



Continental Casualty Company
Group Long Term Care
333 South Wabash Avenue
Chicago, IL 60604
1-(888)-825-0353

LONG TERM CARE INSURANCE

OUTLINE OF COVERAGE

Policy 10025-IS

THIS OUTLINE OF COVERAGE IS INTENDED TO BE A QUALIFIED LONG TERM CARE INSURANCE PLAN AS DEFINED BY THE INTERNAL REVENUE CODE OF 1986, §7702B(b).

In this outline of coverage the Continental Casualty Company is referred to as "We," "Our" or "Us." The insured is referred to as "You" or "Your."

Caution: If You complete an application to obtain this coverage, please be advised that issuance of coverage is based upon Your responses to the questions in that application. If Your answers are incorrect or untrue, We may have the right to deny benefits or rescind Your coverage.

A copy of the application or the enrollment form, as applicable, is attached to Your certificate. 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 Us at Continental Casualty Company, Group Long Term Care, 333 South Wabash Avenue, Chicago, IL 60604.

If Your age has been misstated, the benefit will be in an amount that the premiums paid would have purchased at Your true age. If coverage would not have been issued, We will refund the premium paid.

- 1. TYPE OF POLICY.** The policy is a group policy issued to **The University of Texas System** in the state of **Texas**.
- 2. PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of Your coverage. You should compare this outline of coverage to outlines of coverage for other policies available to You. This is not the insurance contract but only a summary of coverage. Only the actual policy provisions will control. The policy itself sets forth in detail both Your rights and obligations and Ours. It is therefore important that You **READ YOUR CERTIFICATE CAREFULLY!**

3. TERMS UNDER WHICH THE CERTIFICATE MAY BE RETURNED AND PREMIUM REFUNDED.

You have the right to return Your certificate within 30 days for a refund of the initial premium if You are not satisfied with the coverage.

If You die, We will make a pro-rata return of premium paid for the period beyond the date of death.

4. THE POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If you are eligible for Medicare, review the Guide to Health Insurance for people with Medicare.

Neither We nor Our agents represent Medicare, the federal government or any state government.

5. LONG TERM CARE COVERAGE. Long-term care insurance is designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care services, provided in a setting other than an acute unit of a hospital, such as in a nursing home, in the community, or in the home. Coverage is provided for the benefits outlined in paragraph 6 below. The benefits described in paragraph 6 below may be limited by the limitations and exclusions in paragraph 7 below.

6. BENEFITS PROVIDED BY THE POLICY. Benefits are payable for Long Term Care services received as part of a plan of care if You are Chronically Ill.

WAITING PERIOD. To receive the long term care benefit You must first complete the waiting period stated in the “Plans At A Glance.”

LIFETIME MAXIMUM BENEFIT. We will pay the lifetime maximum benefit shown in the “Plans At A Glance.” All amounts paid under any benefit provision in or attached to Your certificate, including any payments under the Alternate Plan of Care provision, count towards this maximum unless otherwise specified in specific benefit descriptions in the policy.

LONG TERM CARE BENEFIT FOR FACILITY CARE. The benefit payable for facility care is stated in the “Plans At A Glance.” Facility care consists of nursing home care, a bed reservation benefit, hospice facility care, and an assisted living facility benefit. Facility care must be received in a facility licensed by the state in which it is located or, if licensing is not required, meets the other requirements stated in the certificate.

LONG TERM CARE BENEFIT FOR HOME BASED CARE. The benefit payable for home based care is stated in the “Plans At A Glance.” Home based care consists of a home health care benefit, home hospice care, adult day care, a caregiver training benefit, and a home medical technology benefit. It must be received from a provider that is licensed or certified by the state in which it is located and which meets the other requirements stated in the certificate. We will waive the licensing and certification requirement for adult day care centers in states which do not regulate these facilities, provided they are certified by a recognized accrediting agency.

LONG TERM CARE BENEFIT FOR RESPITE CARE. The benefit payable for respite care is stated in the “Plans At A Glance.” Respite care is the temporary use of the Facility Care or Home Based Care benefits to relieve informal caregivers of their duties so that they may have time off. The policy’s waiting period does not apply to this benefit. You cannot receive respite care for more than the number of days shown in the “Plans At A Glance.”

