Prudential Financial

The Prudential Insurance Company of America
751 Broad Street
Newark, New Jersey 07102-3777
(973) 802-6000

# Group Insurance Contract

Contract Holder: **ABC COMPANY, INC.**

Group Contract No: **LT-XXXXX-PA**

Prudential will provide or pay the benefits described in the Group Insurance Certificate(s) listed in the Schedule of Plans of the Group Contract, subject to the Group Contract's terms. This promise is based on the Contract Holder's application and payment of the required premiums.

All of the provisions of the Group Insurance Certificate(s), attached to and made a part of the Group Contract, apply to the Group Contract as if fully set forth in the Group Contract.

The Group Contract takes effect on the Contract Date, if it is duly attested under the Group Contract Schedule. It continues as long as the required premiums are paid, unless it ends as described in its General Rules.

The Group Contract is delivered in and is governed by the laws of the Governing Jurisdiction.

Richard Roe
Secretary

John Doe
President

**The group Long Term Care Coverage described in the Certificate is intended to be Qualified Long Term Care Insurance as defined by the Internal Revenue Code Section 7702B(b).**

**The Group Contract is non-paticipating. This mans that it will not share in prudential's profits or surplus earnings, and Prudential will pay no dividends on it.**

# Group Contract Schedule

**Contract Date:** April 1, 20XX

**Contract Anniversaries:** April 1 of each year, beginning in 20XX

**Premium Due Dates:** The Contract Date, the first day of the month in which employees are covered, and the first day of every subsequent month.

**Governing Jurisdiction:** State of Pennsylvania

**Associated Companies:** None

**INCLUDED EMPLOYERS**

Included Employers under the Group Contract are the Contract Holder and its Associated Companies, if any.

Associated Companies are employers who are the Contract Holder's subsidiaries or affiliates and are listed in the Group Contract Schedule.

An Employee of more than one Included Employer will be considered an Employee of only one of those employers for the purpose of the Group Contract. That Employee's service with all other Included Employers will be treated as service with that one.

On any date when an employer ceases to be an Included Employer, the Group Contract will be considered to end for Employees of that employer. This applies to all of those Employees except those who, on the next day, are still eligible for coverage under the Group Contract as Employees of another Included Employer.

The Contract Holder must let Prudential know, in writing, when an employer listed as an Associated Company is no longer one of its subsidiaries or affiliates.

**Minimum Participation Requirements: None**

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**Table of Contents** (as of the Contract Date): 83500 COV 5004, 83500 GCS 1034, 83500 SPR 1007, 83500 GR 5027, 83500 SCH 1007, and 83500 APP 1027; and Certificate forms 83500 BCOV 5005, 83500 BFW 5015, 83500 BTC 5027, 83500 BSB 5029, 83500 BEL 5004, 83500 PRM 5007, 83500 LTC R 5024, 83500 LTC T 5060, 83500 LTC T 5061, 83500 GBT T 5014, 83500 BGX 5019, 83500 BCL 5043, 83500 BAS 5028, and 83500 BTE 5048.

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Attest Mary Doe

# Schedule of Premium Rates

**Classes of Employees to which this Schedule applies:** All classes.

| Issue Age | MONTHLY PREMIUM Option I | Option II |
|---|---|---|
| <=30 | | |
| 31 | | |
| 32 | | |
| 33 | | |
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# General Rules

## A. PAYMENT OF PREMIUMS.

Premiums are to be paid by the Contract Holder to Prudential, or to an entity designated by Prudential to act as its agent for this purpose. At its option, the Contract Holder may designate that the premium charges for the insurance be submitted directly by the insured(s).

## B. GRACE PERIOD.

A premium is due on each Premium Due Date stated in the Group Contract Schedule, or on such alternate dates as are requested by the Contract Holder and agreed to by Prudential. Any premiums paid by the Contract Holder for the insurance must be paid within 31 days after the date on which it is due. Those days are known as the grace period. The Contract Holder is ultimately liable to pay such premiums for the time that the Group Contract is in force.

## C. PREMIUM AMOUNTS.

The premium due on any due date with respect to the insurance of an insured is determined from the premium rates then in effect.

## D. PREMIUM RATE CHANGES.

The premium rates in effect on the Contract Date are shown in the Group Contract's Schedule of Premium Rates. Prudential has the right to change premium rates:

1) As of any Premium Due Date after the third Contract Anniversary; and
2) As of any date that an employer becomes, or ceases to be, an Included Employer; and
3) As of any date that the extent or nature of the risk under the insurance is changed:
   a) by amendment of the Group Contract; or
   b) by reason of any provision of law or any governmental program or regulation.

Prudential will notify the Contract Holder within 31 days when a change in the premium rates is made.

## E. END OF THE GROUP CONTRACT.

**During or at the End of a Grace Period - Failure to Pay Premiums:** If any premium payable by the Contract Holder is not paid by the end of its grace period, the Group Contract will end when that period ends. The Contract Holder may write to Prudential, in advance, to ask that the Group Contract be ended at the end of the period for which premiums have been paid or at any time during the grace period. Then the Group Contract will end on the date requested.

**End of Sponsorship:** The Contract Holder may end its sponsorship of this Group Contract by giving Prudential written notice 60 days before the date its sponsorship ends. The Contract Holder must give written notice of the end of its sponsorship to insured persons as least 60 days before the date its sponsorship ends.

The Contract Holder must furnish all necessary data to Prudential, including the current addresses for all insureds as of the date of the written notice of the end of its sponsorship.

If sponsorship ends and coverage under this Group Contract is not replaced within 31 days of termination, an insured is entitled to a Conversion Privilege.

**On a Contract Anniversary:** Prudential may end the Group Contract on any Contract Anniversary. But notice of its intent to do so must be given to the Contract Holder at least 31 days in advance.

## F. AGE ADJUSTMENT.

If age is used to determine a premium charge due from the Contract Holder for an insured and the age is found to be in error, the premium charge will then be adjusted to reflect the correct age. If this adjustment results in a change in the amount of such premium, any difference between the premium paid and the premium required on the basis of the correct age will be paid as follows:

1) If the adjustment results in an increased premium, Prudential will notify the insured and the Contract Holder, if necessary, and request payment of the additional premium.
2) If the adjustment results in a decreased premium, the difference will be refunded by Prudential.

If Coverage would have been denied if the age had not been misstated, of if the insured would have been subject to additional medical evidence requirements, Prudential's liability will be limited to a refund of all premiums paid for this Coverage. If the change in age affects the amount of the insured's coverage, such amount will be changed on the basis of the correct age. Any premium adjustment will take this into account.

## G. CERTIFICATES.

Prudential will give an individual certificate to each insured. It will describe the coverage under the Group Contract. It will include:

1) to whom Prudential pays benefits;
2) any protection and rights when the insurance ends; and
3) claim rights and requirements.

## H. RECORDS - INFORMATION TO BE FURNISHED.

Either the Contract Holder or Prudential, as they agree, will keep a record of the insured persons under the Group Contract. It will contain the key facts about their insurance.

At the times set by Prudential, the Contract Holder will send the data required by Prudential to perform its duties under the Group Contract, and to determine the premium rates. All records of the Contract Holder which bear on the insurance must be open to Prudential for its inspection at any reasonable time.

Prudential will not have to perform any duty that depends on such data before it is received in a form that satisfies Prudential.

An insured's coverage will not be made invalid by failure of the Contract Holder, due to clerical error, to record or report the person for insurance.

## I. THE CONTRACT - INCONTESTABILITY OF THE CONTRACT.

The entire Group Contract consists of:
1) the Group Insurance Certificate(s) listed in the Schedule of Plans, a copy of which is attached to the Group Contract;
2) all modifications and endorsements to such Group Insurance Certificates which are attached to and made a part of the Group Contract by amendment to the Group Contract;
3) the forms shown in the Table of Contents as of the Contract Date;
4) the Contract Holder's application, a copy of which is attached to the Group Contract;
5) any endorsements or amendments to the Group Contract; and
6) the individual applications, if any, of the persons insured.

No statement of the Contract Holder shall be used in any contest of the insurance under the Group Contract.

There will be no contest of the validity of the Group Contract, except for not paying premiums, after it has been in force for one year.

The Group Contract may be amended, at any time, without the consent of the insured persons or of anyone else with a beneficial interest in it. This can be done through written request made by the Contract Holder and agreed to by Prudential. But an amendment will not affect a claim incurred before the date of change.

Only an officer of Prudential has authority:
1) to waive any conditions or restrictions of the Group Contract; or
2) to extend the time in which a premium may be paid; or
3) to make or change a contract; or
4) to bind Prudential by a promise or representation or by information given or received.

A Prudential agent is not an officer.

No change in the Group Contract is valid unless shown in:
1) an endorsement on it signed by an officer of Prudential; or
2) an amendment to it signed by the Contract Holder and by an officer of Prudential.

But a change in the Group Contract may be made in an amendment to it that is signed only by an officer of Prudential if the amendment reflects a change in the Group Contract that has been automatically made to satisfy the requirements of any state or federal law or regulation that applies to the Group Contract, subject to approval by the Pennsylvania Department of Insurance.

**J. TAX STATUS.**

The Long Term Care Coverage to be issued under this Group Contract is intended to be Qualified Long Term Care Insurance as defined by the Internal Revenue Code Section 7702B(b). As such, benefits paid under this Group Contract may be excluded from an insured's taxable income. In addition, some or all of the premiums paid for this Coverage may be tax deductible as a medical expense subject to certain limitations. A tax advisor should be consulted for more information concerning this deduction.

Public guidance issued by the Internal Revenue Service or Treasury Department may provide that a provision of the Long Term Care Coverage under this Group Contract does not comply with the requirements of Code Section 7702B. In this event, that provision will be nullified without any further action by Prudential or the Contract Holder.

**K. CONFORMITY WITH LAW.**

Any provision of this Group Contract which, on its effective date, is in conflict with the statutes of the state in which it was issued, is hereby amended to conform with the minimum requirements of such statute.

# Schedule of Plans

**Effective Date:** April 1, 20XX

**Group Contract No.:** LT-XXXXX-PA

This Schedule of Plans sets forth the Plan of Benefits that applies to each Covered Class under the Group Contract listed below as of the Effective Date. The Plan of Benefits for a Covered Class is determined by (1) the Group Insurance Certificates that apply to the Covered Class; and (2) any modification to those Certificates, provided the modification is listed below or included in an amendment to the Group Contract. A copy of each Certificate and any modification to it are attached to the Group Contract and made a part of it.

