



STATE MUTUAL INSURANCE COMPANY

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LONG-TERM CARE INSURANCE OUTLINE OF COVERAGE

WHOLE LIFE INSURANCE POLICY WITH
ACCELERATION BENEFIT FOR LONG TERM CARE-Form ICC16 WLAB (the Policy) and
EXTENSION OF BENEFITS RIDER FOR LONG TERM CARE,
if applicable, Form ICC16EBR (the Extension Rider)

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

Caution: The issuance of this Policy and rider(s), if applicable, is based upon the Owner's (referred to as You and Your in this Outline of Coverage and the Insured's (if the Owner is not the Insured) response to the questions on the application. A copy of Your application for the Policy and rider(s) will be attached to any issued policy. If Your or the Insured's answers are incorrect or untrue, State Mutual Insurance Company (referred to as We, Us and Our) has the right to deny benefits or rescind Your policy and rider. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of Your answers are incorrect, contact the Company at this address:

The Platinum Building,
137 Main Street
Dubuque, Iowa 52001
(855)812-9946

1. The Whole Life Insurance Policy with Acceleration Benefit for Long Term Care is an individual whole life insurance policy and the optional Extension of Benefits Rider for Long Term Care, and other riders, if applicable, are attached to that policy. The Policy was issued in [Kansas].

2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of the Policy and rider(s). You should compare this outline of coverage to outlines of coverage for other policies available to You. This is not an insurance policy, but only a summary of coverage. Only the individual policy or rider(s) contains governing contractual provisions. This means that the policy and rider(s) sets forth in detail the rights and obligations of both You and the insurance company. Therefore, if You purchase this coverage, or any other coverage, it is important that You **READ YOUR POLICY and RIDER(S) CAREFULLY!**

3. **FEDERAL TAX CONSEQUENCES.**

The Policy and the Extension Rider are intended to be a federally tax-qualified long-term care insurance Contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.

4. **TERMS UNDER WHICH THE POLICY OR CERTIFICATE MAY BE CONTINUED IN FORCE OR DISCONTINUED.**

a. **RENEWABILITY:**

THE POLICY IS NONCANCELLABLE. This means that You have the right, subject to the terms of Your policy, to continue this policy as long as you pay your premiums on time. State Mutual Insurance Company cannot change any of the terms of Your Policy on its own and cannot change the premium You pay.

THE EXTENSION RIDER, AND ANY ADDITIONAL RIDERS, ARE GUARANTEED RENEWABLE. This means You have the right, subject to the terms of the Policy and the rider, to continue a rider as long as You pay Your Premiums on time. The State Mutual Insurance Company cannot change any of the

terms of a rider on its own, except that, in the future, IT MAY INCREASE THE RIDER PREMIUM YOU PAY.

b. WAIVER OF PREMIUM:

The Policy. Upon a Monthly LTC Acceleration Benefit being payable the premium Frequency (Mode) for the Policy and any riders attached will be monthly. Premiums will be waived for any month in which a Monthly LTC Acceleration Benefit is paid. If the Insured recovers from claim status while the Policy is in force premiums will again be payable.

The Extension Rider. While the Insured is eligible for payment of benefits, on a month-by-month basis, premiums will be waived while the Insured remains benefit eligible. If benefit eligibility ceases, premium payments must begin again if the Extension Rider is to remain in force.

5. TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS.

The Company may not change the Premium for the Policy

The Company may change the premium rates the Extension Rider, and any other rider, but only if the changes apply to all similar riders issued in Your state on the rider form. If a new rate applies, the new Premiums will be based on the Insured's original issue age. The Company will give You notice at least 60 days prior to implementation of a premium rate schedule increase.

6. TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED.

- a. Right to Cancel. You may cancel the Policy within 30 days of receiving it by returning it to State Mutual Insurance Company or to the agent from whom it was purchased. As soon as You deliver or mail the Policy, it is void from the start and We will refund all premium payments directly to the payer within 30 days.
- b. Return of Unearned Premium. If You terminate this Policy, We will refund a pro-rata share of any modal Premium paid for any period past the requested month of termination. Any refund of Premium is not in lieu of nonforfeiture benefits, if any. The proceeds payable at the Insured's death will be the pro-rata sum of any Premium paid beyond the month of death.

7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If the Insured is eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the Company. Neither the State Mutual Insurance Company nor its agents represent Medicare, the federal government or any state government.

8. LONG-TERM CARE COVERAGE. Policies of this category are designed to provide coverage for one or more necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or Personal Care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community or in the home.

The Policy via an acceleration of the death benefit provides coverage in the form of a reimbursement benefit for covered long-term care expenses, subject to Policy limitations and exclusions, the Lifetime Elimination Period, Maximum Monthly Benefit and Maximum lifetime benefit requirements.

The Extension Rider provides coverage in the form of a reimbursement benefit for covered long-term care expenses, subject to Rider limitations and exclusions, the Lifetime Extension Benefit, and the Monthly Extension Benefit requirements.

