

## Accelerated Benefits Rider

Rider forming a part of the policy to which attached.

### Benefit

We will pay you a portion of the death benefit of the policy upon occurrence of one of the Qualifying Events shown below while the policy and this rider are in force.

The portion of the death benefit available under this rider for a Qualifying Event will be the applicable benefit percentage for that event applied to the death benefit of the base policy only, **not** including the Rider Specified Amount of any in force Additional Specified Amount Rider attached to the policy.

In no event, however, will the rider benefit paid be greater than:

- (1) \$250,000 in total for all Qualifying Events; and
- (2) \$25,000 in total for all Qualifying Event (3).

An administrative charge, not to exceed \$300, will be deducted from any benefit payable under this rider.

The maximum amount available on all policies with an Accelerated Benefits Rider in force with us is \$250,000 per Insured.

### Qualifying Events

Each of the following is a Qualifying Event.

- (1) The Insured's life expectancy is reduced to less than 6 months;
- (2) The Insured is confined to an eligible nursing home for the balance of life; or
- (3) The Insured experiences a covered catastrophic health condition. Covered catastrophic health conditions are:
  - (a) heart attack;
  - (b) stroke;
  - (c) major organ transplant; or
  - (d) the diagnosis for the first time of:
    - (i) life threatening cancer;
    - (ii) end stage renal failure;
    - (iii) permanent paralysis; or
    - (iv) Alzheimer's Disease.

### Benefit Percentages

The benefit percentages are 50% for Qualifying Event (1), 40% for Qualifying Event (2), and 5% for Qualifying Event (3). If the Insured experiences more than one covered catastrophic health condition, only 5% of the death benefit, subject to the \$25,000 maximum, will be paid for all covered catastrophic health conditions under Qualifying Event (3).

### Catastrophic Health Conditions Definitions

**Heart Attack** (Myocardial Infarction) – The death of a portion of the heart muscle, as a result of inadequate blood supply to the relevant area. This rider will not cover angina or the chance finding of EKG changes suggestive of a previous heart attack.

**Benefits paid under this rider may be taxable. If so, you or your beneficiary may incur a tax obligation. As with all tax matters, you should consult your personal tax advisor to assess the impact of this benefit.**

**Stroke** – Cerebrovascular accident or infarction (death) of brain tissue caused by hemorrhage, embolism or thrombosis producing measurable, neurological deficit persisting for at least 30 days following the occurrence of the stroke. This rider will not cover Transient Ischemic Attacks.

**Major Organ Transplant** – The receipt by transplant of any of the following organs or tissues: heart, liver, lung or bone marrow when such receipt is necessary because of a life-threatening situation.

**Life Threatening Cancer** – Cancer as manifested by the uncontrolled growth and spread of malignant cells including tumors and malignant melanomas which have spread through the epidermis. This rider will not cover benign tumors or polyps, Stage A prostate cancer, carcinoma in situ and any skin cancer.

**End Stage Renal Failure** – Chronic irreversible failure of both the kidneys which requires the undergoing of regular dialysis or transplant.

**Permanent Paralysis** – Any permanent paralysis of two or more limbs, paraplegia or quadriplegia, which has existed continuously for 180 days since the paralysis began.

**Alzheimer's Disease** – A definitive diagnosis of Alzheimer's Disease by a Physician who is a certified Neurologist supported by medical evidence that the Insured exhibits the loss of intellectual capacity resulting in the impairment of memory and judgement such that permanent daily personal supervision is required.

### Qualifying Event Certification

Before any benefit can be paid under this rider, you must furnish evidence satisfactory to us. Such evidence must be in the form of a certification of the Insured's medical condition from a licensed physician. The certification must state that in the physician's opinion:

1. The Insured's life expectancy has been reduced to less than 6 months;
2. Due to a medical condition, the Insured will be confined to an eligible nursing home for the balance of life; or
3. The Insured has experienced one of the covered catastrophic health conditions.

An eligible nursing home is an institution or special nursing unit of a hospital which meets at least one of the following requirements:

1. It is Medicare approved as a provider of skilled nursing care services;
2. It is licensed as a skilled nursing home, an intermediate care facility or a hospice facility by the state in which it is located; or

***This specimen policy represents the generic language of the policy contract, including riders. Policy language, features, and availability may vary by state. Please be sure to check product and rider availability in the state you are soliciting.***

3. It meets all requirements listed below:
  - a. It is licensed as a nursing home by the state in which it is located;
  - b. Its main function is to provide skilled, intermediate, or custodial nursing care;
  - c. It is engaged in providing continuous room and board accommodations to 3 or more persons;
  - d. It is under the supervision of a Registered Nurse;
  - e. It maintains a daily medical record of each patient; and
  - f. It maintains control and records for all medications dispensed.

Institutions which primarily provide residential facilities are not eligible nursing homes.

#### **Further Medical Exams**

In regard to any Qualifying Event, in addition to the requirement that a written diagnosis or statement be provided by the Insured's physician, we may also require, at our expense, an examination of the Insured by a physician we choose, or such other evidence we think is necessary. If there is a difference of opinion between the Insured's physician and our physician as to the Insured's condition, expectation of life and/or expectation of staying in a nursing home for the balance of life, we will require that a third opinion be obtained from a physician acceptable to us and to you. This opinion will be at our expense and will be mutually binding.

