



Knights of Columbus

A Fraternal Benefit Society
[One Columbus Plaza
New Haven, Connecticut 06510]

LONG-TERM CARE INSURANCE OUTLINE OF COVERAGE LTC2 CA 7-14

THIS CONTRACT IS AN APPROVED LONG-TERM CARE INSURANCE POLICY UNDER CALIFORNIA LAW AND REGULATIONS. HOWEVER, THE BENEFITS PAYABLE BY THIS CONTRACT 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.

Notice to buyer: This Contract may not cover all of the costs associated with long-term care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all Contract limitations.

Caution: The issuance of this long-term care insurance Contract is based upon Your responses to the questions on Your application. A copy of Your application will be attached to any issued Contract. If Your answers are incorrect or untrue, the Order has the right to deny benefits or rescind Your Contract. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of Your answers are incorrect, Contact the Order at this address:

[One Columbus Plaza
New Haven, Connecticut 06510]

1. This Contract is an individual Contract of insurance which was issued in California.

2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of the Contract. You should compare this outline of coverage to outlines of coverage for other policies available to You. This is not an insurance Contract, but only a summary of coverage. Only the individual or group Contract or policy contains governing contractual provisions. This means that the Contract or group Contract 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 CONTRACT (OR CERTIFICATE) CAREFULLY!**

3. **FEDERAL TAX CONSEQUENCES.**

This Contract 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 CONTRACT OR CERTIFICATE MAY BE CONTINUED IN FORCE OR DISCONTINUED.**

- a. **RENEWABILITY: THIS CONTRACT IS GUARANTEED RENEWABLE.** This means You have the right, subject to the terms of Your Contract, to continue this Contract as long as You pay

Your Premiums on time. The Knights Of Columbus cannot change any of the terms of Your Contract on its own, except that, in the future, IT MAY INCREASE THE PREMIUM YOU PAY.

- b. WAIVER OF PREMIUM: After You have satisfied Your Lifetime Elimination Period, Your premium payments, on a month-by-month basis, will be waived while You remain benefit eligible.

5. TERMS UNDER WHICH THE ORDER MAY CHANGE PREMIUMS.

The Order may change the premium rates, but only if the changes apply to all similar contracts issued in Your state on the Contract form. We may change the Premium rates if there is a change in applicable law or a change in Our future expectation of experience. If a new rate applies, the new Premiums will be based on Your original issue age. The Order will give You notice at least 60 days prior to implementation of a premium rate schedule increase.

6. TERMS UNDER WHICH THE CONTRACT OR CERTIFICATE MAY BE RETURNED AND PREMIUM REFUNDED.

- a. Right to Cancel: You may cancel the Contract within 30 days of receiving it by returning it to Us at [One Columbus Plaza, New Haven, Connecticut 06510] or to the agent from whom it was purchased. As soon as You deliver or mail the Contract, it is void from the start and We will refund all premium payments within 30 days.
- b. Return of Unearned Premium: The proceeds payable at Your death will be the sum of any premium paid beyond the month in which You die.

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 Order. Neither the Knights of Columbus nor its agents represent Medicare, the federal government or any state government.

8. LONG-TERM CARE COVERAGE. Contracts 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 in a nursing home, in the community or in the home.

This Contract provides coverage in the form of a reimbursement benefit for covered long-term care expenses, subject to Contract limitations, the Lifetime Elimination Period, Maximum Monthly Benefit and Maximum lifetime benefit requirements.

9. BENEFITS PROVIDED BY THIS CONTRACT.

- a. Benefits:
 - (1) Facility-based Benefits: We will pay 100% of the expenses You incur for care rendered in a Long-Term Care Facility or Assisted Living Facility up to Your Maximum Monthly Benefit and Maximum Lifetime Benefit.
 - (2) Home and Community-based Benefits: We will pay 100% of the expenses You incur for Home Health Care Services, Adult Day Care, Homemaker Services or Hospice Care

rendered in Your home or other community-based setting up to Your Maximum Monthly Benefit and Maximum Lifetime Benefit.