**Covered Class:**

All Employees and retirees of ABC Company, Inc., or a spouse, parent, parent-in-law, grandparent, or grandparent-in-law of an Employee, or a spouse of a retiree.

**Plan of Benefits that Applies to this Covered Class:**

The Long Term Care Coverage(s) described in the Group Insurance Certificate:

(a) Prepared for Group Contract No. LT-XXXXX-PA;
(b) With the Program Date of April 1, 20XX;
(c) Bearing the codes "LT-XXXXX-PA - ED 04/XX"

# Application to

**The Prudential Insurance Company of America (Prudential)**

For Group Contract No. LT-XXXXX-PA

**Applicant:** ABC Company, Inc.
**Address:** 123 Main Street
Anytown, Anystate 12345

The Group Contract is approved and its terms are accepted.

This Application is made in duplicate. One is attached to the Group Contract. The other is to be returned to Prudential. It is agreed that this Application replaces any prior Application for the Group Contract.

We have reviewed the outline of coverage and the graphs that compare the benefits and premiums of this policy with and without inflation protection.

We choose the following inflation protection option(s).

- ☐ We elect automatic inflation protection, in which benefits are increased by being compounded annually at a rate of 5%.
- ☐ We elect periodic inflation protection. Future increases offered to employees at least every three years will be equal to a minimum of a five percent benefit increase compounded annually.
- ☐ No Inflation Option.

Furthermore, we understand Prudential has offered ABC Company, Inc. the option of including a Non-Forfeiture Benefit in this Long Term Care Plan in the form of Shortened Benefit Period. This offer has been made pursuant to Internal Revenue Code Section 7702B, which contains the requirements for Qualified Long Term Care Contracts.

- ☐ We elect the offer of a non-forfeiture benefit.
- ☐ We do hereby reject the offer of a non-forfeiture benefit.

**ABC Company, Inc.**
(Full or Corporate Name of Applicant)

Dated at **Anytown, Anystate** By **James Doe, President**
(Signature and Title)

On **April 15, 20XX** Witness **Jane Doe**
(To be signed by Resident Agent where required by law)

# <ABC COMPANY INC>

## Group Contract
## LT-<12345>-PA

Prudential Long Term
Care℠ Coverage

This Long-Term Care Insurance Certificate provides benefits for Eligible Charges incurred by you for Nursing Home Care, Home and Community-Based Care, Hospice Care, Bed Reservation, Respite Care, Information Services and Alternate Plan of Care.

**The group Long-Term Care Coverage described in the Certificate is intended to be Qualified Long-Term Care Insurance as defined by the Internal Revenue Code Section 7702B(b).**

**The Group Contract is non-participating. This means that it will not share in Prudential's profits or surplus earnings, and Prudential will pay no dividends on it.**

Prudential Financial

# Foreword

**The Prudential Insurance Company of America**
**751 Broad Street, Newark, New Jersey 07102-3777**

IMPORTANT: Within 30 days of receipt, if you decide you do not want this *Long Term Care Coverage*, you may return this Certificate, along with a written request to cancel the *Coverage*, to: The Prudential Insurance Company of America, Long Term Care Customer Service Center, P. O. Box 8526, Philadelphia, PA 19101. Your *Coverage* will be canceled as of the Effective Date and any premium paid will be returned to you within 10 days of receiving your cancellation request. If premiums are not returned within 30 days, *Prudential* will pay you interest on any premiums paid from the date *Prudential* receives notice of your cancellation.

RENEWABILITY. The *Long Term Care Coverage* described in this Certificate is guaranteed renewable. This means you have the right to continue this *Coverage* as long as you pay your premiums on time and have not exhausted your *Lifetime Maximum*. Please read the **Keeping Your Coverage** provision for more information. *Prudential* cannot change the terms of your *Coverage* on its own, except as described in this paragraph. It may increase the premiums you pay. It may change the provisions of the *Coverage* to conform with changes in any state or Federal law or regulation that applies to this *Coverage*. This change can be made upon agreement by the *Group Contract Holder* and may be subject to regulatory approval.

**NOTICE TO BUYER: This plan may not cover all of the costs associated with *Long Term Care* incurred by you during the period of *Coverage*. You are advised to carefully review all *Coverage* limitations.**

**CAUTION. The issuance of this *Long Term Care Coverage* is based upon your responses to the questions on your Enrollment Form. If you provided evidence of insurability, a copy of your Enrollment Form is attached. If your answers are misstated or untrue, or you fail to include all material medical information requested, *Prudential* may have the right to deny benefits or rescind your *Coverage*, subject to the Incontestability provision. 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 *Prudential* at this address: The Prudential Insurance Company of America, Long Term Care Customer Service Center, P. O. Box 8526, Philadelphia, PA 19101, or call 1-800-732-0416.**

THIS CERTIFICATE IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for *Medicare*, review the *Guide to Health Insurance for People with Medicare* available from *Prudential* by calling the Long Term Care Customer Service Center at 1-800-732-0416.

The *Group Contract* under which this Certificate is issued is non-participating. This means that it will not share in *Prudential's* profits or surplus earnings, and *Prudential* will pay no dividends on it.

**Tax Status of Premiums and Benefits**

**The *Long Term Care Coverage* described in this Certificate is intended to be Qualified Long Term Care Insurance as defined by the Internal Revenue Code Section 7702B(b), as amended.** As such, the benefits you may receive under this Certificate should not be considered taxable income. In addition, some or all of the premiums you pay towards this *Coverage* may be tax deductible as a medical expense subject to certain limitations. Consult a tax advisor for more information concerning this deduction. Public guidance issued by the Internal Revenue Service or Treasury Department may provide that a provision of this *Coverage* does not comply with the requirements of Code Section 7702B. If the *Group Contract Holder* wishes the *Long Term Care Coverage* to maintain tax qualified status, a change in the *Group Contract* will be made in an amendment to it that is signed by an officer of *Prudential* and the *Group Contract Holder.*

**State Disclosures**

*For residents of All States.*

California law requires that health insurers treat California Registered Domestic Partners as spouses under any insurance contract issued in that state. In that instance, they will be afforded the same rights and responsibilities as spouses, and all references to "spouse" in this coverage will include California Registered Domestic Partners.

*For residents of the State of Arkansas.*

You may reach the Arkansas Insurance Department at the following address. Arkansas Insurance Department, Consumer Services Division, 1200 West Third Street, Little Rock, AR 72201-1904 or call 1-501-371-2640 or 1-800-852-5494.

*For residents of the State of California.*

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

This contract for long-term care insurance is intended to be a federally qualified long-term care insurance contract and may qualify you for federal and state tax benefits.

*For residents of the State of Georgia.*

The Georgia Insurance Department does not in anyway warrant that this *Coverage* meets the requirements of Internal Revenue Code Section 7702 B(b). The laws of the State of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family violence.

*For residents of the State of Illinois.*

**THIS CERTIFICATE IS NOT APPROVED FOR MEDICAID ASSET PROTECTION UNDER THE ILLINOIS LONG TERM CARE PARTNERSHIP PROGRAM. HOWEVER, THIS CERTIFICATE IS AN APPROVED LONG TERM CARE CERTIFICATE UNDER STATE INSURANCE REGULATIONS. FOR MORE INFORMATION ABOUT POLICIES AND CERTIFICATES APPROVED UNDER THE ILLINOIS LONG TERM CARE PARTNERSHIP PROGRAM, CALL THE SENIOR HELP LINE AT THE DEPARTMENT ON AGING AT 1-800-252-8966.**

*For residents of the State of Iowa.*

**THIS CERTIFICATE DOES NOT QUALIFY FOR MEDICAID ASSET PROTECTION UNDER THE IOWA LONG TERM CARE ASSET PRESERVATION PROGRAM. HOWEVER, THIS CERTIFICATE IS AN APPROVED LONG TERM CARE INSURANCE CERTIFICATE UNDER STATE INSURANCE REGULATIONS. FOR INFORMATION ABOUT POLICIES AND CERTIFICATES QUALIFYING UNDER THE IOWA LONG TERM CARE ASSET PRESERVATION PROGRAM, CALL THE SENIOR HEALTH INSURANCE INFORMATION PROGRAM OF THE DIVISION OF INSURANCE AT 1-800-281-5705.**

*For residents of the State of Kansas.*

## THIS IS A LIMITED CERTIFICATE - READ IT CAREFULLY.

For residents of the State of Maine.

If you have a Medicare Supplement Policy or Major Medical Policy, this Coverage may be more than you need. For information call the Maine Bureau of Insurance at 1-800-300-5000.

For residents of the State of Maryland.

**This Certificate has not been approved under the Maryland Partnership for Long Term Care Program under Title 15, Subtitle 4 of the Health - General Article.**

For residents of the State of North Carolina.

**PRE-EXISTING CONDITIONS EXCLUSION. Please read your Certificate carefully. This Coverage contains a Pre-existing Conditions Exclusion. The Coverage Exclusions section describes how this exclusion works.**

For residents of the State of Oklahoma.

WARNING. Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

For residents of the State of Vermont.

Under Vermont law, parties to a civil union have the same benefits, protections and responsibilities as parties to a lawful civil marriage pursuant to the laws of the State of Vermont. This Coverage is intended to conform with the provisions of Vermont's Civil Union Act and shall be administered in accordance therewith.

For residents of the State of Wisconsin.

**THE WISCONSIN INSURANCE COMMISSIONER HAS ESTABLISHED MINIMUM STANDARDS FOR LONG TERM CARE INSURANCE. THIS CERTIFICATE MEETS THOSE STANDARDS.**

**THIS CERTIFICATE COVERS CERTAIN TYPES OF NURSING HOME AND HOME HEALTH CARE SERVICES. THERE MAY BE LIMITATIONS ON THE SERVICES COVERED. READ YOUR CERTIFICATE CAREFULLY.**

**FOR MORE INFORMATION ON LONG TERM CARE SEE THE GUIDE TO LONG TERM CARE GIVEN TO YOU WHEN YOU APPLIED FOR THIS COVERAGE.**

# THIS CERTIFICATE'S BENEFITS ARE NOT RELATED TO MEDICARE.

This Certificate includes a *Pre-existing Condition* Limitation.

**KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS**

**PROBLEM WITH YOUR INSURANCE?** -- If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

The Prudential Insurance Company of America, Long Term Care Customer Service Center, P.O. Box 8526, Philadelphia, PA 19101. (800) 732-0416

You can also contact the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency which enforces Wisconsin's insurance laws, and file a complaint. You can contact the Office of the Commissioner of Insurance by contacting:

**OFFICE OF THE COMMISSIONER OF INSURANCE**

Complaints Department, P.O. Box 7873, Madison, WI 53707-7873

1-800-236-8517 or 608-266-0103.

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Thank you for choosing this Prudential Long Term Care Coverage.

This *Coverage* is intended to provide coverage for many of the services you will need if you require *Long Term Care* subject to the terms, conditions, exclusions and limitations set forth in the *Group Contract*. This may be necessary if you have a condition that affects your ability to perform everyday activities such as *Bathing* or *Dressing*. If you have a *Severe Cognitive Impairment* that affects your ability to take care of yourself safely, you may require *Long Term Care*. Services included in this Coverage are those which may be provided in your home or community or in a setting such as a *Nursing Home*. This Coverage is not intended to cover services provided in an *Acute Care Facility*. See the following pages for details about the benefits available under this *Coverage* and how you will be eligible to receive them.

If you are insured, this document is your Group Insurance Certificate. The Prudential Insurance Company of America certifies that insurance is provided according to the *Group Contract* for you. All benefits are subject in every way to the entire *Group Contract* which includes the Group Insurance Certificate. All the terms, conditions, exclusions and limitations shall be read together as a whole to determine eligibility for *Coverage* and whether and to what extent any benefits are payable. The *Group Contract* alone forms the agreement under which payment of the insurance is made. This Certificate replaces any older Certificates previously issued to you for the *Long Term Care Coverage*.

Certain terms used in this Certificate, indicated in italics, have been defined to make it easier for you to understand your *Coverage*. Please refer to the **Definitions** section.

If you have questions or would like more information about your Long Term Care Coverage, please call Prudential's Long Term Care Customer Service Center toll free at 1-800-732-0416, between 8:00 AM and 8:00 PM Eastern Time, Monday through Friday. A representative will be happy to assist you.

**Prudential reserves the right to determine whether benefits being sought meet the definitions and intent of this Coverage.**

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# Schedule of Benefits

Your Confirmation Statement will indicate your Plan selection.

**Benefit Elimination/Waiting Period** <90> Days

| | Plan 1 | Plan 2 | Plan 3 |
|---|---|---|---|
| **INSTITUTIONAL CARE BENEFITS** | | | |
| **NURSING HOME CARE** | | | |
| Up to the *Daily Maximum* for *Nursing Home* Care | <DOL_AMT(a1)> | <DOL_AMT(a2)> | <DOL_AMT(a3)> |
| **ASSISTED LIVING FACILITY CARE** | | | |
| Up to the *Daily Maximum* for *Assisted Living Facility* Care | <DOL_AMT(d1)> | <DOL_AMT(d2)> | <DOL_AMT(d3)> |
| **BED RESERVATION** | | | |
| Up to the *Daily Maximum* for *Bed Reservation* | <DOL_AMT(a1)> | <DOL_AMT(a2)> | <DOL_AMT(a3)> |
| 21 Day Benefit Limit per *Calendar Year* | <DOL_AMT(c1)> | <DOL_AMT(c2)> | <DOL_AMT(c3)> |
| **HOME & COMMUNITY-BASED CARE BENEFITS*** | | | |
| **HOME HEALTH CARE** | | | |
| Up to the *Daily Maximum* for *Home Health Care* | <DOL_AMT(b1)> | <DOL_AMT(b2)> | <DOL_AMT(b3)> |
| **ADULT DAY CARE** | | | |
| Up to the *Daily Maximum* for *Adult Day Care* | <DOL_AMT (b1)> | <DOL_AMT(b2)> | <DOL_AMT (b3)> |
| **ADDITIONAL BENEFITS** | | | |
| **HOSPICE CARE** | | | |
| Up to the *Daily Maximum* for *Hospice Care* | <DOL_AMT(a1)> | <DOL_AMT(a2)> | <DOL_AMT(a3)> |
| **RESPITE CARE** | | | |
| Up to the *Daily Maximum* for *Respite Care* | <DOL_AMT(a1)> | <DOL_AMT(a2)> | <DOL_AMT(a3)> |
| 21 Day *Calendar Year* Benefit Limit | <DOL_AMT(c1)> | <DOL_AMT(c2)> | <DOL_AMT(c3)> |
| 100 Day Lifetime Benefit Limit | <DOL_AMT(100a1)> | <DOL_AMT(100a2)> | <DOL_AMT(100a3)> |
| **INDEPENDENCE SUPPORT** | <DOL_AM | <DOL_AM | <DOL_AM |

| | | | |
|---|---|---|---|
| Independence Support Lifetime Benefit Limit | T(50a1)> | T(50a2)> | T(50a3)> |
| **CAREGIVER TRAINING** | | | |
| *Caregiver Training* Lifetime Benefit Limit | $500 | $500 | $500 |
| **INFORMATION AND REFERRAL SERVICES** | No limit | No limit | No limit |
| Information and Referral by *Prudential* | | | |
| **PRIVATE CARE MANAGEMENT** | | | |
| *Private Care Management Calendar Year* Benefit Limit | <DOL_AM T(12a1)> | <DOL_AM T(12a2)> | <DOL_AM T(12a3)> |
| **ALTERNATE PLAN OF CARE** | Paid at the discretion of Prudential | | |
| **LIFETIME MAXIMUM**** | | | |
| For all *Long Term Care* During Your Lifetime | <DOL_AM T(life1)> | <DOL_AM T(life2)> | <DOL_AM T(life3)> |

* The benefits paid for all covered Home & Community-Based Care services received on any given day will not exceed the *Daily Maximum* benefit for *Home Health* Care.

** The *Lifetime Maximum* is equal to the *Daily Maximum* for *Nursing Home* Care you choose times 365 days times 5 years. For example, electing the $100 *Daily Maximum* for *Nursing Home* Care provides for a *Lifetime Maximum* of $182,500 $100X 365 X 5).

**Optional or Additional Benefits available to Eligible Persons**

This *Long Term Care Coverage* includes the following additional and/or optional benefits.

- When you enrolled, you had the option of choosing a non-forfeiture benefit. This benefit is described in the section entitled **Non-Forfeiture Benefit Rider.** Your Confirmation Statement will indicate if you have elected this Rider.
- When you enrolled, you had the option of choosing automatic, annual inflation increases. This benefit is described in the section entitled **Automatic Compound Inflation Increase Rider.** Your Confirmation Statement will indicate if you have elected this Rider.

This Certificate describes <ABC COMPANY INC'S>'s *Long Term Care Coverage* as of <January 1, 2006)>. Your Effective Date of *Coverage* and the Plan you have chosen are shown in the Confirmation Statement.

# Who is Eligible

You are eligible for this group *Coverage* while you are

1) An *Employee* or Retiree of <ABC COMPANY INC.>; or

2) Related to an *Employee* in one of the following ways:
   a) You are the spouse or *Domestic Partner* of the *Employee.*
   b) You are the parent or grandparent of the *Employee* or the *Employee's* spouse.
   c) You are the spouse of the parent or grandparent.
   d) You are the adult child of an *Employee* or the adult child's spouse.
   e) You are the surviving spouse of a deceased *Employee.*

3) Related to a Retiree in one of the following ways:

   a) You are the spouse or *Domestic Partner* of a Retiree.
   b) You are the surviving spouse of a deceased Retiree.

You must be at least 18 but less than age 84 when your Enrollment Form is completed.

# When You Become Insured

*Prudential* will determine if you are accepted for *Coverage* based upon your responses to the questions on your Enrollment Form and any other evidence of insurability that *Prudential* may require. If you are accepted, the Effective Date of your *Coverage* and the Plan you have chosen will be shown in the Confirmation Statement included with this Certificate.

## Delay of Effective Date

If you are an *Employee*, your *Coverage* will be delayed if you are not actively at work on the day your insurance would otherwise begin. Instead, it will begin on the first day of the month following the date you return to work as an active *Employee.*

If you are eligible for this *Coverage* other than as an *Employee*, your *Coverage* will be delayed if, on the day your insurance would otherwise begin, you are confined in a health care institution or are receiving *Home and Community-Based Care* or *Hospice Care.* Instead it will begin on the first day of the month following the date you are discharged from such confinement and are not receiving such care.

# Keeping Your Coverage

If any of the following situations occur, you may keep your *Coverage* in effect.

1) The person through whom you have your *Coverage* leaves the *Group Contract Holder.*

2) You become divorced from your spouse.

3) Your relationship with your *Domestic Partner* is terminated.

4) Your spouse or *Domestic Partner* dies.

5) The *Group Contract Holder* withdraws sponsorship.

- If the person through whom you have your *Coverage* leaves the *Group Contract Holder,*

  You must notify *Prudential* in writing within 60 days of this change in status.

- If you become divorced, or your *Domestic Partner* relationship is terminated or your spouse dies,

  You must notify *Prudential* in writing within 60 days of the final judgment of divorce, of the date of termination of the relationship, or the death that you want to continue your *Coverage*. *Prudential* will then adjust the billing, if necessary, to reflect your change in status.

- If the *Group Contract Holder* withdraws sponsorship of the *Group Contract* and does not replace it within 31 days of the date *Coverage* would otherwise end,

  *Prudential* will offer you the opportunity to convert coverage to an individual policy, without providing evidence of insurability. You will be eligible to convert if you have been continuously insured under the *Group Contract* for at least six months immediately prior to termination. The converted policy will provide benefits identical to or substantially equivalent to or in excess of those provided under the *Group Contract* from which conversion is made.

- If your premiums are being waived when any of the above events occur,

  You must still notify *Prudential* in writing as described above. You will not have to send premiums as long as your premium payments were current before the waiver period.

Notice should be sent to: The Prudential Insurance Company of America, Long Term Care Customer Service Center, P. O. Box 8526, Philadelphia, PA 19101.

# Premiums

## A. Paying Premiums

You are responsible for the entire cost of this *Coverage* and your premium payments. <ABC COMPANY INC> does not contribute to the cost of this *Coverage*. Your premium contribution is shown on your Confirmation Statement.

## B. Amount of Premiums

Premiums for this *Coverage* are based on your age as of the date you enroll for Coverage and the *Coverage* option(s) you have chosen.