9. BENEFITS PROVIDED BY THIS POLICY.

Benefits. Long Term Care Benefits are provided under the Policy and the Extension Rider for Qualified Long-Term Care Services. Benefits include all types of Qualified Long Term Care Services provided pursuant to a Plan of Care and are not limited as to the type of service nor as to the location at which services are provided.

Eligibility for Long Term Care Benefits. Benefits are payable when:

- (1) the Policy is in force; and
- (2) the Elimination Period of 90 days has been satisfied; and
- (3) the Insured has been certified by a Licensed Health Care Practitioner as Chronically III; and
- (4) the Insured has received Qualified Long Term Care Services pursuant to a Plan of Care.

For a Monthly LTC Acceleration Benefit under the Policy for purposes of eligibility Qualified Long Term Care Services received pursuant to a Plan of Care may be provided by an Informal Caregiver not living with the Insured for up to 6 months.

For a Monthly Extension Benefit under the Rider in addition to, the Policy conditions, the following conditions must also be met before benefits are payable:

- (1) payments have exhausted the Maximum Acceleration Benefit; and
- (2) the total benefits paid to date under the Rider have not exhausted the Lifetime Extension Benefit; and
- (3) the Qualified Long-Term Care Services must have been provided by one or more persons who are not Informal Caregivers.

Definitions.

Activities of Daily Living: The following functions allowing for personal independence in everyday living are used as the measurement standard to determine the Insured's functioning capacity :

- (1) **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;
- (2) **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);
- (3) **Dressing:** Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs;
- (4) **Eating:** Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously;
- (5) **Toileting:** Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene; and
- (6) **Transferring:** Moving into or out of a bed, chair or wheelchair.

Chronically III Individual. Any individual who has been certified in writing pursuant to a Plan of Care by a Licensed Health Care Practitioner as being unable to perform without Substantial Assistance from another individual at least two of the six Activities of Daily Living for a period expected to last at least 90 days due to a loss of functional capacity; or requiring Substantial Supervision to protect the individual from threats to health and safety due to Severe Cognitive Impairment.

Licensed Health Care Practitioner. A Physician, as defined in § 1861(r)(1) of the Social Security Act, a registered professional nurse, a licensed social worker or any other individual who meets the requirements as may be prescribed by the U.S. Secretary of the Treasury.

The following do not qualify as a Licensed Health Care Practitioner: You, the Insured, a member of Your Immediate Family, or anyone who is under suspension from Medicare or Medicaid.

Maintenance or Personal Care Services. Any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a Chronically Ill individual (including the protection from threats to health and safety due to Severe Cognitive Impairment)

Plan of Care. A written individualized plan of services prescribed by a Licensed Health Care Practitioner. This Plan of Care must:

- (1) specify the type, frequency, providers, and cost, if any, of all the services needed by the Chronically Ill Individual; and
- (2) be in accordance with accepted medical and nursing standards of practice.

Qualified Long Term Services. Services that meet the requirements of 7702B(c)(1) of the Internal Revenue Code of 1986, as amended, as follows: necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and Maintenance or Personal Care Services, which are:

- (1) required for treatment of a Chronically Ill Individual; and
- (2) are provided, pursuant to a Plan of Care.

Severe Cognitive Impairment. A loss or deterioration in intellectual capacity due to Alzheimer's Disease or other forms of irreversible dementias that is measurable by clinical evidence and standardized tests. Such impairments include:

- (1) loss of short-term or long-term memory,
- (2) disorientation as to people, places or time, and
- (3) deterioration of deductive or abstract reasoning

Substantial Supervision. Continual supervision (which may include cuing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect the severely cognitively impaired individual from threats to his or her health or safety (such as may result from wandering).

10. LIMITATIONS AND EXCLUSIONS.

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

There is an elimination period of 90 days. The elimination period is the number of days that the Insured must be a Chronically Ill Individual while the Policy is in force before any long term care benefits are payable. The days do not need to be consecutive.

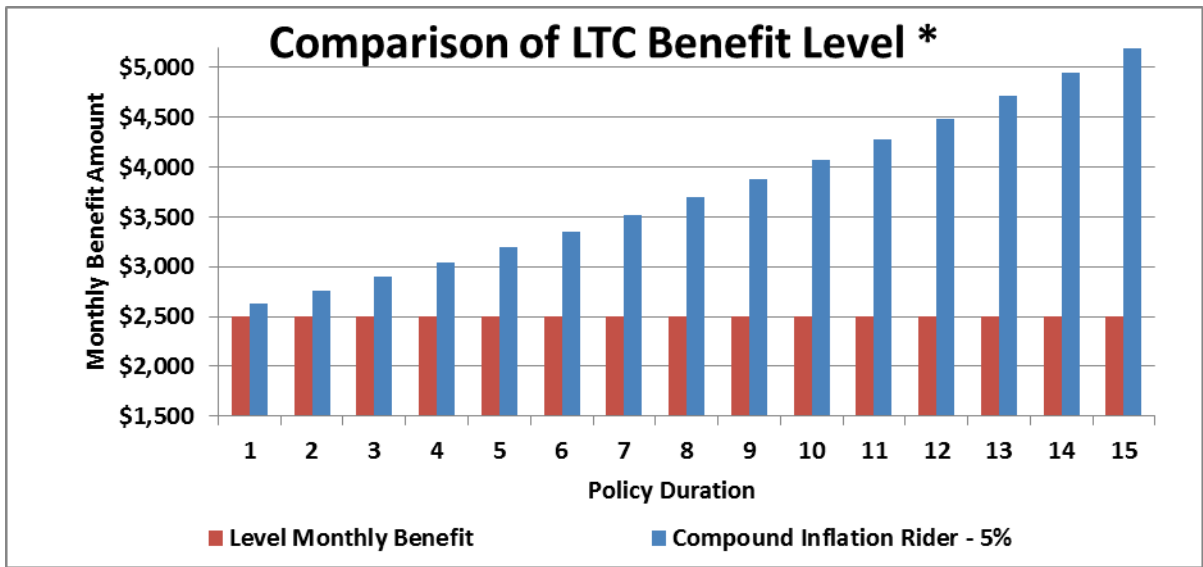
Coverage will not be provided for any Qualified Long-Term Care Services which are:

