



Mutual of Omaha

Mutual of Omaha Insurance Company • Mutual of Omaha Plaza, Omaha, Nebraska 68175
1-800-775-6000

**NURSING HOME AND HOME CARE INSURANCE
POLICY FORM NHAQ – 20037
OUTLINE OF COVERAGE**

***THIS IS INTENDED TO BE A QUALIFIED NURSING HOME INSURANCE ONLY CONTRACT
UNDER SECTION 7702B(b) OF THE INTERNAL REVENUE CODE.***

NOTICE: BENEFITS PAID IN EXCESS OF CERTAIN AMOUNTS PRESCRIBED UNDER SECTION 7702B(d) OF THE INTERNAL REVENUE CODE MAY BE INCLUDED IN GROSS INCOME FOR INCOME TAX PURPOSES. IF YOU HAVE ANY TAX QUESTIONS ABOUT THE PLAN, PLEASE SEE YOUR TAX ADVISOR.

NOTICE TO BUYER: THE POLICY MAY NOT COVER ALL OF THE COSTS ASSOCIATED WITH NURSING HOME CARE INCURRED BY THE BUYER DURING THE PERIOD OF COVERAGE. THE BUYER IS ADVISED TO REVIEW CAREFULLY ALL POLICY LIMITATIONS.

Caution: The issuance of the nursing home insurance only policy is based upon your responses to the questions on your application. A copy of the application will be enclosed with your policy. Omissions or misstatements in the application could cause an otherwise valid claim to be denied or your policy to be rescinded. If, for any reason, any of your answers are incorrect or untrue, contact the Company at this address: Mutual of Omaha Insurance Company, Mutual of Omaha Plaza, Omaha, Nebraska 68175.

The policy is an individual policy of insurance issued in the State of New York.

The disclosure statement provides a very brief description of the important features of the policy. You should compare this disclosure statement to other disclosure statements (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 important that you **READ YOUR POLICY CAREFULLY!**

TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED

- 1. 30-DAY RIGHT TO EXAMINE POLICY.** Please read your policy. If, for any reason, you are not satisfied with it, you may return the policy to us or your agent within 30 days of its delivery. We will then promptly refund all premiums paid, and the policy will be considered never to have been issued.
- 2. REFUND OF PREMIUMS PAID BEYOND YOUR DEATH.** If you die while the policy is in force, we will refund the pro rata portion of any premium paid for the period after your death. The refund will be made within 30 days receipt of written notice of your death. The refund will be payable to your estate.
- 3.** The policy does not contain provisions for refund of premium beyond those provided during the 30-day free look period and upon death.

THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for Medicare, review the *Guide To Health Insurance For People With Medicare* provided by the Company. Neither Mutual of Omaha Insurance Company nor its agents represent Medicare, the federal government or any state government.

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

The policy provides coverage for reasonable and customary charges not to exceed a percentage of the Nursing Home Only Daily Benefit amount selected for covered nursing home only services, subject to the policy limitations and elimination periods.

BENEFITS PROVIDED BY THE POLICY

You have selected the following benefits:

Nursing Home Only Daily Benefit	\$ _____
Elimination Period	_____ Days
Maximum Benefit Period	_____

Nursing Home Only Daily Benefit means a minimum amount of \$50.00 up to the maximum amount we will pay each day, after the Elimination Period is satisfied, for Nursing Home Care.

Elimination Period means the number of days of Nursing Home Care, at the start of each Period of Care, for which benefits are not payable. Nursing Care Facility days approved by Medicare may be used to satisfy the Elimination Period.

Maximum Benefit Period means the maximum length of time for which Nursing Home Only Benefits are payable during any one Period of Care. It begins on the first day Nursing Home Only Benefits become payable after expiration of the Elimination Period, and is measured in calendar days. It ends after Nursing Home Only Benefits have been payable for at least one year or the duration of time elected under the policy.

Home Care Only Rider

This rider provides a Home Care Only Daily Benefit, for as long as the Home Care Only Maximum Benefit Period, for medical and nonmedical services received from a Home Care Agency or licensed registry and is provided in your home. The person providing Home Care cannot be a family member.

