MUTUAL *of* OMAHA INSURANCE COMPANY
Mutual of Omaha Plaza, Omaha, NE 68175, **1-877-894-2478**

COMPREHENSIVE LONG-TERM CARE INSURANCE - OUTLINE OF COVERAGE

For Long-Term Care Insurance Form LTC09M
Tax-Qualified

The 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.

The policy 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.

NOTICE TO BUYER: The policy 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 policy limitations.

CAUTION: A copy of your application will be attached to your policy if one is issued to you. If your answers are misstated or untrue, we may have the right to deny benefits or rescind the policy. 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 this address: Mutual of Omaha Insurance Company, Long-Term Care Service Office, P.O. Box 64901, St Paul, MN 55164-0901.

1. POLICY DESIGNATION

This is an individual policy of insurance to be issued in the state of California.

2. PURPOSE OF THE 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 individual or group policy contains governing contractual provisions. This means that the individual or group 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. TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED

a) You may cancel your policy for any reason within 30 days after you receive it. To do so, mail or deliver the policy to either us or to the agent or office through which it was purchased. We will refund the full amount of any premium paid within 30 days of such a policy return and the policy will be considered never to have been issued.

b) The policy contains a provision for the return of unearned premium in the event of termination due to death. Upon receipt of notice that you cancelled your policy or that you have died, we will refund the portion of the premium paid for the period between the date of cancellation or death and the next premium due date. We will pay the refund to you or, upon your death, your spouse, if living, or to your estate.

c) The optional Return of Premium at Death Less Claims Benefit provides for a refund of premiums if you die while the policy is in force, less the amount of claims paid under the policy. We will not add interest to the benefit paid under this benefit.

The optional Return of Premium (Less Claims Paid) if Death Occurs Before Age 65 Benefit provides for a refund of premiums if you die while the policy is in force but prior to the policy anniversary date coinciding with or next following your 65th birthday. We will not add interest to the benefit paid under this benefit.

The optional Three Times the Maximum Monthly Benefit Return of Premium at Death (Less Claims Paid) Benefit provides for a refund of premiums if you die while the policy is in force, but no more than three times your maximum monthly benefit. For the purposes of this rider, the maximum monthly benefit is the lesser of your initial maximum monthly benefit, or your most recent maximum monthly benefit, excluding the whole amount of any inflation protection increases. The policy must remain in force for the length of the 10 year qualification period.

4. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE

If you are eligible for Medicare, review the *Guide to Health Insurance for People with Medicare* available from Mutual of Omaha Insurance Company. Neither Mutual of Omaha Insurance Company 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 coverage for one or more necessary or medically 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 Facility, in the community, or in the Home. This policy reimburses you for expenses you incur for covered long-term care expenses.

6. BENEFITS PROVIDED BY THE POLICY

Benefits

Benefits are available up to the monthly and lifetime maximum until the applicable maximum lifetime benefit has been reduced to zero. Refer to your completed application for the level of coverage and features selected.

Care Coordination

If you use a Care Coordinator selected by us and employed by a Care Management Provider Agency, we will pay the eligible expenses made by a Care Coordinator for the following services: (a) assessing your need for long-term care services; (b) developing your Plan of Care; (c) coordinating the delivery of long-term care services; and (d) if you desire, monitoring the delivery of such long-term care services. However, if you choose to use your own Care Coordinator, we will pay only the eligible expenses you incur for your own Care Coordinator to perform an initial assessment and develop an initial Plan of Care. The maximum benefit payable will not exceed 1/6 of your Nursing Facility Maximum Monthly Benefit shown on your policy schedule.

You are not required to use a Care Coordinator to receive benefits under the policy. While a Care Coordinator will assist you in identifying qualified providers, you are responsible for choosing your long-term care providers. You are not required to use the providers identified in any Plan of Care developed by a Care Coordinator. You do not need to satisfy the Elimination Period to receive the services of a Care Coordinator. The eligible expenses made by a Care Coordinator will not reduce your maximum lifetime benefit.

Facility Assessment

We will pay the eligible expenses made by a Care Coordinator to assess the safety and adequacy of the facility in which you are receiving long-term care. The Care Coordinator must provide you or your representative with a written report of such facility assessment. We will pay for such assessment no more than once per calendar year.

Nursing Facility Benefit

We will pay a Nursing Facility Benefit if you are confined to a Nursing Facility. The Nursing Facility Benefit is equal to the eligible expenses made by a Nursing Facility each month, up to the Nursing Facility maximum monthly benefit. Eligible expenses payable under the Nursing Facility Benefit are limited to: (a) room and board; (b) Ancillary Services; and (c) patient supplies provided by the Nursing Facility for care of its residents.

Eligible expenses do not include Physician's charges; hospital and laboratory charges; prescription or non-prescription medication; transportation; items and services furnished at your request for comfort, convenience or entertainment, such as televisions, telephones and beauty care; or guest meals or spouse charges.

