Knights of Columbus
A Fraternal Benefit Society
One Columbus Plaza
New Haven, Connecticut 06510
(800) 214-9825

NON TAX-QUALIFIED COMPREHENSIVE LONG-TERM CARE INSURANCE OUTLINE OF COVERAGE

NQLTC01-CA 1-02 & NQLTC01-CA(SB) 1-02

The contract for long-term care insurance is not intended to be a federally qualified long-term care insurance contract.

THIS POLICY IS AN APPROVED LONG-TERM CARE INSURANCE CONTRACT 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.

Caution: The issuance of a long-term care insurance contract is based upon your responses to the questions on the application. A copy of the application will be enclosed with the contract. If your answers are incorrect or untrue, we have 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 us at the address or toll-free telephone number listed above.

Notice to Owner: The contract may not cover all of the costs associated with long-term care, which may be incurred during the period of coverage. You are advised to periodically review the contract in relation to the changes in the cost of long-term care and carefully review all limitations.

1. The contract will be an individual contract of insurance issued by the Knights of Columbus. The contract will meet the minimum requirements for long-term care in the state or territory in which you reside.

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 contracts available to you. This is not an insurance contract, but only a summary of coverage. Only the individual contract contains governing contractual provisions. This means that the contract sets forth in detail your rights and obligations and our rights and obligations. Therefore, if you purchase this coverage, or any other coverage, it is important that you READ THE CONTRACT CAREFULLY!

3. TERMS UNDER WHICH THE CONTRACT 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.

4. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the Knights of Columbus.

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

5. LONG-TERM CARE COVERAGE. Policies of this category are designed to provide necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community, or in the home.

The contract provides coverage on an expense incurred basis for Long-Term Care Services, subject to the Maximum Monthly Benefit, the Maximum Lifetime Benefit, the Lifetime Elimination Period and all contract provisions.

6. BENEFITS PROVIDED BY THE CONTRACT.

Benefit Eligibility: To be eligible for benefits provided by this contract, you must give us periodic proof that you are certified as having an: (a) Impairment in two out of the seven Activities of Daily Living; or (b) Impairment of your Cognitive Ability.

Eligibility for Payment of Benefits: We must approve your claim for benefits. All Benefits are subject to your Maximum Lifetime Benefit. Certain benefits are subject to your Maximum Monthly Benefit.

At any time, you may request that we pay for benefits not defined by the contract for Long-Term Care Services that are medically acceptable and cost effective. Payment of such benefits is at the sole discretion of Knights of Columbus. If we agree to pay, such benefits are not subject to your Maximum Monthly Benefit, but are subject to your Maximum Lifetime Benefit.

You maintain the right to discontinue receiving benefits not defined by the contract and resume receiving benefits as defined in the contract.

(a) Facility-based Benefits: We will pay the expenses you incur for care rendered in a Long-Term Care Facility, Hospital Long-Term Care Unit or Assisted Living Facility, as well as the costs of ancillary supplies and services, up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

(b) Home and Community-based Benefits: We will pay the expenses you incur for Home Health Care Services provided by a Home Health Care Agency/Provider, Adult Day Care, Homemaker Services Hospice Care or Personal Care rendered in your home or other community-based setting up to your Maximum Monthly Benefit and Maximum Lifetime Benefit.

(c) Care Management Benefit: We will pay the expenses you incur for Care Management services for up to $500 per calendar year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

(d) Bed Reservation Benefit: We will pay 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 not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

(e) Informal Caregiver Training Benefit*: We will pay the expenses you incur for training received by an informal (unpaid) caregiver for up to $500 per calendar year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

(f) Home Modification/Medical Equipment Benefit*: We will pay 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 $1,000 per calendar year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

(g) Respite Care Benefit*: We will pay 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 not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

(h) Transportation Benefit*: We will pay the expenses you incur for any hired transportation to medical facilities, for essential errands such as shopping or for essential business with you or on your behalf for up to $500 per calendar year. This benefit is not subject to your Maximum Monthly Benefit, but it is subject to your Maximum Lifetime Benefit.

* 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.