HOW YOUR POLICY WORKS

- 1. ELIGIBILITY FOR THE PAYMENT OF BENEFITS.** In order for benefits to be payable under the policy, the following requirements must be met:
 - (a) benefits must be for Qualified Nursing Home Care Services only; and
 - (b) you must be Chronically Ill; and
 - (c) such services are according to a Plan of Care prescribed by a Licensed Health Care Practitioner; and
 - (d) within the preceding 12-month period, a Licensed Health Care Practitioner has certified that you meet these requirements.
- 2. LIMITATIONS OR CONDITIONS ON ELIGIBILITY FOR BENEFITS.** Benefits are payable only if the policy is in force subject to the Extension of Coverage provision. Benefits are not payable other than for Qualified Nursing Home Care Services. Benefits are not payable during the Elimination Period. All benefits are subject to the daily benefit amounts and the Maximum Benefit Period.

Benefits will not be paid after the Maximum Benefit Period has been exhausted, except as provided by the Restoration of Benefits provision.

All benefits are paid only for care or treatment for which a charge is made to you.

The policy and any attached riders do not provide for a cash surrender value or other money that can be paid, assigned, or pledged as collateral for a loan, or borrowed.

NURSING HOME ONLY BENEFITS

1. **NURSING CARE FACILITY AND HOSPICE CARE FACILITY CONFINEMENT.** When you are confined in a Nursing Care Facility or Hospice Care Facility, we will pay the Nursing Home Only Daily Benefit for each day of such confinement.
2. **ASSISTED LIVING FACILITY CONFINEMENT.** When you are confined in an Assisted Living Facility, we will pay:
 - (a) 100% of the Reasonable and Customary or Actual Charges (whichever is less); but
 - (b) not more than the Nursing Home Only Daily Benefit amount selected or a minimum of \$50.00;for each day of confinement. Reasonable and Customary or Actual Charges for an Assisted Living Facility are limited to the cost of a one-bedroom unit.
3. **BED RESERVATION BENEFIT.** If you become temporarily confined to a hospital while receiving covered Nursing Care Facility services, and the Nursing Care Facility continues to charge you for reservation of your bed, we will pay a daily Bed Reservation Benefit in the same manner as for Assisted Living Facility services. Bed Reservation Benefits are limited to a maximum of 21 days per calendar year.
4. **ALTERNATE PLAN OF CARE.** If you qualify for Nursing Home Only Benefits, we may pay for types of care or services not otherwise included in the policy if a cost-saving Alternate Plan of Care is:
 - (a) developed and approved by the Care Coordinator; and
 - (b) mutually agreed to by you, your physician and us.
5. **RESTORATION OF BENEFITS.** The Maximum Benefit Period for Nursing Home Only Benefits will be fully restored, and a new Period of Care will begin, if, for 180 consecutive days, you have:
 - (a) not had a Severe Cognitive Impairment;
 - (b) been able to perform all of the Activities of Daily Living without substantial assistance; and
 - (c) been informed by your physician or the Care Coordinator that you no longer require, and you have not been advised to receive, Nursing Home Only services that would have otherwise been covered by the policy.

There is no limit to the number of times benefits may be restored.

CARE COORDINATOR SERVICE

To contact the Care Coordinator, call the toll-free telephone number shown in the policy.

For assistance in managing and arranging your nursing home care needs, and to provide a more cost-effective way of maximizing the policy's benefits, you may wish to use the services of the Care Coordinator.

The Care Coordinator offers knowledge, training and experience, and will meet with you to assess your individual needs and be entitled to develop a cost-saving Alternate Plan of Care to meet those needs. The cost-saving Alternate Plan of Care can include types of care or services that would not otherwise be covered by the policy, as long as you qualify for Nursing Home Only Benefits, and the cost-saving Alternate Plan of Care is

approved by us and accepted by you. There is no cost to you for utilizing this optional benefit, and the Care Coordinator's services will not limit or reduce the benefits available under the policy.

OTHER FEATURES

1. **WAIVER OF PREMIUM.** After you have received 90 consecutive days of Nursing Home Only services during any one Period of Care, or have satisfied your Elimination Period (whichever is the greater number of days), we will waive all premiums which thereafter become due for the policy and any attached riders, as long as covered Nursing Home Only services continue.

Waiver of Premium will end when the first of the following occurs:

- (a) you are not receiving covered Nursing Home Only services; or
- (b) the Maximum Benefit Period has been paid for a Period of Care.

Once Waiver of Premium ends, you must again pay any premiums which become due in order to keep your coverage in force.

