit and Reduced Paid-Up Contingent Nonforfeiture Benefits, all of the eligibility requirements, including waiting periods, elimination periods, or deductible amounts that applied in order for an Insured Person to be eligible for payment of benefits at the time Your coverage would have Lapsed will apply. To the extent that any such eligibility requirements and/or waiting periods were satisfied under Your coverage at the time it would have Lapsed, they will also be satisfied under this Shortened Benefit Period or Reduced Paid-Up Contingent Nonforfeiture Benefit.

The daily benefits payable under Your Policy and this Shortened Benefit Period or Reduced Paid-Up Contingent Nonforfeiture Benefit will not exceed the daily benefits that would have been payable under Your Policy if You had continued paying premiums. The total combined benefits payable under Your Policy and this Shortened Benefit Period or Reduced Paid-Up Contingent Nonforfeiture Benefit will not exceed the total benefits that would have been payable under Your Policy if You had continued paying premiums.

Once the maximum benefit amount in force under this Shortened Benefit Period or Reduced Paid-Up Contingent Nonforfeiture Benefit has been paid, no further benefits will be payable and all coverage will terminate.

If You have another benefit in force that allows coverage to become paid up or premium to be waived for life at some future date, this Contingent Nonforfeiture Benefit or Reduced Paid-Up Contingent Nonforfeiture Benefit will only apply if coverage Lapses before the date the coverage becomes paid up or the waiver of premium begins. Otherwise, this benefit will terminate on the date the coverage becomes paid up or on the date premium is waived for life.

TRANSAMERICA LIFE INSURANCE COMPANY
ADMINISTRATIVE OFFICE: P.O. BOX [XXXXX, HURST, TEXAS XXXXX]
1-[XXX-XXX-XXXX]
LONG TERM CARE OUTLINE OF COVERAGE FOR
INDIVIDUAL POLICY FORM TLC 1-FP (AR) 206
RETAIN THIS OUTLINE FOR YOUR RECORDS

(“We,” “Us,” or “Our” means the Company. “You” or “Your” means the Policyholder.)

NOTICE TO BUYER: The Policy may not cover all of the costs associated with long term care incurred during the period of coverage. The buyer is advised to review carefully all Policy limitations.

CAUTION

The issuance of this long term care insurance coverage is based upon the answers to the questions on the application. A copy of the application will be included in Your Policy. If any answers are incorrect or untrue, We may have the right to deny benefits or rescind the Policy. The best time to clear up any question is now, before a claim arises! If, for any reason, any of the answers are incorrect, incomplete or untrue, contact Us at Our Administrative Office: Transamerica Life Insurance Company, P.O. Box [XXXXX, Hurst, Texas XXXXX]. Our toll free number is shown above.

1. POLICY DESIGNATION

The Policy is an individual Policy of insurance.

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 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 tax-qualified long term care insurance contract under section 7702B(b) of the Internal Revenue Code 1986, as amended.

4. TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED

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. Transamerica Life 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.

Termination: The Policy will end, subject to any provision to the contrary, as of the earliest of the following:

- the date coverage under the Policy Lapses; or
- the date of Your death; or
- the date the Maximum Benefit[s] [has] [have] been exhausted; or
- the next Policy monthly anniversary following Our receipt of Your written request to cancel Your coverage, if You have not specified a future date for the cancellation in Your written request. If You request in writing a future date for cancellation of the Policy, it will end on the next Policy monthly anniversary following Your requested future cancellation date.

Waiver of Premium: If a Waiver of Premium Benefit has been selected, Your premiums will be waived as explained under the Other Available Benefits section.

Reduced Benefit Offer: If Your Policy is about to Lapse, We will advise You of Your right to reduce Your Maximum Benefit or Maximum Daily Benefit and reduce Your premium. You will have no less than 30 days to consider the offer. Notice will be sent 30 days after the premium is due. The premium for the new Maximum Benefit will be based on Your age at the time Your Policy was originally issued. It will be Your responsibility to continue to promptly pay this new reduced premium before the end of each Grace Period.

5. **TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS**

We can only change the premium for the Policy if We change premiums by class for everyone in Your state, subject to approval by the Department of Insurance, if required. Premium class means a population segment classified by Our actuaries as having similar characteristics, such as issue age, issue year, rate classification, and selected benefit options or other criteria. The change in premium may occur only [after the Rate Guarantee, if any, has expired, and only] during the Premium Paying Period. We will give You at least 45 days written notice at Your last address shown in Our records before We change Your premium.

6. **TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED**

If You are not satisfied with Your Policy, You may return it to Us at Our Administrative Office in Hurst, Texas or Your agent within 30 days after You receive it and You will receive a full refund of premiums. Premiums paid for periods after Your death will also be refunded. If You should send Us a written request to cancel Your coverage, We will refund to You any premiums paid which apply to the Premium Paying Period following the Policy monthly anniversary on which the Policy terminated.

7. **THIS IS NOT MEDICARE SUPPLEMENT COVERAGE**

If You are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the Company. Neither Transamerica Life 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 diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as a nursing home, in the community or in the home.

This Policy provides coverage for actual charges incurred[, unless You elected the Nursing Home Indemnity Payment Option,] for covered long term care expenses, subject to policy limitations, elimination periods, and other requirements.

9. **BENEFITS AVAILABLE UNDER THIS POLICY**

BENEFIT DESCRIPTIONS

This Outline of Coverage provides a brief description of the benefits available under this Policy. Your insurance agent is obligated to assist You in deciding which combination of coverage options is best suited to meet Your particular needs and financial situation. The benefits You select will be indicated on Your application and the Schedule page of Your Policy.

In order for benefits to be payable, Benefit Eligibility and all confinements, care and services must begin after the Policy Effective Date and while Your coverage is in force. All charges must be incurred while the applicable benefit is in force, unless otherwise indicated in the applicable Benefit Section of the Policy. Benefit payments are subject to all terms and provisions of the Policy.

If more than one type of covered care is received on the same day, only the daily benefit providing the largest payment will be payable, unless otherwise stated in the Policy.

The benefits subject to the Maximum Benefit You selected will be indicated on the Schedule page of the Policy.

To qualify for benefits, the Elimination Period You selected (unless otherwise indicated) must be satisfied and the Benefit Eligibility requirements must be met.

ELIGIBILITY FOR THE PAYMENT OF BENEFITS

To be eligible for benefits, We must receive a Plan of Care that specifies what care is needed. The care must be needed because the Insured Person has been certified within the last 12 months by a Licensed Health Care Practitioner as:

- requiring continual supervision, which may include cueing by verbal prompting, gestures, or other demonstrations, by another person to protect the Insured Person from threats to his or her health or safety, due to severe Cognitive Impairment; or
- requiring the presence of another person within arm's reach due to the inability to perform at least the Required Number of Activities of Daily Living, shown on the Schedule page of the Policy, for a period of at least 90 days. The other person must be present within arm's reach in order to assist, supervise or prevent injury by physical intervention.

If an Insured Person meets the Benefit Eligibility requirements shown above, he or she will have met the requirements under the federal law to be considered a Chronically Ill Individual. Meeting this requirement is necessary in order for the Policy to qualify for favorable tax treatment under federal law.

Activities of Daily Living are: (1) Bathing; (2) Continence; (3) Dressing; (4) Eating; (5) Toileting; and (6) Transferring, as defined in the Policy.

Following is a description of the coverage available for care and services covered under each benefit. All benefit maximums are as indicated on Your application and the Schedule page of the Policy.

BENEFITS

Nursing Home Benefit:

We will pay the actual charges incurred for each day an Insured Person is confined in a Nursing Home, up to the Maximum Daily Benefit.