LONG TERM CARE BENEFIT FOR ALTERNATE PLAN OF CARE. If You require long term care, We may pay for alternate services, devices or types of care, not otherwise covered, under a written alternate plan of care. This benefit may specify benefits payable in a different manner than specified in the policy. It will be developed by or with health care professionals, agreed to by You, and approved by Your physician and Us. It must be a medically acceptable option.

CHRONICALLY III means (i) You have been certified by a Licensed Health Care Practitioner as being expected to be unable to perform, without Hands-On Assistance or Stand-by Assistance from another person, at least 2 Activities of Daily Living, as listed and defined below, for a period of 90 consecutive days, or (ii) having a level of disability similar (as determined under regulations prescribed by the Secretary in consultation with the Secretary of Health and Human Services) to the level of disability in (i) above, or (iii) requiring Substantial Supervision to protect You from threats to health and safety due to a Severe Cognitive Impairment.

You will not be considered Chronically III unless within the preceding 12 months a Licensed Health Care Practitioner has certified that the above requirements have been met.

ACTIVITIES OF DAILY LIVING.

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.

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 a catheter or colostomy bag.

Dressing. Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

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.

Toileting. Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.

Transferring. Sufficient mobility to move into or out of bed, chair, or wheelchair, or to move from place to place, either via walking, a wheelchair or other means.

SEVERE COGNITIVE IMPAIRMENT. A loss or deterioration in Your intellectual capacity that is (a) comparable to (and includes) similar forms of irreversible dementia, and (b) measured by clinical evidence and standardized tests that reliably measures impairment in the individual’s:

1. Short term or Long term memory,
2. Orientation as to people, places or time, and
3. Deductive or abstract reasoning.

PLAN OF CARE. This is a program of treatment or care which is initiated and approved in writing by a Licensed Health Care Practitioner.

7. **LIMITATIONS AND EXCLUSIONS**

EXCLUSIONS. We will not pay benefits for the following:

- (a) Long Term Care resulting from war or an act of war whether declared or undeclared;
- (b) Long Term Care for which benefits are payable under Workers' Compensation or the Occupational Disease Act or Law. However, the days on which Long Term Care is received will count towards satisfying the Waiting Period; (indemnity plan)
- (c) Long Term Care which would be provided without charge in the absence of insurance;
- (d) Long Term Care received in a facility or section of a facility which operates primarily for the treatment of Substance Abuse; or mental illness;
- (e) Long Term Care to the extent that benefits are payable under Medicare or would be so reimbursable but for the application of 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 will likely increase over time, You should consider whether and how the benefits of this plan may be adjusted. The benefit level is not guaranteed to increase over time unless an automatic benefit increase option or other inflation benefit is elected.
9. **TERMS UNDER WHICH YOUR COVERAGE MAY BE CONTINUED IN FORCE AND IS CONTINUED.**

RENEWABILITY. THE CERTIFICATE IS GUARANTEED RENEWABLE. This means You have the right, subject to the terms of the Certificate, to continue the Certificate as long as You pay Your premiums on time. Continental Casualty Company cannot change any of the terms of the Certificate on its own, except that in the future, IT MAY INCREASE THE PREMIUM YOU PAY.

NON-RENEWAL. The holder may elect not to renew the policy at any time by written notice to Us. We guarantee to renew the policy at the end of each renewal period unless the holder fails without good and sufficient cause to duly perform in good faith any obligation pertaining to the policy, or the number of persons insured under the policy is less than We require. Coverage may be continued as provided below if the policy is not renewed.

CONTINUATION OF COVERAGE. You become eligible to elect continuation of coverage on the date Your coverage under the group policy terminates. Coverage will be continued with the same benefits and provisions as You had prior to termination. If You elect continuation of coverage, Your coverage is effective as of the date Your coverage under the group policy terminates. You may not continue coverage if termination is due to nonpayment of premium or to the lifetime maximum benefit being reached.

WAIVER OF PREMIUM. We will waive premiums starting with the first premium due after You complete the Waiting Period. We will continue to waive premiums until the first of the month following the end of the Plan of Care.

10. ALZHEIMER'S DISEASE AND OTHER BRAIN DISORDERS. Your policy provides benefits, subject to all of the provisions of the policy, for a clinical diagnosis of Alzheimer's disease and similar dementias; biologically based brain diseases/serious mental illness including schizophrenia; paranoid and other psychotic disorders; bipolar disorders (mixed, manic and depressive); major depressive disorders (single episode or recurrent) and schizo-effective disorders (bipolar or depressive).