- (3) Care Management Benefit: We will pay 100% of the expenses You incur for Care Management services for up to the limits stated in the Contract Specifications on page 3. This benefit is not subject to Your Lifetime Elimination Period or Your Maximum Monthly Benefit, but it is subject to Your Maximum Lifetime Benefit.
- (4) Bed Reservation Benefit: We will pay 100% of the expenses You incur to reserve Your bed, if You are hospitalized temporarily while receiving eligible services in a facility covered under the Contract and that facility charges You a fee to reserve Your bed, for up to 21 days per Calendar Year. This benefit is subject to Your Lifetime Elimination Period, Your Maximum Monthly Benefit, and Your Maximum Lifetime Benefit.
- (5) Informal Caregiver Training Benefit*: We will pay 100% of the expenses You incur for Informal Caregiver Training received by an informal (unpaid) caregiver for up to the limits stated in the Contract Specifications on page 3. This benefit is not subject to Your Maximum Monthly Benefit, but it is subject to Your Maximum Lifetime Benefit.
- (6) Home Modification/Medical Equipment Benefit*: We will pay 100% of the expenses You incur for: (a) structural modification to Your home that will allow You to remain in Your home, or (b) medical equipment designed and used to treat a sickness or injury for up to the limits stated in the Contract Specifications on page 3. Benefits under this provision must be approved through a Plan of Care prior to incurring these expenses. This benefit is not subject to Your Maximum Monthly Benefit, but it is subject to Your Maximum Lifetime Benefit.
- (7) Respite Care Benefit*: We will pay 100% of the expenses You incur for each day You receive Respite Care provided at home or in an approved facility for up to 21 days per Calendar Year. This benefit is subject to Your Maximum Monthly Benefit and Your Maximum Lifetime Benefit. Any portion of Respite Care provided during a calendar day will be considered a full day. You must satisfy the criteria of chronic illness to access Respite Care Benefits. There is no Lifetime Elimination Period for the Respite Care Benefits. Days for which the Respite Care Benefit is paid will not count toward satisfying the Lifetime Elimination Period.
- (8) Transportation Benefit*: We will pay 100% of the expenses You incur for any transportation to medical facilities, physicians, health care practitioners, or pharmacies, with You or on Your behalf, for up to the limits stated in the Contract Specifications on page 3. This benefit is not subject to Your Maximum Monthly Benefit, but it is subject to Your Maximum Lifetime Benefit. There is no Lifetime Elimination Period for the Transportation Benefit. Days for which the Transportation Benefit is paid will not count toward satisfying the Lifetime Elimination Period.

* These benefits are not subject to Your Lifetime Elimination Period. Days for which these benefits are paid will not count toward satisfying Your Lifetime Elimination Period

- b. Eligibility for Payment of Benefits: To be eligible for benefits provided by the Contract, You must be certified as a Chronically Ill Individual pursuant to a Plan of Care prescribed by a Licensed

Health Care Practitioner and Your claim for benefits must be approved by Us. This certification must have been made within the 12 months preceding Your request for benefits. Benefits are payable only for Qualified Long-Term Care Services and all benefits are subject to Your Maximum Lifetime Benefit. Certain benefits are subject to Your Maximum Monthly Benefit.

- c. **Activities of Daily Living:** The following functions allowing for personal independence in everyday living are used as the measurement standard to determine Your functioning capacity :
- (1) Eating, which shall mean 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.
 - (2) Bathing, which shall mean 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.
 - (3) Continence, which shall mean 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).
 - (4) Dressing, which shall mean putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
 - (5) Toileting, which shall mean getting to and from the toilet, getting on or off the toilet, and performing associated personal hygiene.
 - (6) Transferring, which shall mean the ability to move into or out of bed, a chair or wheelchair.
- d. **Chronically Ill Individual:** Any individual who has been certified in writing pursuant to a Plan of Care by a Licensed Health Care Practitioner as being unable to perform without Substantial Assistance from another individual at least two of the six Activities of Daily Living for a period expected to last at least 90 days due to a loss of functional capacity; or requiring Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment.
- e. **Severe Cognitive Impairment:** A loss or deterioration in intellectual capacity due to Alzheimer's Disease or other forms of irreversible dementias that is measurable by clinical evidence and standardized tests. Such impairments include:
- (1) loss of short-term or long-term memory,
 - (2) disorientation as to people, places or time, and
 - (3) deterioration of deductive or abstract reasoning.

10. LIMITATIONS AND EXCLUSIONS.

There are no pre-existing condition limitations for the Contract;

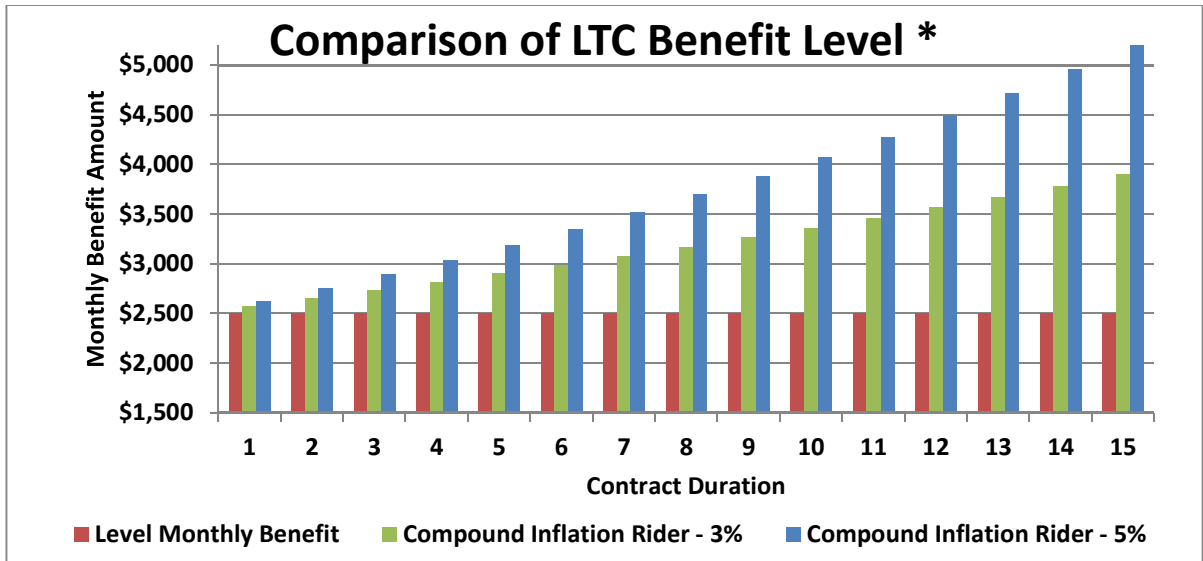
The Contract does not limit or exclude coverage by type of illness, treatment, medical condition or accident, except as follows:

