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**United Security Assurance
Company of Pennsylvania**

673 East Cherry Lane, P.O. Box 64477, Souderton, PA 18964
(800) 872-3044, (215) 723-3044, Fax (215) 723-8036



Tax Qualified Long Term Care Insurance:

Policy Form TQLTC-02(TX)-U

- * **Nursing Home/Assisted Living Facility**
- * **Alternative Plan of Care**
- * **Bed Reservation Benefit**
- * **and more . . .**

Available with or without Home Health Care Rider

The insurance policy described in this brochure is intended to be a qualified long term care insurance contract as defined by the Internal Revenue Code of 1986, § 7702(B).

PROPOSAL PREPARED FOR:

	Age
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NURSING HOME/ASSISTED LIVING FACILITY

*** DAILY BENEFIT**
(\$20 to \$250)

\$

*** BENEFIT PERIOD**
(1, 2, 3, 4, 5 years or lifetime)

Years

*** ELIMINATION PERIOD**
(0, 20, 100, 180, or 365 days*)

Days

*365 Day Elimination Period not available with the 1 Year Benefit Period

**PLUS YOU CAN ADD THE FOLLOWING OPTIONAL RIDERS
AT ADDITIONAL COST!**

- Home Health Care Rider** *Form LTC-HHC/R5(TX)-U* Elected Not Elected

 - *** Home Health Care and Adult Day Care Services at 50% or 100% of the Daily Benefit selected for Nursing Home/Assisted Living Facility
 - *** Hospice Care
 - *** Respite Care, Emergency Response System, Informal Caregiver Training

- Lifetime Inflation Benefit Rider** *Form LTCIF/L-U* Elected Not Elected

- Non-Forfeiture Benefit Rider** *Form LTC-SBO-U* Elected Not Elected

- Spousal Safeguard Benefit Rider** *Form LTCSSAF/R-USA* Elected Not Elected

Premium for your Policy will vary with the choice of benefits you select.

NURSING HOME/ASSISTED LIVING FACILITY

We will pay the daily room and board charges up to the Daily Benefit amount selected for confinement in licensed Nursing Homes or licensed Assisted Living Facilities. **You choose your Daily Benefit Amount** from \$20 to \$250, an **Elimination Period** of 0, 20, 100, 180 or 365 days, and your **Benefit Period** of 1, 2, 3, 4, 5 years or lifetime (365 Day Elimination Period not available with the 1 Year Benefit Period).

PLUS
Ancillary Benefits

When you are receiving Nursing Home or Assisted Living Facility Benefits, we will pay expenses up to a maximum of \$600 (\$200 per month for up to three months during any one Period of Care) for incidental items such as:

- ◆ Telephone ◆ Television ◆ Beauty or Barber Shop Visits ◆ Personal Laundry ◆ Prescriptions ◆
◆ Over the Counter Drugs ◆ Newspapers or Publications ◆ Other Convenience Items ◆

ALTERNATIVE PLAN OF CARE

Based on a pre-approved written alternative plan of care that is mutually agreeable to you, your Physician and us, we will pay up to 180 times the Nursing Home/Assisted Living Facility Daily Benefit selected. We will count this towards the Maximum Benefit Period. This benefit may cover medically appropriate services and/or alterations to your residence which would allow you to stay in your own home or apartment instead of entering a Nursing Home or Assisted Living Facility.

BED RESERVATION

If your Nursing Home or Assisted Living Facility stay is interrupted due to a hospitalization, we will pay to reserve your room for up to 30 days in a calendar year.

WAIVER OF PREMIUM

We will waive premium falling due after you have received Nursing Home and/or Assisted Living Facility Benefits for 90 consecutive days. We will continue to waive premium on a monthly basis as long as you continue to receive eligible Nursing Home or Assisted Living Facility Benefits or until the Maximum Benefit Period is exhausted.

RESTORATION OF BENEFITS

Your Benefit Period restores automatically when you have recovered sufficiently to no longer require any confinement, care, or services for 180 days, provided you have not reached the Maximum Benefit Period during any one Period of Care.