Nursing Facility Bed Reservation Benefit

If you are confined to a Nursing Facility and absent for any reason other than discharge, we will continue to pay the Nursing Facility Benefit as if you were still confined. This Nursing Facility Bed Reservation Benefit will be paid only if you have incurred a charge to reserve your place at the Nursing Facility. No additional Nursing Facility Bed Reservation Benefits are payable in any calendar year once we have paid Nursing Facility Bed Reservation Benefits for the maximum number of days (up to 30 days in a calendar year.) Any unused days cannot be carried over into the next calendar year.

Residential Care Facility Benefit

We will pay a Residential Care Facility Benefit if you are confined to a Residential Care Facility. The Residential Care Facility Benefit is equal to the eligible expenses made by a Residential Care Facility each month, up to the Residential Care Facility maximum monthly benefit. Eligible expenses payable under the Residential Care Facility Benefit are limited to: (a) room and board for a one-bedroom unit; (b) Personal Care Services; (c) Ancillary Services; and (d) patient supplies provided by the Residential Care Facility for care of its residents.

Eligible expenses do not include Physician's charges; hospital and laboratory charges; prescription or non-prescription medication; transportation; items and services furnished at your request for comfort, convenience or entertainment, such as televisions, telephones and beauty care; or guest meals or spouse charges.

Residential Care Facility Bed Reservation Benefit
If you are confined to a Residential Care Facility and absent for any reason other than discharge, we will continue to pay the Residential Care Facility Benefit as if you were still confined. This Residential Care Facility Bed Reservation benefit will be paid only if you have incurred a charge to reserve your place at the Residential Care Facility. No additional Residential Care Facility Bed Reservation Benefits are payable in any calendar year once we have paid Residential Care Facility Bed Reservation Benefits for the maximum number of days (up to 30 days in a calendar year.) Any unused days cannot be carried over into the next calendar year.

Home Care Benefit
We will pay a Home Care benefit if you receive Home Care or Adult Day Care. The Home Care Benefit is equal to the eligible expenses incurred by you for Home Care or Adult Day Care each month, up to the Home Care maximum monthly benefit amount selected. To be eligible for Home Care Benefits, eligible expenses incurred by you for Home Care must be provided by a Home Care Agency or independent provider and for Adult Day Care must be provided by an Adult Day Care Center. Home Care Benefits include eligible expenses incurred by you for transportation to and from an Adult Day Care Center.

Respite Care Benefit
In order to provide short-term relief to an unpaid caregiver, you may receive Respite Care during a temporary stay in a Nursing Facility or Residential Care Facility or in your Home or an Adult Day Care Center. When you receive Respite Care, we will pay the eligible charges made by a Nursing Facility or Residential Care Facility or incurred by you for Home Care or Adult Day Care each month, up to the Respite Care maximum monthly benefit. Respite Care Benefits will be paid for no longer than the period of time selected and shown in your policy schedule. You do not need to satisfy the Elimination Period to receive Respite Care Benefits.

Hospice Care Benefit
If you are terminally ill, you may receive Hospice Care during a confinement to a Nursing Facility or Residential Care Facility or in your Home or Adult Day Care Center. When you receive Hospice Care, we will pay Nursing Facility benefits, Residential Care Facility benefits and Home Care benefits, without requiring you to satisfy the Elimination Period. No additional Hospice Care benefits are payable if your Physician ceases to certify you as terminally ill.

International Benefit
We will pay an International Benefit if you are confined to a Nursing Facility or Residential Care Facility or receive Home Care or Adult Day Care outside of the United States, its possessions or territories, Canada or the United Kingdom. The International Benefit is equal to the maximum monthly benefit selected by you. The International Benefit is paid each month you are eligible to receive the International Benefit. The International Benefit will be paid regardless of whether eligible expenses incurred by you in any month are more or less than the maximum monthly benefit. No additional International Benefits are payable under this policy once we have paid International Benefits equal to the International Benefit Lifetime Maximum. All payments of International Benefits will be made in U.S. dollars.

Supplemental Long-Term Care Benefits *
You can receive Supplemental Long-Term Care Benefits at the same time you receive other benefits under the policy. No further Supplemental Long-Term Care Benefits will be paid once we have paid Supplemental Long-Term Care Benefits in an amount equal to the Supplemental Long-Term Care Lifetime Maximum. (These benefits combined are payable up to two times the Basic/Professional/Home Care maximum monthly benefit.) You do not need to satisfy the Elimination Period to receive Supplemental Long-Term Care Benefits. To receive Supplemental Long-Term Care Benefits they must be recommended in a Plan of Care.

**** Durable Medical Equipment Benefit***
We will pay the eligible expenses for Durable Medical Equipment. Eligible expenses payable under the Durable Medical Equipment Benefit are limited to the purchase price of the Durable Medical Equipment or, if such Durable Medical Equipment is normally rented on a periodic basis, the rental charge. The decision whether to purchase as opposed to rent Durable Medical Equipment will be made by us.