Important Terms:

1. 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:

   (a) Ambulating: Walking or moving around inside or outside the home regardless of the use of a cane, crutches, or braces;
   (b) Bathing: Cleaning the body using a tub, shower, or sponge bath, including getting a basin of water, managing faucets, getting in and out of tub or shower, and reaching head and body parts for soaping, rinsing, and drying;
   (c) Continence: The ability to control bowel and bladder as well as use colostomy or catheter receptacles, and apply diapers and disposable barrier pads;
   (d) Dressing: Putting on, taking off, fastening and unfastening garments and undergarments and special devices such as back or leg braces, corsets, elastic stockings or garments, and artificial limbs or splints;
   (e) Eating: Reaching for, picking up, and grasping a utensil and cup; getting food on a utensil, and bringing food, utensil, and cup to mouth; manipulating food on plate; and cleaning face and hands as necessary following meals;
   (f) Toileting: Getting on and off a toilet or commode and emptying a commode, managing clothing and wiping and cleaning the body after toileting, and using and emptying a bedpan or urinal; and
   (g) Transferring: moving from one sitting or lying position to another sitting or lying position; for example, from bed to or from a wheelchair or sofa, coming to a standing position, or repositioning to promote circulation and prevent skin breakdown.

2. Care Manager: A physician, registered professional nurse or licensed social worker approved by us who prescribes and periodically reviews an appropriate Plan of Care.
   For home or community-based benefits, your Lifetime Elimination Period will be reduced by half, if you follow a Plan of Care prescribed by one of our approved Care Managers.

3. Impairment: The need for human assistance or continual Substantial Supervision to perform the Activities of Daily Living.

4. Impairment of Cognitive Ability: The deterioration or loss of intellectual capacity due to organic mental disease, including Alzheimer's disease or related illnesses, that requires continual Substantial Supervision to protect oneself or others.

5. Lifetime Elimination Period: The consecutive number of days for which you must meet the benefit eligibility requirements of the contract before we will begin to make payments. This Lifetime Elimination Period has to be satisfied only once while the contract is in force. Once you have satisfied the Lifetime Elimination Period, any further functional or cognitive impairment for the same or other condition covered by the contract will be covered immediately.

For home and community-based benefits, your Lifetime Elimination Period will be reduced by half, if you follow a plan of care prescribed by one of our approved Care Managers.

6. Maximum Lifetime Benefit: The total amount payable for all Long-Term Care services available under the contract.

7. Maximum Monthly Benefit: The total amount payable for all Long-Term Care services (other than those described in sections 6(c) through 6(i) on pages 2-3) available under the contract in any 30 day period.

8. Long-Term Care Services: Necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and 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.

7. LIMITATIONS AND EXCLUSIONS.

(a) There are no pre-existing condition limitations for the contract;