Nursing Home Bed Reservation Benefit:

When an Insured Person is absent for any reason (except discharge) during a Nursing Home confinement, the benefit will be one or a combination of the following:

- if the absence occurs after the Elimination Period has been met, We will pay the actual Nursing Home charges incurred for room and board while the room in the Nursing Home is being reserved during each day of the Insured Person's absence, up to the Maximum Daily Benefit; or
- if the absence occurs while satisfying the Elimination Period and room and board charges are incurred from the Nursing Home to hold the room, We will give credit toward the Elimination Period for each day the Insured Person is absent.

This benefit is limited to the Maximum Number of Days per Calendar Year shown on the Schedule page of the Policy.

Assisted Living Facility Benefit:

We will pay the actual charges incurred for room and board, not to exceed the charges for a one-bedroom unit, and for the necessary Maintenance and Personal Care Services for each day an Insured Person is confined in an Assisted Living Facility as defined in the Policy, up to the Maximum Daily Benefit.

Assisted Living Facility Bed Reservation Benefit:

When an Insured Person is absent for any reason (except discharge) during an Assisted Living Facility confinement, the benefit will be one or a combination of the following:

- if the absence occurs after the Elimination Period has been met, We will pay the actual Assisted Living Facility charges incurred for room and board while the room in the Assisted Living Facility is being reserved during each day of the Insured Person's absence, up to the Maximum Daily Benefit; or
- if the absence occurs while satisfying the Elimination Period and room and board charges are incurred from the Assisted Living Facility to hold the room, We will give credit toward the Elimination Period for each day the Insured Person is absent.

This benefit is limited to the Maximum Number of Days per Calendar Year shown on the Schedule page of the Policy.

Home Health Care Benefit:

We will pay the actual charges incurred for each day an Insured Person receives Home Health Care, up to the Maximum Daily Professional Services Benefit or the Maximum Daily Basic Services Benefit. Basic Services must be provided by or through a Home Health Care Agency, unless the Insured Person is receiving the Care Coordination Benefit. If the Insured Person is receiving the Care Coordination Benefit, Basic Services may be provided by a provider who is licensed or certified as required by the state to provide such services and is approved by the Care Coordinator.

Adult Day Care Benefit:

We will pay the actual charges incurred for each day an Insured Person receives Adult Day Care provided by and at an Adult Day Care Center, up to the Maximum Daily Adult Day Care Benefit. Adult Day Care must be received for at least 4 hours during any day for which benefits are payable.

[Hospice Care Benefit:

If an Insured Person has no reasonable prospect of cure and, as estimated by his or her Doctor, has a life expectancy of 6 months or less, We will pay the actual charges incurred for each day an Insured Person receives Hospice Care provided by a Hospice Care Provider, up to the Maximum Daily Benefit. We will not pay for more than 180 days of Hospice Care.

The Hospice Care Benefit is not subject to, nor will it satisfy, the Elimination Period.]

Care Coordination Benefit:

In addition to other benefits paid under the Policy, We will pay for the Care Coordinator to initially assess and develop a Plan of Care. Thereafter, We will pay for the covered Care Coordination services of the Care Coordinator for as long as an Insured Person meets or is expected to meet the Benefit Eligibility requirements and he or she is receiving or is expected to receive other benefits payable under the Policy. If the Care Coordinator determines it is necessary, and if the Insured Person desires, the Care Coordinator will assist the Insured Person in obtaining the services recommended in the Plan of Care. This assistance will be limited to referring the Insured Person to providers and help in coordinating such referrals.

For a Care Coordinator who is selected from Our list, there will be no charge to You for the covered Care Coordination services of the Care Coordinator and no amount will be deducted for such covered Care Coordination services from the maximum benefits payable under the Policy.

For a Care Coordinator who is not selected from Our list, the Care Coordination Benefit is limited to the Maximum Lifetime Care Coordination Benefit shown on the Schedule and any amount paid for such covered Care Coordination services will be deducted from the Maximum Benefit of the Policy. The Care Coordinator will coordinate appropriate services and monitor the delivery of such services including:

- development of the initial comprehensive, face-to-face assessment of person's functional and cognitive capacity;
- development, completion, implementation and coordination of the Plan of Care;
- monitoring of services provided under the Plan of Care;
- completion of a comprehensive reassessment of the Plan of Care, as needed; and
- discharge from the requirements under the Plan of Care, when appropriate.

The Care Coordination Benefit includes the services of the Care Coordinator to arrange for services to assist the Insured Person in remaining at Home, such as:

- home health care services;
- durable medical equipment and supplies;
- emergency medical call system;
- companion services;
- shopping services; and
- transportation services.

The benefits for the covered Care Coordination services provided by the Care Coordinator are not subject to, nor will they satisfy, the Elimination Period.

[ADDITIONAL AVAILABLE BENEFITS IF THE INSURED PERSON IS RECEIVING THE CARE COORDINATION BENEFIT AND USING A CARE COORDINATOR SELECTED FROM OUR LIST. The benefits You select will be indicated on Your application and the Schedule page of Your Policy. The Care Coordinator must approve the provider of the care, services or training. Prior to any modification or installation, We must agree to the modification or installation.]

[Respite Care Benefit:

If an Insured Person is being cared for by his or her primary caregiver on a continuous basis and such caregiver is not compensated by You for his or her services, We will pay the actual charges incurred for Respite Care provided in a Nursing Home, Assisted Living Facility, or the Insured Person's Home. We will not pay more than the Maximum Daily Benefit.

The Respite Care Benefit is not subject to, nor will it satisfy, the Elimination Period. Benefits for Respite Care will not be payable when other benefits, except for Care Coordination, are payable under the Policy. Respite Care is limited to the Maximum Number of Days per Calendar Year shown on the Schedule page of the Policy.]

[Therapeutic Device Benefit:

We will pay the actual charges incurred for rental or purchase of a Therapeutic Device to be used in an Insured Person's Home, up to the Maximum Lifetime Therapeutic Device Benefit shown on the Schedule page of the Policy. We will decide whether a rental or a purchase of the Therapeutic Device would be more appropriate.

The Therapeutic Device Benefit is not subject to, nor will it satisfy, the Elimination Period.

For the purposes of the Therapeutic Device Benefit, an Insured Person's Home shall not include an Assisted Living Facility.]

[Home Modification Benefit:

We will pay the actual charges incurred, up to the Maximum Lifetime Home Modification Benefit shown on the Schedule page of the Policy, for labor, equipment and supplies for minor modifications to an Insured Person's Home that will enhance his or her ability to perform the Activities of Daily Living and allow the Insured Person to remain in his or her Home safely.

The Home Modification Benefit is not subject to, nor will it satisfy, the Elimination Period.

For the purposes of the Home Modification Benefit, an Insured Person's Home shall not include an Assisted Living Facility.]

[Medical Alert System Benefit:

We will pay for a Medical Alert System either the actual monthly rental and/or monitoring charges incurred, up to the Monthly Medical Alert System Benefit, or the actual purchase cost. We will decide whether a rental or a purchase of the Medical Alert System would be more appropriate. We will not pay more than the Maximum Medical Alert System Benefit. The Monthly Medical Alert System Benefit and the Maximum Medical Alert System Benefit are shown on the Schedule page of the Policy.

The Medical Alert System Benefit is not subject to, nor will it satisfy, the Elimination Period.

For the purposes of the Medical Alert System Benefit, an Insured Person's Home shall not include an Assisted Living Facility.]

[Caregiver Training Benefit:

We will pay the actual charges incurred, up to the Maximum Lifetime Caregiver Training Benefit shown on the Schedule page of the Policy, for Caregiver Training for an Insured Person or a Volunteer Caregiver to assist an Insured Person in the proper use and care of a therapeutic device or in an appropriate caregiving procedure. The Caregiver Training must not already be included free of charge by an equipment or supply vendor.

The Caregiver Training Benefit is not subject to, nor will it satisfy, the Elimination Period.]

