

Continental Casualty Company
Group Long Term Care
CNA Plaza
Chicago, IL 60685
1-(800)-528-4582

LONG TERM CARE INSURANCE

OUTLINE OF COVERAGE

Policy *****

THE CONTRACT FOR LONG TERM CARE INSURANCE IS INTENDED TO BE A FEDERALLY QUALIFIED LONG TERM CARE INSURANCE CONTRACT AND MAY QUALIFY YOU FOR FEDERAL AND STATE TAX BENEFITS.

THIS POLICY IS AN APPROVED LONG TERM CARE INSURANCE POLICY UNDER CALIFORNIA LAW AND REGULATIONS. HOWEVER, THE BENEFITS PAYABLE BY THE POLICY WILL NOT QUALIFY FOR MEDI-CAL ASSET PROTECTION UNDER THE CALIFORNIA PARTNERSHIP FOR LONG TERM CARE.

FOR INFORMATION ABOUT POLICIES AND CERTIFICATES QUALIFYING UNDER THE CALIFORNIA PARTNERSHIP FOR LONG TERM CARE, CALL THE HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM AT THE TOLL FREE NUMBER 1-800-434-0222.

In this outline of coverage the Continental Casualty Company is referred to as "We," "Our" or "Us." The insured is referred to as "You" or "Your."

Notice to Buyer: The Policy may not cover all the costs associated with Long Term Care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all Policy limitations.

1. **TYPE OF POLICY.** The policy is a group policy issued to the ABC Company in the state of California.
2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of Your coverage. This is not the insurance contract. Only the actual policy provisions will control. The policy itself sets forth in detail both Your rights and obligations and Ours. It is therefore important that You **READ YOUR CERTIFICATE CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES.** This Policy is intended to be a federally tax-qualified long-term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.
4. **TERMS UNDER WHICH THE CERTIFICATE MAY BE RETURNED AND PREMIUM REFUNDED.**

You have the right to return Your certificate within 30 days for a refund of the initial premium if You are not satisfied with the coverage.

[REFUND OF PREMIUM AT DEATH. We will refund at Your death a portion of the premiums paid less any benefits paid or payable.]

5. **THIS IS NOT MEDICARE SUPPLEMENT COVERAGE.** If You are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from Us.

Neither We nor Our agents represent Medicare, the federal government or any state government.

6. **LONG TERM CARE COVERAGE.** Policies of this type are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services received in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community or in the home.

Your benefits are described in the Benefits Provided by the Policy provision. They will be paid on either a fixed dollar indemnity basis or an expense incurred (equal to the actual cost incurred) basis as stated in the attached "Plans at a Glance." They may be limited as provided in the Limitations and Exclusions provisions.

7. **BENEFITS PROVIDED BY THE POLICY.** Benefits are payable for Long Term Care services received as part of a plan of care if You are Chronically III.

You have the right to request benefits for services, devices, or types of care not specified in the policy. We must accept such requests before benefits will be paid.

FACILITY CARE BENEFIT. The benefit payable for Facility Care is stated in the "Plans At A Glance." Facility care consists of Nursing Home Care, a Bed Reservation benefit, Hospice Facility Care, and a Residential Care Facility benefit. Facility care must be received in a facility licensed by the state in which it is located and which meets the other requirements stated in the certificate.

HOME BASED CARE BENEFIT. The benefit payable for Home Based Care is stated in the "Plans At A Glance." Home Based Care consists of a Home Health Care benefit, Hospice Services, Adult Day Care, Personal Care, Homemaker Services, a Caregiver Training benefit, and a Home Medical Technology benefit. Home Health Care and Adult Day Care must be received from a provider that is licensed or certified by the state in which it is located and which meet the other requirements stated in the policy. Personal Care, Hospice Services, and Homemaker Services may be provided by an unlicensed provider. Home Based Care must be provided by someone other than a family member related by blood or marriage.

RESPIRE CARE BENEFIT. The benefit payable for respite care is stated in the "Plans At A Glance." Respite care is the temporary use of the Facility Care or Home Based Care benefits to relieve informal caregivers of their duties so that they may have time off. The policy's waiting period does not apply to this benefit. You cannot receive respite care for more than the number of days shown in the "Plans At A Glance."

BENEFITS FOR UNLISTED SERVICES. If You require long term care, We may pay for alternate services, devices or types of care, not otherwise covered, under a written alternate plan of care. This benefit may specify benefits payable in a different manner than specified in the policy. It will be developed by or with health care professionals, agreed to by You, and approved by Your physician and Us. It must be a medically acceptable option.