- Premiums will not automatically increase as you become older.
- Premiums will not automatically increase because you use benefits.

As long as you continue to pay the required premium for this *Coverage*, have not reached your *Lifetime Maximum*, and have answered the questions on the Enrollment Form truthfully, you can keep this *Coverage* in effect.

## C. Increases In Premiums

You will be charged an additional separate premium if you choose to increase your benefits. The premium for your original *Coverage* will remain the same. Your age as of the date you enroll for the additional *Coverage* will be used to determine the additional separate premium.

*Prudential* also reserves the right to change premium rates. Any change will apply on a class basis to all insureds. Class, for purposes of this section, means a grouping of insured risks that exhibit a trait requiring a separate premium rate due to risk characteristics.

You will be given 60 days advance written notice of any such change.

## D. Correcting Premiums

If the age used to determine your premium is found to be in error, the premium charge will be adjusted to reflect your correct age. If this adjustment results in a change in the amount of such premium, any difference between the premium paid and the premium required on the basis of the correct age will be satisfied as follows.

1) If the adjustment results in an increased premium, Prudential will notify you and the Group Contract Holder, if necessary, and request payment of the additional premium required for your Coverage, with the next premium due after the date on which the error was identified.

2) If the adjustment results in a decreased premium, the difference will be refunded by *Prudential.* You may ask *Prudential* to send you a refund or apply the overpayment towards future premiums.

If your *Coverage* would have been denied had your age not been misstated, or if you would have been subject to additional medical evidence requirements, *Prudential's* liability will be limited to a refund of all premiums you have paid for this *Coverage.*

## E. Grace Period

If you are being billed directly by *Prudential,* the due date will be indicated on your bill. If premium is not received within 31 days of the date due, you and your designee (if applicable) will be mailed a notice requesting payment within 31 days. The notice will be deemed to have been given as of five days after the date of mailing. Your 31 day grace period starts as of this fifth day following the date of mailing. The Certificate remains in force during the grace period. If *Prudential* does not receive payment within this time, your *Coverage* will be terminated.

If your premiums are being paid through payroll or pension deduction and the premiums are not remitted to *Prudential* within the period agreed to by <ABC COMPANY INC> and *Prudential* in the Group Contract, you will be automatically billed by *Prudential.* In that case, you will be subject to the grace period previously described.

## F. Waiver of Premium

After you meet the **Benefit Eligibility Criteria** and satisfy the required **Benefit Waiting/Elimination Period,** the premiums for your *Coverage* will be waived. Premiums will be waived beginning the first day of the month following the date you satisfy the **Benefit Waiting/Elimination Period.** Premiums will again become due as of the first day of the month following the month in which you no longer meet the **Benefit Eligibility Criteria.**

## G. Premium Refund Upon Cancellation of Insurance

Upon proper notification of the cancellation of this *Coverage* at a time occurring after the free look period described in the **Foreword** section, *Prudential* will refund on a pro-rata basis any part of the periodic premium contribution for you which applies to the period after cancellation.

## H. Premium Refund Upon Your Death

Upon proper notification of the death of the insured, *Prudential* will refund on a pro-rata basis any part of the periodic premium contribution for that insured which applies to the period of time after death.

# Long Term Care Coverage

## A. Covered Services

Certain terms used in this section have been defined to make it easier to understand and use your *Coverage*. See the **Definitions** section.

This *Coverage* pays benefits for *Eligible Charges* incurred by you for *Institutional Care* which includes care in a *Nursing Home, Assisted Living Facility* care and *Bed Reservation*; *Home and Community-Based Care,* which includes *Home Health Care* and *Adult Day Care*; and Additional Benefits which include *Hospice Care, Respite Care, Independence Support, Caregiver Training, Information and Referral Services, Private Care Management* and *Alternate Plan of Care.* Benefits paid for *Eligible Charges* count towards fulfillment of your *Lifetime Maximum.*

Benefits for *Eligible Charges* for the following services are provided once the **Benefit Waiting/Elimination Period** has been satisfied. Not all charges are covered (see **Coverage Exclusions** section). The actual amount paid depends on the Plan you have chosen. The benefits paid for all covered *Qualified Long Term Care Services* (with the exception of *Independence Support, Caregiver Training* and *Information and Referral Services*) received on any given day will not exceed the *Daily Maximum* benefit for *Nursing Home* Care. The benefits paid under this *Coverage* will not exceed the *Lifetime Maximum.* All applicable maximums and limits are described in this Certificate and are outlined on the **Schedule of Benefits** page.

**INSTITUTIONAL CARE BENEFITS**

**Nursing Home Care -** This Certificate provides *Coverage* for care provided by a *Nursing Home* while you are a resident. Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Nursing Home* Care as shown in the **Schedule of Benefits.**

**Assisted Living Facility Care-** This Certificate provides *Coverage* for care provided by an *Assisted Living Facility* while you are a resident. Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Assisted Living Facility* Care as shown in the **Schedule of Benefits.**

**Bed Reservation –** While you are receiving *Qualified Long Term Care Services* in a *Nursing Home* or an *Assisted Living Facility,* you may incur charges for *Bed Reservation* by that institution to retain your bed while you are confined in an acute care facility for 24 hours or more. This Certificate provides *Coverage* for such charges if

1) The *Bed Reservation* occurs while you are receiving benefits under this Certificate for care in a *Nursing Home* or an *Assisted Living Facility*. And

2) The charge for *Bed Reservation* is a customary facility charge that would be made in the absence of insurance.

Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Bed Reservation* as shown in the **Schedule of Benefits**. See the **Schedule of Benefits** for specific limits on the *Bed Reservation* benefit.

## HOME & COMMUNITY-BASED CARE BENEFITS

**Home Health Care -** This Certificate provides Coverage for each day you receive Home Health Care or Personal Care from a Home Health Care Agency, Referral Agency, Nurse Registry or provided by an Independent Health Care Professional. Eligible Charges will be paid up to your Daily Maximum for Home Health Care.

Benefits under this provision will not be paid in addition to benefits paid for *Qualified Long Term Care Services* received in an Assisted Living Facility.

**Adult Day Care –** This Certificate provides Coverage for each day you receive Adult Day Care from an Adult Day Care Facility. Benefits for Eligible Charges will be paid up to your Daily Maximum for Adult Day Care as shown in the **Schedule of Benefits.**

The benefits paid for all covered Home & Community-Based Care services received on any given day will not exceed the Daily Maximum benefit for Home Health Care.

## ADDITIONAL BENEFITS

**Hospice Care -** This Certificate provides *Coverage* for *Hospice Care*. Benefits for *Eligible Charges* will be paid up to your *Daily Maximum* for *Hospice Care* as shown in the **Schedule of Benefits**. The **Benefit Waiting/Elimination Period** does not apply to *Hospice Care* benefits.

**Respite Care -** This Certificate provides *Coverage* for short-term care provided for limited periods of time in an *Institutional Care* setting or for *Home and Community-Based Care* to relieve your *Informal Caregiver*. Benefits for *Eligible Charges* will be paid up to the *Daily Maximum* for *Respite Care*, as shown in the **Schedule of Benefits.** See the **Schedule of Benefits** for specific limits on the *Respite Care* benefit.

**Independence Support -** This Certificate provides *Coverage* for a personal emergency response system or for home modifications related to your *Long Term Care* needs aimed at allowing you to stay at home. Benefits for *Eligible Charges* will be paid up to the Independence Support Lifetime Benefit limit as shown in the **Schedule of Benefits.** No **Benefit Waiting/Elimination Period** applies to Independence Support benefits.

**Caregiver Training** - This Certificate provides *Coverage* for *Caregiver Training* for an *Informal Caregiver*. Benefits for *Eligible Charges* will be paid up to the *Caregiver Training* Lifetime Benefit Limit as shown in the **Schedule of Benefits.** No **Benefit Waiting/Elimination Period** applies to *Caregiver Training* benefits.

**Information and Referral Services** – If you would like information regarding community resources or your benefits, *Prudential's* Long Term Care Customer Service Center is available to help. You do not have to be eligible for benefits. No **Benefit Waiting/Elimination Period** applies to Information and Referral Services benefits. Call 1-800-732-0416 for assistance.

**Private Care Management** - This Certificate provides *Coverage* for a *Private Care Manager* to provide information, resources or to coordinate your *Long Term Care*. You must first meet the **Benefit Eligibility Criteria** in order to use this benefit. Benefits for *Eligible Charges* will be paid up to the Private Care Management *Calendar Year* Benefit Limit as shown in the **Schedule of Benefits.** No **Benefit Waiting/Elimination Period** applies to Private Care Management benefits.

**Alternate Plan of Care** - *Prudential* recognizes there are emerging trends in the delivery of *Long Term Care*. We have attempted to describe the types of care, services and settings that are covered under this Certificate. However, we will consider a claim for benefits for care received in an alternate setting or for non-institutional services designed to help eligible individuals remain independent in their homes. Determination of your eligibility for this benefit and the benefit amount will be made on an individual basis at the sole discretion of *Prudential*. Benefits paid under Alternate Plan of Care reduce your Lifetime Maximum.

To be considered an Eligible Charges under the Alternate Plan of Care provision, charges must be for a service that meets the following requirements.

1) It must be considered a Qualified Long Term Care Service within the meaning of Internal Revenue Code Section 7702B.
2) It must be clearly specified in your Plan of Care.
3) It must be agreed to by you, your Licensed Health Care Practitioner and Prudential as an appropriate alternative to services covered by your Certificate. However, you may choose to stop the covered alternative services at any time and use other services covered by your Certificate.
4) To qualify, such care must be a cost-effective alternative to the benefits provided in this Certificate.

## B. Obtaining Benefits

### Limitations or Conditions on Eligibility for Benefits

**Eligibility for the Payment of Benefits - Benefit Eligibility Criteria** - Submitting a claim form and a bill is not enough to assure that benefits will be paid. In order to

receive benefits, you must FIRST be assessed by a *Licensed Health Care Practitioner* and be confirmed as having a *Chronic Illness or Disability.* A *Chronic Illness or Disability* is one in which there is:

1) A loss of the ability to perform, without *Substantial Assistance*, at least two *Activities of Daily Living.* This loss must be expected to continue for 90 days. This 90 day period is not an additional waiting period. *Activities of Daily Living* are *Bathing, Continence, Dressing, Eating, Toileting* and *Transferring.* Or

2) A *Severe Cognitive Impairment* which requires *Substantial Supervision* to protect you from threats to health or safety.

