



CARE DIRECTIONS[®] Premier
LONG-TERM CARE INSURANCE POLICY
REQUIRED DISCLOSURE STATEMENT
(OUTLINE OF COVERAGE)
Policy Number PRT11-336-NY-998
for Individual and List Bill Sales

This Policy is approved by the New York State Partnership for Long-Term Care.

This Policy is intended to be a qualified long-term care insurance contract under section 7702B(b) of the Internal Revenue Code and in compliance with section 1117 of the New York Insurance Code.

Caution: The issuance of this long-term care Policy is based upon your responses to the questions on your application. A copy of your application is enclosed. If your answers are incorrect or untrue, or fail to include all material medical information requested, the Company has the right to deny Benefits or rescind your Policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact the Company at the address above.

Notice to Buyer: This Policy may not cover all of the costs associated with long-term care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all Policy limitations. The special eligibility for long-term care protection through the New York State Medicaid program shall be void unless You are eligible to receive approved services under the New York State Medicaid program when such special eligibility occurs.

1. **POLICY.** This Policy is an individual Policy of insurance issued in the state of New York.
2. **PURPOSE OF OUTLINE OF COVERAGE.** This Outline of Coverage provides a very brief description of the important features of the Policy. You should compare this outline of coverage to outlines of coverage for other policies available to you. This is not an insurance contract, but only a summary of coverage. Only the individual Policy contains governing contractual provisions. This means that the Policy sets forth in detail the rights and obligations of both you and the insurance company. Therefore, if you purchase this coverage, or any other coverage, it is

3. **TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED.** If you feel this Policy does not meet your insurance needs, return it to us or your agent within 30 days. If you do so, we will return any premium you may have paid. We also will void your Policy from its effective date.

When we are notified of your death, we will make a pro-rata refund to your estate of any premium paid for the period beyond your death. There is no refund when the Policy is surrendered.

4. **THIS IS NOT MEDICARE SUPPLEMENT COVERAGE.** If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the insurance company. Neither MedAmerica Insurance Company of New York nor its agents represent Medicare, the federal government, or any state government.
5. **LONG-TERM CARE COVERAGE.** Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services. These services must be provided in a setting other than an acute care unit of a hospital, such as a nursing facility, in the community, or in the home.

This Policy provides coverage of 100% of actual charges incurred up to the daily benefit amount as listed on the Schedule page of your Policy, for qualified long-term care services. Coverage is subject to Policy limitations and an elimination period.

6. **BENEFITS PROVIDED BY THIS POLICY.**

- (a) **Benefit Eligibility:** To be eligible for Benefits provided by this Policy, we must receive periodic proof from a Licensed Health Care Practitioner that you are a person who meets the following conditions:
- You need Substantial Assistance from another person to perform at least two of the Activities of Daily Living (Bathing, Dressing, Eating, Toileting, Transferring, Continence) for a period expected to last at least 90 days; or
 - You need Substantial Supervision to protect you from threats to health and safety due to Severe Cognitive Impairment.

Each of the following is an **Activity of Daily Living**:

- Bathing: This means the ability to wash yourself including a sponge bath, with or without extra equipment.
- Continence: This means the ability to control bowel and bladder functions voluntarily, or when unable to maintain control of bowel or bladder functions, the ability to perform associated personal hygiene, including caring for catheter or colostomy bag.
- Dressing: This means the ability to put on and take off, fasten and unfasten all garments and medically necessary braces or artificial limbs usually worn.
- Eating: This means the ability to get food into your body from a receptacle (such as plate, cup or table) or by a feeding tube or intravenously.
- Toileting: This means the ability to go to and from the toilet and maintain a reasonable level of personal hygiene. This includes getting on and off the toilet and caring for clothing.
- Transferring: This means the ability to move in and out of a chair, wheelchair or bed.

We will work with you, your family and your physician when we need information about your condition. We will review the status of your Activities of Daily Living and cognitive function. We will use this information to make an evaluation of your condition to determine whether you qualify or continue to qualify for Benefits under this Policy. This information may be gathered by us or one of our representatives.

We must receive certification from a Licensed Health Care Practitioner at least every 12 months that you meet the above conditions.

- (b) There is a once-in-a-**Lifetime Elimination Period** of 0, 30, or 100 days, which you have selected and which is listed in your Schedule, for which you must pay qualified long-term care expenses for Benefits covered in this Policy.

A day is credited toward the Lifetime Elimination Period for each eligible day paid in part or in full by Medicare. Days used to satisfy your Lifetime Elimination Period do not need to be consecutive.