**** Home Modification Benefit***
We will pay the eligible expenses for modifications to your Home which are recommended in a Plan of Care to enhance your ability to perform the Activities of Daily Living and/or allow you to remain in your Home safely. Eligible expenses payable under the Home Modification Benefit are limited to the expenses incurred by you for labor, equipment, and supplies. The Home Modification Benefit may not be used solely to increase the value of your Home.

**** Medical Alert System Benefit***

We will pay the eligible expenses for a Medical Alert System to be installed in your Home. Eligible expenses payable under the Medical Alert System Benefit are limited to the installation and rental charges for a Medical Alert System.

Cash Benefit

Payment of Cash Benefits

We will pay a Cash Benefit each month you are Chronically Ill, if you elect this benefit at the time of claim. The amount of the Cash Benefit to be paid each month is the amount you select and shown in the policy schedule. The Cash Benefit is a fixed monthly indemnity benefit that pays a lesser monthly benefit than other policy benefits for which you may be eligible. However, unlike other policy benefits, the Cash Benefit is not subject to an Elimination Period and proof of you incurring Eligible Expenses is not required.

A Cash Benefit will be paid in advance each month you are eligible for a Cash Benefit. If we determine you are eligible for a Cash Benefit for less than an entire month, we will adjust the Cash Benefit for that month. The Cash Benefit will be prorated based on the actual number of days you are eligible for a Cash Benefit in such month. We will assume that such month consists of 30 days regardless of the actual number of days in such month. If in any month you receive a Cash Benefit in excess of the amount for which you are eligible, we will reduce any future benefits paid to you under the policy by the amount of the unearned Cash Benefit.

Effect of Receiving Cash Benefits

While you are receiving Cash Benefits, no other benefits are payable under the policy. You may elect to discontinue receiving Cash Benefits by providing written notice to us. After Cash Benefits have been discontinued, you may receive any other benefit offered under the policy for which you are eligible. If you later decide not to receive other benefits under the policy, you may again elect to receive Cash Benefits.

Other Information

You do not need to satisfy the Elimination Period to receive Cash Benefits. We reserve the right to require you to submit a new Plan of Care at least once every 90 days while you are receiving Cash Benefits. Your policy's exclusion for services provided by a Family member is not applicable to the Cash Benefit.

OPTIONAL BENEFITS

You may elect any of the following options to expand the benefits under the policy:

Waiver of Elimination Period for Home Care Benefit

If elected, you do not need to satisfy the Elimination Period to receive Home Care Benefits under the policy.

Spouse Security Benefit

We will pay a Spouse Security Benefit if you receive other benefits under the policy. However, we will not pay a Spouse Security Benefit if you receive benefits under any Cash Benefit rider attached to the policy. The Spouse Security Benefit is equal to the other policy benefits received by you each month times 60%. Spouse Security Benefits will not reduce the maximum lifetime benefit.

Spouse Waiver of Premium Benefit

You are eligible for this benefit, if both you and your spouse are covered under a separate in force Mutual of Omaha Insurance Company Long-Term Care Insurance policy (Form LTC09M), with a Spouse Waiver of Premium rider.

We will waive the payment of your premium for the policy when and so long as the premium for your spouse's policy is waived under the terms of his or her policy. When the waiver period under your spouse's policy ends, premium payments will resume for your policy and must be paid to keep your policy in force.

An increase in the premium paid by you for the policy may occur as result of your adding or increasing a policy benefit following the policy effective date. We will waive the increased amount of the premium when and so long as the premium for your spouse's policy is waived under the terms of his or her policy, but only after the expiration of the Qualification Period (7 8 10 years).

Spouse Survivorship Benefit

This benefit is applicable only if both you and your spouse are covered under policy (Form LTC09M) Long-Term Care Insurance Policies with this benefit, and you and your spouse are living on the date the Survivorship Benefit has been in force for the length of the Qualification Period (10 years), and both policies are in force. If your spouse dies on or after the date the Survivorship Benefit has been in force for the length of the Qualification Period, your policy will become paid up effective on its next policy renewal date and will continue in force without further premium payments for the rest of your lifetime. The premium for any benefit added or increased after the death of your spouse will not be paid up.

Spouse Shared Care Benefit
If both you and your spouse are each covered under an identical separate in force Mutual of Omaha Insurance Company's Long-Term Care policy (Form LTC09M), you may draw from your spouse's maximum lifetime benefit to pay benefits under your policy. Benefits will be paid in accordance with the terms and conditions in effect under your policy at the time your maximum lifetime benefit was reduced to zero. The maximum lifetime benefit under your spouse's policy will be reduced to the extent that you draw against it to pay benefits under your policy.

