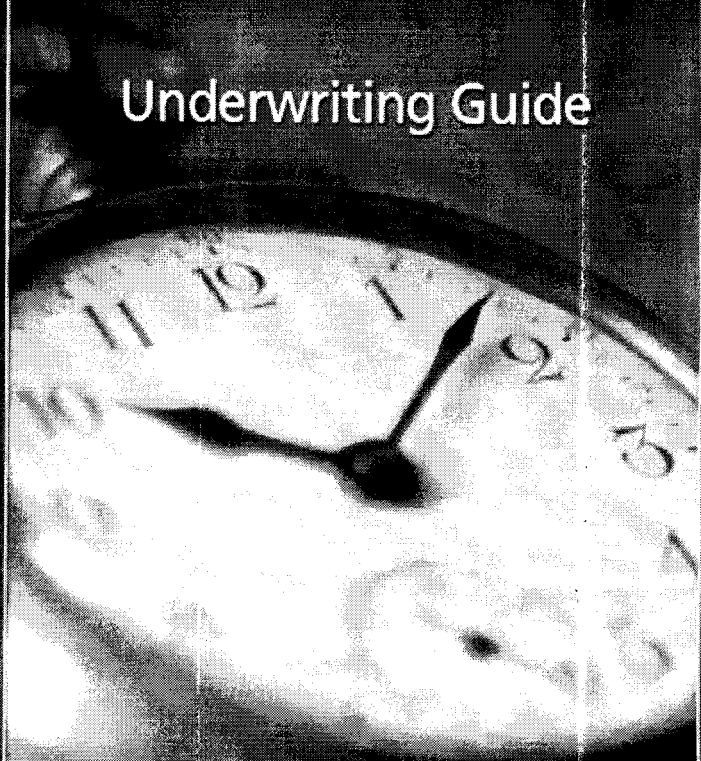


Standard Life and Accident
Insurance Company

RecoveryCare II

A Short Term Nursing Facility
Insurance Solution

Underwriting Guide



Standard Life
and Accident
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ST-2115

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RCUG08

Ins-Special, Inc
7505 State Hwy 37 / PO Box 218
Purdy, MO 65734
service@insspecial.com
800-789-0182

■ Introduction

The purpose of this Underwriting Guide is to provide important information you will need to write the *RecoveryCare II* insurance plan from Standard Life and Accident Insurance Company ("Standard Life," "the Company," "we," or "our") in the most efficient manner possible.

■ Product

Based on the type of facility, the coverage provides benefits for stays in a Nursing Facility or Assisted Living Facility due to injury or sickness.

The following criteria must be met:

1. An overnight stay of 18 consecutive hours or more,
2. Company-approved Plan of Care,
3. Directed and supervised by a Physician, and
4. Must be medically necessary.

This is not a Long Term Care policy. It is a limited benefit health policy. Benefits are supplemental and are not intended to cover all medical expenses.

Issue Age:	50 - 79
Daily Benefit:	\$50 - \$300
Benefit Period:	180, 270 or 360 days
Elimination Period:	0 or 20 days
Available Riders:	5% Compound Inflation 5% Simple Inflation
Available Discounts:	Preferred Underwriting 20% Spousal Discount 10% List Bill 5%

■ Rating Classes and Premium Discounts

Preferred rates are available if the following criteria are met:

1. No tobacco use within the past three years.
2. Complete physical with personal physician within the past 12 months.
3. Within the past five years no history of heart attack, stroke, TIA, mini-stroke, diabetes, rheumatoid arthritis, osteoarthritis, chronic debilitating bone disease, asthma, COPD, emphysema, obstructed sleep apnea, cancer, mental disorder, heart disease, congestive heart failure, coronary stent placement, valve replacement, coronary bypass or pace-maker, and
4. Applicant's weight must fall within preferred weight range (Refer to page 9 of this Guide).

Premium discounts are available for spousal coverage, preferred underwriting, and group discounts on individual policies sold through list bill.

Spousal discount applies when a couple apply at the same time and both are issued. The discount is discontinued if either policy terminates or either spouse dies in the first twelve months.

■ Method of Premium Payment

The mode of premium payment may be Annual, Semi-Annual, Quarterly, or Monthly Pre-Authorized Check (PAC). Monthly direct is not available.

■ Pre-Authorized Check Authorization

A completed bank authorization form must be submitted with the payer's personalized blank check marked "void", or with personalized deposit slip.



■ Initial Premium

Initial premium rates for the Recovery Care insurance plans will be based on "Issue Age Rates". The application must be accompanied by the initial premium for the mode selected unless the initial premium is to be drafted from the Applicant's bank account. Do NOT submit cash, agent's personal checks or agency checks. When using the PAC method of payment, bank withdrawals will begin with either the initial draft or with the second month following the effective date if initial premium is collected. The check for the initial premium cannot be back-dated or post dated.