2. **GUARANTEE PURCHASE BENEFIT OPTION.** This benefit applies only if no Compound Inflation Protection Rider has been elected.

On the second policy anniversary date and every 2 years thereafter through the 20th policy anniversary date, you will be offered the option to increase: (a) the Nursing Home Only Daily Benefit amount of the policy; and (b) the Home Care Only Daily Benefit amount of the attached Home Care Only Rider. Evidence of insurability is not required.

The purchase of the additional amounts of insurance is subject to the following:

- (a) The policy must be in force on the policy anniversary date.
- (b) We will notify you 60 days prior to the policy anniversary date of this option. You must accept the increase option within 60 days of the offer.
- (c) Each offer to increase the policy and rider daily benefit amount(s) will be 15% of the original daily benefit amount(s) you elected when the policy was issued. Amounts greater than or less than 15% may not be purchased under this provision. If you purchase additional insurance, we will send you an endorsement to the policy which will increase the daily benefit amount(s) by 15%.
- (d) You must pay the additional premium amount required. The premium for the additional insurance will be based on your attained age and our rates which were in effect on the date of purchase.
- (e) If 2 consecutive increases are not accepted, you will be ineligible for future offers.
- (f) The additional insurance will have the same Elimination Period and Maximum Benefit Period as you elected when the policy was issued.

3. **EXTENSION OF COVERAGE.** Termination of this policy and attached rider, if any, shall be without prejudice to any benefits payable under the policy and rider if eligibility for such benefits or total disability began while the policy and rider were in force and continues without interruption after termination. Such extension of benefits beyond the period the policy and rider were in force is limited to the benefit period.

IMPORTANT DEFINITIONS

Activities of Daily Living are eating, toileting, transferring, bathing, dressing and continence.

Chronically Ill means you have been certified by a Licensed Health Care Practitioner within the preceding 12 months that you:

- (a) are unable to perform (without substantial assistance from another person) at least 2 Activities of Daily Living for a period of at least 90 days due to a loss of functional capacity; or
- (b) have a level of disability similar (as determined under regulations prescribed by the U.S. Secretary of Treasury in consultation with the Secretary of Health and Human Services) to the level of disability described in (a); or
- (c) require substantial supervision in order to be protected from threats to your health and safety due to Severe Cognitive Impairment.

Licensed Health Care Practitioner means any physician and any registered professional nurse, licensed social worker or other individual who meets such requirements as may be prescribed by the U.S. Secretary of the Treasury or a state licensed practitioner as appropriate to tax qualified coverage.

Plan of Care means a written plan of coordinated professional and personal services which may include, but not be limited to:

- (a) reason for services, including diagnosis, symptoms and reason for continued care;
- (b) schedule of treatment;
- (c) functional limitations, including Activities of Daily Living; and
- (d) objectives of the Plan of Care.

It is your responsibility to have your physician supply us with the Plan of Care, unless you utilize the services of the Care Coordinator who will develop the Plan of Care for you. A Plan of Care must be approved by us and accepted by you.

Qualified Nursing Home Care Services means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care services, which are:

- (a) required by a Chronically Ill individual; and
- (b) provided pursuant to a Plan of Care prescribed by a Licensed Health Care Practitioner.

Reasonable and Customary or Actual Charges means expenses, fees or charges you incur and are responsible for which do not exceed the level of charges normally made for similar care, service or other items provided to persons with comparable medical conditions or impairments in the locality where they are received. Expenses, fees or charges are considered to be incurred on the day you receive the care, service or other items.

Severe Cognitive Impairment means a loss or deterioration in intellectual capacity that is:

- (a) comparable to (and includes) Alzheimer’s Disease and similar forms of irreversible dementia; and
- (b) measured by clinical evidence and standardized tests that reliably measure impairment in your:
 - (1) short-term or long-term memory;
 - (2) orientation as to people, places or time; and
 - (3) deductive or abstract reasoning.

LIMITATIONS AND EXCLUSIONS

1. **PRE-EXISTING CONDITION LIMITATION.** Pre-existing Conditions not disclosed on your application will be covered if care or treatment for such conditions is received 6 months or more after the policy date subject to Time Limit on Certain Defenses.

A “Pre-existing Condition” is a condition for which medical advice was given or treatment was recommended by, or received from, a provider of health care services within 6 months prior to the policy date.