- a. The treatment of alcoholism and drug addiction;
- b. Illness, treatment or medical condition arising out of:
- c. War or act of war (whether declared or undeclared);
- d. Suicide (sane or insane), attempted suicide or intentionally self-inflicted injury;
- e. Treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare or other governmental program (except Medicaid), any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law, services provided by a member of YourImmediate Family and services for which no charge is normally made in the absence of insurance;
- f. Treatment provided outside the United States, Canada or their territories.

THIS CONTRACT 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.

The Contract provides an optional 3% or 5% Compound Inflation Rider at issue. If purchased, Your Maximum Monthly Benefit amount will increase at a rate of 3% or 5% compounded annually, for each year that coverage remains continuously in force. The increase amount will be based on the Maximum Monthly Benefit amount currently in effect and will automatically become effective on each Annual Contract Date. Your unused Maximum Lifetime Benefit will also increase by 3% or 5% on each Annual Contract Date.



* This graph assumes no claim activity. It also assumes that the benefit levels have not been increased by the Contract's Guaranteed Purchase Option provision.

12. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS.

The Contract pays a benefit if You are a Chronically Ill Individual due to Severe Cognitive Impairment resulting from Alzheimer's Disease or other forms of irreversible dementias.

13. PREMIUM.

Tax-Qualified Comprehensive Long-Term Care Contract	\$ _____
Nonforfeiture Benefit Rider	\$ _____
Compound Inflation Rider _____%	\$ _____
Spousal Discount, if applicable* \$	\$ _____
Return of Premium Rider On Death Prior To Age 65	\$ <u>0.00</u>
 Total Annual Premium	 \$ _____

The amount of premium for the Contract is dependent upon Your selections of Maximum Monthly Benefit, Maximum Lifetime Benefit and Lifetime Elimination Period.

14. ADDITIONAL FEATURES.

- a. Medical Underwriting: The Contract will be issued based on Your answers to the questions on the application and any additional information that may be needed to complete the evaluation process.
- b. Membership: If the applicant ceases to be a member of the Order, You may keep the Contract in force by making the required premium payments.
- c. Shared Care Benefit Option*: If elected, and if the applicable requirements are met, We will name Your spouse as a secondary insured under the Contract. This designation will, upon Your written authorization, allow Your spouse to access benefits under the Contract, if Your spouse first exhausts the available benefits under his/her Contract. Your spouse must have purchased an identical Contract and identical riders and named You as secondary insured for that Contract. If the Shared Care Benefit option is elected and both contracts are in force at the death of either spouse, the remaining Maximum Lifetime Benefit will transfer to the surviving spouse's Contract with no increase in premium.
- d. Spousal Discount* If Your spouse concurrently applies for and has an inforce long-term care insurance Contract with the Order, and You do not elect a Shared Care Benefit Option, a 30% Spousal Discount applies. If You are married and Your spouse does not have an inforce long-term care Contract with the Order, a 15% Spousal Discount applies.
- e. Guaranteed Purchase Option: If there is no Compound Inflation Rider attached to the Contract, We will offer the insured on the second policy anniversary and every two years thereafter, the option to increase Your Maximum Monthly Benefit and any unused Maximum Lifetime Benefit by an additional benefit amount. At the time of the offer, Knights of Columbus will notify the insured of the amount of the increase available and the additional premium for the increased coverage. The additional premium for the increase will be based on the insured's attained age at the time the increase becomes effective. The offer must be accepted within 60 days of the offer. No evidence of insurability is required. If two consecutive offers are not accepted, the insured will be ineligible for future offers.

Note: A Shared Care Benefit Option or a Spousal Discount may apply, but not both.

15. CONTACT THE STATE AGENCY LISTED IN *THE TAKING CARE OF TOMORROW BROCHURE* IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT THE INSURANCE ORDER IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE CONTRACT OR CERTIFICATE.