[Patient Advocacy Benefit:

If an Insured Person is permanently confined in a facility covered under the Policy, We will pay for unplanned visits by a person contracted by Us to evaluate the facility and assess if the Insured Person's care needs are being met and to assess the living conditions of the facility.

There will be no charge to You for these services and no amount will be deducted for such services from the maximum benefits payable. The Patient Advocacy Benefit is not subject to, nor will it satisfy, the Elimination Period.]

[Medication Management Benefit:

We will pay the actual charges incurred for the services of a Nurse to call, remind, verify, assist verbally, provide emotional support and confirm an Insured Person's compliance with his or her medication/treatment regimen. The Nurse will also review, coordinate, and report all medications from all sources, including over-the-counter medications, with the appropriate attending Doctor, pharmacists, case managers, home care nurses and providers. The Medication Management Benefit is not subject to, nor will it satisfy, the Elimination Period.]

[Monthly Home Care Benefit:

We will pay, in lieu of the Home Health Care Benefit and Adult Day Care Benefit, the actual charges incurred for Home Health Care and Adult Day Care on the basis of the services received during each continuous 30-day period rather than on a daily basis. The maximum benefit payable during each continuous 30-day period will be limited to an amount calculated by:

- multiplying the Maximum Daily Basic Services Benefit by 30;
- [plus the number of days Professional Services are received during such 30-day period multiplied by the difference, if any, between the Maximum Daily Professional Services Benefit and the Maximum Daily Basic Services Benefit.]]

OTHER AVAILABLE BENEFITS

[Prescription Drug Benefit in a Nursing Home:

We will pay the Monthly Prescription Drug Benefit for each calendar month that an Insured Person is receiving Prescription Drugs while confined in a Nursing Home and receiving the Nursing Home Benefit. The drugs must be purchased from a licensed pharmacist upon a Doctor's written prescription. The Prescription Drug does not need to have been prescribed for treatment of the condition that caused the confinement.]

[Nursing Home Indemnity Payment Option:

After the Elimination Period has been satisfied, We will pay You a daily indemnity benefit equal to the full Nursing Home Maximum Daily Benefit amount shown on the Schedule of the Policy, regardless of the actual charges incurred. We will continue to pay You this daily indemnity benefit as long as an Insured Person qualifies for Nursing Home benefits and actual charges are being incurred for the covered services. We will pay this benefit in lieu of the Nursing Home Benefit.

Prior Notification for Nursing Home Confinements

If We are notified prior to, or within 10 calendar days after, an Insured Person's confinement in a Nursing Home begins, We will pay benefits for such confinement in advance on a monthly (calendar month) basis once the Insured Person has satisfied the Elimination Period. Benefits payable under this provision will be calculated by multiplying the Nursing Home Maximum Daily Benefit by the actual number of days in the calendar month. Payment will continue to be made monthly, in advance, while the Insured Person is confined. All other provisions of the Policy will apply.]

[Ambulance Benefit:

We will pay the actual charges incurred for emergency ambulance service to or from a Nursing Home, up to a maximum of \$250 for each ambulance trip and a maximum of 4 trips per calendar year.

The Ambulance Benefit is not subject to, nor will it satisfy, the Elimination Period.]

[Alternative Payment Benefit:

Once an Insured Person has been certified to meet the Benefit Eligibility requirements and We have received a Plan of Care, We will pay You the Monthly Benefit shown on the Schedule page of the Policy in advance for each calendar month the Insured Person continues to meet those requirements. We will pay this benefit in lieu of all other benefits for care and services provided under the Policy.

The Alternative Payment Benefit is not subject to, nor will it satisfy, the Elimination Period.]

[Waiver of Premium Benefit:

When an Insured Person meets the Benefit Eligibility requirements, has satisfied the Elimination Period (if applicable) and is receiving Nursing Home, Assisted Living Facility, Home Health Care, [or] Adult Day Care[, or Alternative Payment] Benefits, We will automatically change Your Premium Paying Mode to monthly and not require the payment of Your monthly premium. We will stop waiving the premium when the Insured Person no longer qualifies for the Waiver of Premium Benefit. The Waiver of Premium Benefit will end on the date the Maximum Benefit has been exhausted.

To keep Your Policy in force when the Waiver of Premium Benefit ends or after an Insured Person no longer qualifies for the Waiver of Premium Benefit, premiums must be paid as they become due. Any unearned premiums on deposit with the Company at the time the Waiver of Premium period began will be refunded to You.]

[Joint Waiver of Premium:

We will waive all premiums for Your Policy for the same months that We are waiving the premiums for Your Spouse's Policy under the Waiver of Premium Benefit. We will stop waiving the premiums for Your Policy when We are no longer waiving the premiums for Your Spouse's Policy.

The Joint Waiver of Premium Benefit ends when the Maximum Benefit has been exhausted under either Your Policy or Your Spouse's Policy. To keep Your Policy in force when Your Joint Waiver of Premium Benefit ends or We are no longer waiving the premium, premiums must be paid as they become due. Any unearned premiums on deposit with the Company for Your Policy at the time the Waiver of Premium period began will be refunded to You.

[Premiums will not be waived under this provision if premiums are being waived for Your Spouse under a Lifetime Waiver of Premium provision.]]

[Lifetime Waiver of Premium Benefit:

After an Insured Person has been continuously confined in a Nursing Home for the Consecutive Day Waiting Period shown on the Schedule page of the Policy, We will not require payment of any future premium that would otherwise come due for benefits in force on the date such waiver begins.

The premium for any benefit added after the Lifetime Waiver of Premium Benefit begins will not be waived under this provision.

The Lifetime Waiver of Premium Benefit will end on the date the Maximum Benefit has been exhausted.]

[Spouse Survivorship – Waiver of Premium:

If You and Your Spouse both have coverage in force with Us under this policy form series [for at least the Number of Years Insured shown on the Schedule page of the Policy] [without any claims incurred] and Your Spouse dies while both Policies are in force, We will waive Your premiums for life following the later of:

- the date of death of Your Spouse; or
- the tenth anniversary of the Effective Date of Your Policy.

Any benefit added or increased must be in effect for [at least the Number of Years Insured shown on the Schedule page of the Policy for both You and Your Spouse [without any claims incurred] and for] at least 10 years from the date of such increase or addition [for You] before the premium will be waived for such benefit. The premium for any benefit added after the death of Your Spouse will not be waived under this provision.]

[Survivorship – Waiver of Premium:

If two or more Insured Persons have coverage in force with Us under the Policy [for at least the Number of Years Insured shown on the Schedule page of the Policy] [without any claims incurred] and one dies while the Policy is in force, We will waive the premiums for the life of the surviving Insured Person(s) following the later of:

- the date of death; or
- the tenth anniversary of the Effective Date of the Policy.

Any benefit added or increased must be in effect for [at least the Number of Years Insured shown on the Schedule page of the Policy for all Insured Persons [without any claims incurred] and for] at least 10 years from the date of such increase or addition [for the surviving Insured Person(s)] before the premium will be waived for such benefit. The premium for any benefit added after the death of the Insured Person will not be waived under this provision.]

[Simple Benefit Increase Option:

We will increase every dollar benefit amount annually on each anniversary of the effective date of this option. The dollar benefit amounts will increase annually by the percentage shown on the Schedule page of the Policy or by endorsement of the original dollar benefit amounts in effect on the effective date of this option (without regard to any claims paid).

[If the Schedule page of Your Policy shows a Maximum Multiple, the increases in dollar benefit amounts will stop once the dollar benefit amounts reach the Maximum Multiple of the original benefit amounts.]

Any benefit amounts You add in order to increase the amount of Your coverage after the effective date of this option will not increase until the amount of the increase has been in effect one full year.

Your premiums will be higher, but they will not increase due to a change in age or the automatic benefit increase. Below is a graphic comparison of the benefit levels of a policy that increases benefits over the policy period with a policy that does not increase benefits. A similar graphic comparison illustrates premiums for those types of policies.]