OPTIONAL NONFORFEITURE BENEFITS

Nonforfeiture Benefit – Shortened Benefit Period
If you elect the optional Nonforfeiture Benefit – Shortened Benefit Period, your coverage will be extended as a Nonforfeiture Benefit, if your policy lapses due to non-payment of premium. However, the Non-forfeiture Benefit will NOT take effect if your policy lapses before the tenth policy anniversary date.

Under the Nonforfeiture Benefit – Shortened Benefit Period, we will pay benefits under the policy in the amounts and in accordance with the terms of the policy on the date the policy lapsed. However, the maximum lifetime benefit will be reduced resulting in your benefits being paid for a shorter length of time. The maximum lifetime benefit will be reduced to an amount equal to the greater of:

(a) three times the Maximum Monthly Benefit in effect on the date the policy lapsed; or
(b) the total amount premiums paid for your policy.

The total of all benefits paid under the policy will not exceed the maximum lifetime benefit that would have been paid if your policy did not lapse.

Contingent Nonforfeiture Benefit
You will receive coverage under this benefit if you do not elect the Nonforfeiture Benefit--Shortened Benefit Period.

Notice of Substantial Premium Increase
We will notify you of any increase in premium for your policy which constitutes a Substantial Premium Increase at least 60 days prior to the date your premium will change. The notice will include the amount of the premium and will offer you the following options:

(a) You may reduce benefits under your policy to the level you can obtain for the premium in effect prior to the increase, without undergoing additional underwriting; or
(b) You may elect to receive the Contingent Nonforfeiture Benefit. You have 120 days following the premium due date to make this election. If your policy lapses during the 120 days following the premium due date, you will be deemed to have made the election to receive this benefit.

Contingent Nonforfeiture Benefit
Under the Contingent Nonforfeiture Benefit, we will pay benefits under the policy in the amounts and in accordance with the terms of the policy on the date the policy lapsed. However, the maximum lifetime benefit will be reduced resulting in your benefits being paid for a shorter length of time. The maximum lifetime benefit will be reduced to an amount equal to the greater of:

(a) three times the Maximum Monthly Benefit in effect on the date the policy lapsed; or
(b) the total amount premiums paid for your policy.

The total of all benefits paid under the policy will not exceed the maximum lifetime benefit that would have been paid if your policy did not lapse.

Please refer to the Potential Rate Increase Disclosure Form to determine whether or not a change in premiums constitutes a Substantial Premium Increase. Substantial Premium Increase means a cumulative increase to your annual premium that is equal to or exceeds the percentage of your initial annual premium as shown in the Potential Rate Increase Disclosure Form and based on your issue age.

ELIGIBILITY FOR THE PAYMENT OF BENEFITS
You are eligible for benefits under the policy if you are Chronically Ill. You are Chronically Ill if, within the preceding twelve month period, a Licensed Health Care Practitioner certifies that: (a) You are unable to perform, without Substantial Assistance from another person, at least two Activities of Daily Living for a period that is expected to last at least 90 consecutive days due to a loss of functional capacity; or (b) You require Substantial Supervision to protect yourself from threats to health and safety due to a Severe Cognitive Impairment.

DEFINITIONS

Activities of Daily Living means the following self-care functions:

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.

Continence: 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 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 into 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 bed, a chair or wheelchair.

Adult Day Care means medical or nonmedical care on a less than 24-hour basis, provided in a licensed facility outside the Home, for persons in need of personal services, supervision, protection, or assistance in sustaining daily needs, including eating, bathing, dressing, ambulating, transferring, toileting, and taking medications.

Adult Day Care Center means a facility that is licensed or certified to provide Adult Day Care and may include: Adult Day Care facilities and adult social day care facilities, which are licensed by the California Department of Social Services; adult day health care facilities licensed by the California Department of Health Services; and Alzheimer day care resource centers administered by the California Department of Health Services.

Alzheimer's Facility means a specialized facility that is engaged primarily in providing care for persons with Alzheimer's disease or other Severe Cognitive Impairment and has the appropriate state licensure, certification or registration to operate as an Alzheimer's facility.

Ancillary Services means physical, occupational, speech, and respiratory therapies, wound care, medication management, continence care support and similar care-related services or supplies that support Activities of Daily Living.

Care Coordinator means a Licensed Health Care Practitioner who is qualified by training and experience to assess and coordinate the overall care needs of a person who is Chronically Ill. The care coordinator may provide services independent of, or be employed by or under contract to, an agency.

Care Management Provider Agency means an agency approved by the California State Department of Health Care Services to provide care coordination services.

Chronically Ill has the meaning found for such term in the ELIGIBILITY FOR BENEFITS section of this outline and the policy.

Elimination Period means the number of calendar days shown in the policy schedule. (Refer to the LIMITATIONS OR CONDITIONS ON ELIGIBILITY OF BENEFITS section of this outline for additional information.)

Family Member means your mother, father, son, daughter, brother, sister or spouse.

Home means the place where you maintain your primary independent residence. Home does not include: an institutional setting where you are dependent on others for assistance with Activities of Daily Living; or the residence of the person providing the Home Care.