**Using Your Coverage**

It is important that you start the process of using your *Coverage* by calling the Long Term Care Customer Service Center at 1-800-732-0416. You are encouraged to call *Prudential* before you begin using *Long Term Care* services so that you know in advance whether your benefits will be available. Either you or your authorized or legal representative may call.

Prudential will arrange for a trained *Licensed Health Care Practitioner* to assess you or you may select your own *Licensed Health Care Practitioner.* As part of the assessment process, you and your caregiver may be interviewed. If *Prudential* arranges the assessment, the interview may be by telephone or in-person depending on your condition. The assessment will be based on objective standards of measurement.

If you wish to select your own *Licensed Health Care Practitioner*, you must notify *Prudential* when you call our Long Term Care Customer Service Center. *Prudential* will send you an assessment form that your *Licensed Health Care Practitioner* must complete and return to *Prudential.*

Based on the information obtained during the assessment, your eligibility will be confirmed or denied based on *Prudential's* use of objective standards of measurement. These may include the "Katz Index of ADL's," "Folstein's Mini-Mental Examination," or any other equivalent objective standard of measurement currently in use at the time of assessment and acceptable to *Prudential,* subject to the terms and conditions of the Certificate. You will be sent a written notice to confirm your eligibility. If you are not eligible, you will be sent a written notice explaining the reasons you were not eligible.

If you are eligible, you will need a *Plan of Care.* Your *Plan of Care* will be used to determine benefits based on the Plan you have chosen.

You will be reassessed periodically, but not more than once every 90 days, to determine if you are still eligible for benefits. To comply with federal income tax requirements, you must be assessed at least once each year.

### Appealing Decisions about Eligibility

If the assessment process did not confirm your condition as a *Chronic Illness or Disability*, you may then arrange, at your own cost, for a second assessment from another *Licensed Health Care Practitioner.*

You have the right to appeal decisions made about your eligibility for benefits. When you are determined to be ineligible for benefits, you will be sent a notice that explains why you are not eligible. This notice will also explain the procedure you should follow if you choose to appeal the decision.

*Prudential* will send you a written acknowledgment of your appeal. If no additional information is required and the appeal is denied, the acknowledgment will include a detailed explanation of the reason(s) for the denial. If additional information is required, *Prudential* will explain what information is needed. Upon receipt and review of the additional information, *Prudential* will notify you in writing of the results of the review.

If you still disagree with the appeal decision, you can request in writing within 60 days of the decision that the matter be submitted to the Benefit Appeal Committee. This Committee includes, but is not limited to, clinical consultants, legal consultants, and product management staff. After a thorough review, the Committee will send you written notification of its decision.

## C. Benefit Waiting/Elimination Period Before Payment Begins

A **Benefit Waiting/Elimination Period** must be met once during your lifetime before benefits are payable. This Certificate has one combined **Benefit Waiting/Elimination Period** for all covered services to which it applies. This is a period, counted in calendar days, which begins on the date you are assessed, if that assessment results in eligibility for benefits, and continues as long as you have a *Chronic Illness or Disability.* You do not need to incur charges to satisfy the **Benefit Waiting/Elimination Period.** The **Benefit Waiting/Elimination Period** can be satisfied over multiple periods of *Chronic Illness or Disability.*

No benefits are payable during the **Benefit Waiting/Elimination Period** for charges for which the **Benefit Waiting/Elimination Period** applies.

Your **Benefit Waiting/Elimination Period** is shown on your Confirmation Statement.

# Cash Alternative Benefit

Under this provision, at your option, your *Coverage* will pay a monthly fixed benefit to you in lieu of reimbursement for *Eligible Charges* for *Home and Community-Based Care* as stated above.

The Cash Alternative Daily Benefit is payable for each day in the month in which you have a *Chronic Illness or Disability*, after you satisfy the **Benefit Waiting/ Elimination Period**. The Cash Alternative Daily Benefit is equal to 50% of your *Daily Maximum* for *Home Health Care*.

The Cash Alternative Daily Benefit is subject to the following:

1) You must meet the **Benefit Eligibility Criteria.**
2) You can only elect this benefit on a monthly basis. This election is made on the claim form.
3) It is in lieu of any other *Institutional Care* or *Home and Community-Based Care* benefits payable for that month.

These benefits are subject to the **Benefit Waiting/Elimination Period** and reduce your *Lifetime Maximum*.

NOTICE: Since the Cash Alternative Benefit is made without regard to costs incurred by you, part of the benefits could be considered taxable income. If the benefits paid under this provision are in excess of the per diem limit as prescribed by law, they could be considered taxable income. This per diem limit is indexed for inflation. You should consult with a tax advisor for more information concerning the tax implications.

# International Coverage

Your *Coverage* provides benefits for *Long Term Care* services you receive outside the United States as:

1) A resident in an *Out-of-Country Nursing Home*;

2) *Home Health Care* services or *Personal Care* services.

Benefits for these *Eligible Charges* for care you receive outside the United States will be paid up to 75% of your *Daily Maximum* for *Nursing Home Care* or *Daily Maximum* for *Home Health Care*, as shown in the **Schedule of Benefits**, according to the services you use.

Payment of International Coverage benefits is limited to 365 days during which *Eligible Charges* are incurred over the lifetime of the *Coverage*. When the International Coverage benefits are exhausted, any *Eligible Charges* incurred for *Long Term Care* services received inside the United States will be considered under your *Coverage*.

These benefits are subject to the **Benefit Waiting/Elimination Period** and reduce your *Lifetime Maximum*.

**There is no International Coverage benefit for Bed Reservation, Hospice Care, Respite Care, Independence Support, Caregiver Training, Private Care Management or Alternate Plan of Care when provided or charges are incurred outside of the United States.**

The following terms are added to the **Definitions** section.

**Out-of-Country Nursing Home** - An institution, not excluded below, that meets the following criteria.

1) It is located outside the United States, its territories and possessions.

2) It is a legally operated facility that is engaged primarily in providing skilled, intermediate or custodial nursing care for at least 10 people.

3) It provides such care in accordance with the authority granted by a license or similar accreditation, acceptable to *Prudential*, that has been issued by the national or requisite political subdivision of the country in which it is located to provide the levels of care for which benefits would be payable under the Certificate's **Institutional Care Benefits**.

4) It provides continuous room and board accommodations for all of its residents.

5) It employs at least one full-time *Graduate Nurse*, with a *Graduate Nurse* on duty or on call in the facility at all times.

6) It has an awake employee on duty in the facility who is trained and ready to provide residents with scheduled and unscheduled care and services sufficient to support needs resulting from inability to perform *Activities of Daily Living* or *Severe Cognitive Impairment* and who is aware of the whereabouts of the residents.

7) It provides three meals a day and accommodates special dietary needs.

8) It has arrangements with a duly licensed *Physician* or *Graduate Nurse* to furnish medical care and services in case of an emergency.

9) It has methods and procedures to provide necessary assistance to residents in managing prescribed medications.

The following facilities are excluded.

1) A facility whose primary function is not to provide *Long Term Care* services.

2) A hospital or clinic, sub-acute care or rehabilitation hospital or unit.

3) A place that operates primarily for the treatment of alcoholism, drug addiction or mental illness.

4) Your home or place of residence in an area used principally for independent residential living, including hotels, motels, spas, retirement homes, boarding homes and adult foster care facilities.

5) A substantially similar adult residence establishment or environment.

**Graduate Nurse** - A person who has completed a post-secondary nursing care training program and has a current license to provide skilled nursing care to sick or infirm individuals under the direction of a licensed *Physician.*

The following paragraph is added to the **Proof of Loss** subsection of the **Claim Rules** section.

At your own expense, you must obtain and submit all required documentation to us in English. If you are submitting Proof of Loss for the International Coverage Benefit, you must also submit a copy of your passport, airline ticket or other proof acceptable to *Prudential* that you are outside the United States.

The following paragraph is added to the **Coverage Exclusions** section.

The Exclusion for "Services and Supplies Outside the United States" does not apply to the International Coverage Benefit.

# Non-Forfeiture Benefit Rider - Shortened Benefit Period

If you elected the Non-Forfeiture Benefit Rider and pay the additional premium, these provisions change your *Long Term Care Coverage*. This rider provides for additional benefits if your insurance ends due to non-payment of premium.

**Changes Made in the Coverage**

The following benefit replaces the **Contingent Non-Forfeiture Provisions** in your *Long Term Care Coverage*.

**Non-Forfeiture Benefit**

This rider provides a non-forfeiture benefit in the form of a shortened benefit period. This rider will pay benefits according to the conditions in effect at the time insurance ended, up to the benefit limits you have chosen. However, you will have a reduced *Lifetime Maximum*.

If your insurance ended due to non-payment of premium on or after the third anniversary of your Effective Date, you may be entitled to receive benefits under this provision.

No benefits will be paid if:

1) Your insurance ended prior to your third anniversary;
2) You have already received benefits equal to the *Lifetime Maximum* benefit available under your *Coverage*.

If you are entitled to a benefit, this benefit will be equal to the greater of the following.

1) 30 times the *Daily Maximum* for *Nursing Home* Care at the time of lapse, up to your remaining *Lifetime Maximum*.
2) The total amount of premiums paid for your *Coverage*.

This benefit can be used at any time during your lifetime. To use it, you must request benefits and *Prudential* must determine your eligibility. Your benefits will be based on the benefit limits in effect when your insurance ended. The inflation protection provisions end when premiums are no longer paid. No inflation increases will occur for benefit amounts under the Non-Forfeiture Benefit provisions.

The Prudential Insurance Company of America

Kathleen M. Gibson
Secretary

*Your Confirmation Statement will indicate if you have selected this Rider.*

# Automatic Compound Inflation Increase Rider

If you elected the Automatic Compound Inflation Increase Rider and pay the additional premium, these provisions change your *Long Term Care Coverage* to provide for automatic compound inflation increases.

**Changes Made in the Coverage**

The following benefit is added to your *Long Term Care Coverage*.

**Inflation Protection**

Your benefits will automatically increase on the anniversary of the Effective Date of your *Coverage*. These increases will occur even if you are receiving benefits. Each year, all benefits increase by 5% compounded annually, rounded to the nearest dollar. Your *Lifetime Maximum* will also increase accordingly. Your remaining *Lifetime Maximum* is equal to your increased *Lifetime Maximum* less the sum of all benefits paid on your behalf during the period your *Coverage* was in effect.