REDUCED COVERAGE BENEFIT. This benefit allows You to reduce the Lifetime Maximum Benefit or Your Long Term Care Benefits, shown in the "Plans At A Glance" once You have completed one year of coverage.

[YOUR RIGHT TO INCREASE COVERAGE. This benefit allows You to increase Your Long Term Care benefits once You have completed one year of continuous coverage.]
(delete if plan has lifetime automatic benefit increase option)

LIFETIME MAXIMUM BENEFIT. We will pay the lifetime maximum benefit shown in the "Plans At A Glance." All amounts paid under any benefit provision in or attached to Your certificate count towards this maximum unless otherwise specified in specific benefit descriptions in the policy.

WAITING PERIOD. To receive the long term care benefit You must first complete the waiting period stated in the "Plans At A Glance."

BENEFIT ELIGIBILITY. You must be certified by a Licensed Health Care Practitioner that You are Chronically III. This means that You are unable to perform (without hands-on assistance or stand-by assistance from another individual) at least 2 Activities of Daily Living for a period of 90 days due to loss of functional capacity or; requiring substantial supervision to protect You from threats to health and safety due to a Cognitive Impairment.

You will not be considered Chronically III unless within the preceding 12 months a Licensed Health Care Practitioner has certified that the above requirements have been met.

ACTIVITIES OF DAILY LIVING.

Bathing. Washing oneself by sponge bath or in either a tub or shower, including the act of getting into or out of a tub or shower.

Continance. The ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).

Dressing. Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

Eating. Feeding oneself by getting food in the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.

Toileting. Getting to and from the toilet, getting on or off the toilet, and performing associated personal hygiene.

Transferring. The ability to move into or out of a bed, a chair or wheelchair.

SEVERE COGNITIVE IMPAIRMENT. A loss or deterioration in Your intellectual capacity (including Alzheimer's disease and organic brain diseases) that is measured by clinical evidence and standardized tests that reliably measure impairment in all the following areas:

1. Short term or Long term memory,
2. Orientation as to people, places or time, and
3. Deductive or abstract reasoning.

PLAN OF CARE. This is a program of treatment or care which is initiated and approved in writing by a Licensed Health Care Practitioner.

8. LIMITATIONS AND EXCLUSIONS

[Pre-Existing Conditions Limitations - We will not pay benefits for Long Term Care due to a medical condition for which You received medical advice, treatment or a diagnosis in the 6 months before Your Effective Date, until Your coverage has been in force for 6 months. The Waiting Period will not begin before Your coverage has been in force for 6 months. There will be no retroactive benefit payments for care received for pre-existing conditions during the first six months Your coverage is in force.

This provision does not apply if You were required to submit evidence of insurability for Our approval.]

EXCLUSIONS. We will not pay benefits for the following:

- (a) Long Term Care resulting from war or an act of war whether declared or undeclared;
- [(b) Long Term Care for which benefits are payable under Workers' Compensation or the Occupational Disease Act or Law;] (indemnity plan)
- [(b) Long Term Care to the extent that benefits are payable under Workers' Compensation, the Occupational Disease Act or Law, Medicare, or a group health plan;] (expense incurred plan)
- (c) Long Term Care which would be provided without charge in the absence of insurance;
- (d) Long Term Care received in a facility or section of a facility which operates primarily for the treatment of Substance Abuse;
- (e) [Long Term Care received outside the United States and its possessions;]
- (f) Long Term Care to the extent that benefits are payable under Medicare or would be so reimbursable but for the application of a deductible or coinsurance amount.

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

9. **RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the costs of long term care will likely increase over time, You should consider whether and how the benefits of this plan may be adjusted. The benefit level is not guaranteed to increase over time unless an automatic benefit increase option or other inflation benefit is elected. If elected, this is described in "Optional Benefits."

10. **TERMS UNDER WHICH YOUR COVERAGE MAY BE CONTINUED IN FORCE OR DISCONTINUED.**

RENEWABILITY. THE CERTIFICATE IS GUARANTEED RENEWABLE. This means You have the right, subject to the terms of the Certificate, to continue the Certificate as long as You pay Your premiums on time. Continental Casualty Company cannot change any of the terms of the Certificate on its own, except that in the future, IT MAY INCREASE THE PREMIUM YOU PAY.

NON-RENEWAL. The holder may elect not to renew the policy at any time by written notice to Us. [We guarantee to renew the policy at the end of each renewal period unless the holder fails without good and sufficient cause to duly perform in good faith any obligation pertaining to the policy, or the number of persons insured under the policy is less than We require.] Coverage may be continued as provided below if the policy is not renewed.

