

Accelerated Death Benefit Endorsements for Critical, Chronic and Terminal Illness

Essential Guaranteed[®] UL 5, Strategic AccumulatorSM IUL 2, Strategic ProtectorSM IUL, Strategic AcceleratorSM IUL 2, and Premier Term

Overview

Midland National[®] Life Insurance Company includes Accelerated Death Benefit Endorsements at policy issue for no additional premium on all applicable policies, subject to eligibility. These endorsements pay benefits if the policyowner elects to accelerate the death benefit as described here and in the endorsement forms.

NOTE: For Premier Term, only the chronic and terminal illness benefits are available

Throughout this document, the terms “death benefit” and “specified amount benefit” refer to “face amount,” and “monthly deductions” refers to “premium” in regard to term policies.

Critical Illness

Specific medical conditions that may qualify for the critical illness benefit include heart attack, different types of cancer, stroke, major organ transplant, and kidney failure. Please keep in mind that the policyowner must file the claim within 12 months of a qualifying event.

Eligibility

All of the following criteria must be met for the proposed insured to qualify:

- Maximum issue age of 75 or less (see product feature cards for details); and
- Insured is rated at Table B or better; and
- No medical flat extras (non-medical flat extras are acceptable); and
- The insured must be covered under an individual, group health insurance policy, or an HMO or employer plan providing essential benefits in order to be eligible for the Accelerated Death Benefit Endorsement for Critical Illness.

Qualifications

A licensed health care practitioner must provide written certification that the insured has incurred a Specified Medical Condition within the past 12 months, listed below.

- Heart Attack
- Cancer
- Stroke
- Major organ transplant
- Kidney failure

Benefit Amount

The minimum accelerated amount is \$2,500 of the death benefit. The maximum per election is 25% of the death benefit or \$50,000, whichever is less. The payment will be made in a lump sum. An election can be made for each different occurrence of a qualifying event. Critical Illness Payment: Any payment a policyowner receives will be less than the amount of the death benefit that is accelerated—because the benefit is paid prior to the insured's death.

All approved claims will receive a payment guaranteed to be 40% of the death benefit amount accelerated, (for example, 40% of \$50,000 = \$20,000)—regardless of the severity of illness, insured's age, or gender.

The dollar amount accelerated for critical illness assumes the policy has no outstanding loans. A portion of the accelerated death benefit payment will be used to reduce the outstanding loan.

Specified Medical Conditions Definitions

Cancer — The following cancers are covered:

- a) Any malignant tumor positively diagnosed with histological confirmation and characterized by the uncontrolled growth of malignant cells and invasion of tissue. The term malignant tumor includes leukemia, lymphoma and sarcoma.
- b) Malignant melanoma skin cancer.
- c) All tumors of the breast whether malignant or benign.
- d) All tumors of the prostate histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0.

Critical Illness (Continued)

The following cancers are not covered:

- a) All cancers which are histologically classified as any of the following:
 - Premalignant (for example essential thrombocythemia and polycythemia rubra vera); or
 - A cancerous disease that does not spread or damage other organs and tissues;
 - A cancerous disease that is not life threatening or localized non-invasive tumors showing only malignant changes; or
 - A surface tumor in which the growth pattern is intermediate between benign and malignant; highly curable but may recur after surgical removal.
- b) Any skin cancer that has been histologically classified as having caused invasion beyond the epidermis (outer skin layer).
- c) Thyroid cancer classified as TINOMO.
- d) All tumors of the prostate histologically classified as having a Gleason score of 6 or less or not having progressed to at least clinical TNM classification T2N0M0.

Heart Attack—means the death of heart muscle due to inadequate blood supply that has resulted in evidence of myocardial infarction based on typical rise and gradual fall of Troponin or more rapid rise and fall of isoenzyme of creatine kinase with muscle and brain subunits (CK-MB) and other biochemical markers of myocardial necrosis with at least one of the following:

- a) Typical clinical symptoms (chest pain may or may not be present);
- b) Characteristic electrocardiogram (ECG or EKG) changes indicating ischemia; or
- c) Coronary artery intervention.

Kidney Failure—means chronic and end stage renal failure (failure of both kidneys to function effectively) diagnosed and managed by a nephrologist, as a result of which regular dialysis is necessary.