11. PREMIUM. Premium rates are shown in the printed enrollment material, or on the website.

If We do not receive Your premium on the Premium Due Date, We allow a grace period of 65 days for each premium due after the first premium. Your coverage stays in force during the grace period if You pay the premium due.

12. TEXAS DEPARTMENT OF INSURANCE'S CONSUMER HELP LINE. If you would like to discuss this insurance with the Texas Insurance Department, you may call their Consumer Help line at 1-800-252-3439 for agent, company, or any other insurance information.

If you would like to order any publications related to Long Term Care insurance from the Texas Insurance Department, you may call them at 1-800-599-SHOP.

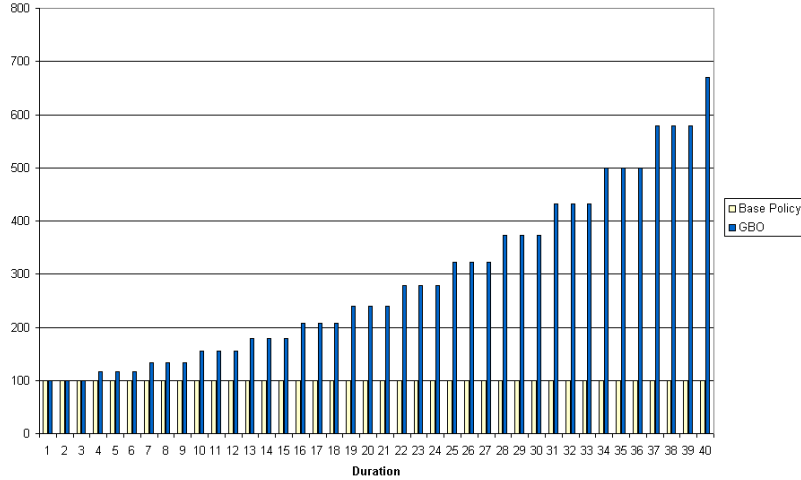
If you would like to receive counseling regarding the purchase of Long Term Care insurance or other health care coverage, you may call the Texas Department of Aging at 1-800-252-9240 or current number if different to receive counseling regarding the purchase of long term care or other health care coverage.

13. DENIAL OF APPLICATION. If your application for coverage is denied, we will refund any premiums paid within 30 days

14. OFFER OF INFLATION PROTECTION

[GUARANTEED BENEFIT INCREASE. We will offer You an increase in benefits on each third anniversary of the master policy, as indicated in the "Plans At A Glance." Premiums for the increased amount will be based on Your attained age. Premiums for Your initial benefit amount will always be based on Your age when You entered the plan. You have the right to accept the benefit increase without showing evidence of insurability as long as You increased Your benefit amount at the previous benefit increase offer. If You declined an offer, You will be required to submit evidence of insurability.]

Benefit Increase Comparison - Guaranteed Benefit Increase



LIFETIME COMPOUND AUTOMATIC BENEFIT INCREASE. On each anniversary of this benefit’s effective date, all benefit amounts in effect on that anniversary and the remaining Lifetime Maximum Benefit will increase by 5%.

15. OFFER OF NONFORFEITURE BENEFITS

[FUTURE BENEFIT GUARANTEE. If You have had at least 3 years of coverage then, at lapse, We will continue Your coverage in force with the same daily benefit but a shortened benefit period with no further premiums being payable.

Included below is a sample chart.

Assumptions:

| | |
|---------------------------------------|------------------------------------|
| Issue Age: | 40 |
| Lifetime Maximum | 1095 x daily Facility Care Benefit |
| Maximum daily Facility Care Benefit | \$100 |
| Maximum daily Home Based Care benefit | \$50 |
| No automatic inflation protection | |

| Attained Age | Total Premiums Paid | Shortened Benefit @ \$50/day (Home Care) | Shortened Benefit @ \$100/day (Facility Care) | Reduced Lifetime Maximum (dollars) |
|--------------|---------------------|------------------------------------------|-----------------------------------------------|------------------------------------|
| 40 | N/A | 60 days | 30 days | \$3,000 |
| 50 | \$1,620 | 60 days | 30 days | \$3,000 |
| 60 | \$3,240 | 64 days | 32 days | \$3,240 |
| 70 | \$4,860 | 97 days | 48 days | \$4,860 |
| 80 | \$6,480 | 129 days | 64 days | \$6,480 |

CONTINGENT NONFORFEITURE BENEFIT. If Your premium has increased over the years to a certain percentage over Your initial premium, You may reduce Your level of benefits so that future premium increases would not apply, or You may continue Your same level of benefits but with a reduced Lifetime Maximum Benefit with no further premium being required.