There is no Lifetime Elimination Period for Hospice Program or Respite Care. These Benefits may not be used to satisfy the Lifetime Elimination Period. If you are receiving Hospice Program Benefits paid by another insurer, we will waive the Lifetime Elimination Period.

- (c) To calculate your **Lifetime Benefit Amount**, multiply the daily benefit amount, which you have selected, by the number of days listed in your Policy schedule. We will deduct from this amount all Benefits paid for covered services you receive under this Policy.

- (d) This Policy provides coverage if you are clinically diagnosed as having **Alzheimer's** disease or related degenerative and dementing illnesses. Coverage is contingent upon documentation by a licensed health care practitioner that you are severely cognitively impaired requiring substantial supervision. This benefit is subject to the same benefit eligibility provisions and lifetime elimination period limitations as other Benefits.
- (e) Our **Personal Care Advisor** is available to help you and/or your family members plan for your care through our benefit planning service. This service is provided at your option and without cost to you.
- (f) Qualified Long-Term Care Services must be provided by **Approved Providers** in order to be reimbursed. Approved Providers are any of the following:
 - **Nursing Facility;**
 - **Assisted Living Facility;**
 - **Hospice Program;**
 - **Home Health Care Agency; or**
 - **Adult Day Care Center.**
- (g) If you meet Benefit Eligibility, we will provide Benefits at 100% of the actual charges incurred up to the Daily Benefit Amount listed in your Schedule for **services provided in a licensed, accredited or certified Nursing Facility, Assisted Living Facility, or by an Adult Day Care** that are Qualified Long-Term Care Services.
- (h) If you meet Benefit Eligibility, we will provide Benefits at 100% of the actual charges incurred up to the Daily Benefit Amount shown in your Schedule for **services provided by a Hospice Program** that are Qualified Long-Term Care Services.

Benefits for Hospice Program services that are provided in other than an inpatient setting will be paid up to the Daily Benefit Amount for Home Care. This benefit is not subject to, and may not be used to satisfy, the Lifetime Elimination Period.

- (i) If you meet Benefit Eligibility, we will provide Benefits at 100% of the actual charges incurred up to the Daily Benefit Amount listed in your Schedule for **services provided by a licensed, accredited or certified Home Health Care Agency** that are Qualified Long-Term Care Services.
- (j) If You meet Benefit Eligibility, We will provide **Alternate Care** Benefits at 100% of the actual charges incurred up to the Nursing Facility Daily Benefit Amount shown in Your Schedule for services that are Qualified Long-Term Care Services provided in a hospital setting while you are waiting for access to a Nursing Facility or for Home Care services.
- (k) **Bed Reservation Benefits** will be paid if you are hospitalized temporarily while we are paying for Benefits in a Nursing Facility and that facility charges you a fee to reserve your bed. We will pay to reserve your bed for up to 20 days per calendar year.

- (l) If you meet Benefit Eligibility and you are at Home, **Respite Care Benefits** will be paid for Respite Care provided in your Home, in a Nursing Facility, or in an Assisted Living Facility.

We will pay Benefits for Respite Care Services at the Nursing Facility Daily Benefit Amount shown in your Schedule for a maximum of 14 days per calendar year. Benefits paid for Respite Care will be deducted from your Lifetime Benefit Amount. This benefit is not subject to, and may not be used to satisfy, the Lifetime Elimination Period.

- (m) **Worldwide Coverage** is provided to cover services by approved providers anywhere in the world.

7. **LIMITATIONS AND EXCLUSIONS.**

- (a) **Pre-existing conditions:** There are no pre-existing condition limitations in this Policy.
- (b) **Exclusions:** Expenses for the following will not be reimbursed under this Policy:
- Treatment for alcoholism and/or drug addiction;
 - Treatment for illness or medical condition arising out of war or any act of war, declared or undeclared;
 - Services for intentionally self-inflicted injury;
 - Treatment provided in a government facility except as otherwise required by State or Federal law;
 - Services provided by a member of your immediate family.
 - Services for which no charge is normally made in the absence of insurance.
 - Expenses for Medications, prescription and/or non-prescription.
- (c) **Nonduplication:** We will not pay Benefits for services or expenses that are reimbursed under Medicare or under any other federal, state, or other governmental health care plan or law (except Medicaid). This exclusion also applies to services or expenses that would be reimbursed by Medicare but have been applied to a deductible or coinsurance amount.

