



LEAVE WITH APPLICANT

ACCELERATED DEATH BENEFIT SUMMARY AND DISCLOSURE STATEMENT FOR PERMANENT INSURANCE

IMPORTANT NOTICE TO APPLICANT/BUYER REGARDING ACCELERATED DEATH BENEFITS

The benefits provided by this Accelerated Death Benefit are not intended to provide, and will never provide, long-term care insurance, nursing home insurance, or home care insurance. If You are interested in long-term care insurance or nursing home or home care insurance, You should consult with an insurance agent licensed to sell that insurance, inquire with the insurance company offering the accelerated death benefits, or visit the California Department of Insurance internet web site (www.insurance.ca.gov) section regarding long-term care insurance.

If You choose to accelerate a portion of Your Death Benefit, doing so will reduce the amount that Your beneficiary will receipt upon Your death.

Receipt of Accelerated Death Benefits may be taxable. Prior to electing to buy the Accelerated Death Benefit, You should consult with the appropriate social services agency concerning how receipt of Accelerated Death Benefits may affect that eligibility.

Payment of Accelerated Death Benefits paid under this Endorsement are intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code. Accelerated Death Benefit payments are subject to limits imposed by the federal government and any amounts received in excess of these limits are includible in gross income. You should seek assistance from a qualified tax advisor with any questions You may have.

EFFECTIVE DATE – The Accelerated Death Benefit Endorsement takes effect on the Policy Date.

PREMIUM – There is no additional Monthly Deduction or premium charge for the Accelerated Death Benefit Endorsement. However, there is an administrative fee required each time an Election for Terminal Illness and Chronic Illness is made.

THE BENEFIT AND ITS EFFECT ON POLICY PROVISIONS

For policies covering two lives where the insurance proceeds are payable upon the death of the Survivor, benefits under the Endorsement may only be elected after the death of the first Insured during the lifetime of the Survivor. The Survivor, not the first Insured, is the “Insured” for purposes of the Endorsement.

Upon written request by the Owner (“You” or “Your”) of the Policy, the company (“We”) will pay an Accelerated Death Benefit as described below, subject to the limitations and requirements described in the Accelerated Death Benefit Endorsement. Any assignee or Irrevocable Beneficiary must consent before we make an Accelerated Death Benefit Payment. The Lifetime Maximum Accelerated Death Benefit that We will accelerate on the Policy is shown on the Schedule of Policy Benefits attached to Your Policy. Accelerated Death Benefits will reduce the Death Benefit and Policy values, if any, which include but are not limited to the Account Value, Net Cash Surrender Value, and Policy Loan Value.

Accelerated Death Benefit for Terminal Illness: You may elect to receive advancement of the Death Benefit when the Insured has a Terminal Illness while the Endorsement is in effect.

An Insured qualifies as being Terminally Ill if a Physician has certified that the Insured’s life expectancy is 24 months or less. The Terminal Illness benefit is not subject to underwriting eligibility requirements.

The minimum Accelerated Death Benefit for Terminal Illness is the lesser of 10% of the Death Benefit on the Election Date or \$100,000.

The maximum Accelerated Death Benefit for Terminal Illness is the lesser of 90% of the Death Benefit on the Election Date or \$1,000,000.

The Accelerated Benefit Payment will be determined upon Your Election and will be paid in a lump sum. We will pay the present value of the Accelerated Death Benefit. An actuarial discount based on mortality and interest will be applied to the Accelerated Death Benefit and this discount reflects the early payment of the Death Benefit that is being accelerated. On the Election Date, the Accelerated Death Benefit Payment and the Policy Debt will be reduced by the Debt Repayment Amount and the administrative fee.

We will waive the Monthly Deductions following the Election of Accelerated Death Benefits for Terminal Illness. Upon Election, all Endorsements and Riders attached to the Policy will continue to be effective subject to the terms and conditions of each Endorsement or Rider. After You receive Accelerated Death Benefits for Terminal Illness, You may take Withdrawals; elect to increase or decrease the Specified Amount or change the Death Benefit Option; and obtain Policy Loans as described in the Policy.

Only one Election can be made for Terminal Illness. If the Insured dies after You elect to receive Accelerated Death Benefits, but before any Accelerated Death Benefit Payment is made, the Election will be cancelled and the Death Benefit will be paid as described in the Policy.

Accelerated Death Benefit for Chronic Illness (if available)¹: You may elect to receive advancement of the Death Benefit when the Insured is Chronically Ill while the Endorsement is in effect.

An Insured qualifies as being Chronically Ill if a Licensed Health Care Practitioner has certified within the last 12 months that the Insured:

1. Is expected to be unable to perform for at least 90 days, without Substantial Assistance from another person, at least two Activities of Daily Living; or
2. Requires Substantial Supervision by another person to protect oneself from threats to health and safety due to Severe Cognitive Impairment.