If your *Coverage* ends and is later reinstated as described in the Certificate, benefits will be increased as if *Coverage* had remained in effect.

An example of the increasing benefit, based upon an initial $100 *Daily Maximum* for *Nursing Home* Care and a Lifetime Maximum of $109,500 is shown below.

| Long Term Care Coverage Anniversary | Multiplicative Factor | Daily Maximum for Nursing Home Care | Lifetime Maximum |
|---|---|---|---|
| Year 1 | 1.0500 | $105 | $114,975 |
| Year 2 | 1.1025 | $110 | $120,450 |
| Year 3 | 1.1576 | $116 | $127,020 |
| Year 4 | 1.2155 | $122 | $133,590 |
| Year 5 | 1.2763 | $128 | $140,160 |
| Year 10 | 1.6289 | $163 | $178,485 |
| Year 15 | 2.0789 | $208 | $227,760 |
| Year 20 | 2.6533 | $265 | $290,175 |

*Shown for illustration purposes only.*

*Your Confirmation Statement will indicate if you have selected this Rider.*

**Canceling this Rider**

If you want to cancel this rider, you must send a written request to the Long Term Care Customer Service Center. The address is shown in your Certificate. If you cancel this Rider, your benefits will revert to the Benefit Option you choose when you enrolled. Also, the premium charged will be based on your age when you enrolled for *Coverage*.

The Prudential Insurance Company of America

Kathleen M. Gibson

Secretary

*Your Confirmation Statement will indicate if you have selected this Rider.*

# Additional Coverage Features

## <A>. Guarantee Purchase Option

Every three years you will be offered the opportunity to increase your benefits to keep up with inflation. If you accept the offer, the amount of the additional benefit shall be the difference between your existing benefits and those benefits compounded annually at a rate of five percent for the period beginning with the purchase of your existing benefits and extending until the year in which the offer is made. Benefits will be rounded to the nearest dollar.

Your *Lifetime Maximum* will also increase accordingly. Your remaining *Lifetime Maximum* is equal to your increased *Lifetime Maximum* less the sum of all benefits paid on your behalf during the period your *Coverage* was in effect.

Your age on the Effective Date of the increase will be used to determine the additional separate premium for the increased *Coverage*. Therefore, your premium will increase each time you accept an inflation protection offer.

You do not have to provide evidence of insurability to take inflation increases. However, if you decline the previous two offerings made to you, and then want to increase *Coverage*, you will be required to submit satisfactory evidence of insurability the next time you accept an offer.

You will be offered the increase in *Coverage* even if you meet the **Benefit Eligibility Criteria**.

An example of the increasing benefit, based upon an initial $100 Daily Maximum for Nursing Home Care, a Lifetime Maximum of $109,500 and a 5% annually compounded increase is shown below. The amounts shown assume each offer has been accepted.

| Long Term Care Coverage Anniversary | Multiplicative Factor | Daily Maximum for Nursing Home Care | Lifetime Maximum |
|---|---|---|---|
| Year 3 | 1.1576 | $116 | $127,020 |
| Year 6 | 1.3401 | $134 | $146,730 |
| Year 9 | 1.5513 | $155 | $169,725 |
| Year 12 | 1.7959 | $180 | $197,100 |
| Year 15 | 2.0789 | $208 | $227,760 |
| Year 18 | 2.4066 | $241 | $263,895 |
| Year 21 | 2.7860 | $279 | $305,505 |

*Shown for illustration purposes only.*

## <B>. Restoration of Benefits

All benefits paid under this *Coverage* are deducted from your *Lifetime Maximum* (unless otherwise indicated). However, your *Lifetime Maximum* benefit may be

restored. If as a result of a reassessment, you have no limitations performing an *Activity of Daily Living* or a *Severe Cognitive Impairment*, and you do not attempt to access benefits, submit a claim, or incur *Eligible Charges* for a period of six months from the date of reassessment, your *Lifetime Maximum* benefit will be restored. Your *Lifetime Maximum* benefit will be restored to the level then in effect as if you had never made a claim or received benefits under this *Coverage*.

## <C>. Changing Plans

You may make a written request to change your Plan while it is in force. If you choose a higher Plan, you must complete another Enrollment Form. This form can be obtained by calling the Long Term Care Customer Service Center at 1-800-732-0416. *Prudential* will review your request and determine whether you are accepted for the higher Plan. If your request is denied, you will be sent a written notice that explains why you were not accepted. You are not required to provide evidence of insurability if you are decreasing your Plan.

If you change your Plan, your premium will be adjusted. You will be sent a notice confirming the Effective Date of the new Plan.

## <D>. Contingent Non-Forfeiture Provisions

The following Contingent Non-Forfeiture provisions apply to you if:

1) The Non-Forfeiture Benefit Rider is not part of your Policy, or

2) You have purchased the Non-Forfeiture Benefit Rider, but your *Coverage* ends before its third year anniversary and the Non-Forfeiture Benefit Rider is not yet in effect or unless you have experienced a *Substantial Premium Increase* prior to the third year anniversary.

These provisions change your *Long Term Care Coverage* to provide options to you in the event your *Coverage* ends following a *Substantial Premium Increase*.

A *Substantial Premium Increase* is one that results in a cumulative increase to your initial annual premium that is equal to or exceeds a certain percentage of that premium. It does not include premium increases which result from a voluntary purchase of additional *Coverage*. The percentage is based on your Age as of the Effective Date stated in your Confirmation Statement and is shown in the table below.

| SUBSTANTIAL PREMIUM INCREASE TABLE | | | |
|---|---|---|---|
| **AGE AS OF EFFECTIVE DATE** | **PERCENT OF INCREASE** | **AGE AS OF EFFECTIVE DATE** | **PERCENT OF INCREASE** |
| Less than 30 | 200% | 72 | 36% |
| 30 - 34 | 190% | 73 | 34% |

| | | | |
|---|---|---|---|
| 35 - 39 | 170% | 74 | 32% |
| 40 - 44 | 150% | 75 | 30% |
| 45 - 49 | 130% | 76 | 28% |
| 50 - 54 | 110% | 77 | 26% |
| 55 - 59 | 90% | 78 | 24% |
| 60 | 70% | 79 | 22% |
| 61 | 66% | 80 | 20% |
| 62 | 62% | 81 | 19% |
| 63 | 58% | 82 | 18% |
| 64 | 54% | 83 | 17% |
| 65 | 50% | 84 | 16% |
| 66 | 48% | 85 | 15% |
| 67 | 46% | 86 | 14% |
| 68 | 44% | 87 | 13% |
| 69 | 42% | 88 | 12% |
| 70 | 40% | 89 | 11% |
| 71 | 38% | 90 and over | 10% |

**Contingency Options --** You will be notified of any *Substantial Premium Increase* at least 60 days prior to such change. The notice will include the amount of the premium and its due date, and the following contingency options in the event of lapse.

1) Reduced benefit options at the same premium, without undergoing medical underwriting. Or

2) A lesser Lifetime Maximum, with no further premium payment required. You will have 120 days following the premium due date to elect this option. Under this option, the same Daily Maximum benefits in effect at the time of lapse will be payable, but the Lifetime Maximum will be equal to the greater of:

   (a) The total amount of premiums paid for your *Coverage*. Or

   (b) 30 times the *Daily Maximum* for *Nursing Home* Care at the time of lapse.

The total of all benefits paid while your *Coverage* is in premium paying status and in the paid up status will not exceed the *Lifetime Maximum* which would have been payable if your *Coverage* did not lapse.

Option 2 will automatically take effect if:

1) Your Coverage lapses within 120 days of the due date of the *Substantially Increased Premium*; and

2) You have not made an election.

# Coverage Exclusions

## A. Limitations and Exclusions

1) Treatment provided in a government facility, unless a charge is made and the insured is legally obligated to pay; 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 a motor vehicle no-fault law.

2) Illness, treatment, or medical condition arising out of War or Acts of War or your participation in a Felony, Riot or Insurrection.

3) Self-inflicted Injury or Suicide. Charges arising from intentionally self-inflicted injury or attempted suicide, while sane or insane.

4) Services and Supplies Outside the United States. Charges for services or supplies outside of the United States and its possessions.

5) Treatment for Alcoholism or Drug Addiction. Charges in connection with the treatment of alcoholism or drug addiction.

6) First Party Benefits under Pennsylvania's Motor Vehicle Liability Insurance Law. Charges for services and supplies for which benefits are payable as first party benefits under Pennsylvania's Motor Vehicle Liability Insurance Law.

## B. Pre-existing Conditions Exclusion

Benefits will not be paid for charges made in connection with your *Pre-existing Conditions* for six months after your Effective Date. This is a condition for which a health care provider gave you medical advice, treated you or recommended treatment within six months before the Effective Date.

If you purchase this *Long Term Care Coverage* to replace another *Long Term Care* policy or certificate, except with respect to a voluntary increase in benefits elected by you or the Group Contract Holder *Prudential* will waive this limitation.

If you were required to answer questions about your health when you applied for this *Long Term Care Coverage*, the *Pre-existing Condition* exclusion does not apply to you.

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# Claim Rules

We encourage you and your provider to send timely proof of loss to *Prudential*. This is important to you because the benefits *Prudential* pays under the Group Contract are charged against your *Lifetime Maximum*. This means that if claim submission is delayed, you may not know how much *Coverage* remains in your *Long Term Care* plan. Your receipt of benefits also affects your premium waiver. Premiums may become due and payable if *Prudential* is unaware of your claim status. If we do not receive timely proof of loss, premiums may be due even if you would have been eligible for the **Waiver of Premium** benefit.

Benefits are paid when *Prudential* receives satisfactory proof of loss. An explanation of benefits notice, which explains the determination of your claim, will be sent to you within 15 days from the date *Prudential* receives proof of your loss. You can choose whether you want to receive the *Coverage* payments or have them paid directly to the service provider. *Prudential* will need copies of your *Plan of Care* and the provider's bill indicating that you have received the services, as well as the Claim Form stated below. The bill must show the date, the name of the person who received the service, each type of service received and the charge for that service. The address to which you submit the bills is on the Claim Form. If you have any questions about the address or would like additional Claim Forms, you can call 1-800-732-0416. Details of the specific claim processes are stated fully in the provisions below.