Compound Benefit Increase Option:

We will increase every dollar benefit amount annually on each anniversary of the effective date of this option. The dollar benefit amounts will increase annually by the percentage shown on the Schedule page of the Policy or by endorsement of the current dollar benefit amounts in effect (without regard to any claims paid).

[If the Schedule page of Your Policy shows a Maximum Multiple, the increases in dollar benefit amounts will stop once the dollar benefit amounts reach the Maximum Multiple of the original benefit amounts.]

Any benefit amounts You add in order to increase the amount of Your coverage after the effective date of this option will not increase until the amount of the increase has been in effect one full year.

Your premiums will be higher, but they will not increase due to a change in age or the automatic benefit increase. Below is a graphic comparison of the benefit levels of a policy that increases benefits over the policy period with a policy that does not increase benefits. A similar graphic comparison illustrates premiums for those types of policies.

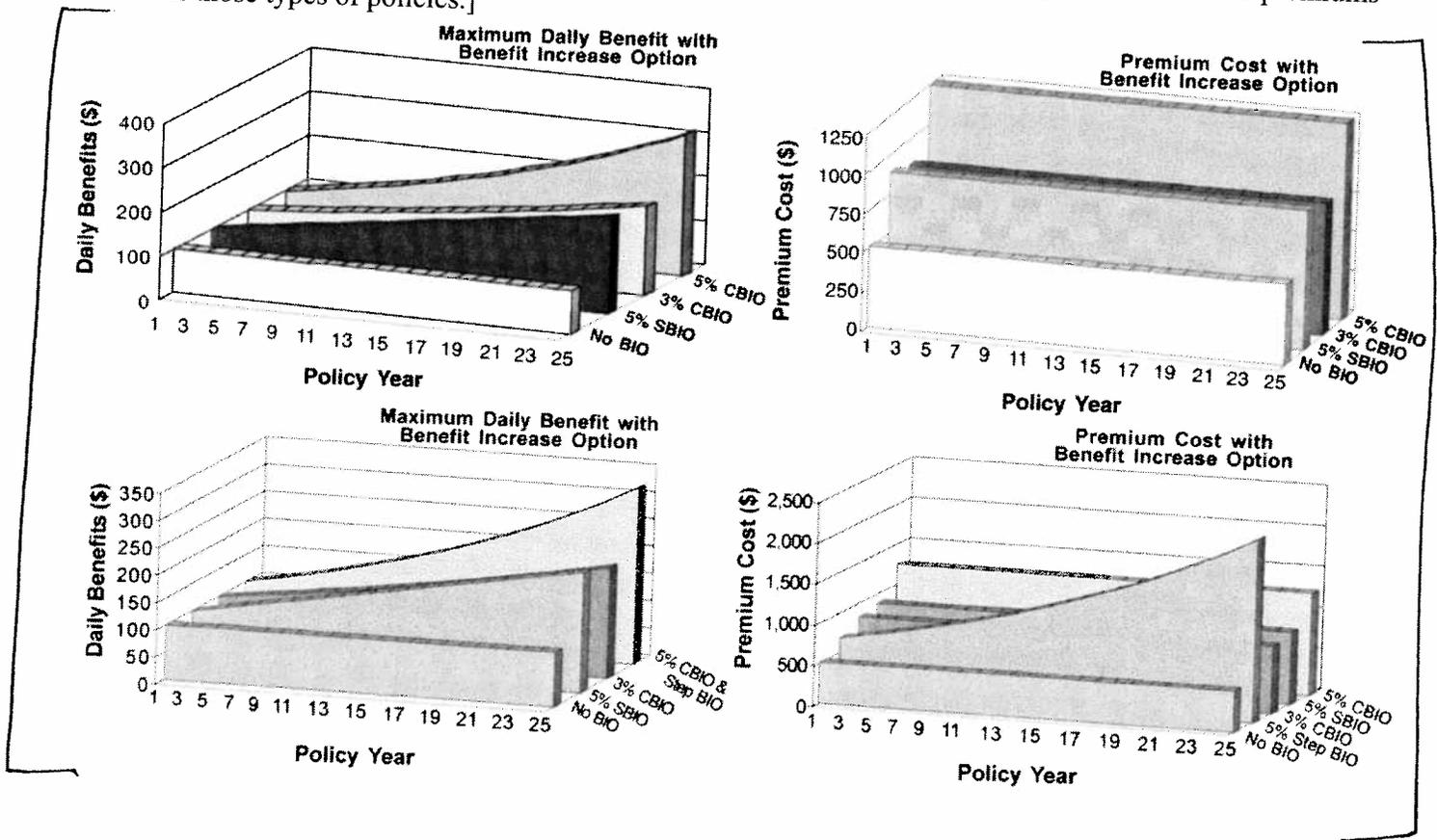
[Step-Rated Compound Benefit Increase Option:

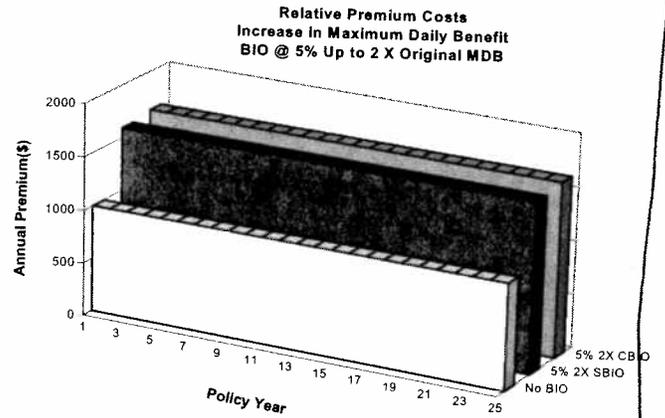
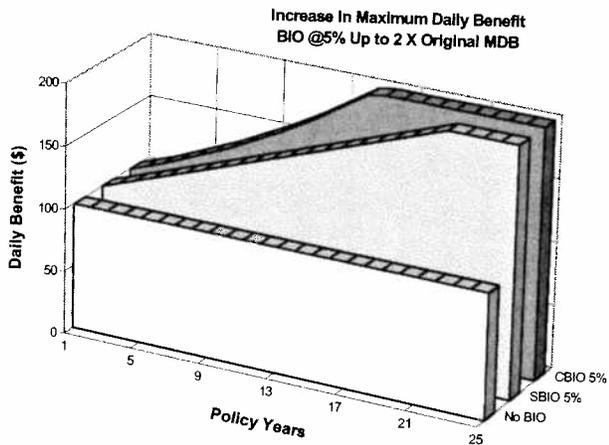
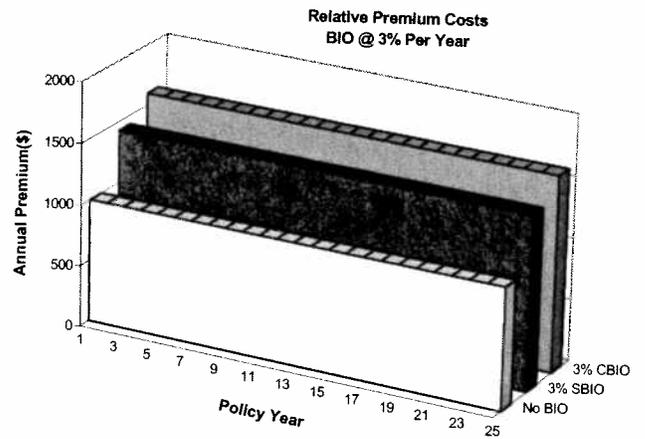
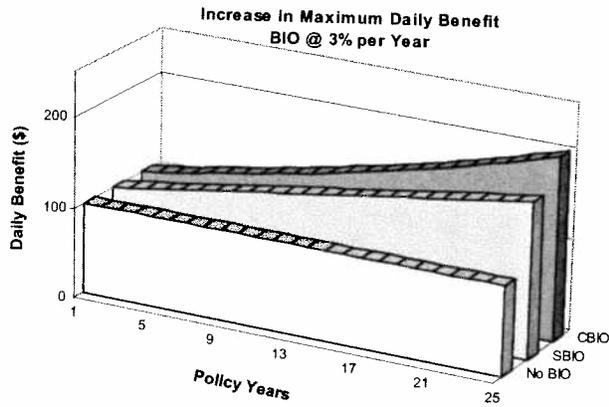
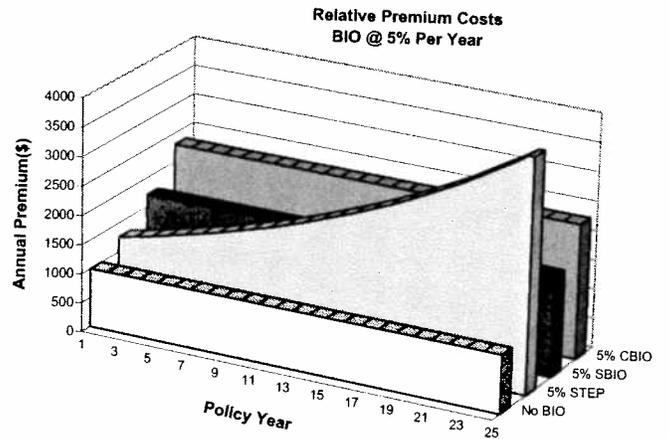
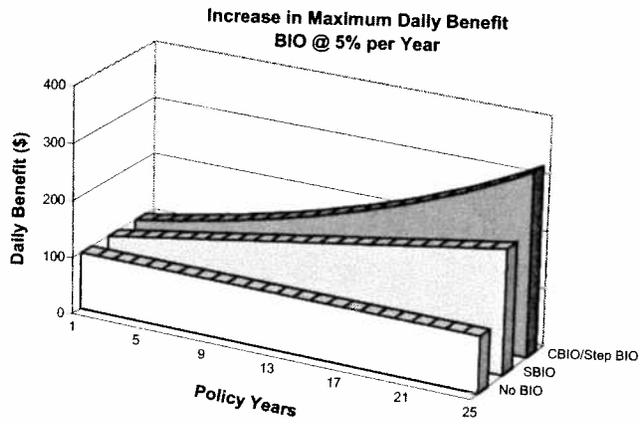
In consideration of future increases in premium amounts, We will increase every dollar benefit amount annually on each anniversary of the effective date of this option. The dollar benefit amounts will increase annually by the Benefit Increase Percentage shown on the Schedule page of the Policy or by endorsement of the current dollar benefit amounts in effect (without regard to any claims paid).