Major Organ Transplant—means the undergoing as a recipient of a transplant of bone marrow or a complete heart, kidney, liver, lung, small intestine, or pancreas, or inclusion on the United Network of Organ Sharing (UNOS) waiting list. Transplant of any other organs, parts of organs, tissues or cells is not covered.

Stroke—means death of brain tissue due to inadequate blood supply or hemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms or traumatic brain injury or persistent, disabling clinical symptoms still present more than 30 days after the initial event. Transient Ischemic Attack (TIA) is not covered. For purposes of this Specified Medical Condition the following defines Transient Ischemic Attack (TIA): When blood flow to part of the brain stops for a short period of time, also called transient ischemic attack (TIA), it can mimic stroke-like symptoms. These symptoms appear and last less than 24 hours before disappearing.

Chronic Illness

Coverage for a chronic illness allows the policyowner to accelerate a portion of the death benefit when the insured is certified as chronically ill with a chronic illness.

Eligibility:

In order to be eligible for the Chronic Illness Endorsement, the following must be met:

- Approved at Table D or better and have no medical flat extra
- Receive completed Supplement to Life Application (see below for details)

Eligibility is also subject to individual underwriting consideration. Underwriting can choose to not offer the benefit based on health history of client even if rating threshold has not been met.

Supplement to Life Application (Form 9870)

The Supplement to Life Application will be used to determine eligibility for the chronic illness endorsement, in addition to the application, paramedical exam (if required) and medical records (if needed). This form is required to be completed, signed and submitted with the General Purpose application. In addition to medical questions, the supplemental application contains a question regarding replacement of long-term care insurance.

Concerning long-term care Insurance: the chronic illness accelerated death benefit is not intended to provide, and does not provide, the same benefits for services as long term care insurance. It is not long-term care insurance, and is not intended to replace long-term care insurance, and does not eliminate the need for long-term care coverage. If it is indicated on the Supplemental Application that the insured is intending to replace existing long-term care insurance with a life insurance policy, the application will be considered “not in good order” and coverage for the chronic illness endorsement will be denied.

Qualifications

Chronically ill means the insured has been certified through a written certification by a licensed health care practitioner within the prior 12 months as:

1. Being 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. Requiring substantial supervision by another person, to protect oneself from threats to health and safety due to Severe Cognitive Impairment.

Chronic Illness (Continued)

Activities of daily living include: bathing, continence, dressing, eating, toileting and transferring.

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 the individual's short-term or long-term memory, orientation as to people, places, or time, and deductive or abstract reasoning.

Benefit Amount

The total amount of death benefit available (face amount for Premier Term) for acceleration is \$2,000,000 per policy. This amount includes this endorsement and any other accelerated death benefit attached to the policy. The acceleration of the death benefit pays an unrestricted cash benefit when the insured has become chronically ill or otherwise eligible for benefits from a qualified event. The minimum accelerated death benefit for each claim, except the final election, is the smaller of 5% of the policy death benefit on the initial election date or \$50,000. The maximum accelerated death benefit for each claim is the smaller of 24% of the policy death benefit on the initial election date, or \$480,000. This amount may be smaller for a final election. The accelerated death benefit may be limited when policy changes are made.

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

Recertification requirements

To comply with federal income tax requirements, a licensed health care practitioner must recertify that the insured is chronically ill if there has not been a certification or recertification within the last 12 months. If no recertification is made, the insured will no longer be considered chronically ill, but will continue to receive any remaining periodic payments for a previously approved election.

Replacements

When purchasing a life insurance policy with accelerated death benefits for chronic illness, clients may want to replace an existing policy. We will not be accepting replacements of certain products. Below is a list of replacements that will NOT be accepted:

- Life Insurance policy with Accelerated Death Benefits for Chronic Illness
- Life Insurance policy with long term care rider that provides long term care services
- Stand-Alone Long Term Care policy
- Long-Term Care Partnership Insurance Policy
- Hybrid Policy that includes both a life insurance benefit and long-term benefit where the long-term care benefit is not optional

Terminal Illness

Allows the policyowner to accelerate a portion of the death benefit amount should the insured become terminally ill. The insured is certified as being terminally ill if a physician has certified through a written certification that he or she has been diagnosed with a medical condition that is reasonably expected to result in the insured's death within 24 months or less.

Benefit Amount

Only one election per policy can be made for terminal illness. The minimum death benefit on the election date that can be accelerated for terminal illness is 10% of the death benefit (face amount for Premier Term) on the election date or \$100,000, if smaller. The maximum death benefit that can be accelerated for terminal illness is 90% of the death benefit on the election date or \$1,000,000, if smaller.