■ Signatures

The application must be signed by the Applicant. It is not permissible for anyone else to sign the Applicant's name. Signature by attorney-in-fact, guardian or conservator is not acceptable. A policy can be considered for issue to a competent Applicant who cannot read or write provided the Applicant's signature "X" or mark is witnessed by the agent.

■ Application Date

The application must be dated the actual date written. Back-dating and post dating of the application are not permitted.

■ Effective Date

The effective date of coverage will be the application date unless a special effective date is requested. A special effective date may not be more than 45 days after the application date. Applications written on the 29th, 30th or 31st, will be dated the first of the following month.

■ Replacement

The questions dealing with existing insurance and policy replacement must be answered in all cases. If existing coverage is to be replaced, be sure to check your product availability chart to determine if replacement forms are needed.

When replacing existing insurance, the desired effective date should be 30-45 days after the application date.

Existing coverage should never be terminated until the new policy has been delivered.

■ Increasing Benefits or Replacements

Rewriting or increasing benefits on an Insured must be due to: a) the original policy lapsing; or b) materially improving the position of the policyholder. The following outlines the commission payments for increased benefits:

1. Original policy in force for more than one year:
Renewal commissions will apply.
2. Original policy in force for less than one year:
First year commissions until first policy anniversary, then renewal commissions.
3. For re-writes or replacements, renewal commissions only will be paid.

■ Policy Delivery

Any changes, corrections or counter offers will require an amendment to the application which must be signed by the Applicant at the time of delivery. The signed top copy of the amendment and any additional delivery requirements, such as additional premium due, must be returned to the Administrative Office before commissions are paid. The policy delivery letter, enclosed with the policy, will show all requirements needed on delivery.

■ Reinstatements

All back premiums must be paid with compound interest. The reinstatement must be made within five months of the date of lapse and the Insured must provide proof of insurability that is satisfactory to the Company.

Submit a regular new business application and check the "Reinstatement" box. The reinstated policy effective date will be no later than the 45th day following approval. If Standard Life issues a conditional receipt for reinstatement for premium payment and does not approve or disapprove the request for reinstatement within 45 days from the date of the conditional receipt, Standard Life will reinstate coverage on the 45th day.

■ Reinstatement Due to Unintentional Lapse

If the policy terminates for failure to make the required premium payments when due and the Insured (or a personal representative) provides adequate proof to the Company that the lapse is due to a chronic illness at the time of termination, coverage will be considered for reinstatement.

A request to reinstate coverage must be made within five months of the date coverage ceased and any past due premiums must be paid to the Company. If approved, we will treat the policy as if there had been no lapse in coverage.

■ Policy Changes

Normal policy changes are allowed. An increase in benefits must be approved by underwriting. No riders can be added after the Policy Issue Date (i.e. Simple and Compound Inflation Protection Rider).

■ Underwriting Guidelines/Philosophy

Standard Life's position is to compete in the marketplace on a fair and equitable basis. Individuals with progressive disorders, which may ultimately lead to medical or functional dependency are not insurable. **The type of client we seek should be functionally independent, with medical problems stable and under control, and be physically and mentally active.**

■ Underwriting Tools

It is important to inform your Applicant of what to expect. The following is a list of the underwriting tools used throughout the underwriting process. Please familiarize your Applicant with all of these.

Application: An application properly completed by the agent, based on observation of the Applicant and a thorough inquiry into the details of any medical information disclosed is the basis for a sound underwriting decision. Information recorded by the agent on the application also becomes a part of the contract between the Company and the Applicant when it is incorporated into the policy.

Personal History Interview (PHI): All Applicants will receive a telephone call from a representative in the Underwriting Department. The purpose is to verify the information on the application as quickly and directly as possible.

■ Underwriting Process

Upon receipt of an application, we will review it for proper completion, appropriate state required forms, premium calculation, agent appointment status and other Standard Life coverage, past or present. If the underwriting requirements are not received within 45 days of application receipt, the file is closed, and premiums are refunded. If requirements are received later, we will reevaluate the Applicant and notify you of our decision.