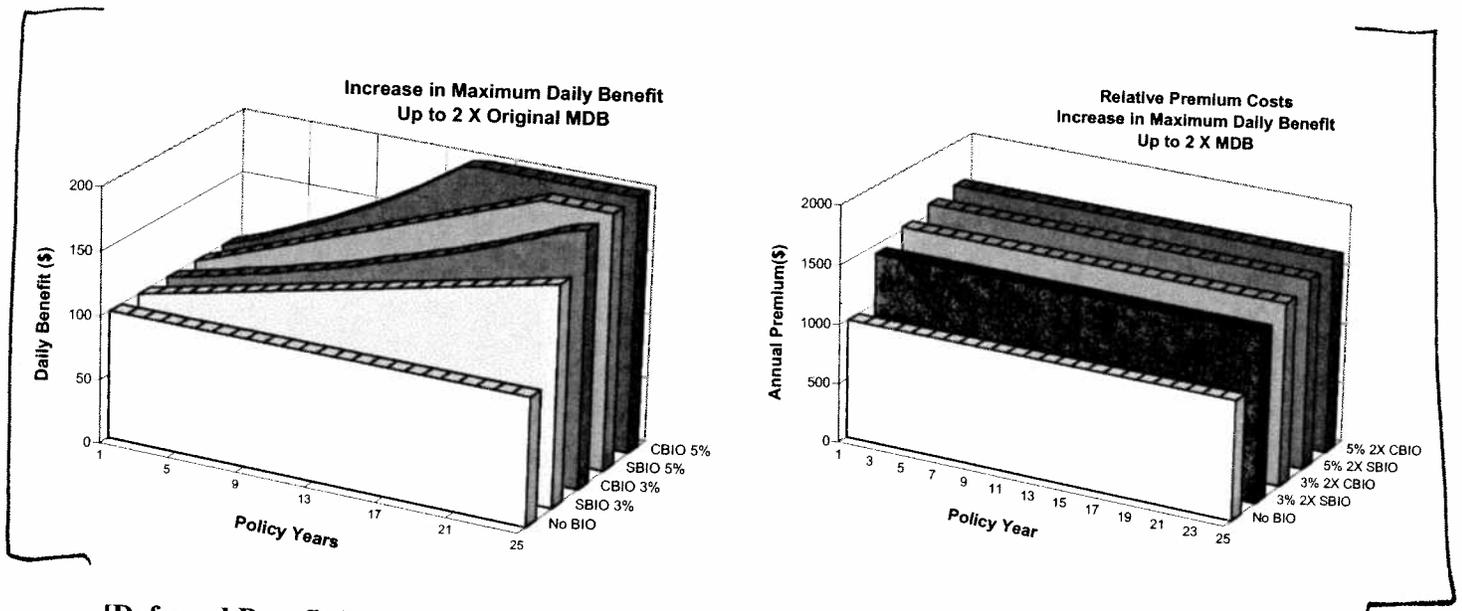
Your current premium will be increased by the Premium Increase Percentage shown on the Schedule. The increase in premium will occur at the Premium Increase Frequency shown on the Schedule, as long as this option is in force.

If You should terminate the Step-Rated Compound Benefit Increases Option, the increases in dollar benefit amounts and resulting premium increases will stop on the next anniversary of the effective date of this option following the date We receive Your notice to terminate this option. Your attained dollar benefit amounts and premium amount will remain at the then current attained level. Your premiums remain subject to Our right to increase premiums.

Below is a graphic comparison of the benefit levels of a policy that increases benefits over the policy period with a policy that does not increase benefits. A similar graphic comparison illustrates premiums for those types of policies.]







[Deferred Benefit Increase Option:

If You did not select a Benefit Increase Option at the time of application, You will have the opportunity, if no Insured Person has incurred a prior claim under the Policy, to add the Simple or Compound Benefit Increase Option, without evidence of insurability, within the 90-day period prior to the first, the third, or the fifth anniversary dates of the Policy.

The additional premium required for the Benefit Increase Option will be based on the ages of each Insured Person on the anniversary date of the Policy ending the 90-day period when the option is exercised. Increases in benefits will begin on the anniversary date of the Policy one year after the anniversary date ending the 90-day period when the option was exercised.]

[Guaranteed Purchase Option:

You have the option, until You reach age 85, to increase the dollar benefit amounts every three years on the Purchase Option Dates, which will begin on the third anniversary of the Effective Date of the Policy, by 16% of the amount initially elected. If You are under age 70 and should You choose not to utilize the opportunity to increase Your coverage on any two of the Purchase Option Dates, future increases will not be available under this benefit. On and after the age of 70, should You choose not to utilize the opportunity to increase Your coverage on any Purchase Option Date, future increases will not be available under this benefit.]

[Return of Premium:

If this benefit has been continuously in force from its Effective Date, a benefit will be paid after all Insured Persons have died. Benefits will also be paid if the Policy should Lapse and the last death occurs within 90 days of the date the last premium payment was due.

