

## **ABOUT LIVING BENEFITS (ACCELERATED BENEFIT)**

### **LIFE INSURANCE BENEFITS (BENEFITS PAYABLE BY REASON OF THE DEATH OF YOU OR YOUR SPOUSE) WILL BE REDUCED IF BENEFITS ARE PAID UNDER THE LIVING BENEFITS (ACCELERATED BENEFIT) PROVISION.**

This disclosure is a brief summary of the Living Benefits (Accelerated Benefit) provision and its effect on life insurance benefits.

An eligible Insured Person may receive payment of part of the amount of life insurance in effect for the Insured Person while living if the Insured Person has been diagnosed with a terminal condition. A terminal condition means an injury or sickness that is expected to result in death within the number of months stated in the Certificate, as certified by a Physician. Please refer to the Living Benefits (Accelerated Benefit) provision of this Certificate for information regarding who is eligible for this benefit and the complete definition of Terminal Condition.

This benefit is included in the premium paid for life insurance. There is no separate premium charge for this benefit. The premium for life insurance does not change if benefits are paid under the Living Benefits (Accelerated Benefit) provision.

The Living Benefits offered under this contract **may or may not** qualify for favorable tax treatment under the Internal Revenue Code of 1986 (as amended). Whether such benefits qualify depends on factors such as the life expectancy of You or Your Spouse at the time benefits are accelerated or whether You or Your Spouse use the benefits to pay for necessary long-term care expenses, such as nursing home care. If the Living Benefits qualify for favorable tax treatment, the benefits will be excludable from Your or Your Spouse's income and not subject to federal taxation. Tax laws relating to Living Benefits are complex. You or Your Spouse are advised to consult with a qualified tax advisor about circumstances under which You or Your Spouse could receive Living Benefits excludable from income under federal law.

Receipt of Living Benefits may affect Your, Your Spouse's or Your family's eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect Your, Your Spouse's or Your family's eligibility for public assistance.

## **LIVING BENEFITS (ACCELERATED BENEFIT)**

Capitalized terms used in this section have the meanings assigned to them in this section or in other sections of the Policy.

This section only applies to the life insurance offered by the Policy. Accidental death and dismemberment (AD&D) insurance is not included under this section.

**The benefits received under this section may be taxable. Receipt of Living Benefits may adversely affect eligibility for Medicaid or other government benefits or entitlements. You should consult Your personal tax advisor or the Social Security Administration before requesting Living Benefits.**

### **DEFINITIONS**

*Living Benefits* means an advance payment of part of Your or Your Spouse's life insurance death benefit.

*Terminal Condition* means an Injury or Sickness that is expected to result in the death of You or Your Spouse within a specified number months as certified by an attending Physician's written statement, as follows:

- a) for Living Benefits of less than \$250,000, death is expected to occur within 12 months; or
- b) for Living Benefits of \$250,000 or more, death is expected to occur within 6 months.

### **ABOUT LIVING BENEFITS**

If You or Your Spouse incur a Terminal Condition while insured under the Policy, You, Your Spouse or Your legal representative may submit a Written Request for Living Benefits.

The maximum amount of Living Benefits available is 80% of the amount of life insurance for You or Your Spouse in effect at the time of the request or \$400,000, whichever is less. The minimum amount is 10% of the amount of life insurance in effect for You or Your Spouse at the time of the request or \$1,000, whichever is greater.

We will pay Living Benefits to You or Your Spouse in a lump sum, provided You or Your Spouse are living at the time payment is made.

The amount of life insurance benefits payable for You or Your Spouse in the event of death will be reduced by the amount of Living Benefits paid for You or Your Spouse. Payment of Living Benefits has no effect on accidental death and dismemberment (AD&D) insurance benefits.

### **APPLYING FOR LIVING BENEFITS**

To apply for Living Benefits, You, Your Spouse or Your legal representative must provide Us:

- a) a Written Request for Living Benefits;
- b) satisfactory proof of Your or Your Spouse's Terminal Condition, including an attending Physician's written statement; and
- c) a statement of consent from any beneficiary(ies) or assignee(s). If Living Benefits are being requested for Your Spouse, You must provide a statement of consent.

You, Your Spouse or Your legal representative will receive information at the time of benefit payment about the amount of life insurance remaining in force after payment of Living Benefits.

### **CONDITIONS OF LIVING BENEFITS**

Living Benefits are subject to the following conditions:

- a) Living Benefits are payable for You or Your Spouse only once under the Policy;
- b) You can request Living Benefits in any \$1,000 increment, subject to the limits specified in this section;

- c) Premium must continue to be paid on the full amount of life insurance, unless subject to waiver of premium under the Continuation of Insurance for Total Disability with Waiver of Premium provision;
- d) The amount of insurance You or Your Spouse may obtain under the Conversion provision will be reduced by the amount of Living Benefits paid for You or Your Spouse; and
- e) The Portability provision is not available for You or Your Spouse after payment of Living Benefits.

#### **WHEN LIVING BENEFITS ARE NOT AVAILABLE**

Living Benefits are not available:

- a) when You or Your Spouse have irrevocably assigned life insurance under the Policy;
- b) if such benefits were paid under a Prior Plan;
- c) when all or a portion of the life insurance benefits under the Policy are to be paid to a former Spouse as part of a divorce agreement or pursuant to a court order;
- d) for any Terminal Condition caused by a suicide attempt or an intentionally self-inflicted Injury;
- e) during any Conversion or Portability Period;
- f) if the required premium is due and unpaid on the date the Written Request for Living Benefits is made;
- g) if requested after insurance under the Policy ends; or
- h) if requested after the Policy terminates.