If the policy replaces another nursing home only policy, we will waive any time periods applicable to Pre-existing Conditions for similar benefits to the extent that similar exclusions have been satisfied under the replaced policy.

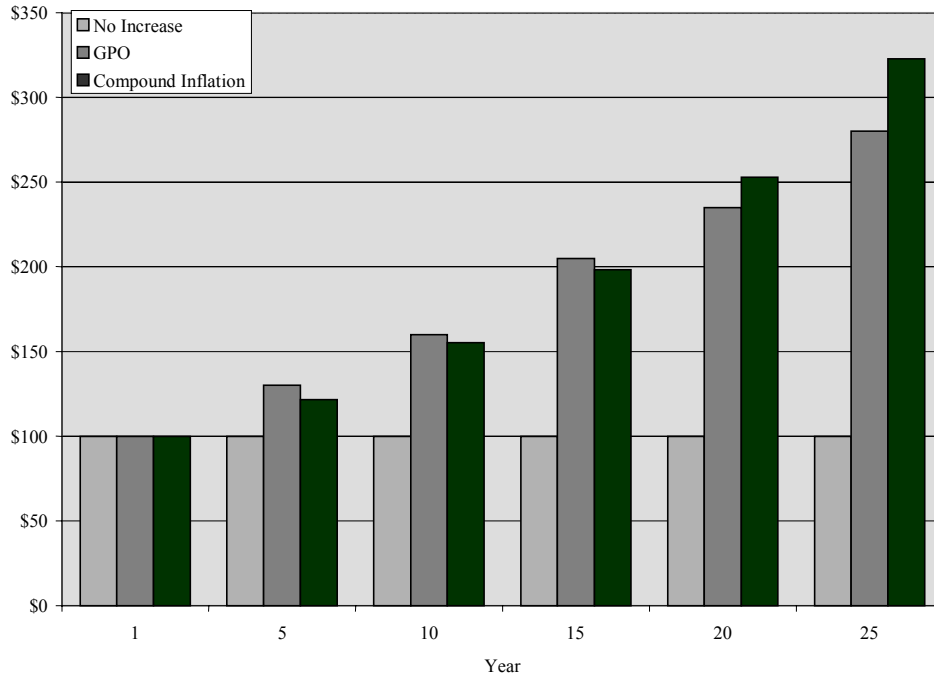
2. **EXCLUSIONS AND LIMITATIONS.** The policy will not cover that portion of any expense which is:
- (a) mental or nervous disorders; however, this exclusion or limitation of benefits does not include Alzheimer's Disease or demonstrable organic brain disease;
 - (b) alcoholism and drug addiction;
 - (c) illness, treatment or medical condition arising out of:
 - (1) war or act of war (whether declared or undeclared);
 - (2) participation in a felony, riot or insurrection;
 - (3) service in the armed forces or units auxiliary thereto;
 - (4) suicide, attempted suicide or intentionally self-inflicted injury; or
 - (5) aviation (this exclusion applies only to the non-fare paying passengers);
 - (d) treatment provided in a government facility (unless otherwise required by law), services for which benefits are provided under any state or federal workers' compensation, employer's liability or occupational disease law, or any mandatory motor vehicle no-fault law, services provided by a member of the covered person's immediate family and services for which no charge is normally made in the absence of insurance;
 - (e) care or treatment received outside the United States or its territories.
3. **MEDICARE & OTHER GOVERNMENTAL PROGRAM LIMITATIONS.** The policy will not pay benefits for care or services for which benefits are provided by Medicare or any other governmental program (except Medicaid). However, Nursing Care Facility days approved by Medicare may be used to satisfy the Elimination Period.

THE POLICY MAY NOT COVER ALL OF THE EXPENSES ASSOCIATED WITH YOUR NURSING HOME CARE NEEDS.