CONTINGENT BENEFIT UPON LAPSE

If you choose not to purchase the Non-Forfeiture Benefit Rider, the Policy provides a Contingent Benefit under certain circumstances. See the accompanying Outline of Coverage for details.



HOW TO QUALIFY FOR BENEFITS

To be eligible for the benefits of your Policy, you must satisfy your Elimination Period, loss must occur while the policy is in force and a Licensed Health Care Practitioner must prescribe a plan of care for Qualified Long-Term Care Services because you are a Chronically Ill Individual.

A "Chronically Ill Individual" is defined as an individual who has been certified by a Licensed Health Care Practitioner at any time within the preceding 12-month period as: (a) being unable to perform (without substantial assistance from another individual) at least two (2) Activities of Daily Living for an expected period of at least 90 days due to a loss of functional capacity; or (b) 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 described in clause (a), or (c) requiring substantial supervision to protect such individual and others from threats to health and safety due to Severe Cognitive Impairment.

BY ADDING THE



YOU GET THE FOLLOWING ADDED BENEFITS:

HOME HEALTH CARE AND ADULT DAY CARE

This Rider provides coverage for eligible Home Health Care Services including community based care. Eligible Home Health Care and Adult Day Care Services are payable for expenses incurred up to 50% or 100% of the Nursing Home/Assisted Living Facility Daily Benefit, depending on the option you select. Each day of covered Home Health Care will reduce the Maximum Benefit Period by one-half day for the 50% option or one day for the 100% option.

HOSPICE CARE

If you require Hospice Care, we will pay the actual charges incurred up to 50% of the Daily Benefit for Nursing Home or Assisted Living Facility. This benefit is payable for up to 12 months during any one Period of Care and is not subject to any Elimination Period. Each day you receive benefits counts as one-half day towards the Maximum Benefit Period.

RESPIRE CARE

When you are receiving care from an Informal Caregiver, we will pay for Respite Care for up to 21 days per calendar year as follows:

- ★ For care provided by a Nursing Home or Assisted Living Facility – The expense incurred up to the Daily Benefit for Nursing Home and Assisted Living Facility.
- ★ For care received in your Home, an Adult Day Care Center, or other community based provider – The expense incurred up to the Daily Benefit payable for Adult Day Care.

EMERGENCY RESPONSE SYSTEMS

While you are receiving Home Health Care Benefits we will pay the monthly rental or monitoring service fee for an emergency response system installed in your Home. This benefit will be limited to the lesser of the expense incurred, 25% of the Home Health Care Daily Benefit, or \$50 monthly. This benefit will be payable for up to 12 months in any one Period of Care.

INFORMAL CAREGIVER TRAINING

We will pay the expense incurred up to a one time maximum of five times the Home Health Care Daily Benefit amount when an Informal Caregiver needs training to provide your care in lieu of Home Health Care or Nursing Home/Assisted Living Confinement. The Elimination Period does not apply to this benefit.



HOW TO QUALIFY FOR HOME HEALTH CARE BENEFITS

For the Home Health Care Rider, you are eligible to receive benefits provided you: (1) meet the eligibility requirements of the Policy; (2) receive one of the care or services for which benefits are payable under the Rider; and, (3) are not already receiving benefits under the Policy.

EXPLAINING YOUR ELIMINATION PERIOD

If you select an Elimination Period to help keep your premium lower, you must qualify for Benefits and then pay for your own care during the Elimination Period. The Elimination Period will apply to the Nursing Home/Assisted Living Benefit and the Home Health Care Benefit, if selected. Hospice care is not subject to the Elimination Period.

OPTIONAL RIDERS AT ADDITIONAL COST

Lifetime Inflation Benefit Rider Form LTCIF/L-U

Provides inflation protection by increasing your daily benefit by 5% compounded annually for the life of the Policy.

Non-Forfeiture Benefit Rider Form LTC-SBO-U

Provides a paid-up benefit period subject to a maximum daily benefit if your policy lapses due to nonpayment of premium after your policy's third anniversary. See the accompanying Outline of Coverage for details.