Electing Benefits

To elect benefits under these endorsements, the policyowner must complete an Application for Election of Accelerated Benefits form, which includes a section for the licensed health care practitioner/physician certification mentioned above. The Application for Election also allows the policyowner to choose the amount of the death benefit to accelerate, subject to the minimum and maximum election amounts listed for each benefit. The total amount of death benefits accelerated under the policy, including accelerations made under the accelerated death benefit for chronic/terminal illness endorsement and any other riders or endorsements attached to the policy, cannot exceed the lifetime maximum accelerated death benefit.

- If a person qualifies for the Critical Illness endorsement and the Chronic and Terminal Illness endorsement, the lifetime policy maximum is \$2,000,000.
- If a person qualifies for the Chronic and Terminal Illness endorsement, the lifetime policy maximum is \$2,000,000.
- If a person qualifies for the Terminal Illness endorsement only, the lifetime policy maximum is \$1,000,000.

Chronic Illness Only:

Two options are available for election of benefits for chronic illness. The insured must complete and submit a benefit application and either provide a written certification from a licensed health care practitioner (LHCP) that the insured is chronically ill or request that Midland National provide an independent LHCP to conduct the assessment and provide written certification that the insured is chronically ill.

Electing Benefits (Continued)	<p>We may request additional information if the Licensed Health Care Practitioner's certification and any documentation submitted in support of the benefit application are not sufficient to establish that the insured is chronically ill. At our expense, we have the right to request a physical exam of the insured when and as often as it may reasonably be necessary during the claim review process.</p> <p>Written consent of any assignee and any irrevocable beneficiaries will be required upon election of benefits for chronic illness and submitted with the application prior to processing.</p>
Licensed Health Care Practitioner or Physician	<p>In order to qualify for benefits, a licensed health care practitioner or physician must provide written certification that the insured is critically, chronically, or terminally ill. A licensed health care practitioner is a physician (within the meaning of section 1861(r)(1) of the Social Security Act), registered nurse, licensed social worker, or other individual whom the United States Secretary of the Treasury may prescribe by regulation. A Licensed Health Care Practitioner cannot be you, the insured, a member of your immediate family, or a member of the insured's or owner's immediate family, or an employee of the Company. A licensed health care practitioner cannot be compensated in any manner linked to the outcome of a written notice for proof of a qualifying event.</p> <p>Terminal Illness Only: We may request additional information if the physician's certification and any documentation submitted in support of the benefit application are not sufficient to establish that the insured is terminally ill. At our expense, we have the right to request a physical exam of the insured when and as often as it may reasonably be necessary during the claim review process.</p>
Coordination of Accelerated Death Benefits	<p>An election for terminal illness can be made while in the 12-month chronic election period and an election for chronic illness can be made after a terminal election. Critical illness cannot be elected during the chronic illness election period or at the same time as a terminal election.</p>
Benefit Payment	<p>An accelerated death benefit payment (the payment) the policyowner may receive will be less than the amount of the death benefit accelerated. This payment is reduced by a discounting method, any administrative fee, and any applicable policy debt repayment.</p> <p>Reduced Policy Death Benefit The policy death benefit will be reduced by the amount of the death benefit accelerated.</p> <p>Discounting Method: The payment the policyowner may receive will be less than the amount of death benefit accelerated because the benefit is paid prior to death. Because of the time value of money (present money has a higher value than future money) an actual payment made is discounted from the full death benefit accelerated. An actual payment depends on a number of factors such as life expectancy and the interest rate environment at the time of election. A shorter life expectancy and/or a lower interest rate generally leads to a higher payment.</p> <p>Critical Illness: The accelerated amount is discounted by a set percentage. Currently, the rate is 60%.</p> <p>Chronic Illness: For a chronic illness election, a payment is discounted based on the account value, the guaranteed maximum cost of insurance rates, impact to life expectancy, and the interest rate currently in effect for accelerated benefit.</p> <p>Chronic Illness (Premier Term only): Inputs that may be used in the calculation include underwriting completed by Midland National to determine the impact to life expectancy, the policy's guaranteed annual premiums and the interest rate currently in effect for accelerated benefit.</p> <p>Terminal Illness: For a terminal illness election, a payment is discounted based on the interest rate currently in effect for accelerated benefit for a life expectancy of 18 months.</p> <p>Administrative Fee We charge an administrative fee when an accelerated death benefit payment is made after applying the discount to the accelerated death benefit amount.</p> <p>Debt Repayment Amount Policy debt must be reduced in the same proportion to the amount of death benefit accelerated. A portion of the accelerated death benefit (after discounting) will be used to pay down policy debt. (See example under "Impacts to Policy" on page 5.)</p>
Monthly Deductions (or Premiums for Premier Term)	<p>Critical Illness Elections For a critical illness election, monthly deductions are not waived (they will continue as described in the policy); however we will suspend lapse checking for the six months following each election.</p> <p>Chronic Illness Elections We will waive the monthly deductions during the chronic illness election period 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, during the chronic illness election period, the monthly deductions will be multiplied by the ratio of (a) divided by (b), where (a) is the specified amount immediately prior to the initial election date minus the lifetime maximum accelerated death benefit and (b) is the specified amount on the election date.</p>