The amount of this benefit will be [the lesser of:]

- the sum of all premiums paid (excluding any waived premiums) less the amount of any benefits paid pursuant to the terms of the Policy from the Effective Date of this benefit up to the date of the last Insured Person’s death[; or
- the Return of Premium Maximum Benefit shown on the Schedule page of the Policy.]

[Full Return of Premium:

If this benefit has been continuously in force from its Effective Date, a benefit will be paid after all Insured Persons have died. Benefits will also be paid if Your Policy should Lapse and the last death occurs within 90 days of the date the last premium payment was due.

The amount of this benefit will be [the lesser of:]

- the sum of all premiums paid (excluding any waived premiums) for the Policy from the Effective Date of this benefit up to the date of the last Insured Person’s death[; or
- the Return of Premium Maximum Benefit shown on the Schedule page of the Policy.]

[Paid-Up Provision:

In the event You discontinue premium payment prior to the end of the Premium Paying Period You selected, a percentage of the dollar benefit amounts under the Policy will become paid-up. The percentage payable of the dollar benefit amounts will then be as follows:

If Premiums Are Paid To:	Percentage of Benefits Paid-Up:
5 or more Years Prior to End of Premium Paying Period	0%
4 Years Prior to End of Premium Paying Period	20%
3 Years Prior to End of Premium Paying Period	40%
2 Years Prior to End of Premium Paying Period	60%
1 Year Prior to End of Premium Paying Period	80%
End of Premium Paying Period	100%]

Nonforfeiture Benefit – Shortened Benefit Period:

After Your coverage has been in effect for at least 3 full years, this benefit provides for the coverage to continue on a limited basis if it would have otherwise Lapsed for nonpayment of premium.

The daily benefit amounts available will be the same amounts available at the time the coverage would have Lapsed. The total benefit amount in force under this benefit will be equal to all of the premium paid, excluding waived premiums, for all coverage combined, including this benefit.

The minimum benefit provided under this benefit will be equal to 30 times the Nursing Home Maximum Daily Benefit at the time of Lapse.

Contingent Nonforfeiture Benefit and Reduced Paid-Up Contingent Nonforfeiture Benefit:

[After the expiration of the rate guarantee, if any,] if We increase Your premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of Your Initial Premium set forth below and You are unable to afford the increased premium, You may choose one of the two coverage options offered in this provision. We will notify You at least 45 days prior to the due date of the premium reflecting the rate increase.

Your Initial Premium is based on Your age when the Policy was issued, plus the premium for any benefits that You have added since then, and/or minus the premium for any benefits that You have reduced since Your Policy was issued.

Triggers for a Substantial Premium Increase

Issue Age	Percent Increase Over Initial Premium		Issue Age	Percent Increase Over Initial Premium	
29 and under	200%		72	36%	
30 - 34	190%		73	34%	
35 - 39	170%		74	32%	
40 - 44	150%		75	30%	
45 - 49	130%		76	28%	
50 - 54	110%		77	26%	
55 - 59	90%		78	24%	
60	70%		79	22%	
61	66%		80	20%	
62	62%		81	19%	
63	58%		82	18%	
64	54%		83	17%	
65	50%		84	16%	
66	48%		85	15%	
67	46%		86	14%	
68	44%		87	13%	
69	42%		88	12%	
70	40%		89	11%	
71	38%		90 and over	10%	

Coverage Options

If a Trigger for a Substantial Premium Increase should occur and You are unable to afford the increased premium, We will notify You that You may elect to:

- (1) reduce Your current Policy benefits, but not less than an amount that is currently available, so that required premium payments are not increased, or
- (2) convert Your coverage as provided under the Shortened Benefit Period described below. This option must be elected anytime during the 120 days following the Premium Due Date for the increased premium. However, should Your Policy Lapse during this 120-day period, the Shortened Benefit Period will automatically take effect.

Shortened Benefit Period

Your coverage will continue on a limited basis if this option is put into effect.

The daily benefit amounts available will be the same amounts available at the time Your Policy would have Lapsed. The minimum benefit provided under this Shortened Benefit Period will be equal to 30 times Your Nursing Home Maximum Daily Benefit at the time of Lapse.

The maximum benefit amount in force will be equal to all premiums paid, excluding waived premiums, for all Your coverage combined.

Reduced Paid-Up Contingent Nonforfeiture Benefit

In addition to the Contingent Nonforfeiture benefits described above, the following Reduced Paid-Up Contingent Nonforfeiture benefit is an option in all policies that have a fixed or limited premium payment period, even if You selected a nonforfeiture benefit when You bought Your Policy. If both the Reduced Paid-Up Benefit AND the Contingent Benefit described above are triggered by the same rate increase, You can choose either of the two benefits.

You are eligible for the Reduced Paid-Up Contingent Nonforfeiture Benefit when all three conditions shown below are met:

- (1) The premium You are required to pay after the increase exceeds Your original premium by the same percentage or more shown in the chart below:

Triggers for a Substantial Premium Increase	
Issue Age	Percent Increase Over Initial Premium
Under 65	50%
65 - 80	30%
Over 80	10%

- (2) You stop paying Your premiums within 120 days of when the premium increase took effect; AND
- (3) The ratio of the number of months You already paid premiums is 40% or more than the number of months You originally agreed to pay.

If You exercise this option Your coverage will be converted to reduced “paid-up” status. That means there will be no additional premiums required. Your benefits will change in the following ways:

- (a) The total lifetime amount of benefits Your reduced paid-up Policy will provide can be determined by multiplying 90% of the lifetime benefit amount at the time the Policy becomes paid up by the ratio of the number of months You already paid premiums to the number of months You agreed to pay them.
- (b) The daily benefit amounts You purchased will also be adjusted by the same ratio.

If You purchased lifetime benefits, only the daily benefit amounts You purchased will be adjusted by the applicable ratio.

Example:

You bought the Policy at age 65 with an annual premium payable for 10 years.

In the sixth year, You receive a rate increase of 35% and You decide to stop paying premiums.

Because You have already paid 50% of Your total premium payments and that is more than the 40% ratio, Your “paid-up” Policy benefits are .45 (.90 times .50) times the total benefit amount that was in effect when You stopped paying Your premiums. If You purchased inflation protection, it will not continue to apply to the benefits in the reduced “paid-up” Policy.

Coverage Options

For Policies that have a fixed or limited premium payment period, if a Trigger for a Substantial Premium Increase should occur, You are unable to afford the increased premium and You meet conditions 1-3 above for the Reduced Paid-Up Contingent Nonforfeiture Benefit, We will notify You that You may elect to:

- (1) reduce Your current Policy benefits, but not less than an amount that is currently available, so that required premium payments are not increased, or
- (2) convert Your coverage as provided under the Shortened Benefit Period described above. This option must be elected anytime during the 120 days following the Premium Due Date for the increased premium, or
- (3) convert Your coverage as provided under the Reduced Paid-Up Contingent Nonforfeiture Benefit described above. This option must be elected anytime during the 120 days following the Premium Due Date for the increased premium. However, should Your Policy Lapse during this 120-day period, the Reduced Paid-Up Contingent Nonforfeiture Benefit will automatically take effect.

[Cancellation Provision:

If [an Insured Person] [all Insured Persons] should die or otherwise cancel the coverage, We will return a portion of the premium (excluding any waived premiums and benefits paid) that You paid for [that Insured Person's] [the] coverage, according to the table shown below. In the event of [Your death] [the death of all Insured Persons], We will return the appropriate percentage of premium (excluding any waived premiums and benefits paid) to [Your] [the] estate. [In the event of an Insured Person's death other than You, We will return the appropriate percentage of the premium (excluding any waived premiums and benefits paid) to You].