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

Severe Cognitive Impairment means deterioration or loss of 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 the individual's:

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

The minimum Accelerated Death Benefit for Chronic Illness, at each Election, except the Final Election, is the lesser of 5% of the Policy Death Benefit on the Initial Election Date or \$50,000.

You can accelerate an amount less than the minimum Accelerated Death Benefit for Chronic Illness allowed if it is necessary to do so to comply with the Lifetime Maximum Accelerated Death Benefit limitation for this Endorsement, or if you're making a Final Election.

The maximum Accelerated Death Benefit for Chronic Illness, at each Election, is the lesser of 24% of the Policy Death Benefit on the initial Election Date, or \$480,000. This amount may be less for a Final Election.

A Final Election is available if the maximum Chronic Illness Accelerated Death Benefit at the time of Election is greater than the remaining Death Benefit in the Policy, minus the Residual Death Benefit. A Final Election occurs when You accelerate all of the Death Benefit in the Policy, minus the Residual Death Benefit. The Payment must first be applied to pay off any Policy Debt to Us.

Residual Death Benefit is the greater of 5% of the Policy Death Benefit on the Initial Election Date or \$10,000. The Residual Death Benefit only applies to benefits for Chronic Illness.

We will waive the Monthly Deductions while a Chronic Illness Election is in effect if the Death Benefit immediately prior to the Initial Election Date does not exceed the Lifetime Maximum Accelerated Death Benefit. If the Death Benefit immediately prior to the Initial Election Date exceeds the Lifetime Maximum Accelerated Death Benefit, while an Election is in effect, the Monthly Deductions will be multiplied by the specified ratio, as described in the Endorsement. Monthly Deductions will stop being waived when an Election is no longer in effect.

While the Chronic Illness Election is in effect, You cannot take Withdrawals; cannot elect to increase or decrease the Specified Amount or change the Death Benefit Option. After any Election, other than a Final Election, You may obtain Policy Loans as described in the Policy.

Upon any Election other than a Final Election, all Endorsements and Riders attached to the Policy will continue to be effective subject to the terms and conditions of each Endorsement or Rider. Upon a Final Election, all Endorsements and Riders, except the Accelerated Death Benefit Endorsement, attached to the Policy will terminate on the Final Election date. After the Initial Election Date, no additional Endorsement and Riders may be added to the Policy.

A Chronic Illness Election is effective for 12 months starting from the Election Date. If the Insured dies after You elect to receive Accelerated Death Benefits, but before the payment is made, the Election will be cancelled and the Death Benefit will be paid as described in the Policy. If a Final Election has occurred, the Residual Death Benefit will be paid to the Beneficiary in a lump sum upon due proof of death of the Insured.

¹ Proposed Insureds are subject to underwriting eligibility requirements to qualify for the Chronic Illness Accelerated Death Benefit. Only the Terminal Illness Accelerated Death Benefit is available without underwriting eligibility requirements.

PROPOSED OWNER'S ACKNOWLEDGEMENT – I acknowledge that I received and read this Accelerated Benefit Summary and Disclosure Statement and the Agent described and provided a comparison of the differences between benefits provided under accelerated death benefit and benefits provided under long-term care insurance.

This disclosure form is a summary only. We recommend that you consult Your Policy for further details.

Signature of Proposed Owner One X	Date
Signature of Proposed Owner Two X	Date
Signature of Agent X	Date

For Conversions, please indicate new Policy #, if assigned: Policy Number

Sample Illustrations of the Impact of Accelerated Death Benefits on Policy Provisions.

	Terminal Illness	Chronic Illness
Accelerated Death Benefit	\$375,000	\$120,000
Lump Sum Accelerated Death Benefit Payment	\$338,374	\$82,498
Administrative Fee	\$200	\$200

Values Before Accelerated Death Benefit	Terminal Illness	Chronic Illness
Death Benefit	\$500,000	\$500,000
Death Benefit Proceeds	\$480,000	\$480,000
Account Value	\$100,000	\$100,000
Net Cash Surrender Value	\$80,000	\$80,000
Cost of Insurance or Premium	\$300	\$300
Outstanding Policy Debt	\$20,000	\$20,000
Residual Death Benefit:	N/A	\$25,000

Values After Accelerated Death Benefit	Terminal Illness	Chronic Illness
Death Benefit	\$125,000	\$380,000
Death Benefit Proceeds	\$120,000	\$364,800
Account Value	\$25,000	\$76,000
Net Cash Surrender Value	\$20,000	\$60,800
Cost of Insurance or Premium	\$0	\$0
Outstanding Policy Debt	\$5,000	\$15,200
Residual Death Benefit	N/A	\$25,000