CONTINUATION OF COVERAGE. You become eligible to elect continuation of coverage on the date Your coverage under the group policy terminates. Coverage will be continued with the same benefits and provisions as You had prior to termination. If You elect continuation of coverage, Your coverage is effective as of the date Your coverage under the group policy terminates. You may not continue coverage if termination is due to nonpayment of premium or to the lifetime maximum benefit being reached.

WAIVER OF PREMIUM. We will waive premiums starting with the first premium due after You complete the Waiting Period. We will continue to waive premiums until the first of the month following the end of the Plan of Care.

TERMS UNDER WHICH WE MAY CHANGE PREMIUMS. Your premium is based on Your age on Your coverage effective date. Your premium will not increase as You grow older. It will remain the same unless the rates are increased for everyone in Your age group; You cannot be singled out for a rate increase for any reason.

11. **ALZHEIMER'S DISEASE AND SIMILAR DEMENTIAS.** Loss due to Alzheimer's Disease and similar dementias are covered subject to the provisions of the policy.

12. **PREMIUM.** Premium rates are shown in the "Table of Premium Rates."

13. **ADDITIONAL FEATURES.**

[UNDERWRITING. Employees, as defined in the master application, will not be subject to underwriting if they enroll during the enrollment period stated in the master application. Spouses of employees are not subject to underwriting but must be able to perform all the activities of daily living without human assistance or supervision and must be free of cognitive impairment, on the coverage effective date. All other eligible classes may obtain coverage subject to Our approval of evidence of insurability.]

[UNDERWRITING. Employees, as defined in the master application, will not be subject to underwriting if they enroll during the enrollment period stated in the master application. All other eligible classes may obtain coverage subject to Our approval of evidence of insurability.]

[UNDERWRITING. All eligible classes may obtain coverage subject to Our approval of evidence of insurability.]

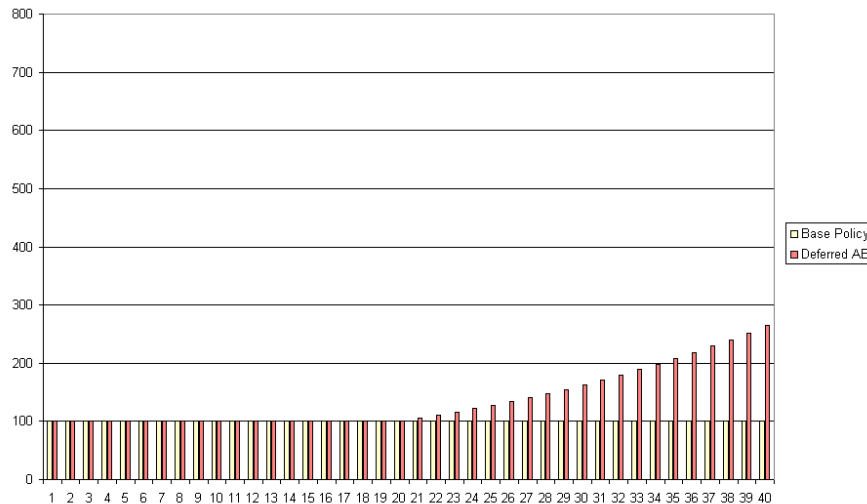
14. **OPTIONAL BENEFITS**

[TWENTY YEAR SIMPLE AUTOMATIC BENEFIT INCREASE. On each of the first 20 anniversaries of this benefit's effective date, all benefit amounts in effect on this benefit's effective date will increase by 5%. Your remaining Lifetime Maximum Benefit will also be increased on a proportional basis.]

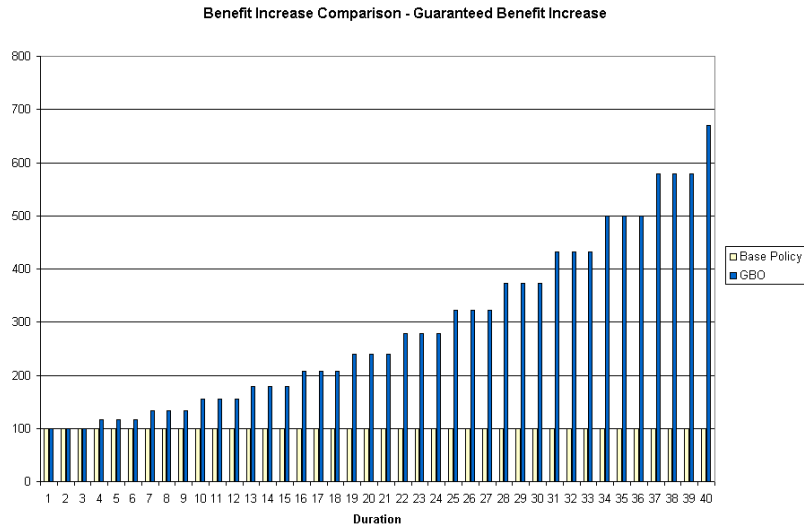
[LIFETIME COMPOUND AUTOMATIC BENEFIT INCREASE. On each anniversary of this benefit's effective date, all benefit amounts in effect on that anniversary and the remaining Lifetime Maximum Benefit will increase by 5%.]