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

8. **RELATIONSHIP OF COST OF CARE AND BENEFITS.**

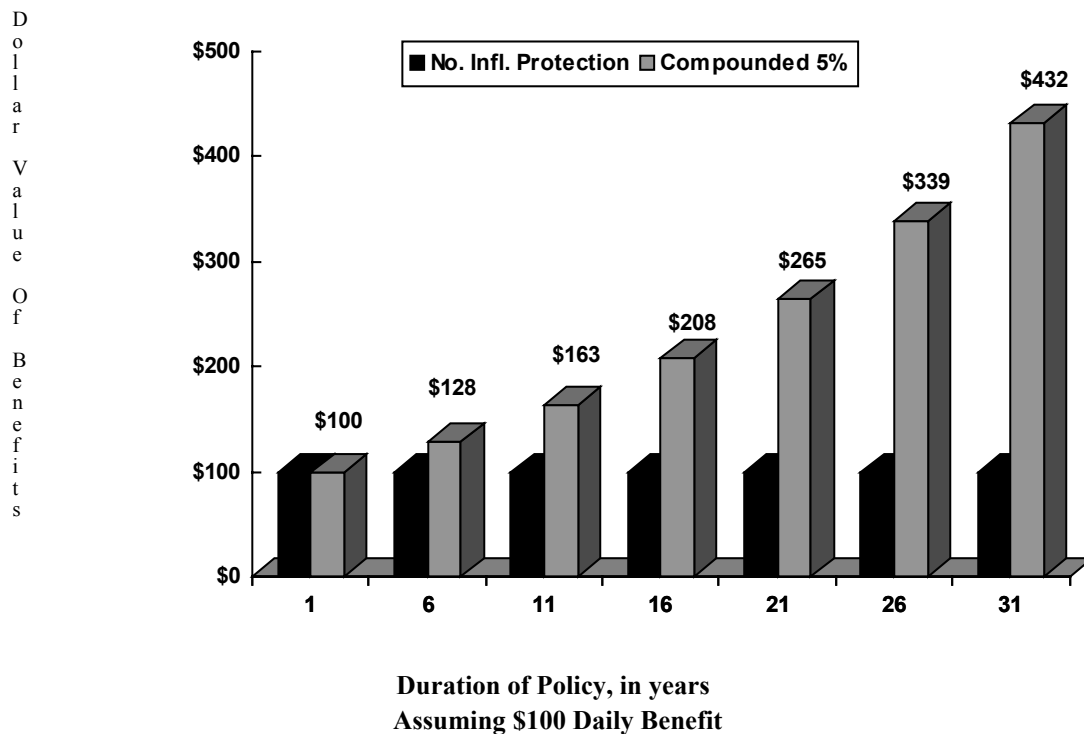
Because the costs of long-term care services will likely increase over time, you should consider whether and how the Benefits of this plan may be adjusted.

- (a) Benefits will not increase over time if you do not purchase inflation protection.
- (b) Benefit adjustment provisions:

If you purchase \$100 per day nursing facility coverage, following are your Benefits over time:

If you purchase compound indexing Benefits, your Lifetime Benefit Amount and Daily Benefit Amount will each increase on every anniversary of the effective date of this policy. Annual increases will apply to Benefits payable for any expenses you incur on or after the date of the increase. This first increase will be equal to 5% of your original amounts. Each increase thereafter will be equal to 5% of the increased amounts that applied on the date of the prior increase. Benefits increase without regard to health status.

**Comparison of Daily Benefit Level
with and without Inflation Protection
Compounded 5% Interest - Lifetime Duration**



- (c) You may purchase additional coverage, including inflation protection, at any time; however, after 30 days from the effective date of your Policy, this will require a new application, which will be subject to medical underwriting.

The difference in premium for a Policy with or without inflation protection is based on the differences of the expected Benefits over your lifetime.

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

- (a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means that you have the right, subject to the terms of your Policy, to continue your Policy as long as you pay your premiums on time. MedAmerica Insurance Company of New York cannot change any of the terms of your Policy on its own, except that, in the future, IT MAY CHANGE THE PREMIUM YOU PAY. The only changes We can make are those We are obligated to make by government officials due to the participation of this Policy in the New York State Partnership for Long Term Care Program.
- (b) **WAIVER OF PREMIUM.** Your premium payments will be waived on a monthly basis starting on the first day of policy-paid Benefits in a Nursing Facility or Hospice Program OR on the 91st day of policy-paid Benefits for Home Health Care, Assisted Living Facility, or Adult Day Care.
- (c) **OUR RIGHT TO CHANGE PREMIUM.** We can change your premium with thirty (30) days written notice, but only if we change the premiums for all persons in the same premium payment class, regardless of where you reside at the time of the premium change.