Year of Cancellation or Death	Percentage of Premium Returned:
1st Policy Year	75%
2nd Policy Year	60%
3rd Policy Year	45%
4th Policy Year	30%
5th Policy Year	15%
6th Policy Year or later	0%

If You selected the Return of Premium Benefit or the Full Return of Premium Benefit, a benefit will not be payable under this provision in the event of anyone's death.]

10. **GENERAL EXCLUSIONS AND LIMITATIONS**

The Policy will not pay benefits when an Insured Person is eligible for confinement, treatment, services or care:

- resulting from alcoholism, drug addiction or chemical dependency, unless as a result of medication prescribed by a Doctor; or
- arising out of suicide (while sane or insane), attempted suicide or intentionally self-inflicted injury; or
- provided in a government facility (unless otherwise required by law), services for which benefits are payable under Medicare, or would be payable except for application of a deductible or coinsurance amount, or other governmental programs (except Medicaid), and services for which no charge is normally made in the absence of insurance; or
- received outside the United States or Canada; or
- for which benefits are payable under any state or federal workers' compensation, employer's liability or occupational disease law; or

- that are not included in an Insured Person’s Plan of Care; or
- that are prohibited by federal law, including those governing economic and trade sanctions; or
- rendered by a member of an Insured Person’s Immediate Family, unless:
 - ❖ he or she is a regular employee of an organization which is providing the treatment, service or care; and
 - ❖ the organization receives the payment for the treatment, service or care; and
 - ❖ he or she receives no compensation other than the normal compensation for employees in his or her job category.

[The exclusions regarding a member of an Insured Person’s Immediate Family and confinement, treatment, services, or care received outside the United States or Canada will not apply to the Alternative Payment Benefit provision.]

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 plan may be adjusted.

If a Benefit Increase Option has been selected, Your benefits will increase as explained under the Benefit Increase Option section.

12. ALZHEIMER’S DISEASE AND OTHER ORGANIC BRAIN DISORDERS

Once insurance goes into force, coverage is provided for Insured Persons clinically diagnosed as having Alzheimer’s disease or related degenerative and dementing illnesses.

13. PREMIUM

Your total annual premium is \$_____, which includes \$_____ for the Included Benefits and \$_____ for the Elected Benefits You selected.

The Premium Paying Mode You select will impact Your overall cost of insurance. You should compare all the Premium Paying Modes available and choose the one that works best for Your financial and budgetary needs.

14. ADDITIONAL FEATURES

This coverage is medically underwritten. It is very important for all the questions on the application to be completed fully and correctly. If, for any reason, the answers are incorrect, incomplete or untrue, the Policy may be void and We may have the right to deny benefits or rescind the Policy.

New Coverage Offer

In the event We develop new long term care policies or benefits not included in the Policy, if no Insured Person:

- (1) is eligible for benefits;
- (2) is receiving benefits;
- (3) is in the process of satisfying his or her Elimination Period; or
- (4) has previously been in claim status under the Policy.

We will offer You the opportunity to apply for the new Policy or benefits, unless any Insured Person would be ineligible to apply for coverage due to issue age limitations under the new Policy.

[Restoration of Nursing Home Benefits:

This provision only describes how benefits can be restored. The requirements found in the Benefit Eligibility provision, therefore, shall not apply to this provision. This provision, however, is subject to the requirements described below.

Following a Nursing Home confinement for which We have been paying the Nursing Home Benefit, We will restore such Nursing Home Benefit amounts to the remaining Maximum Benefit, if certain requirements are met. This includes any increases to the Maximum Benefit that may have occurred under a Benefit Increase Option. The amounts applied to the restoration will only be applicable to the Nursing Home Benefit for subsequent Nursing Home stays.

Requirements for Restoration of Benefits

For a period of 180 consecutive days, the Insured Person must not meet the requirements found in the Benefit Eligibility provision for Cognitive Impairment and the inability to perform at least the Required Number of Activities of Daily Living shown on the Schedule page of the Policy. The 180 consecutive day period begins on the day a Licensed Health Care Practitioner certifies that the Insured Person does not meet the requirements for Benefit Eligibility and such certification is filed with Us. The Policy must remain in force during this time period.]

[Full Restoration of Benefits:

This provision only describes how benefits can be restored. The requirements found in the Benefit Eligibility provision, therefore, shall not apply to this provision. This provision, however, is subject to the requirements described below.

Following a period during which We have been paying benefits, We will restore such benefit amounts that We paid to the remaining Maximum Benefit, if the Insured Person meets certain requirements. This includes any increases to the Maximum Benefit that may have occurred under a Benefit Increase Option, if elected. The amounts applied to the restoration will only be available for subsequent stays or care subject to the restored Maximum Benefit.

Requirements for Full Restoration of Benefits

For a period of 180 consecutive days, the Insured Person must not meet the requirements found in the Benefit Eligibility provision for Cognitive Impairment and the inability to perform at least the Required Number of Activities of Daily Living shown on the Schedule page of the Policy. The 180 consecutive day period begins on the day a Licensed Health Care Practitioner certifies that the Insured Person does not meet the requirements for Benefit Eligibility and such certification is filed with Us. The Policy must remain in force during this time period.]

15. **CONTACT THE ARKANSAS SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM (SHIIP) AT [800-224-6330] OR [501-371-2782] 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 POLICY.**



A Capital Stock Company
Home Office: Cedar Rapids, Iowa
Administrative Office: [P.O. Box XXXXX, Hurst, TX
XXXXX]
[1-8XX-XXX-XXXX]

Long Term Care Insurance Potential Rate Increase Disclosure Form

Instructions:

This form provides information to the applicant regarding premium rate schedules, rate schedule adjustments, potential rate revisions, and policyholder options in the event of a rate increase.

Insurers shall provide all of the following information to the applicant:

1. **Premium Rate:** Premium rates that are applicable to you and that will be in effect until a request is made and filed and approved for an increase are on the application.
2. **The premium for this policy will be shown on the schedule page of your policy.**
3. **Rate Schedule Adjustments:**

The company will provide a description of when premium rate or rate schedule adjustments will be effective: Next premium due date after the notification period.

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 or premium rate schedule 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:

- Pay the increased premium and continue your policy in force as is.
- Reduce your policy benefits to a level such that your premiums will not increase. (Subject to state law minimum standards.)
- Exercise your nonforfeiture option if purchased. (This option is available for purchase for an additional premium.)
- 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:

You will keep some long-term care insurance coverage, if:

- Your premium after the increase exceeds your original premium by the percentage shown (or more) in the following table; and
- You lapse (not pay more premiums) within 120 days of the increase.

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.

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 this reduced maximum benefit amount, will be considered "paid-up" with no further premiums 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
29 and under	200%
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%
80	20%
81	19%
82	18%
83	17%
84	16%
85	15%
86	14%
87	13%
88	12%
89	11%
90 and over	10%

In addition to the contingent nonforfeiture benefits described above, the following reduced “paid-up” contingent nonforfeiture benefit is an option in all policies that have a fixed or limited premium payment period, even if you selected a nonforfeiture benefit when you bought your policy. If both the reduced “paid-up” benefit AND the contingent benefit described above are triggered by the same rate increase, you can choose either of the two benefits.

You are eligible for the reduced “paid-up” contingent nonforfeiture benefit when all three conditions shown below are met:

1. The premium you are required to pay after the increase exceeds your original premium by the same percentage or more shown in the chart below:

Triggers for a Substantial Premium Increase

Issue Age	Percent Increase Over Initial Premium
Under 65	50%
65-80	30%
Over 80	10%

2. You stop paying your premiums within 120 days of when the premium increase took effect; AND
3. The ratio of the number of months you already paid premiums is 40% or more than the number of months you originally agreed to pay.

If you exercise this option your coverage will be converted to reduced “paid-up” status. That means there will be no additional premiums required. Your benefits will change in the following ways:

- a. The total lifetime amount of benefits your reduced paid up policy will provide can be determined by multiplying 90% of the lifetime benefit amount at the time the policy becomes paid up by the ratio of the number of months you already paid premiums to the number of months you agreed to pay them.
- b. The daily benefit amounts you purchased will also be adjusted by the same ratio.