Monthly Deductions (or Premiums for Premier Term) (Continued)	<p>We will stop waiving monthly deductions after the chronic illness election period. However, we will suspend lapse checking if at least 50% of the death benefit on the initial election date has been accelerated (which means the policy is in Protected Status). Protected Status only applies if the chronic illness benefit is attached to a policy.</p> <ul style="list-style-type: none"> • For Premier Term: Premiums will not be waived during the chronic illness election period. After each election date, premiums will continue to be payable, but will be calculated at the reduced face amount <p>Terminal Illness Elections For a terminal illness election, we waive monthly deductions and premiums following the the election of Accelerated Death Benefits for Terminal Illness.</p>
Withdrawals and Policy Loans (Permanent Products Only)	<p>Critical Illness Elections Withdrawals are not available during a critical illness election period. The critical illness election period is defined as the period of time from the election date to the next policy anniversary date. The election of a critical illness benefit does not impact the ability to take policy loans.</p> <p>Chronic Illness Elections While a chronic illness election is in effect or if the policy is in protected status, the policyowner cannot take withdrawals. Policy loans may be taken during an election period—except after a final election. Availability of withdrawals resumes after the 12-month election period is over and the policy is not in protected status.</p> <p>Terminal Illness Elections Withdrawals and policy loans remain available after electing to accelerate the death benefit for terminal illness.</p> <p>In some situations loans and withdrawals may be subject to federal taxes. Midland National does not give tax or legal advice. Clients should be instructed to consult with and rely on their own tax advisor or attorney for advice on their specific situation. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Adverse tax consequences may result if withdrawals exceed premiums paid into the policy. Withdrawals or surrenders made during a Surrender Charge period will be subject to surrender charges and may reduce the ultimate death benefit and cash value. Surrender charges vary by product, issue age, sex, underwriting class, and policy year.</p>
Impacts to Policy	<p>Impact to Death Benefit, Specified Amount, and Account Value For critical, chronic, and terminal illness elections, the death benefit, specified amount and account value, if applicable, will all be reduced in proportion to the death benefit that is accelerated. For example, if the death benefit before election is \$100,000 and the accelerated death benefit is \$20,000, the death benefit, specified amount and account value will all be reduced by 20% (\$20,000/\$100,000).</p> <p>The policyowner may not increase or decrease the specified amount or change the death benefit option during a critical illness election period. The critical illness election period is defined as the period of time from the election date to the next policy anniversary date.</p> <p>While a chronic illness election is in effect or the policy is in protected status, the policyowner may not increase or decrease the specified face amount, or change the death benefit option.</p> <p>Impact to Death Benefit Guarantees If the policy or any rider includes an additional account used to determine whether the policy will lapse, the additional account will be reduced in proportion to the death benefit accelerated. The specified amount used in the calculation of the additional account will also be reduced by the same percentage.</p> <p>For periodic payments pertaining to the chronic illness benefit, the reduction to the specified amount, account value, debt repayment amount and reduction in additional accounts will be divided equally among the periodic payments and made at the time of each periodic payment.</p>
Other Riders and Endorsements	<p>Upon election of accelerated death benefits, all existing riders and endorsements will continue to be effective, subject to the terms and conditions of each rider or endorsement. The exception is under a final election for chronic illness; in this case, all other riders and endorsements (except for the the Chronic/ Terminal Illness endorsement) attached to the policy will terminate. However, any accidental death benefit rider on the policy, if any, will not be affected by the accelerated death benefits under these endorsements. After the initial election of the chronic illness accelerated death benefit, no additional endorsements or riders may be added to the policy.</p> <p>Provisions, Riders, or Endorsements that Restrict Changes to the Death Benefit (Critical illness only) If the policyowner has elected a policy provision, endorsement, or rider that restricts making any changes to the death benefit, the policyowner may not elect accelerated benefits under these endorsements. This includes any restrictions specified by a policy provision, endorsement, or rider providing overloan protection. If overloan protection benefit is in effect, the policyowner cannot accelerate the death benefit.</p>
Cancellation in Case of Death	<p>If the insured dies after the policyowner elects to receive an accelerated death benefit, but before the payment is made, the election will be cancelled and the death benefit will be paid as described in the policy.</p>