Home Care means (a) Home Health Care; (b) Adult Day Care; (c) Personal Care; (d) Homemaker Services; (e) Hospice Care; and (f) Respite Care.

Home Health Care means skilled nursing or other professional services in the residence, including, but not limited to, part-time and intermittent skilled nursing services, home health aide services, physical therapy, occupational therapy, or speech therapy and audiology services, and medical social services by a social worker.

Homemaker Services means assistance with activities necessary to or consistent with your ability to remain in your Home. Such services must be provided by a skilled or unskilled person under a Plan of Care developed by a Licensed Health Care Practitioner or a multidisciplinary team under medical direction.

Hospice Care means palliative care to alleviate the physical, emotional, spiritual and social discomfort of individuals who are terminally ill. Care may be provided by a skilled or unskilled person under a Plan of Care developed by a Licensed Health Care Practitioner or a multidisciplinary team under medical direction.

Hospice Care Facility means a facility which provides Hospice Care under the direction of a Physician on an inpatient basis. A hospice care facility must be licensed or certified by the state in which it is located, if such license is required.

Licensed Health Care Practitioner means any of the following who is not a Family Member: a Physician; a registered nurse (RN); a licensed social worker; or any other individual who meets such requirements as may be prescribed by the Secretary of the Treasury of the United States.

Nursing Facility means a facility or distinctly separate part of a facility that is engaged primarily in providing nursing care. If required by the state in which it is located, a nursing facility must have the appropriate state licensure, certification or registration to operate as a nursing facility.

If the state in which it is located does not require a nursing facility to be licensed, certified or registered, the facility must meet the following requirements:

(a) provides twenty-four (24) hour-a-day nursing care under the supervision of a nurse or a Physician;
(b) maintains a daily medical record of each inpatient; and
(c) provides nursing care at skilled, intermediate, or custodial levels.

An Alzheimer's Facility or a Hospice Care Facility may be a nursing facility if such facility meets the requirements contained in this definition for a nursing facility located in a state which does not require licensure, certification or registration.

Nursing facility does not include a hospital or clinic; a Residential Care Facility; or your Home.

Personal Care means assistance with the Activities of Daily Living, including the instrumental activities of daily living, provided by a skilled or unskilled person under a Plan of Care developed by a Licensed Health Care Practitioner or a multidisciplinary team under medical direction. Instrumental activities of daily living include using the telephone, managing medications, moving about outside, shopping for essentials, preparing meals, laundry, and light housekeeping.

Physician means a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the state in which he or she performs such function or action (as defined in Section 1861 (r) (1) of the Social Security Act) other than you or a Family Member. He or she must be providing services within the scope of his or her license.

Plan of Care means a written plan of services prescribed for you by a Licensed Health Care Practitioner. We reserve the right to discuss the plan of care with the Licensed Health Care Practitioner. We have the right to verify that your plan of care is appropriate and consistent with generally accepted standards for care of the Chronically Ill. The plan of care must specify the type, cost, frequency and providers of all formal and informal long-term care services you require.

Qualified Long-Term Care Services means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services and Maintenance or Personal Care Services which are required by a Chronically Ill person. "Maintenance or Personal Care Services" means any care the primary purpose of which is the provision of needed assistance with helping you conduct your Activities of Daily Living while you are Chronically Ill. This includes protection from threats to health and safety due to Severe Cognitive Impairment.

Residential Care Facility means a facility licensed as a residential care facility for the elderly or a residential care facility as defined in the California Health and Safety Code. Outside California, eligible providers are facilities that meet applicable licensure standards, if any, and are engaged primarily in providing care and related services sufficient to support needs resulting from impairment in Activities of Daily Living or impairment in cognitive ability and which also:

(a) operate pursuant to state law;
(b) provide 24 hour-a-day care and services sufficient to support needs resulting from the inability to perform Activities of Daily Living or from Severe Cognitive Impairment;
(c) have a trained and ready-to-respond employee on duty in the facility at all times to provide care and services;
(d) provide three meals a day and accommodate special dietary needs;
(e) have agreements to ensure that residents receive the medical care services of a Physician or a nurse in the event of a medical emergency; and
(f) have appropriate methods and procedures to provide necessary assistance to residents in the management of prescribed medications.

An Alzheimer's Facility or a Hospice Care Facility may be a residential care facility if such facility meets the requirements contained in this definition for a residential care facility located in a state which does not require licensure, certification, or registration.

A residential care facility is not a hospital or clinic, a Nursing Facility, or your Home.

Respite Care means short-term care provided in an institution, in the Home, or in a community based program that is designed to relieve your primary caregiver in the Home.

Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is comparable to and includes Alzheimer's disease and similar forms of irreversible dementia; and is measured by clinical evidence and standardized tests that reliably measure impairment in your: (a) short-term or long-term memory; (b) orientation as to people, places or time; (c) deductive or abstract reasoning; and (d) judgment as it relates to safety awareness.