[DEFERRED COMPOUND AUTOMATIC BENEFIT INCREASE. Beginning in the year in which You reach age 65, on each anniversary of this benefit's effective date, We will increase each benefit amount in effect on that anniversary and the remaining Lifetime Maximum Benefit by 5%. After age 65, this benefit voids any other Inflation Protection benefit.]

Benefit Increase Comparison - 5% Compound Deferred ABI
Issue Age 40



[GUARANTEED BENEFIT INCREASE. We will offer You an increase in benefits on each third anniversary of the master policy, as indicated in the “Plans At A Glance.” Premiums for the increased amount will be based on Your attained age. Premiums for Your initial benefit amount will always be based on Your age when You entered the plan.]



[FLEXIBLE CARE BENEFIT. This benefit provides a cash payment equal to the Home Based Care daily maximum shown in the “Plans At A Glance” for each day You are Chronically Ill and living in Your residence. This benefit is not payable if You are receiving Facility Care, nor is it payable if You are receiving benefits for Home Health Care, Hospice Services, Adult Day Care, Personal Care, or Homemaker Services as described in Your certificate.]

[ADDITIONAL RESPITE CARE BENEFIT. This benefit expands the Respite Care Benefit so that, regardless of the long term care provider used to give respite to Your informal caregiver, We will pay up to the Facility Care Benefit shown in the “Plans At A Glance.”]

[PRIVATE CARE COORDINATION BENEFIT. This benefit provides payment to reimburse You for expenses You incur when You hire a private care coordinator. This is in addition to the Care Coordination services provided as a standard part of the policy; however, We will not pay for Our Care Coordinator and the private care coordinator to perform the same service. The private care coordinator must conform to the definition of a Care Coordinator as set forth in Your certificate. The plan’s Waiting Period does not apply to this benefit.]

[WORLD WIDE COVERAGE BENEFIT. If You become eligible to receive benefits under this plan while You are living or traveling outside the United States, this benefit will provide a cash benefit as shown in the "Plans At A Glance." This cash benefit is not based on actual charges incurred, is paid regardless of the provider of services, and is paid in lieu of all benefit payment descriptions otherwise shown in the "Plans At A Glance." Expenses, however, must occur outside the United States.]

[TERMINAL ILLNESS BENEFIT. If You are eligible to receive benefits under this plan and are diagnosed as being terminally ill before You complete the Waiting Period, this benefit will pay the Facility Care Benefit or the Home Based Care Benefit, depending on the provider giving care, up to the Terminal Illness Benefit shown in the "Plans At A Glance." The Waiting Period will not apply to this benefit.]

[TRANSITION BENEFIT. This benefit provides a payment for expenses You incur during the Waiting Period up to the maximum shown in the "Plans At A Glance" for this benefit. Benefits received under this benefit will not reduce the Lifetime Maximum Benefit.]

[SHARED LIFETIME MAXIMUM BENEFIT. If You and Your spouse are both covered under this plan, this benefit provides one additional Lifetime Maximum Benefit to be shared by You and Your spouse once one or both of you have reached the original Lifetime Maximum Benefit. The Shared Lifetime Maximum is an amount equal to the original Lifetime Maximum Benefit.]

[RESTORATION OF THE LIFETIME MAXIMUM BENEFIT. If You have not received medical care, advice or treatment for at least 5 continuous years, then, upon request, We will restore Your Lifetime Maximum by adding all benefits that were paid under the policy to Your remaining Lifetime Maximum Benefit. This restored Lifetime Maximum will reflect any increases in benefits You received prior to the request to restore the Lifetime Maximum Benefit.]

[CONTINGENT NONFORFEITURE BENEFIT. If You have had at least 3 years of coverage under the Policy and Your premium has increased over the years to a certain percentage over Your initial premium, You may reduce Your level of benefits so that future premium increases would not apply, or You may continue Your same level of benefits but with a reduced Lifetime Maximum Benefit with no further premium being required.]