Reinstatements	<p>Reinstatement of this endorsement shall be on the same or more favorable terms as reinstatement of the underlying life insurance policy. If this endorsement is reinstated, the policyowner will have the same rights under reinstatement as he or she had under the endorsement immediately before the due date of the defaulted premium, subject to any provisions endorsed in the endorsement or attached to the endorsement in connection with the reinstatement.</p>
Term Conversions	<p>By current company practice, when a term policy is converted to a permanent policy within the first five policy years, your client may request to add the chronic and/or critical benefit without any additional underwriting requirements as long as the policy meets the qualifications listed in the eligibility section of each benefit. The following items are required for conversion:</p> <ul style="list-style-type: none"> · Request for Conversion or Guaranteed Exchange form · Signed Accelerated Death Benefit Endorsement (ADBE) Chronic Illness Supplemental Application form · Signed Accelerated Death Benefit Summary and Disclosure Statement, and CA ADBE Critical Illness Summary (if requesting chronic or critical illness on the new policy) · Please make sure that question one regarding long-term care on the ADBE Chronic Illness Supplemental Application form is completed. Questions two through nine do not need to be answered. <p>For converted policies beyond the fifth policy year, the insured can submit evidence of insurability to apply for both the chronic and critical illness accelerated benefit. A change in health will not affect base policy rates; only the availability of the accelerated death benefit endorsement. The following items are required for conversion:</p> <ul style="list-style-type: none"> · Application for Internal Exchange form (fully complete medical questions and replacement section) · Signed ADBE Chronic Illness Supplemental Application form · Signed Accelerated Death Benefit Summary and Disclosure Statement and CA ADBE Critical Illness Summary (if requesting chronic or critical illness on the new policy) <p>These conversion privileges are current company practice and not a guaranteed feature or benefit. For both conversions within or after the first five years, the chronic and critical illness benefits will not be available on the permanent policy if the policyowner has already exercised the chronic illness benefit on the term policy.</p>
Form	<p>Accelerated Death Benefit for Chronic and Terminal Illness (form TR20904), Accelerated Death Benefit Endorsement for Terminal Illness (form TR20804), and Accelerated Death Benefit Endorsement for Critical Illness (form TR197) are issued by Midland National Life Insurance Company, West Des Moines, Iowa. Product, features, endorsements, riders or issue ages may not be available in all jurisdictions. Limitations or restrictions may apply.</p> <p>Strategic Accelerator 2, Strategic Protector, Strategic Accumulator 2, Essential Guaranteed UL 5, and Premier Term are issued on policy form series L149, L148, L153, L146, and T142, respectively, or state variation including all applicable endorsements and riders, by Midland National® Life Insurance Company, West Des Moines, Iowa. Products, features, riders, endorsements, or issues ages may not be available in all jurisdictions. Limitations or restrictions may apply.</p> <p>THE ACCELERATED DEATH BENEFIT ENDORSEMENT FOR CRITICAL ILLNESS IS NOT HEALTH INSURANCE NOR IS IT INTENDED TO REPLACE HEALTH INSURANCE.</p> <p>THE ACCELERATED DEATH BENEFIT FOR CHRONIC ILLNESS IS NOT LONG TERM CARE INSURANCE NOR IS IT INTENDED TO REPLACE LONG TERM CARE INSURANCE.</p> <p>Agents offering, marketing, or selling accelerated death benefits for chronic illness in California must be able to describe the differences between benefits provided under an accelerated death benefit for chronic illness and benefits provided under long-term care insurance to clients. You must provide clients with the ADBE Consumer Brochure for California that includes this comparison. Comparison is for solicitation purposes only, not for conversions.</p>

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