Substantial Assistance means either Hands-on Assistance or Standby Assistance.

(a) **Hands-on Assistance** means the physical assistance of another person without which you would be unable to perform the Activities of Daily Living.
(b) **Standby Assistance** means the presence of another person, within your arm's reach, that is necessary to prevent, by physical intervention, injury while you are performing the Activities of Daily Living.

Substantial Supervision means continual supervision (which may include cueing by verbal prompting, gestures or other demonstrations) by another person that is necessary to protect you from threats to your health or safety (including, but not limited to, such threats as may result from wandering.)

7. LIMITATIONS AND EXCLUSIONS

We will not pay benefits for:

(a) services provided from a Family Member;
(b) services for which no charge would be made in the absence of insurance;
(c) for services provided outside of the United States or its territories, Canada or the United Kingdom (except as provided in the INTERNATIONAL BENEFIT section of this policy);
(d) services provided due to suicide whether or not you had the mental capacity to control what you were doing, attempted suicide or an intentionally self-inflicted injury;
(e) for treatment of alcoholism or drug addiction (except for long-term care resulting from alcoholism or drug addiction or for an addiction to a prescription medication when administered in accordance with the advice of your Physician);
(f) for treatment provided in a government facility unless we are required by law to cover the charges;
(g) for treatment of an injury or sickness which would entitle you to benefits under any state or federal workers' compensation, employer's liability or occupational disease law, or any motor vehicle no-fault law;
(h) for services received while this policy is not in force (except as provided in the **Extension of Benefits** section);
(i) services provided due to an act of declared or undeclared war.

LIMITATIONS OR CONDITIONS ON ELIGIBILITY OF BENEFITS

Conditions

Except as otherwise provided in the policy, you must incur eligible expenses for Qualified Long-Term Care Services in order to receive benefits under the policy. Such Qualified Long-Term Care Services must be specified in a Plan of Care prepared for you by a Licensed Health Care Practitioner. Except for Supplemental Long-Term Care Benefits, if you are eligible for more than one type of benefit under the policy on a single day, we will pay the benefit which pays the greater amount.

Satisfying the Elimination Period

Except as otherwise provided in the policy, we will not pay benefits for eligible expenses incurred during the Elimination Period. The Elimination Period commences on the first day you are eligible for benefits under the policy and on which you: (a) are confined to a Nursing Facility or a Residential Care Facility; (b) receive Home Care or Adult Day Care; or (c) receive long-term care services covered under the policy that are Medicare eligible (for which benefits are not payable under the policy). The Elimination Period must be satisfied only once during the term of the policy.

Maximum Lifetime Benefit

Except as otherwise provided in the policy, any benefits paid under the policy will reduce the amount of your maximum lifetime benefit. No additional benefits are payable under the policy once the maximum lifetime benefit has been reduced to zero.

Non-Duplication of Benefits
We will not pay benefits under the policy to the extent that eligible expenses are reimbursable under Medicare or other government program (except Medi-Cal or Medicaid) or would be so reimbursable except for the application of a deductible or coinsurance amount.

THE POLICY 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 this plan may be adjusted. You may elect one of the inflation protection options to increase your coverage. Only increases taken in accordance with one of the inflation protection options do not require proof of insurability.

5% Compound Inflation Protection (Lifetime)
If you elect the optional 5% Compound Inflation Protection Benefit, on each policy anniversary date from and after the compound inflation protection starting date, we will automatically increase the maximum monthly benefit and coverage maximum amount then in effect under the policy by 5%. The increases will be rounded to the nearest whole dollar. On the policy effective date, the coverage maximum amount is equal to the maximum lifetime benefit. Once we pay benefits under your policy, the maximum lifetime benefit is equal to the coverage maximum amount minus any benefits paid in claims.

In addition to 5% Compound Inflation Protection (Lifetime) Benefit, as described above, you may select other percentages from 1% to 4.75% in .25% increments.

4.5% Compound Inflation Protection With Buy Up Option
If you elect the optional 4.5% Compound Inflation Protection With Buy Up Option Benefit, on each policy anniversary date, we will automatically increase the maximum monthly benefit and coverage maximum amount then in effect under the policy by 4.5%. The increases will be rounded to the nearest whole dollar. On the policy effective date, the coverage maximum amount is equal to the maximum lifetime benefit. Once we pay benefits under your policy, the maximum lifetime benefit is equal to the coverage maximum amount minus any benefits paid in claims.

Eligibility for Buy Up Option
You are eligible for the Buy Up Option if, at the time you elect the Buy Up Option: (a) we are not waiving premium under any provision of the policy; and (b) you are not Chronically Ill and have not, for the immediate two-year period, received benefits under the policy.