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

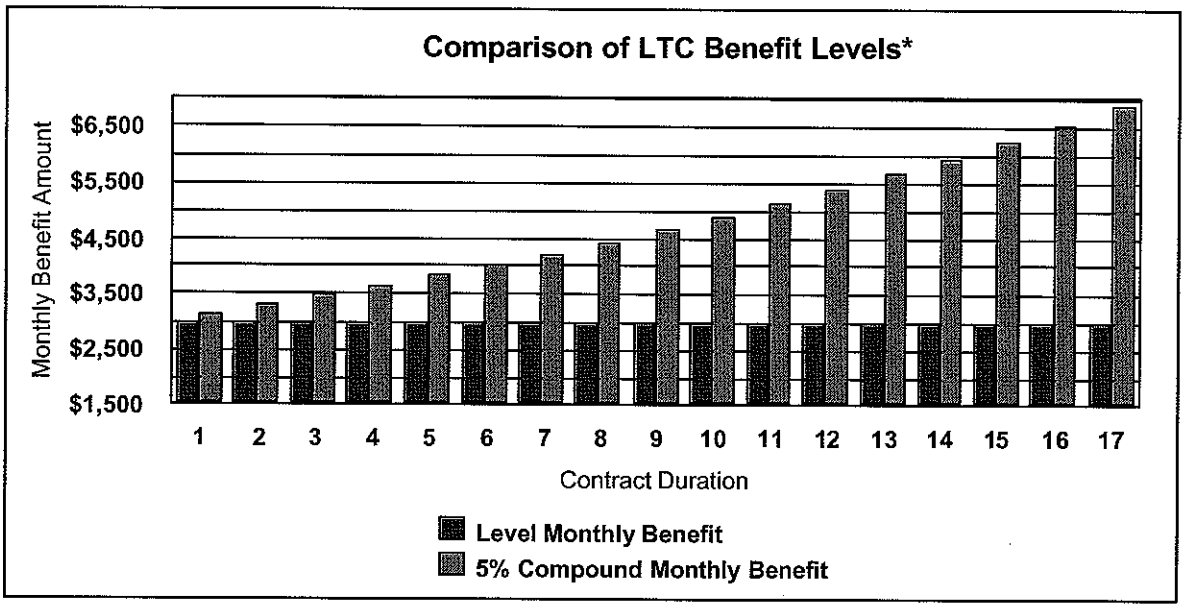
- Alcoholism and drug addiction;
- Illness, treatment or medical condition arising out of:
  - (a) War or act of war (whether declared or undeclared);
  - (b) Participation in a felony, riot or insurrection;
  - (c) Service in the armed forces or units auxiliary thereto;
  - (d) Suicide (sane or insane), attempted suicide or intentionally self-inflicted injury; or
  - (e) Aviation (this exclusion applies only to non-fare-paying passengers);
- Treatment provided in a government facility (unless otherwise required by law), services for which benefits are available under Medicare or other governmental program (except Medi-Cal or 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 the covered person's immediate family and services for which no charge is normally made in the absence of insurance; and
- Treatment provided outside the United States or its territories.

THE CONTRACT MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.

8. 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 the contract may be adjusted.

The contract provides an optional 5% Compound Benefit Increase Rider at issue. If purchased, your Maximum Monthly Benefit amount will increase at a rate of 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 5% on each Annual Contract Date.

This contract also provides a Guaranteed Purchase Option described on page 8.



* 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.

9. TERMS UNDER WHICH THE CONTRACT MAY BE CONTINUED IN FORCE OR DISCONTINUED.

(a) RENEWABILITY: THE CONTRACT IS GUARANTEED RENEWABLE. The contract may be kept in force during your lifetime by paying premiums when due, subject to your Maximum Lifetime Benefit. The Knights of Columbus cannot change any of the terms of your contract on its own, except that, in the future, WE MAY INCREASE THE PREMIUM YOU PAY. We may change the premium rates, but only if the changes apply to all contracts in the same class as yours in your state or territory on the contract form. If a new rate applies, the new premiums will be based on your original issue age.

(b) Waiver of Premium: After you have satisfied your Lifetime Elimination Period, you will not be required to pay premiums due in order to keep the contract in force as long as you continue to be eligible for benefits. Once benefit eligibility ceases, premium payments must begin again if the contract is to remain in force.

10. ALZHEIMER'S DISEASE, ORGANIC DISORDERS AND RELATED MENTAL DISEASES.

The contract pays a benefit if you are a Chronically Ill Individual due to Severe Cognitive Impairment resulting from Alzheimer's Disease, organic disorders, or related degenerative and dementing illnesses.

11. PREMIUM.

Non Tax-Qualified Comprehensive Long-Term Care Contract	
100% Home Care Coverage	$_____
Nonforfeiture Benefit Rider	$_____
5% Compound Benefit Increase Rider	$_____
Return of Premium at Death Rider	$_____
Spousal Discount, if applicable*	$_____
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.

12. 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, 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.

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* If your spouse purchases a long-term care insurance contract with the Order, and does not cancel the coverage under the contract's Right to Cancel provision and the two of you do not elect a Shared Care Benefit Option, a 15% Spousal Discount applies. If you are married and your spouse does not purchase a contract, a 10% Spousal Discount applies.

(d) Guaranteed Purchase Option: If there is no 5% Compound Benefit Increase Rider attached to the contract, we will periodically offer you the option to increase your Maximum Monthly Benefit and Maximum Lifetime Benefit and notify you of the additional required premium and what you must do to obtain the increase.

13. 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 on Aging, provides long-term care insurance counseling to California senior citizens. Call the Department of Insurance toll-free telephone number (1-800-927-HELP) for a referral to your local HICAP office.