## A. Notice of Claim

Written notice of claim must be given to *Prudential* within 20 days after the occurrence or commencement of any loss covered by the *Group Contract*, or as soon thereafter as is reasonably possible.

Notice given by or on behalf of the insured to The Prudential Insurance Company of America, at P. O. Box 8526, Philadelphia, PA 19101, or to its authorized agent, with information sufficient to identify the insured, shall be deemed notice to *Prudential*.

## B. Claim Forms

Upon receipt of a notice of claim, *Prudential* will furnish to the claimant such forms as are usually furnished by it for filing proof of loss. If such forms are not furnished within 15 days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of the *Group Contract* as to proof of loss upon submitting, within the time fixed in the Certificate for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

## C. Proof of Loss

Written proof of loss must be furnished to *Prudential* at its office in case of claim for loss for which the *Group Contract* provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which *Prudential* is liable and, in case of claim for any other loss, within 90 days after the date of such loss.

Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

## D. Time of Payment of Claims

Benefits payable under the *Group Contract* for any loss other than loss for which the *Group Contract* provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which the *Group Contract* provides periodic payment will be paid monthly. Any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

## E. Payment of Claims

Any accrued indemnities unpaid at the Insured's death may, at *Prudential*'s option, be paid to the Insured's estate. All other indemnities will be payable to the Insured.

If any indemnity of the *Group Contract* shall be payable to the estate of the Insured, or to an Insured who is a minor or otherwise not competent to give a valid release, *Prudential* may pay such indemnity, up to an amount not exceeding $1,000, to any relative by blood or connection by marriage of the Insured who is deemed by the *Prudential* to be equitably entitled thereto. Any payment made by *Prudential* in good faith pursuant to this provision shall fully discharge *Prudential* to the extent of such payment.

Subject to any written direction of the Insured in the Enrollment Form or otherwise, all or a portion of any indemnities provided by the *Group Contract* on account of nursing services may, at *Prudential*'s option and, unless the Insured requests otherwise in writing not later than the time of filing proof of such loss, be paid directly to the entity or person rendering such services; but it is not required that the service be rendered by a particular entity or person.

## F. Physical Examination

*Prudential*, at its own expense, has the right to examine you. *Prudential* may do this when and as often as is reasonable while your claim is pending. However, a physical examination will not be required more than once in any 90 day period.

## G. Legal Action

No action at law or in equity shall be brought to recover on the *Group Contract* until 60 days after the proof described above is furnished. No such action shall be brought more than three years (five years in Kansas; six years in South Carolina) after the charges are incurred. For Florida residents, no such action shall be brought after the end of the applicable Florida statute of limitations from the time within which proof of loss is required. For Missouri residents, no such action shall be brought more than three years after the expiration of the period within which proof of loss must be furnished.

## H. Appeals

You have the right to appeal decisions made about your claims. The explanation of benefits notice will explain the procedure you should follow if you choose to appeal a claim denial. You will have 60 calendar days from the date you receive the denial to submit a written appeal to *Prudential* at the address specified on the notice.

*Prudential* will send you a written acknowledgment of your letter within 10 days of its receipt. If no additional information is required and the appeal is denied, the acknowledgment will include a detailed explanation of the reasons for the denial, including reference to the *Group Contract* provision on which the denial is based.

If additional information is required, the acknowledgment will request the specific information needed.

Within 15 days of the receipt of the additional information, *Prudential* will notify you in writing of the decision concerning your claim. If the decision cannot be made within 15 working days from the date it receives all requested data, Prudential will notify you, giving the reasons more time is required. If the decision is not made within an additional 30 days, Prudential will notify you, at that time, and every 45 days thereafter, the reasons why additional time is needed for investigation of your claim. This notice will also state when a decision on the claim may be expected.

If you disagree with the appeal decision, you can request in writing within 60 days of the decision that the matter be submitted to the Claim Appeal Committee. This Committee includes, but is not limited to, clinical consultants, legal consultants and product management staff. After a thorough review, but not later than 15 days from the date all necessary information is received, the Committee will send you written notice of its decision.

# Definitions

**Activities of Daily Living**

**Bathing** - Washing oneself by sponge bath, or in either a tub or shower, including the task of getting into or out of the 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 feeding tube or intravenously.

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

**Transferring** - Sufficient mobility to move into or out of a bed, chair or wheelchair or to move from place to place, either by walking, using a wheelchair or by other means.

**Acute Care Facility** - An institution that meets either of these two tests:

1) It is accredited as a hospital under the Hospital Accreditation Program of the Joint Commission on Accreditation of Healthcare Organizations.

2) It is legally operated, has 24-hour-a-day supervision by a staff of *Physicians*, has 24 hour a day nursing service by *Registered Nurses*, and complies with (a) or (b):

   a) It mainly provides general inpatient medical care and treatment of sick and injured persons by the use of medical, diagnostic and major surgical facilities. All such facilities are in it or under its control.

   b) It mainly provides specialized inpatient medical care and treatment of sick or injured persons by the use of medical and diagnostic facilities (including X-ray and laboratory). All such facilities are in it, under its control, or available to it under a written agreement with a hospital or with a specialized provider of those facilities.

But, Acute Care Facility does not include a *Nursing Home*. Neither does it include an institution, or part of one, which: (i) is used mainly as a place for convalescence, rest, nursing care or for the aged; or (ii) furnishes mainly homelike or custodial care, or training in the routines of daily living; or (iii) is mainly a school.

**Adult Day Care** - A day program for three or more individuals in a community group setting which

1) Is provided in an Adult Day Care Facility.

2) Provides social and health-related services.

3) Supports frail, impaired, elderly or other disabled adults who can benefit from care in a group setting outside the home.

**Adult Day Care Facility –** An organization that provides a program of *Adult Day Care* and that meets all of the following requirements.

1) It is established and operated as an Adult Day Care Facility in accordance with any applicable state or local laws including the laws requiring Adult Day Care Facilities to be licensed.

2) Its staff includes

   a) A full-time director; and

   b) one or more *Registered Nurses* in attendance for at least four hours during operating hours; and

   c) Not less than two full-time staff members.

3) It operates at least five days a week for a minimum of six hours per day, but is not an overnight facility.

4) It maintains a written record of medical services given to each client.

5) It has established procedures for obtaining appropriate aid in the event of a medical emergency.

**Assisted Living Facility –** A facility that is primarily engaged in providing ongoing care and related services to at least five inpatients in one location and meets all of the following criteria.

1) It is licensed by the appropriate licensing agency, if the state in which it operates licenses such facilities.

2) It provides 24-hour-a-day care and services sufficient to support the needs of persons who have a *Chronic Illness or Disability.*

3) It has trained and ready to respond employees on duty at all times to provide care.

4) It provides three meals a day and accommodates special dietary needs.

5) It has formal arrangements with a *Physician* or *Registered Nurse* to furnish medical care in care of an emergency.

6) It has appropriate methods and procedures for handling and administering drugs and biologicals.

**Bed Reservation -** The retention of your bed by a *Nursing Home* or an *Assisted Living Facility* that occurs if you are a resident in such a facility and you are absent from the facility for 24 hours or more.

**Calendar Year** - A year starting January 1.

**Caregiver Training** - Training provided by a *Home Health Care Agency, Nursing Home*, hospital or other similar facility acceptable to *Prudential* and received by your *Informal Caregiver* to care for you in your residence.

**Chronic Illness or Disability** - An illness or disability certified by a *Licensed Health Care Practitioner* in which there is

1) A loss of the ability to perform, without *Substantial Assistance*, at least two *Activities of Daily Living*. This loss must be expected to continue for 90 days. This 90 day period is not an additional waiting period. *Activities of Daily Living* are *Bathing, Continence, Dressing, Eating, Toileting*, and *Transferring;* or
2) A *Severe Cognitive Impairment* which requires *Substantial Supervision* to protect you from threats to health or safety.

**Coverage** - The *Long Term Care* Insurance on any person described in the **Who Is Eligible** section.

**Daily Maximum** - The maximum daily benefit payable for *Eligible Charges* according to the Plan you have chosen as shown in the **Schedule of Benefits** and your Confirmation Statement.

**Domestic Partner** - A person of the same or opposite sex of an *Employee* or Retiree, who

1) is someone other than your spouse.
2) has lived with you for at least six months and intends to remain a member of your household for the period of *Coverage*.
3) has a serious and committed relationship with you.
4) is financially interdependent with you.
5) is not related to you in a way that would prohibit legal marriage or legally married or a *Domestic Partner* to anyone else.

**Eligible Charges** - The charges for your *Long Term Care* that may be used as the basis for a claim. These charges must be incurred

1) for services and supplies described in the **Covered Services** section.
2) while you are insured for the *Long Term Care Coverage.*
3) after the **Benefit Waiting/Elimination Period**, if any, is satisfied.

A charge is considered incurred on the date you receive the service or supply. A charge is not an *Eligible Charge* if it is described in the **Coverage Exclusions** section.

**Employee** - A person who is actively at work and works for the *Group Contract Holder* on a full-time basis at least 40 hours per week.

**Group Contract** - *Group Contract* No. LT-<12345>-PA between *Prudential* and <ABC COMPANY, INC. > which includes this Group Insurance Certificate.

**Group Contract Holder** - The entity to whom this *Group Contract* was issued.

**Home and Community-Based Care** - *Home Health Care* or *Personal Care* received from a *Home Health Care Agency*, a licensed *Referral Agency*, a licensed *Nurse Registry* or *Informal Caregiver* or provided by an *Independent Health Care Professional* and *Adult Day Care* received from an *Adult Day Care Facility*.

**Home Health Aide** - A person whose function is to provide *Personal Care* services. If state and local licensing or certification is required, the person must be licensed or certified as a *Home Health Aide* where the service is performed. If licensing or certification is not required, any person who meets the minimum training qualifications recognized by the Foundation for Hospice & Home Care, the National League of Nursing or the Health Care Financing Administration will be considered a *Home Health Aide*, provided they are employed through an eligible *Home Health Care Agency*.

**Home Health Care Agency** – An agency or organization which:

1) Specializes in giving nursing care or therapeutic services in the home; and
2) Is licensed to provide such care by the appropriate state licensing agency or authority where the services are performed or is *Medicare* certified as a Home Health Care Agency; and
3) Maintains a complete medical record and *Plan of Care* for each patient; and
4) Is operating within the scope of its license or certification.