Electing the Buy Up Option
On or before the final Buy Up Option date, you may elect the Buy Up Option. Under the Buy Up Option, you may elect to increase the compound inflation percentage to any percentage offered by us at the time of election. The compound inflation percentage can never exceed 5%. You may make such election by written request to us. You may elect the Buy Up Option only once each policy year.

Buy Up Option Will Increase Your Premium
We will increase the premium for the policy each time you elect the Buy Up Option. Premium will increase by an amount determined by us at the time you elect the Buy Up Option. We will increase the premium for the policy on the policy anniversary date coinciding with or next following the date we receive your written request. However, any increase in benefits will NOT occur until the policy anniversary next following the effective date of the increase in premium for the policy.

In addition to the 4.5% Compound Inflation Protection With Buy Up Option, as described above, you may select other percentages from 1% to 5% in .25% increments.

5% Compound Inflation Protection – Limited Period Benefit
If you elect the optional 5% Compound Inflation Protection –Limited Period Benefit, on each policy anniversary date for the remainder of the limited period, we will automatically increase the maximum monthly benefit and coverage maximum amount then in effect under the policy by 5%. The increases will be rounded to the nearest whole dollar. On the policy effective date, the coverage maximum amount is equal to the maximum lifetime benefit. Once we pay benefits under your policy, the maximum lifetime benefit is equal to the coverage maximum amount minus any benefits paid in claims.

In addition to the 5% Compound Inflation Protection -- Limited Period Benefit, as described above, you may select other percentages from 1% to 4% in .25% increments.

4.5% Compound Inflation Protection – Limited Period Benefit With Buy Up Option

If you elect the optional 4.5% Compound Inflation Protection –Limited Period Benefit With Buy Up Option, on each policy anniversary date for the remainder of the limited period, we will automatically increase the maximum monthly benefit and coverage maximum amount then in effect under the policy by 4.5%. The increases will be rounded to the nearest whole dollar. On the policy effective date, the coverage maximum amount is equal to the maximum lifetime benefit. Once we pay benefits under your policy, the maximum lifetime benefit is equal to the coverage maximum amount minus any benefits paid in claims.

Buy Up Option

Eligibility for Buy Up Option

You are eligible for the Buy Up Option if, at the time you elect the Buy Up Option: (a) we are not waiving premium under any provision of the policy; and (b) you are not Chronically Ill and have not, for the immediate two-year period, received benefits under the policy.

Electing the Buy Up Option

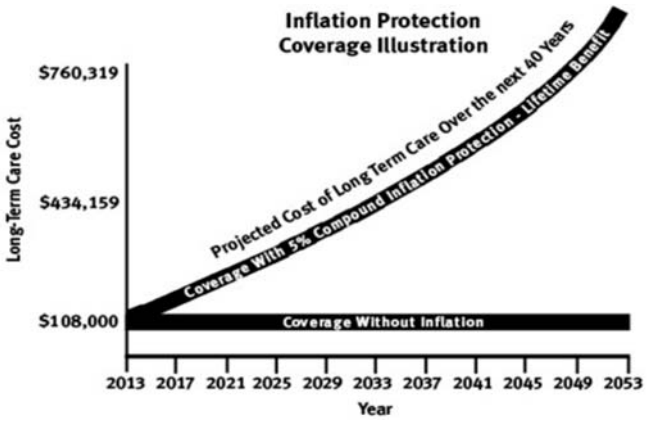
On or before the final Buy Up Option date, you may elect the Buy Up Option. Under the Buy Up Option, you may elect to increase the compound inflation percentage to any percentage offered by us at the time of election. The compound inflation percentage can never exceed 5%. You may make such election by written request to us. You may elect the Buy Up Option only once each policy year.

Buy Up Option Will Increase Your Premium

We will increase the premium for the policy each time you elect the Buy Up Option. Premium will increase by an amount determined by us at the time you elect the Buy Up Option. We will increase the premium for the policy on the policy anniversary date coinciding with or next following the date we receive your written request. However, any increase in benefits will NOT occur until the policy anniversary next following the effective date of the increase in premium for the policy.

In addition to the 4.5% Compound Inflation Protection – Limited Period Benefit With Buy Up Option, as described above, you may select other percentages from 1% to 5% in .25% increments.

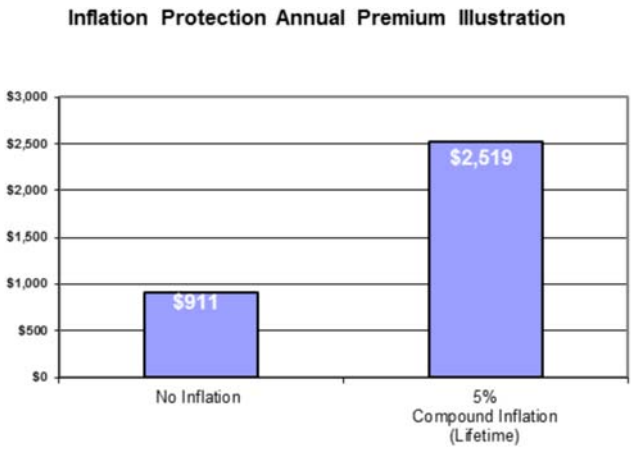
Inflation Protection – Graphic Comparisons



The chart to the left compares and contrasts the anticipated cost for one year of institutional care during a 40-year period with the coverage maximum amount for two types of coverage: one with 5% Compound Inflation Protection (Lifetime) and one with no inflation protection at all. The chart assumes the insured starts with $108,000.