***Spousal Safeguard Benefit Rider Form LTCSSAF/R-USA**

- (1) **Waiver of Premium** for your policy if YOUR SPOUSE is eligible for Waiver of Premium under his/her policy.
- (2) **Surviving Spouse Benefit** provides for waiver of your policy's premium for the remainder of your life beginning the later of:
 - The date of death of your spouse.
 - The tenth anniversary date of this rider if the death of your spouse occurs before the rider's 10th anniversary.

*Both you and your spouse must have like coverage in force continuously for this benefit.

COVERAGE ALSO INCLUDES . . .

Spousal Discount – A 10% discount will apply to the higher premium if your spouse is covered at the same time with the same coverage. Spouse means your legal husband or wife.

Guaranteed Renewable for Life* – You have the right, by the timely payment of premium, to continue your coverage for as long as you live or until the Policy's Maximum Benefit Period has been exhausted.

Free Look Period – You have 30 days from receipt of your policy to return it for a full refund.

Third Party Notice and Notice Before Lapse Help Prevent Unintentional Lapse – We will notify you and also a designated third party 30 days prior to termination of your Policy for non-payment of premium. The Grace Period and this Notice before Lapse will provide a total of 66 days to pay your premium.

*Premium rates are subject to change. Your premium will be based on your age at issue and will change only if we change premium on all policies issued on this policy form in your state. (You will receive a 45 day advance written notice of any increase.)

Limitations and Exclusions.

- (A) **PRE-EXISTING CONDITIONS:** No claim for loss incurred six (6) months or more after the policy date will be denied on the basis that such loss is due to a pre-existing condition. A pre-existing condition is a condition not reported in the application for your Policy and for which medical advice or treatment was recommended by or received from a physician within six (6) months prior to the Policy date. Pre-existing Conditions listed on the application are covered immediately. If this Policy replaces existing coverage with similar benefits, the Pre-Existing Condition Limitation will be waived for similar benefits to the extent that coverage was in force under the replaced Policy.
- (B) **NON-ELIGIBLE FACILITIES:** Services in the following facilities are not eligible for coverage: a facility used primarily for rest care; training or education; care of the aged; or treatment of alcoholism, drug addiction or Mental or Nervous Disorders. Facilities primarily engaged in providing retirement residences, such as apartments or other self-contained living units, are not covered Nursing Home/ Assisted Living Facilities.
- (C) **NON-ELIGIBLE PROVIDERS:** Assessment of medical status will not be accepted from unlicensed providers, Members of your Family, or from owners or employees of the Nursing Home/Assisted Living Facility.
- (D) **EXCLUSIONS:** Benefits are not provided for: (i) Mental or Nervous Disorder; however, this will not permit exclusion or limitations on the basis of the following: (a) Alzheimer's Disease or related disorders, where a clinical diagnosis of Alzheimer's Disease by a Physician licensed in your state, including history and physical, neurological, psychological and/or psychiatric evaluation, and laboratory studies, have been made to satisfy any requirement or demonstrable proof of organic disease or other proof under the coverage; or, (b) biologically based brain disease/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-affective disorders (bipolar or depressive); (ii) alcoholism or drug addiction; (iii) illness, treatment or medical condition arising out of: (a) war or act of war, declared or undeclared; (b) participation in a felony, riot or insurrection; (c) service in the Armed Forces or units auxiliary thereto; or (d) attempted suicide while sane or insane, or intentionally self-inflicted injury; (iv) treatment provided in a government facility, unless otherwise required by law, services for which benefits are provided 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; services performed by a Member of your Family; services for which no charge is normally made in the absence of insurance; and services provided outside the United States or its possessions.

We will not be liable for loss due to: (a) your being engaged in an illegal occupation or for which a contributing cause was your commission of or attempt to commit a felony; or, (b) your being intoxicated or being under the influence of a narcotic unless administered on a Physician's advice.

This brochure is for illustrative purposes only and is not a contract for insurance.

The application is SUBJECT TO APPROVAL by United Security Assurance Company of Pennsylvania (herein called the "Company") and in no event shall the insurance take effect nor shall the Company incur any liability for the payment of Benefits unless the application is approved by the Company at its Home Office and a policy is issued.

United Security Assurance
Company of Pennsylvania

The Long Term Care Insurance Policy is Form
TQLTC-02(TX)-U and optional Riders