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■ Uninsurable Conditions

The Company will decline coverage on an Applicant if any of the following applies:

1. Applicant is currently receiving Medicaid benefits.
2. If within the past year, the Applicant suffered a fracture of the spine or hip.
3. If within the past two years, the Applicant was bedridden, hospitalized two or more times, confined to a nursing home or assisted living facility or required assistance or supervision by another person or health care agency for dressing, eating, personal hygiene (bathing or toileting), walking or transferring to or from a bed or chair.
4. If within the past two years the Applicant had or had been recommended to have medical tests or treatment or surgery which have not been done or for which results have not been given.
5. Use of a cane, wheelchair or walker is required by the Applicant.
6. Applicant has been advised to have cataract surgery or other eye surgery that has not yet been performed.
7. Amputation at age 60 or over, due to trauma.
8. Treatment for multiple associated conditions, such as a combination of hypertension, diabetes and heart problems.
9. Conditions that are progressive and deteriorating that may ultimately lead to medical or functional dependency.

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■ The Following Medical Conditions are Unacceptable:

- | | |
|--|--|
| Addison's Disease | Melanoma |
| AIDS/ARC | Memory Loss |
| Alcoholism or Abuse | Mental or Nervous |
| ALS (Lou Gehrig's Disease) | Disorder (treated with more than 1 medication or medication for severe depression, bipolar disorder, schizophrenia, requiring psychiatric consultation and/or hospitalization) |
| Alzheimer's Disease | Multiple Sclerosis |
| Amputation or loss of sight due to diabetes | Muscular Dystrophy |
| Aneurysm | Myasthenia Gravis |
| Bone or Connective Tissue Disorder | Nephritis |
| Cerebral Palsy | Neuropathy |
| Chronic Obstructive Lung Disease (COLD) | Organ Transplant, other than corneal |
| Chronic Obstructive Pulmonary Disease (COPD) | Organic Brain Disorder |
| Circulatory Disorder | Osteoporosis (with history of fractures) |
| Cirrhosis of the Liver | Ostomy or Colostomy present |
| Congestive Heart Failure (CHF) | Pacemaker |
| Coronary Artery Disease | Paget's Disease |
| Crohn's Disease | Pancreas Disease |
| Diabetes (greater than 50 units of insulin or with B/S averaging >140) | Paralysis |
| Dizziness | Parkinson's Disease |
| Drug Addiction/Abuse | Peripheral Vascular Disease |
| Emphysema | Poliomyelitis (recurrent) |
| Epilepsy (petit mal controlled acceptable) | Post Polio Syndrome |
| Fibromyalgia | Prostate Disease (PSA >6ng/ml) |
| Fractures due to osteoporosis or associated with vertigo or dizziness | Pulmonary Disease, requiring use of oxygen |
| Gangrene | Renal Insufficiency |
| Heart Valve Surgery | Rheumatoid Arthritis |
| Hepatitis | Seizure Disorders |
| Hodgkin's Disease | Senile Dementia |
| Incontinence | Senility Disorders |
| Internal Cancer | Sient(s) |
| Kidney Dialysis | Stroke |
| Kidney Failure | Transient Ischemic Attack (TIA) |
| Leukemia | Ulcerative Colitis |
| Lymphoma | Vertigo |
| Lupus | |

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Preferred Weight Range

MALE AND FEMALE	Height	Preferred Weight Range
	5'0"	93-152
5'1"	95-155	
5'2"	96-159	
5'3"	98-163	
5'4"	101-168	
5'5"	104-173	
5'6"	106-177	
5'7"	110-182	
5'8"	113-186	
5'9"	117-191	
5'10"	121-196	
5'11"	124-201	
6'0"	128-207	
6'1"	132-212	
6'2"	136-217	
6'3"	139-224	
6'4"	142-230	

■ Submitting the Application

Before submitting the application to the Administrative Office, be sure that:

1. The Applicant is a member of National Consumer's Advantage Association (NCAA). If not, complete the NCAA membership application.
2. The **RecoveryCare II** application and all necessary forms have been completed and signed by the Applicant.
3. The correct state approved application has been completed.
4. All health questions have been answered.
5. Both agent and Applicant have initialed all changes/scratch outs on the application.

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6. If premium was collected, the Applicant's check, money order or cashier's check in the amount of the premium for the mode selected has been submitted with the application.
7. The initial premium was collected on the day the application was written.
8. Cash, post-dated checks, third party premium checks, agent's personal checks or agency checks are not submitted with the application.¹
9. All applications have been submitted to the Administrative Office within five days after written.

¹Checks written by Applicant's family members, trust fund or family business account will be considered.

■ Important Information

Mailing address for new business:

Standard Life and Accident Insurance Company
P. O. Box 1870, Galveston, TX 77553-1870

Fax number for Fax An Application Program:
800.647.6085

Mail premium for faxed Applications to:

Standard Life and Accident Insurance Company
P.O. Box 1870, Galveston, TX 77553-1870

Web site for online status, forms, and rates:
www.slaico.com

Telephone Numbers:

Marketing
Department:
888.290.1085

Underwriting
Department:
800.377.3541

Customer Service:
888.350.1488

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