**Home Health Care** - Services provided to ill, disabled or infirm persons in their residences. Such services may include assistance with *Activities of Daily Living*, homemaker services and *Respite Care* services.

**Hospice** - A licensed or certified facility or community-based program designed to provide services to *Terminally Ill* individuals.

**Hospice Care** - Services and supplies provided through a *Hospice* to *Terminally Ill* individuals.

**Independent Health Care Professional** - A full-time, professional, licensed or certified *Home Health Aide*, *Registered Nurse*, *Licensed Practical Nurse* or *Therapist* independently providing *Home Health Care* services within the scope of his or her license.

**Informal Caregiver** - An unpaid person, typically a family member or friend, who regularly provides *Home Health Care* or *Personal Care* to you in your home. This would include assistance with *Activities of Daily Living*.

**Institutional Care** - Care provided by a *Nursing Home* or *Assisted Living Facility* while you are a resident.

**Licensed Health Care Practitioner** - A *Physician*, a professional *Registered Nurse*, a licensed social worker, or another professional individual who meets the requirements prescribed by the United States Secretary of the Treasury.

**Licensed Practical Nurse** - A professional nurse legally designated "LPN" who, where licensing is required, holds a valid license from the state in which the nursing services is performed. The term *Licensed Practical Nurse* (LPN) shall include a licensed vocational nurse (LVN) and any other similarly designated nurse in those jurisdictions in which a professional nurse is designated as other than an LPN and for whom licensing is required.

**Lifetime Maximum** - The maximum lifetime benefit payable for *Eligible Charges* for the Plan you have chosen as shown in the **Schedule of Benefits** and your Confirmation Statement.

**Long Term Care** - Medical, social and/or *Personal Care* services required over a long period of time by a person with a *Chronic Illness or Disability. Long Term Care* can include care in an *Assisted Living Facility* or *Nursing Home, Adult Day Care, Home and Community-Based Care, Hospice Care,* or *Respite Care.*

**Medicaid** - Title XIX, Grants to States for Medical Assistance Programs, of the United States Social Security Act, as amended from time to time.

**Medicare** - The program under The Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 or Health Insurance for the Aged Act (42 U.S.C.A. s s 1495- 1495ccc).

**Nurse Registry** - An organization that meets the following requirements.

1) Its main function is to provide a referral service for *Registered Nurses* or *Licensed Practical Nurses* specialized in providing *Home Health Care* services.
2) It is appropriately licensed by the state in which the services are provided, if the state in which the *Nurse Registry* is located requires licensure.

**Nursing Home** - A facility that provides skilled, intermediate, or custodial care and meets at least one of the following criteria.

1) It is *Medicare*-approved as a provider of skilled nursing care services.
2) It is licensed by the state in which it is located as a skilled nursing facility, an intermediate care facility, or a custodial care facility.
3) It meets all the following criteria.
   a) Its main function is to provide skilled, intermediate or custodial nursing care.
   b) It is engaged in providing continuous room and board accommodations for three or more persons.
   c) It has a *Physician* on staff or available to it under contract.

d) It is under the supervision of a *Registered Nurse* or *Licensed Practical Nurse.*

e) It maintains medical records for each patient.

f) It maintains control of and records of all medications dispensed.

**Personal Care** – The provision of supervisory or hands-on services to help a person perform *Activities of Daily Living*, (also known as custodial care).

**Physician** - A licensed practitioner of the healing arts acting within the scope of the license.

**Plan of Care** - A written plan that

1) has been developed for you.
2) describes the type, the frequency, and the duration of the *Long Term Care.*
3) describes the types of providers that are needed.
4) is signed by the *Licensed Health Care Practitioner* responsible for your care.

**Pre-existing Condition** - A condition for which a health care provider gave you medical advice, treated you, or recommended treatment within six months before the date you became insured.

**Private Care Manager** - A private *Licensed Health Care Practitioner*, not associated with *Prudential*, who is qualified to coordinate your necessary *Long Term Care*, medical care, *Personal Care* and social services. Qualifications are based on training and experience and can include health care industry, state or national standards.

**Prudential** - The Prudential Insurance Company of America, 751 Broad Street, Newark, New Jersey 07102-3777.

**Qualified Long Term Care Services** – Necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services and maintenance or *Personal Care* services which are required by an individual with a *Chronic Illness or Disability* and are provided pursuant to a *Plan of Care.*

**Referral Agency** - An agency that meets the following requirements:

1) Its main function is to provide a referral service for *Registered Nurses*, *Licensed Practical Nurses*, *Therapists* or licensed *Home Health Aides* providing *Home Health Care.*
2) It is licensed by the state in which the *Home Health Care* is delivered, to provide such services. If licensing is not required, the agency must be accredited by the Joint Commission on Accreditation of Health Care Organizations, the National Care Organizations, the Community Health Accreditation Program, the Foundation for Hospice and Home Care or the National League of Nurses.

**Registered Nurse** - A professional nurse legally designated "RN" who, where licensing is required, holds a valid license from the state in which the nursing service is performed.

**Respite Care** - Short-term care provided for limited periods of time in certain settings to relieve your *Informal Caregiver.*

**Severe Cognitive Impairment** - A severe loss or deterioration in intellectual capacity that is

1) comparable to and includes Alzheimer's disease and similar forms of irreversible dementia.
2) measured by clinical evidence and standardized tests that reliably measure impairment in the individual's
   a) short-term or long-term memory,
   b) orientation as to people, places, or time, and
   c) deductive or abstract reasoning.

**Substantial Assistance** -

1) Hands-on assistance - The physical assistance of another person without which you would not be able to perform an *Activity of Daily Living*, or
2) Standby assistance - The constant presence of another person within arm's reach which is necessary to prevent, by physical intervention, injury to you while you are performing an *Activity of Daily Living.*

**Substantial Supervision** - Continual oversight that may include cueing by verbal prompting, gestures, or other demonstrations by another person, and which is necessary to protect you from threats to your health or safety.

**Terminally Ill** – When a *Physician* certifies that an individual has no reasonable prospect of cure and has a life expectancy of less than 6 months.

**Therapist** - A physical therapist, occupational therapist, respiratory therapist, speech pathologist or audiologist who is licensed as such where the services are performed.

# When Your Insurance Ends

Your Insurance will end when the first of these occurs:

1) You fail to pay, when due, or within the **Grace Period**, any premium required for the *Coverage*. This will not apply if the premium is being waived in accordance with the **Waiver of Premium** provision.

2) You have exhausted your *Lifetime Maximum*.

## A. Reinstating Coverage

If your premium is not paid within the time allowed, your *Coverage* will lapse. If *Prudential* later accepts the past due and unpaid premium, without an enrollment form for reinstatement, your *Coverage* will be reinstated.

If *Prudential* requires an enrollment form for reinstatement, you will be given a conditional receipt for the premium. If such enrollment form is approved, your *Coverage* will be reinstated as of the approval date. Lacking such approval, the *Coverage* will be reinstated on the 45th day after the date of the conditional receipt unless *Prudential* has previously written you of its disapproval. The reinstated *Coverage* will cover only loss that results from:

1) an injury sustained after the date of reinstatement; or

2) a sickness that starts more than 10 days after the date of reinstatement.

In all other respects, your rights and *Prudential's* rights under your *Coverage* will remain the same, subject to any provisions noted on or attached to the reinstated Certificate.

In addition, if due to your *Chronic Illness or Disability*, you fail to pay your premium and your *Coverage* ends for this reason, you may be eligible to reinstate your *Coverage*. You or your representative may make a request for reinstatement within five months of the date premiums were due. Your *Chronic Illness or Disability* must be confirmed by *Prudential*. See the **Benefit Eligibility Criteria** under Section C of the **Long Term Care Coverage** provisions for details.

Call the Long Term Care Customer Service Center at 1-800-732-0416 to determine if your *Coverage* can be reinstated.

If your *Coverage* can be reinstated, you must pay the past due premiums. Upon reinstatement, you will have the same level of *Coverage* you had before your *Coverage* ended.

## B. Extension of Benefits

If your *Coverage* ends while you are confined in a *Nursing Home* or an *Assisted Living Facility,* using your *Bed Reservation* benefits, or confined in a *Hospice,* benefits will continue for the duration of that uninterrupted stay. Your confinement must have started while this *Long Term Care Coverage* was in effect. Benefits will be extended until the earlier of:

1) The date on which you no longer incur *Eligible Charges* for *Nursing Home* care or care in an *Assisted Living Facility, Bed Reservation,* or inpatient *Hospice Care.*

2) The date you reach the *Lifetime Maximum.*

During this extension of benefits period, you will be considered covered under this Certificate for purposes of the **Waiver of Premium** provision.

## C. Rescinding Your Coverage - Incontestability

Your acceptance for this *Long Term Care Coverage* is based on information furnished on your Enrollment Form. All statements made by you shall be deemed representations and not warranties. These statements will not be used in a contest to avoid this *Coverage* or reduce benefits unless

1) It is in a written statement signed by you.

2) A copy of that statement is or has been furnished to you.

If this information misrepresented you or your health status, and as a result, *Prudential* offered you *Coverage* which you otherwise would not have been offered, *Prudential* can rescind your *Coverage,* or deny an otherwise valid claim. Your *Coverage* can be rescinded in this situation within six months of your Effective Date.

If your *Coverage* has been in effect at least six months, but less than two years, *Prudential* can also rescind your *Coverage* or deny an otherwise valid claim. This can be done if all the following apply.

1) Information on your Enrollment Form misrepresented you.

2) As a result, *Prudential* offered you *Coverage* which you otherwise would not have been offered.

3) The misrepresentation pertains to the condition for which benefits are claimed.

After two years, your *Coverage* can be rescinded if *Prudential* can show that relevant facts relating to your health were knowingly and intentionally misrepresented.

These provisions also apply whenever you purchase additional *Coverage* and provide additional evidence of insurability. For example, if you choose a higher Plan, that portion of your *Coverage* could be rescinded. If your additional *Coverage* is rescinded, benefits will be paid according to the *Daily Maximums* in effect before the increase.

**If you realize there is an inaccuracy in your Enrollment Form, you should notify *Prudential* before the end of the two-year period. This will help to assure you have the *Coverage* when you need it.**

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Long Term Care Coverage is underwritten by The Prudential Insurance Company of America.

Coverage under Prudential's Long Term Care Coverage is subject to all applicable laws and regulations.

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