- (1) incurred before the effective date of this Policy;
- (2) due to participating in a felony, riot or insurrection;
- (3) for care received outside the United States except for as provided;
- (4) for treatment provided in a Veteran's Administration or government facility, unless the Insured or the Insured's estate is charged for the confinement or unless otherwise required by law.

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

11. RELATIONSHIP OF COST OF CARE AND BENEFITS. Because the costs of long-term care services will likely increase over time, You should consider whether and how the benefits of this plan may be adjusted.

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



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

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

The Policy pays a benefit if the Insured is a Chronically Ill Individual due to Severe Cognitive Impairment resulting from Alzheimer's Disease or other forms of irreversible dementias.

13. PREMIUM.

Whole Life Policy Acceleration Benefit for Long Term Care Policy	\$ _____
Extension Benefits Rider for Long Term Care	\$ _____
Compound Inflation Protection Rider	\$ _____
Extension of Benefits Nonforfeiture Rider for Long-Term Care	\$ _____
Spousal Shared Care Rider**	\$ _____
Extension Contingent Insured Rider**	\$ _____
Total Annual Premium	\$ _____

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

14. ADDITIONAL FEATURES.

- a. Medical Underwriting. The Policy will be issued based on the answers to the questions on the application and any additional information that may be needed to complete the evaluation process.

Guaranteed Increase Option. If there is no Inflation Rider attached to the Policy, and no Long Term Care Benefits have been paid or are payable under the terms of the Policy or any Rider, on the third Annual Policy Date and every three years thereafter, You may increase the original Monthly LTC Acceleration Benefit Maximum by 15%. Exercise of Guaranteed Increase Option will not change the Maximum LTC Acceleration Benefit. The original Monthly LTC Acceleration Benefit Maximum refers to the amount at issue.

Evidence of insurability is not required. If You do not accept the optional increase, that particular increase will not be available to You again. If three consecutive offers are declined, You will be ineligible for future offers. The Guaranteed Increase Option will not be available on and after the Insured's age 80.

- b. Compound Inflation Protection Rider. If this rider is elected We will increase the Monthly LTC Acceleration Benefit Maximum at 5% compounded annually, for each year that coverage remains continuously in force. Each increase will automatically become effective on each anniversary of the Policy Date. If this Rider is attached, You will not be provided the Guaranteed Purchase Option in the Policy.
- c. Extension of Benefits Nonforfeiture Rider for Long-Term Care. If this rider is elected and if the Extension of Benefits Rider for Long-Term Care Rider is terminated at Your request after that rider has been inforce for at least three years, or if the Extension of Benefits Rider for Long-Term Care Rider lapses at any time, benefits incurred on or after the date of lapse or termination will continue to be paid as described in the Extension of Benefits Rider for Long-Term Care until the earliest of:
 - (1) the death of the Insured; or
 - (2) the date the Nonforfeiture Benefit Limit has been exhausted.
- d. Shared Care Benefit Option*. If this rider is elected, and if the applicable requirements are met, We will name the Insured's spouse as a Secondary Insured under this rider This designation will, allow the Insured's spouse to access benefits under the Long Term Care provisions of the Policy and the Extension Benefit Rider for Long Term Care, if the Insured's spouse first exhausts the available benefits under his/her policy and rider. The Insured's spouse must be insured under an identical policy and identical riders and named the Insured as Secondary Insured for that policy and rider
- e. Extension Contingent Insured Rider*. If this rider is elected, and if the applicable requirements are met, We will name the Insured's spouse as a Contingent Insured under this rider This designation will, allow the Contingent Insured Ito access benefits under the Long Term Care provisions of the Policy and the Extension Benefit Rider for Long Term Care, if the Insured and the Contingent Insured are simultaneously receiving benefit payments for the same type of care or service.

**Note: A Shared Care Benefit Option or an Extension Contingent Insured Rider may be added, but not both.

15. CONTACT THE STATE AGENCY LISTED IN A *SHOPPER'S GUIDE TO LONG-TERM CARE INSURANCE* IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT THE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE POLICY OR CERTIFICATE.