[FUTURE BENEFIT GUARANTEE. If You have had at least 10 years of coverage then, at lapse, We will continue Your coverage in force with the same daily benefit but a shortened benefit period with no further premiums being payable.]

- 15. INFORMATION AND COUNSELING.** The California Department of Insurance has prepared a Consumer Guide to Long-Term Care Insurance. This guide can be obtained by calling the Department of Insurance toll-free telephone number. This number is 1-800-927-HELP. Additionally, the Health Insurance Counseling and Advocacy Program (HICAP) administered by the California Department of Aging, provides long-term care insurance counseling to California senior citizens. Call the HICAP toll-free telephone number 1-800-434-0222 for a referral to Your local HICAP office.

TABLE OF PREMIUM RATES

POLICYHOLDER: ABC Company

POLICY NUMBER: XXX

**AGE ON EFFECTIVE
DATE OF COVERAGE**

**MONTHLY PREMIUM
FOR DAILY BENEFIT SELECTED**

| | <u>\$ 80</u> | <u>\$ 120</u> | <u>\$ 160</u> |
|-------|--------------|---------------|---------------|
| <25 | | | |
| 25-29 | | | |
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Plans At A Glance

[Waiting Period: [30] [60] [90] [180] consecutive days.]
(calendar day waiting period)

[Waiting Period: [30] [60] [90] [180] days of Facility Care before benefits become payable for Facility Care.
[15] [30] [60] [90] [180] days of Home Based Care before benefits become payable for Home Based Care.]
(Service day waiting period)

Lifetime Maximum Benefit: [Unlimited] [365] [730] [1095] [1460] [1500] [1825] [2000] [2190] [2555] [3000] [3650] [4000] [5000] times the Facility Care daily benefit.

Long Term Care Benefits:

[Facility Care Benefit: 100% of the Eligible Expenses per day for Facility Care, not to exceed [\$50 to \$350 in \$5 increments] per day.]
(expense incurred plan)

[Facility Care Benefit: [\$50 to \$350 in \$5 increments] per day.]
(indemnity plan)

Bed Reservation Benefit: Up to 21 days per calendar year.

[Home Based Care Benefit: 100% of the Eligible Expenses per day for Home Based Care, not to exceed the greater of \$50 and [50%] [60%] [66 2/3%] [70%] [75%] [100%] of the Facility Care Benefit.]
(expense incurred plans)

[Home Based Care Benefit: [50%] [60%] [66 2/3%] [70%] [75%] [100%] of the Facility Care Benefit or \$50, whichever is greater.]
(indemnity plans)

Caregiver Training Benefit: 100% of the actual expense incurred, not to exceed three times the daily benefit for Home Based Care.

Home Medical Technology Benefit: 100% of the eligible expenses incurred, not to exceed \$1,000 per calendar year.

Respite Care Benefit: Paid according to the Long Term Care Benefit being used to give respite, up to [14] [21] days per calendar year.

[Alternate Plan of Care Benefit:]

Waiver of Premium Benefit.

[Twenty Year Simple Automatic Benefit Increase: 5%]

[Lifetime Compound Automatic Benefit Increase: 5%]

[Deferred Compound Automatic Benefit Increase: 5%]

[Guaranteed Benefit Increase: 5%]

[Flexible Care Benefit: A cash benefit equal to the Home Based Care daily maximum for each day You are Chronically Ill and living in Your Residence.]

[Additional Respite Care Benefit: An amount up to the Facility Care Benefit.]

[Private Care Coordination Benefit: The actual cost of the services up to 100% of the Facility Care Benefit, per day.]

[World Wide Coverage Benefit: 50% of the Facility Care Benefit per day.]

[Terminal Illness Benefit: 10 times the Facility Care daily benefit.]

[Transition Benefit: Up to Five times the Facility Care daily benefit.]

[Shared Lifetime Maximum Benefit: An amount equal to the Lifetime Maximum Benefit.]

[Restoration of the Lifetime Maximum Benefit: The Lifetime Maximum Benefit will be restored by adding all benefits that have been paid under the Policy to Your remaining Lifetime Maximum Benefit at the time of restoration.]

[Contingent Nonforfeiture Benefit: See the description of this benefit in Your Outline of Coverage.]

[Future Benefit Guarantee (Nonforfeiture Benefit): See the description of this benefit in Your Outline of Coverage.]

[Refund of Premium at Death: See the description of this benefit in Your Outline of Coverage.]