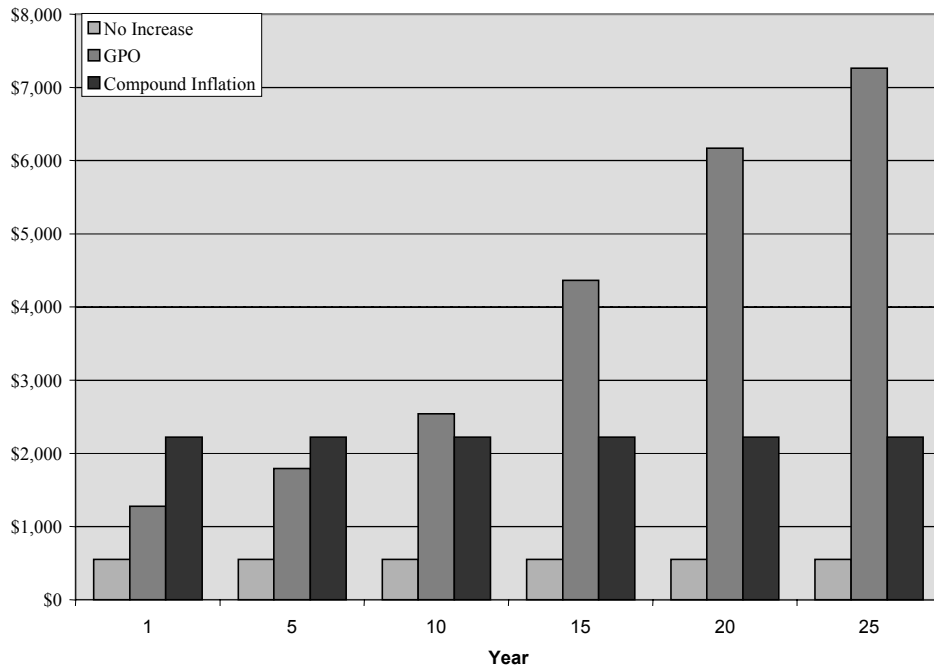
RELATIONSHIP OF COST OF CARE AND BENEFITS. Because the costs of nursing home care services will likely increase over time, you should consider whether and how the benefits of the plan may be adjusted. Your benefits will not increase unless you choose the optional Compound Inflation Protection Rider. You will be charged an additional premium for this rider.

The following is an example of how daily benefits and premiums increase with and without the Guarantee Purchase Option and the Compound Inflation Protection. The Guarantee Purchase Option is assumed to be exercised every two years for 20 years. This comparison is based on an original Daily Benefit amount of \$100.

Daily Benefit Comparison



Annual Premium Comparison



ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS. The policy provides coverage for Alzheimer's Disease and other organic brain disorders.

PREMIUM

BASE PLAN

The annual premium for the **Base Policy Form and Home Care Only Rider.** \$ _____

OPTIONAL BENEFIT RIDERS

The following **Optional Benefit Riders** are available with the Base Policy Form. Check [**X**] if applied for. Requires additional premium.

[] **Compound Inflation Protection Rider**
This rider automatically increases the policy’s Nursing Home Only Daily Benefit amount, as well as the Daily Benefit under the Home Care Only Rider, if any, on each policy anniversary date by 5% compounded annually. \$ _____

[] **Shortened Benefit Period Nonforfeiture Rider**
After the policy and this rider are in force for 3 years, we cannot terminate the policy and any attached riders due to nonpayment of premium but, if the policy lapses, we will provide a reduced policy (rider) Maximum Benefit Period. \$ _____

[] **Spouse Premium Reduction Rider**
If you and your spouse live together at the time of application and are both covered under Form NHA-19501, Non Tax-Qualified Nursing Home Only or NHAQ-20037, Tax-Qualified Nursing Home Only Insurance Policies; the premium for your policy will be reduced by 10%. \$ _____
(minus 10%)

ONE TIME POLICY FEE \$ _____

TOTAL INITIAL ANNUAL PREMIUM \$ _____

ADDITIONAL FEATURES

1. **PROTECTION AGAINST UNINTENTIONAL LAPSE.** You have the right to direct us to notify someone else 30 days after your premium is due and unpaid that your policy is about to lapse or terminate for nonpayment of premium. Your application shows who has been designated to receive this notice.

If your policy lapses before your benefits have been exhausted, we will provide a continuation of coverage benefit if you provide us with proof that on the date of unintentional lapse, while the policy was in force, you were Chronically Ill. This proof must be supplied to us within 5 months from the date of lapse or termination. All past-due premiums for your policy and any attached riders that were in force immediately prior to the date of lapse must be paid.

2. **MEDICAL UNDERWRITING.** The policy will be issued based on your past medical history. An application must be completed and our underwriting standards must be met to qualify.