10. **PREMIUM.**

- (a) The total annual premium quoted for your Policy is shown below. The total premium amount of your issued Policy is listed on the Schedule page of your Policy and may vary from the amount that is identified below due to medical underwriting.
(Agent: Please use the space below to indicate the premium quoted.)

Annual Base Policy Premium	\$ _____
Riders Available	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____
Total Annual Premium	\$ _____

- (b) An initial grace period of 30 days will be granted for each premium that is unpaid on the date due. After 30 days, a notice will be sent to you explaining that a payment has been missed and that your Policy risks lapsing. If You have designated an individual to be notified of lapse, We will send the notice to the address You provided for that designee. You will have an additional 35 days from the date we mail notice to you during which any unpaid premium must be paid. Payment will allow your Policy to continue in force without interruption. Failure to pay any unpaid premium by the end of this Grace Period will result in the termination of your Policy as of the premium due date.

11. **ADDITIONAL FEATURES.**

- (a) Medical underwriting of your application is used to determine your eligibility for long-term care insurance and to determine your correct Rate Group classification.
- (b) Benefits may be available after termination if you are receiving Benefits covered under the Policy. See the “Extension of Benefits” section of your Policy for specific requirements.
- (c) If your Policy terminates because of non-payment, you may apply for reinstatement of the Policy.
- (d) No prior hospitalization is required before you can receive coverage for services under this Policy.
- (e) **Shortened Benefit Period Nonforfeiture Rider**

If you purchase this Rider, the following Benefit applies:

Shortened Benefit Period Nonforfeiture Benefit

We will continue the coverage provided by this Policy, subject to a reduced Lifetime Benefit Amount, if your coverage under this Policy has been in force for three years or more and your coverage lapses due to cancellation or nonpayment of premium. This reduced Lifetime Benefit Amount is called your Nonforfeiture Maximum Benefit. If the eligibility requirements are met, we will provide Benefits at 100% of the actual charges incurred for any Qualified Long-Term Care Services, otherwise covered under your Policy, up to your Nonforfeiture Maximum Benefit.

Amount of Benefit

Your Nonforfeiture Maximum Benefit will be the greater of:

1. The sum of all premiums paid for your coverage under this Policy and any attached Riders; or
2. Thirty (30) times the Amount of Daily Benefit in effect on the date your coverage under this Policy lapses.

However, your Nonforfeiture Maximum Benefit will never be greater than your Policy Lifetime Benefit Amount at time of lapse.

NOTICE: Extended Medicaid coverage is available only when your Policy is kept in force and all Policy benefits are paid and exhausted. If you terminate or lapse your Policy prior to that time, and benefits are payable under this rider, extended Medicaid coverage will not be available.

(f) **Return of Premium Rider**

If you purchase this Rider, the following Benefit applies:

Upon notification of your death, we will refund to your estate a portion of the premiums paid less any Benefits paid or payable. The amount of the refund is determined by multiplying (A) by (C) and then subtracting (B). (A), (B) and (C) are defined as follows:

(A) = Your total premiums paid, not including any premiums which were waived, less any unearned premiums refunded at your death.

(B) = Your total Benefits paid or payable.

(C) = The applicable factor from the Schedule of Factors shown below. It is determined based on your age on the birthday preceding the date of death.

Schedule of Factors

Age of Insured at Death	Factors
65 or younger	100%
66	90%
67	80%
68	70%
69	60%
70	50%
71	40%
72	30%
73	20%
74	10%
75 or older	No refund is made

The factors shall be further reduced on a monthly basis by one-twelfth of 10% for each attained month of age preceding the date of death.

(g) **Survivorship Benefit Rider**

If you and your spouse each purchase one of these riders, the following Benefit applies:

Benefit

We will not require the payment of premium under this Policy after both of the following events have occurred:

- Your Policy and your spouse's Policy have been in force with us for ten consecutive years; and
- Your spouse is deceased.

Discontinuation of Rider and/or Lapse of Base Policy

You may choose at any time to discontinue both your Policy **and** this rider, **or** to discontinue **only** this rider. The following conditions apply:

1. If you cancel this rider, your spouse's rider is automatically cancelled. You and your spouse each have the option to retain your base Policies.
2. If you cancel both your base Policy and this rider, your spouse's rider is automatically cancelled. Your spouse can retain his or her base Policy.
3. Your rider and your spouse's rider are automatically cancelled as of the date of a divorce or annulment.

Survivorship Purchase Requirements

At the time you apply for your Policy, you and your spouse must agree to purchase the same benefit features. These benefit features include: the daily benefit amount, lifetime benefit amount, any options and riders.

Both you and your spouse must also agree to purchase this rider and choose the same payment terms. The effective date of both Policies must also be identical.