

**STERLING INVESTORS LIFE INSURANCE COMPANY**  
210 E. Second Avenue, Suite 105, Rome, Georgia 30161

**CONVALESCENT CARE INSURANCE POLICY**

**OUTLINE OF COVERAGE**  
**POLICY FORM SI CC 01/06 MO**

**THE POLICY PROVIDES LIMITED BENEFITS**

**BENEFITS PROVIDED ARE SUPPLEMENTAL AND ARE NOT INTENDED TO COVER ALL OF THE COST ASSOCIATED WITH CONVALESCENT CARE**

**THE POLICY IS NOT A LONG TERM CARE INSURANCE POLICY ACCORDING TO STATE INSURANCE LAWS AND REGULATIONS**

**READ YOUR POLICY CAREFULLY** - This outline of coverage provides a very brief description of some of the important features of the policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth, in detail, the rights and obligations of both you and the Company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

**LIMITED BENEFIT INSURANCE COVERAGE** - The policy is designed to provide benefits for convalescent care in a facility that provides nursing care or other benefits specified in the policy.

**BENEFITS**

**Facility Confinement Benefit**

Once the Elimination Period is satisfied under the policy, we will pay the actual charges incurred up to the Maximum Daily Benefit Amount for each day you are confined in a Facility.

**Durable Medical Equipment Benefit**

We will pay for the rental, lease or purchase of Durable Medical Equipment up to a maximum benefit of \$1,000 over the lifetime of the policy. This benefit is not subject to, nor will it satisfy, the Elimination Period.

**Guaranteed Purchase Option Benefit**

This benefit applies if no Compound Inflation Protection Rider has been elected.

If this benefit is shown on the Policy Schedule, on each third (3<sup>rd</sup>) Policy Anniversary Date You have the option to purchase additional amounts of coverage, with no evidence of insurability. The purchase of additional amounts of insurance is subject to the following conditions:

1. The Policy must be in force on the Policy Anniversary Date.
2. We will notify You sixty (60) days prior to the Policy Anniversary Date. You must notify Us in writing within thirty-one (31) days of (before or after) the Policy Anniversary Date if You wish to purchase the additional insurance. If You do not notify Us within this period, or if You do not purchase additional insurance on each third (3<sup>rd</sup>) Policy Anniversary Date, this benefit terminates and no future options can be used to purchase additional insurance.
3. The amount of additional insurance that can be purchased on each third (3<sup>rd</sup>) Policy Anniversary Date is fifteen percent (15%) of the Maximum Daily Benefit Amount in effect on the Policy Effective Date. Amounts greater than or less than fifteen percent (15%) may not be purchased under this provision. We will send You written notification of the revised premium and Maximum Daily Benefit Amount.
4. The premium for the additional insurance will be Our rates in effect on the date of purchase, and will be based upon Your attained age on the date of the purchase.
5. The additional insurance will have the same Maximum Benefit Period and Elimination Period as stated in the Policy Schedule.
6. No additional purchase options are available after age eighty-five (85).
7. No additional purchase options are available if You are on claim or eligible for benefits.

**Ins-Special, Inc**  
**7505 State Hwy 37 / PO Box 218**  
**Purdy, MO 65734**  
**[service@insspecial.com](mailto:service@insspecial.com)**  
**800-789-0182**

## Qualifying For Benefits

To receive benefits under the policy, the following requirements must be met:

1. The policy must be in force on the date Covered Services are received; and
2. A Physician must certify that:
  - a) You are unable to perform at least two (2) Activities of Daily Living without Hands On Assistance or Standby Assistance; or
  - b) You have a Cognitive Impairment and require Substantial Supervision.

## Limitations On Benefits

Benefits under the policy will not be paid during the Elimination Period and are subject to the Lifetime Maximum Benefit Period.

## Important Definitions

**Activities of Daily Living** means the basic human functions required for you to remain independent. For the purposes of the policy, Activities of Daily Living are as follows: bathing, continence, dressing, eating, toileting and transferring.

**Cognitive Impairment** means a deficiency in a person's short or long-term memory, orientation as to person, place and time, deductive or abstract reasoning or judgment as it relates to safety awareness. Cognitive Impairment is measured by clinical evidence and standardized tests and is based on Your impairment as indicated by loss in the following areas:

1. short or long term memory; or
2. recognition of who or where You are; or time of day, month or year; or Your deductive or abstract reasoning.

**Covered Services** means confinement in a Facility and Durable Medical Equipment (as defined in the policy). Covered Services will be modified to include in home convalescent care, if the optional In Home Convalescent Care Rider is listed on the policy schedule and the premium for the rider is paid.

**Durable Medical Equipment** means equipment prescribed by a Physician, which can withstand repeated use, and is designed to assist You in living at Home either to treat a medical condition or to aid You in performing Activities of Daily Living. Durable Medical Equipment does not include hearing aids, artificial limbs, teeth, medical supplies or equipment placed in the body temporarily or permanently.

**Elimination Period** means the number of Facility Confinement days (or any combination of Facility Confinement care days and In Home Convalescent Care days, if the In Home Convalescent Care Rider is elected), for which benefits are not payable under this Policy. Days counted toward Your Elimination Period need not be consecutive. The Elimination Period is shown on the Policy Schedule. The Elimination Period must be satisfied only once during the Insured's lifetime and can only be satisfied by days on which You incur charges for which payment would be made under this Policy if there were no Elimination Period.

