



Group Long Term Care Benefits (GLTC) The Indemnity Plan

Unum: Your benefits partner

We are a Fortune 250 company and the benefits provider for more than 100,000 American employers. With 150 years experience in the benefits business, Unum can provide the expertise you need to strengthen your business, and ultimately, your workforce.

Choose us with confidence:

- Unum is chosen more than any other provider by *employers* who offer group long term care benefits.¹
- Unum provides Group Long Term Care coverage to more *employees* than any other provider.²
- Unum won Benefits Selling magazine's "2006 Readers' Choice Award" for best long term care product.³

As an employer, you recognize the value of Group Long Term Care (GLTC) insurance as a financial and retirement planning tool for your employees. But it's also a valuable recruitment and productivity tool.

Unum has studied the trends that impact long term care and created a plan to address top concerns:

• Recruitment incentives

A GLTC plan gives you an important edge in the fight for top talent by helping you retain good employees and attract the best new workers. It's also an essential part of any complete employee retirement package.

• Improved productivity

You're facing shrinking resources and increased demands, so our GLTC plans and service support are designed to save you time and lighten your workload. Employees may become more productive when they focus more on work and worry less about their parents, since they can purchase this coverage for their family.

• Changing demographics

An aging and diverse workforce is changing the way employers approach benefits. Increased life spans, poor health and an older labor pool mean the probability that an employee will face a nursing home stay is greater than the chance of disability or premature death while employed.⁴ A GLTC plan also may help your sandwich-generation staff with their elder care duties and retirement planning.

Our GLTC indemnity plan pays covered individuals a fixed monthly benefit. It is the same each month regardless of expenses. It is not offset by Medicare or other insurance and no receipts are needed. Covered individuals and their families decide how to best use the benefit.

Inside is a detailed list of basic policy features, benefits we've added at no extra cost and optional features for purchase that customize your GLTC plan:

Monthly Benefit

This policy pays the Monthly Benefit amount purchased, regardless of the cost of care or the number of services per day. Once qualified, the insured individual receives the full daily benefit (1/30th of the monthly benefit) for each day of service. He or she does not need to submit receipts for expenses incurred and can use the benefit dollars to pay for the most important needs. You, as the employer, can choose to offer a benefit from \$1,000 to \$9,000⁵ per month in \$500 increments. The premium will vary with the amount of benefit selected.

Duration of Benefits

You choose the benefit periods that you would like to offer in your policy.

Your choices are: 2, 3, 4, 5, 6, or 10 years or a Lifetime.⁶

Elimination Period

The benefit payments would begin after the Elimination Period has been satisfied. An Elimination Period is the number of days the insured individual would pay for care while chronically ill before policy benefits are payable. The Elimination Period only needs to be satisfied once in the insured individual's lifetime.

You may choose one of the following: 20, 30, 60 or 90, 180, 365 or 730 days.⁷

Eligibility for Benefits

The long term care policy will cover chronically ill insured individuals. Being chronically ill means the insured individual is unable to perform at least two Activities of Daily Living (ADLs) - such as bathing, dressing, toileting, transferring, continence and eating without substantial assistance, or the insured individual suffers from a severe cognitive impairment requiring substantial supervision to protect him or her from threats to health and safety. The ADL loss must be expected to last for at least 90 days, as certified by a Licensed Health Care Practitioner. A written plan of care from a Licensed Health Care Practitioner must be provided, with re-certification every 12 months.

Because this policy is intended to be tax qualified, you, the employer, may receive favorable tax treatment for any premiums paid and insured individuals for any benefits received.⁸

Coverage Choices

There are three options available when purchasing coverage - Long Term Care Facility, Long Term Care Facility with Professional Home and Community Care, or Long Term Care Facility with Total Choice Home Care.⁹

- **Long Term Care Facility**

Long Term Care Facility benefits cover care received in a facility such as a nursing home, assisted living, hospice, rehabilitation, residential care and/ or Alzheimer's facility. Care in an acute care facility, such as a hospital, is not covered, unless it is a Long Term Care Facility that is distinctly a separate part of the hospital.

- **Long Term Care Facility with Professional Home and Community Care**

In addition to care received in a facility, the insured individual may receive qualified long term care services in the home or community. Care may be provided through a Licensed Home Health Care Agency, including a family member working for the agency, by a Licensed Home Health Care Professional or in an Adult Day Care facility. Also, the insured individual may receive care or services anywhere in the world, leaving him or her free to relocate to any country without impacting his or her ability to receive benefits.¹⁰

- **Long Term Care Facility with Total Choice Home Care¹¹**

In addition to the Long Term Care Facility with Professional Home and Community Care, you may choose to offer a plan option where care or services are provided by an informal caregiver, such as a friend or family member and the insured individual may receive care or services anywhere in the world, leaving him or her free to relocate to any country without impacting our ability to pay benefits.¹²