16. DISCLOSURE REGARDING FEDERAL TAX TREATMENT OF LONG TERM CARE INSURANCE POLICY. The policy is intended to be a qualified long term care contract as defined by the Internal Revenue Code §7702B(b). There may be tax consequences associated with the purchase of a qualified long term care insurance contract, such as the tax deductibility of premiums and the exclusion from taxable income of benefits. The prospective insured is urged to consult with a qualified tax advisor.

17. ADDITIONAL FEATURES.

[UNDERWRITING. Employees, as defined in the master application, will not be subject to underwriting if they enroll during the enrollment period stated in the master application. All other eligible classes may obtain coverage subject to Our approval of evidence of insurability.]

REINSTATEMENT OF COVERAGE. If your coverage should terminate for non-payment of premium because you were Chronically Ill, we will reinstate your coverage without requiring evidence of your insurability if you or the designated individual who also receives notification, requests it within five months following the termination.

UNINTENTIONAL LAPSE PROTECTION. You have the right to name an individual (friend or relative) to receive notification when Your policy will lapse because the premium has not been paid. This notice will be sent no earlier than 30 days after the date the premium is due, and the policy will not terminate until 30 days after such notice is given. Notice is considered to have been given as of 5 days after the date of mailing.

If payment is made for the policy through a payroll or pension deduction plan, we will inform You and the designated individual, no earlier that 60 days after You are no longer on a payroll or pension deduction plan.

If the policy should terminate for non-payment of premium because You were Chronically Ill, We will reinstate the policy without requiring evidence of insurability if You or the designated individual requests it within five months following the termination.

CAREGIVER BENEFIT. This benefit provides a cash payment for informal care received in Your residence equal to the amount shown in the “Plans At A Glance.” Informal care benefits are not payable while You are receiving Facility Care; however, they are payable while You are receiving Home Based Care. Informal care being provided must be greater than care or services the informal caregiver provides for others residing in Your residence or wherever care is provided. An informal caregiver is a person who is approved by Us as being experienced in or trained to provide informal care, is physically capable of providing informal care to You, and is not paid as a home health care provider under the policy.

WORLD WIDE COVERAGE BENEFIT. If You become eligible to receive benefits under this plan while You are living or traveling outside the United States, this benefit will provide a cash benefit as shown in the “Plans At A Glance.” This cash benefit is not based on actual charges incurred, is paid regardless of the provider of services, and is paid in lieu of all benefit payment descriptions otherwise shown in the “Plans At A Glance.” Expenses, however, must occur outside the United States.

Plans At A Glance

| | |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Waiting Period: | 90 consecutive days. |
| Lifetime Maximum Benefit: | 1095 times the Facility Care daily benefit. |
| Long Term Care Benefits: | |
| Facility Care Benefit: | 100% of the Eligible Expenses per day for Facility Care, not to exceed \$100, \$125, \$150, \$200 or \$250 per day, as chosen by the applicant. |
| Bed Reservation Benefit: | Up to 60 days per calendar year. |
| Home Based Care Benefit: | 100% of the Eligible Expenses per day for Home Based Care, not to exceed 50% of the Facility Care Benefit. |
| Caregiver Training Benefit: | The actual expense incurred, not to exceed five times the daily benefit for Home Based Care. |
| Home Medical Technology Benefit: | The eligible expenses incurred, not to exceed \$1,000 per calendar year. |
| Respite Care Benefit: | Paid according to the Long Term Care Benefit being used to give respite, up to 14 days per calendar year. |
| Alternate Plan of Care Benefit: | |
| Waiver of Premium Benefit. | |
| Guaranteed Benefit Increase: | 5% |
| Future Benefit Guarantee (Nonforfeiture Benefit): | See the description of this benefit in Your Outline of Coverage. |
| Contingent Nonforfeiture Benefit: | See the description of this benefit in Your Outline of Coverage. |
| World Wide Coverage Benefit: | 75% of the Facility Care Benefit per day. |

OPTIONAL CHOICE:

Lifetime Compound Automatic Benefit Increase: 5%