The chart to the right compares the annual premium paid by a 63-year old person for a policy with 5% Compound Inflation Protection and no inflation protection, assuming the following coverage features:

- a 3-year benefit at $3000/month ($3000 times 36 months = $108,000 MLB);
- $3000/month Nursing Facility MMB;
- $3000/month Residential Care Facility MMB;
- $3000/month Home Care MMB; and
- an Elimination Period of 90 days.



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

Renewability

THIS POLICY IS GUARANTEED RENEWABLE. This means you have the right to continue the policy in force for as long as you live or until the maximum lifetime benefit is exhausted. Subject to the terms of the policy, we cannot cancel your coverage as long as you pay the required premium when it is due. Mutual of Omaha Insurance Company cannot change any of the terms of your policy on its own, except that, in the future, WE MAY INCREASE THE PREMIUM YOU PAY, subject to the approval of the California Department of Insurance.

Waiver of Premium

We will waive the payment of premium for the policy if you are receiving Nursing Facility Benefits, Residential Care Facility Benefits, or Home Care Benefits for, in any month, at least eight days of Home Care or Adult Day Care. We will waive premium so long as such benefits are payable. The Elimination Period must be satisfied before we will waive the payment of premium for this policy. Any premium paid for a period for which premiums have been waived will be credited towards future premium payments. When the waiver period ends, premium payments will resume for this policy and must be paid to keep the policy in force.

TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS

We reserve the right to increase the premium for the policy based on the Experience of your Policy Class, subject to approval of the California Department of Insurance, but never more than once per year. However, any such change in premium must apply to all policies issued to persons of the same Policy Class. "Experience" includes, but is not limited to, claims, mortality, persistency, and investment rates. "Policy Class" means persons who are insured by us under this policy form with the same issue age, sex, Rate Classification and benefits similar to the benefits under the policy. Such persons live in the same geographic area of the state as you did on the Policy Effective Date shown on the policy schedule. Premium will not increase due to a change in your age or health or your use of the long-term care coverage, except when required by a change in benefits under the policy. Premiums may also change as a result of policy changes you make after the original Policy Effective Date or due to increases in coverage under applicable inflation protection riders. Also, premiums may change if required by law. We must give you at least 60 days written notice before we change premium.

10. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS

Once your application for coverage under the policy is approved, the policy provides coverage for treatment of Alzheimer's disease, Parkinson's disease, senile dementia, and all other forms of organic brain disease.

11. PREMIUM

Refer to the table below to find the annual premium.

PREMIUM		
Premium Payment Mode (Adjustment Factor)		Limited Pay - Complete below.
❒ Annual (1.0)	❒ Semi-Annual (.51)	
❒ Quarterly (.26)	❒ Monthly Electronic Funds Transfer (.09)	
	Basic Policy Coverage Premium:	$
	Nonforfeiture Benefit – Shortened Benefit Period:	$
	Compound Inflation Protection Selected:	$
	Return of Premium at Death Benefit Selected	$
	Cash Benefit:	$
	Spouse Security Benefit – 60%:	$
	Spouse Shared Care Benefit:	$
	Spouse Waiver of Premium Benefit:	$
	Spouse Survivorship Benefit:	$
	Waiver of Elimination Period for Home Care Benefit:	$
	Total Annual Premium:	$
	Modal Premium:	$
	(Annual X Mode Factor)	

12. ADDITIONAL FEATURES

Underwriting

Medical underwriting is required. We will underwrite your application by reviewing one or more of the following: the information submitted on your application; an attending Physician's report; copies of your medical records; a medical evaluation; a telephone interview; and an in-person interview.

Extension of Benefits

If your policy lapses for nonpayment of premium while you are continuously confined in a Nursing Facility or Residential Care Facility, benefits will be continued under the policy.

Protection Against Unintentional Lapse

You have the right, at the time of application, to designate at least one person who is to receive notice of lapse or termination for nonpayment of premiums in addition to yourself. You may change this designation at any time. To do so, you must notify us in writing. We will remind you in writing every two years of this opportunity.

If the policy lapses due to nonpayment of premiums because you were Chronically Ill, you may request, within five months of the date of lapse that we reinstate this policy without requiring an application. You must undergo an assessment by a Licensed Health Care Practitioner and obtain a certification that you became Chronically Ill on or before the date of lapse. Upon payment of all past due premiums, the policy will be reinstated as of the lapse date.

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 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.