If you purchased lifetime benefits, only the daily benefit amounts you purchased will be adjusted by the applicable ratio.

Example:

You bought the policy at age 65 with an annual premium payable for 10 years.

In the sixth year, you receive a rate increase of 35% and you decide to stop paying premiums.

Because you have already paid 50% of your total premium payments and that is more than the 40% ratio, your “paid-up” policy benefits are .45 (.90 times .50) times the total benefit amount that was in effect when you stopped paying your premiums. If you purchased inflation protection, it will not continue to apply to the benefits in the reduced “paid-up” policy.

Things You Should Know Before You Buy Long - Term Care Insurance

Long-Term Care Insurance:

- A long-term care insurance policy may pay most of the costs for your care in a nursing home. Many policies also pay for care at home or other community settings. Since policies can vary in coverage, you should read this policy and make sure you understand what it covers before you buy it.
- You should **not** buy this insurance policy unless you can afford to pay the premiums every year. Remember that the company can increase premiums in the future.
- The personal worksheet includes questions designed to help you and the company determine whether this policy is suitable for your needs.

Medicare:

- Medicare does **not** pay for most long-term care.

Medicaid:

- Medicaid will generally pay for long-term care if you have very little income and few assets. You probably should **not** buy this policy if you are now eligible for Medicaid.
- Many people become eligible for Medicaid after they have used up their own financial resources by paying for long-term care services.
- When Medicaid pays your spouse's nursing home bills, you are allowed to keep your house and furniture, a living allowance, and some of your joint assets.
- Your choice of long-term care services may be limited if you are receiving Medicaid. To learn more about Medicaid, contact your local or state Medicaid agency.

Shopper's Guide:

- Make sure the insurance company or agent gives you a copy of a book called the National Association of Insurance Commissioners' "Shopper's Guide to Long-Term Care Insurance." Read it carefully. If you have decided to apply for long-term care insurance, you have the right to return the policy within 30 days and get back any premium you have paid if you are dissatisfied for any reason or choose not to purchase the policy.

Counseling:

- Free counseling and additional information about long-term care insurance are available through your state's insurance counseling program. Contact your state insurance department or department on aging for more information about the senior health insurance counseling program in your state.

Facilities:

- Some long term care insurance contracts provide for benefit payments in certain facilities only if they are licensed or certified, such as in assisted living centers. However, not all states regulate these facilities in the same way. Also, many people move to a different state from where they purchased their long term care insurance policy. Read the policy carefully to determine what types of facilities qualify for benefit payments, and to determine that payment for a covered service will be made if you move to a state that has a different licensing scheme for facilities than the one in which you purchased the policy.

Things You Should Know Before You Buy Long - Term Care Insurance

Long-Term Care Insurance:

- A long-term care insurance policy may pay most of the costs for your care in a nursing home. Many policies also pay for care at home or other community settings. Since policies can vary in coverage, you should read this policy and make sure you understand what it covers before you buy it.
- The personal worksheet includes questions designed to help you and the company determine whether this policy is suitable for your needs.

Medicare:

- Medicare does **not** pay for most long-term care.

Medicaid:

- Medicaid will generally pay for long-term care if you have very little income and few assets. You probably should **not** buy this policy if you are now eligible for Medicaid.
- Many people become eligible for Medicaid after they have used up their own financial resources by paying for long-term care services.
- When Medicaid pays your spouse's nursing home bills, you are allowed to keep your house and furniture, a living allowance, and some of your joint assets.
- Your choice of long-term care services may be limited if you are receiving Medicaid. To learn more about Medicaid, contact your local or state Medicaid agency.

Shopper's Guide:

- Make sure the insurance company or agent gives you a copy of a book called the National Association of Insurance Commissioners' "Shopper's Guide to Long-Term Care Insurance." Read it carefully. If you have decided to apply for long-term care insurance, you have the right to return the policy within 30 days and get back any premium you have paid if you are dissatisfied for any reason or choose not to purchase the policy.

Counseling:

- Free counseling and additional information about long-term care insurance are available through your state's insurance counseling program. Contact your state insurance department or department on aging for more information about the senior health insurance counseling program in your state.

Facilities:

- Some long term care insurance contracts provide for benefit payments in certain facilities only if they are licensed or certified, such as in an assisted living centers. However, not all states regulate these facilities in the same way. Also, many people move to a different state from where they purchased their long term care insurance policy. Read the policy carefully to determine what types of facilities qualify for benefit payments, and to determine that payment for a covered service will be made if you move to a state that has a different licensing scheme for facilities than the one in which you purchased the policy.

SERFF Tracking Number: AEGJ-125755497 State: Arkansas
Filing Company: Transamerica Life Insurance Company State Tracking Number: 39803
Company Tracking Number: TLC 1-TC 708
TOI: LTC05I Individual Long Term Care - Nursing Sub-TOI: LTC05I.001 Qualified
Home & Home Health Care
Product Name: TLIC AR Reg Update
Project Name/Number: /

Supporting Document Schedules

Review Status:
Satisfied -Name: Certification/Notice 07/31/2008
Comments:
Attachment:
Certification of Compliance.pdf

Review Status:
Satisfied -Name: Application 07/31/2008
Comments:
This policy is currently used with the following applications:
TLC 1-ABCAPP (AR) 303
TLC 1-JABCAPP (AR) 303
TLC 1-CAPP (AR) 303
TLC 1-JCAPP (AR) 303
which were approved on May 30, 2006

Review Status:
Satisfied -Name: Outline of Coverage 07/31/2008
Comments:
On Form Schedule tab



Home Office: Cedar Rapids, Iowa
Long Term Care Division
P O Box 95302
Hurst, Texas 76053-5302

CERTIFICATION OF COMPLIANCE

<u>New Form Numbers</u>	<u>Form Titles</u>	<u>Flesch Scores</u>
TLC 1-TC 708	Table of Contents	40.2
TLC 1-S (AR) 708	Schedule Page	40.2
TLC 1-EPT (AR) 708	Effective Date, Premium Payment, Right to Reduce Benefits, Termination and New Coverage Offer Provisions	40.2
TLC 1-ALFD 708	Assisted Living Facility Definition	40.2
TLC 1-ALF 708	Assisted Living Facility Benefit	40.2
TLC 1-CNFB-LP-45 1207	Contingent Nonforfeiture Benefit and Reduced Paid-Up Contingent Nonforfeiture Benefit	40.2
TLC 1 (AR) 708 O/C	Outline of Coverage	40
TLC 1-PRI-DF-LP 1001	Potential Rate Increase Disclosure Form	41.3
DF-FAC	Things You Should Know Page	48.1
DF-FAC-SP	Things You Should Know Page – Single Premium	47.7

I hereby certify that to the best of my knowledge and belief the above form submission complies with the laws, rules and regulations of the State of Arkansas.

I also certify that the above form submission complies with all pertinent sections of P.L. 104-191, the Health Insurance Portability and Accountability Act of 1996.

I also certify that to the best of my knowledge and belief that this plan meets the requirements for and is eligible to be called a tax qualified plan.

I also certify that the above form submission complies with Rule and Regulation 19 regarding unfair sex discrimination. This submission meets the provisions of this rule.

I also certify that we provide the notices described in Rule and Regulation 49, ACA 23-79-139 and Bulletin 11-88.

I also certify compliance that the Flesch scores(s) for the form(s) indicated above are accurate and correct. Therefore, this filing meets the minimum reading ease score on the test used.

Suzanne M. Schaake

Signature of Officer or Counsel

Suzanne M. Schaake

Name (Typed or Printed)

Assistant Vice President & Director of Product Compliance

Title

07/31/08

Date