**Facility** means a facility that provides ongoing care and related services to at least five (5) inpatients in one (1) location and meets all of the following standards:

1. it is licensed by the appropriate licensing agency, if the state in which it operates licenses such facilities; and
2. it is operated pursuant to law; and
3. it is primarily engaged in providing, in addition to room and board accommodations, nursing care (skilled, intermediate or custodial) by or under the supervision of a duly licensed Physician; and
4. it provides twenty-four (24) hour a day care and services sufficient to support needs of persons who require nursing care; and
5. it has appropriate methods and procedures for handling and administering drugs and biologicals; and
6. it maintains a daily medical record of each patient.

A Facility IS NOT: a hospital, Your Home, an assisted living facility, an adult foster care facility, a facility or part thereof used primarily for rest; or a home or facility for the aged or for the care and treatment of drug and alcohol abuse; or a home or facility used for the care and treatment of Mental or Nervous Disorders or educational care.

## Important Definitions Continued

**Hands On Assistance** means the physical assistance of another person without which you would be unable to perform an Activity of Daily Living.

**Home** means your private residence, home for the retired or aged, or a place providing residential care, including an assisted living facility, an adult congregate living facility or a personal care facility.

**Lifetime Maximum Benefit Period** means the maximum number of Facility Confinement days (or any combination of Facility Confinement days and In Home Convalescent Care days, if the In Home Convalescent Care Rider is elected) for which benefits are payable under this Policy. The Lifetime Maximum Benefit Period is shown on the Policy Schedule and is equal to two (2) times the Maximum Benefit Period.

**Maximum Benefit Period** means the maximum number of Facility Confinement days (or any combination of Facility Confinement days and In Home Convalescent Care days, if the In Home Convalescent Care Rider is elected) for which benefits are payable under this Policy per Period of Care. The Maximum Benefit Period is shown on the Policy Schedule.

**Maximum Daily Benefit Amount** means the maximum amount payable for any one day of benefits provided under the policy.

**Period of Care** means the first day benefits are paid for a Facility confinement (or the first day benefits are paid for either a Facility confinement or In Home Convalescent Care, if the optional In Home Convalescent Care Rider is elected). A Period of Care ends, if for a period of 180 consecutive days:

1. You have not met the requirements for benefit eligibility; and
2. Your Physician certifies that You did not require and have not been advised to be confined in a Facility or to receive In Home Convalescent Care for the 180 day period; and
3. You have not been confined in a Facility or received In Home Convalescent Care for the 180 day period.

**Standby Assistance** means the presence of another person within arm's reach of you that is necessary to prevent, by physical intervention, injury to you while you are performing an Activity of Daily Living.

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

**Exclusions:** We will not pay benefits for that portion of any expense which is:

1. caused by Mental or Nervous Disorder, without demonstrable organic disease (**NOTE: ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN SYNDROMES ARE COVERED BY THIS POLICY AS ANY OTHER SICKNESS**); or
2. caused by alcoholism or drug addiction; or
3. caused by illness, treatment or medical conditions arising out of:
  - a) war or act of war (whether declared or undeclared); or
  - b) participation in a felony, riot or insurrection; or
  - c) service in the armed forces or units auxiliary thereto; or
  - d) suicide while sane, attempted suicide or intentionally self-inflicted injury; or
4. for treatment provided in a government facility (unless otherwise required by law), 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 any motor vehicle no-fault law; or
5. for services provided by a member of Your Immediate Family; or
6. for services for which no charge is normally made in the absence of insurance; or
7. for care received outside the United States or its territories.

**Guaranteed Renewable For Life - Premium Subject To Change.** The policy is renewable as long as you live, provided you continue to pay premiums when due. At no time while you continue your policy in force, may we place any restrictive riders on your coverage. We cannot cancel or refuse to renew the policy. Your premiums will not increase due to a change in your age or health. We can, however, change your premiums but only if we change premiums for all policies in the same premium class with the same policy form number in your state. We must give you at least thirty (30) days written notice before we change your premiums.

**Premium.**

*You have selected the following benefits for the Base Policy:*

<b>Maximum Daily Benefit Amount</b>	\$ _____
<b>Elimination Period</b>	20 Days
<b>Maximum Benefit Period</b>	_____ Days
<b>Lifetime Maximum Benefit Period</b>	_____ Days

Check  for one of the following **Base Policy Option and Optional Riders** applied for:

The annual premium for the **Base Policy Form** \$ \_\_\_\_\_

The annual premium for the **Base Policy Form With the Compound Inflation Protection Rider** \$ \_\_\_\_\_

On the first policy anniversary date of the policy after the rider's effective date and on each subsequent policy anniversary date, we will automatically increase the Maximum Daily Benefit Amount. Each increase will be five percent (5%) of the Maximum Daily Benefit Amount in effect on the day before the increase. The benefit increases will occur annually and continue while the policy and the rider is in force. The benefit increases will also apply to any amounts you are receiving for a claim under the policy, such that the amount you are receiving for a continuing claim will increase each year accordingly.

**In Home Convalescent Care Rider** \$ \_\_\_\_\_

Once the Elimination Period is satisfied under the policy, we will pay 100% of the actual charges incurred up to the Maximum Daily Benefit Amount for each day you incur charges for Home Health Care or Adult Day Care. The number of days for which Covered Services are received under this rider will be counted toward the Maximum Benefit Period for the policy. In Home Convalescent Care does not include services provided while confined in a hospital, long term care facility, hospice care facility, or any other facility that charges room and board.

**TOTAL ANNUAL PREMIUM** \$ \_\_\_\_\_

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