#### **Right to Exercise Rider Benefit**

Your right to exercise the options of and receive payments under this rider are conditioned on the following:

1. The policy must be in force other than under an extended term nonforfeiture option on the date your request for benefits is received in the Service Office;
2. The cash surrender value of the policy must be sufficient to cover the monthly deductions for the policy for a period of five years following the payment of the accelerated death benefit (accelerated benefit continuation period);
3. Your request must be made in writing; and
4. The policy must not be assigned except as security for a policy loan.

Accelerated death benefits provided through the use of this rider are made available to you on a voluntary basis. The use of this rider is not meant to cause you to involuntarily access proceeds. Therefore, you are not eligible for benefits under this rider if:

1. You are required by law to use this benefit to meet the claims of creditors, whether in bankruptcy or otherwise; or
2. You are required by a government agency to use this benefit in order to apply for, obtain, or otherwise keep a government benefit or entitlement.

#### **Payment of Rider Benefit**

The conditions for payment of the rider benefit are as follows:

1. Any rider benefit paid will be first used to repay a portion of any outstanding indebtedness. The portion to be repaid will be determined by applying the applicable benefit percentage to the indebtedness as of the date the benefit is paid.
2. The remaining rider benefit will be paid to you in a lump sum. Payments other than as a lump sum may be made at your request in a manner mutually agreed upon.
3. If a benefit less than the maximum is paid, the balance of the maximum benefit can be applied for at a later date.
4. The maximum benefit at any time will be (a) minus (b) where:
  - a. is the lesser of the death benefit of the policy at the time of the claim times the applicable benefit percentage, or \$250,000; and
  - b. is any rider benefit that has already been paid.

For example, if 5% of the death benefit has been paid due to a covered catastrophic health condition, an additional 45% (50% less 5%) could be claimed at a later date if terminal illness is diagnosed.

#### **Effect on Your Policy**

The accelerated benefit paid plus accrued interest will be treated as a lien against your policy. Access to the cash value of your policy through policy loans, partial surrenders or a full surrender will be limited. The amount available for such usage will be the amount of cash value in excess of an amount determined by applying the applicable benefit percentage to the cash value of your policy.

Following payment of the accelerated death benefit, a policy loan or partial surrender that would reduce the cash surrender value to an amount which is insufficient to cover the monthly deductions for the policy from the date of the loan or partial surrender to the end of the accelerated benefit continuation period will not be allowed.

Death proceeds as defined in the policy will be reduced by the amount of the accelerated benefit paid plus accrued interest.

If this policy contains an Interest Rate provision, interest credited on any value held as security for a lien under this rider may be at a different rate than that used for other value. Any benefits payable under other riders attached to your policy will not be affected by any benefit paid under this rider.

#### **Repayment**

You may repay all or part of the accelerated benefit at any time while this rider is in force. Each partial repayment must be at least \$25 and clearly marked for repayment of the accelerated benefit.

## Interest

We will charge interest on the amount of the accelerated benefit. The interest accrues daily at the interest rate described below. On the policy anniversary, the accrued interest will be added to the accelerated benefit and bear interest at the rate then in effect. Additional interest will not accrue if the accelerated benefit plus accrued interest equals the death benefit.

## Interest Rate

The interest rate on any lien will be determined by us. The rate which applies to a policy year will be determined at least 30 days before the beginning of that policy year. The rate will not change during that year.

The interest rate on the portion of the lien which is equal to the policy value at the time you request the accelerated benefit less any indebtedness will be the policy loan interest rate.

The interest rate on the remaining portion of the lien will not exceed the maximum rate permitted by law for policy loans. This maximum rate is determined as follows:

The rate for a policy year will not be more than the higher of the following:

1. The published monthly average (defined below) for the calendar month ending 2 months before the date on which the rate is determined; or
2. The rate used to compute the cash surrender values under the policy for that year plus 1 percent.

The published monthly average referred to above is defined as:

1. Moody's Corporate Bond Yield Average--Monthly Average Corporates as published by Moody's Investors Service, Inc., or any successor thereto; or
2. In the event that Moody's Corporate Bond Yield Average--Monthly Average Corporates is no longer published, a substantially similar average, established by regulation, or other method, issued by the Insurance Department of the state or other jurisdiction where this policy is issued.

A change from the rate being used for a policy year to a new rate to be used for the next policy year will be made as follows:

1. The rate will be decreased to be equal to or less than the maximum rate if such maximum rate is at least  $\frac{1}{2}\%$  lower than the rate being used.
2. The rate may be increased to be equal to or less than the maximum rate if such maximum rate is at least  $\frac{1}{2}\%$  higher than the rate being used.

If there is a lien in effect, we will notify you and any assignee of record 30 days before each policy anniversary of any increase in the rate for the next policy year. If a new lien is requested, we will notify you and any assignee of the rate in effect when the lien is made.

## Claims

You must make written request for benefits under this rider.

## General Provisions

This rider is subject to all of the applicable provisions of the policy except for the provisions contained in this rider. This rider will control in event of any conflict with the policy.

## Termination

This rider will terminate:

1. Upon written request and return of the policy for endorsement;
2. On surrender or other termination of the policy; or
3. Upon continuation of this policy under an extended term nonforfeiture option.

## Effective Date

The effective date of this rider is the policy date of the policy unless a later date is shown below.

*C. Suzanne Ulmark*

Secretary