Added Benefits Included with the Policy

- **Bed Reservation**

If benefits are being received and the stay in a long term care facility is temporarily interrupted, we want to make sure that the insured individual's room will be available when he or she returns. The policy will pay up to 90 days per calendar year if the absence is due to a stay in an acute care facility, such as a hospital. If the temporary absence is not related to a stay in an acute care facility, the policy secures the bed for up to 30 days per calendar year. The maximum number of Bed Reservation days payable per calendar year is 90.
- **Respite Care**

Respite Care benefits provide relief for the caregiver by paying for someone else to take care of the insured individual. Such benefits are payable if the insured individual is chronically ill, but is not receiving benefits under the policy. Usually, this occurs during the Elimination Period. Respite Care benefits will count towards the satisfaction of the elimination period. Care benefits are paid at the facility benefit amount. The policy pays for Respite Care up to 21 days per calendar year.
- **Waiver of Premium**

Once the elimination period has been satisfied and benefits are being received under the policy, premium will be waived for the duration of the claim and without regard to where the insured individual is receiving care – either a long term care facility or at home.
- **Additional Care Benefit¹³**

Once an insured becomes eligible for LTC benefits, he or she has access to an Additional Care Benefit of \$5,000. This benefit is designed to assist a person with a chronic illness in living at home or in other residential housing.
- **Contingent Non-forfeiture**

If premiums increase by a significant percentage, as defined in the certificate, the insured individual will have the right to reduce coverage so that the premium payments remain the same or to convert coverage to paid-up status with no further payments due.
- **Thirty Day Free Look**

The insured individual will have 30 days to review the certificate. If the insured individual is not satisfied with it for any reason, he or she can return the certificate to the employer and we will refund the initial payment.
- **Guaranteed Renewable**

As long as the premiums are paid on time, the coverage can never be canceled. We reserve the right to change the premiums for all similar policies issued in the state in which the policy is signed. We cannot discontinue the policy except where required by law or as a result of nonpayment of premiums or other causes described in the Policy Termination provision. If you terminate this policy the insured individual may continue coverage under the Continuation of Coverage Provision.

Optional Plan Provisions Available for Purchase

- **Inflation/Benefit Increase Options¹⁴**

You can elect to offer an option to help prevent inflation from eroding the value to your employees' benefits. All of our options increase benefits automatically on an annual basis, whether the insured individual is healthy or chronically ill. You may choose to offer a 5% compound inflation option, the 5% simple benefit increase or the Consumer Price Index (CPI) option. The CPI increases the benefit amount each year by the change in the Urban Consumer Price Index. The minimum annual increase is 2% and the maximum annual increase is 7%.¹⁵
- **Shortened Benefit Period¹⁶**

This non-forfeiture option provides a benefit equal to the total premium paid, minus any claims,¹⁷ if the certificate is in force for at least three years and the insured individual finds himself or herself unable to continue to pay premiums. In no event will the insured individual's new lifetime maximum benefit amount be less than 30 days of his or her Long Term Care facility benefit payments.
- **Cash Surrender**

This option provides the insured individual the option to surrender his or her certificate and receive a refund of a percentage of the premium paid in to the certificate. The amount of the return to the individual is determined by the number of years premiums were paid on the certificate.¹⁸
- **Restoration of Benefits**

This option restores the lifetime maximum benefit if the insured individual has been chronically ill and receiving benefits and then recovers, needing no further care or treatment and receiving no benefit payments for 180 days.
- **Return of Premium at Death¹⁹**

If the insured individual dies while the policy is in force, we will return all premiums he or she paid over the life of the policy, minus any claims paid.
- **Accelerated Payment Options (APO)²⁰**

In addition to the traditional payment options, you may elect to offer the ability to pay the premium in a limited time frame. We offer a single pay option, which allows you or your employees to pay the entire premium in one lump sum, as well as 5 year, 10 year, to age 65 and the greater of 10 years or to age 65 options. Any time period on claim will count towards fulfilling the required number of APO years. Once premiums have been paid for the time period specified, no future rate increases can occur on the policy. If you change the premium mode, there is no premium credit available. Once all premiums have been paid, the pro-rata Refund of Premium After Death provision in the certificate is no longer available.

Limitations & Exclusions²¹

There are some situations where we will not pay benefits. We will not provide benefits for a chronic illness caused by:

- war or any act of war, whether declared or undeclared;²²
- intentionally self inflicted injuries or attempted suicide, while sane;²³
- commission of a crime or attempt to commit a crime under law;²⁴
- alcoholism, alcohol abuse, drug addiction or drug abuse;²⁵
- any period while confined in a hospital;²⁶
- any period outside the United States, its territories or possessions or Canada for longer than 30 days*;
or
- a chronic illness resulting from an ADL loss or severe cognitive impairment caused by, contributed to by, or resulting from a pre-existing condition.**

* Does not apply if Home Care is purchased.

** Please see footnote 27

1-2 LIMRA 2006 Group LTC Report, 2007, based on cases and lives inforce, March 2007.

3 Benefits Selling Magazine, "2006 Readers' Choice Awards," November 2006. Winners selected by broker votes.

4 Milliman, "True Group Long-Term Care Insight Long-Term Care and Employer Contributions," March 2006.

5 May vary by state. In MN, OR and WA the minimum benefit amount is \$1,500 per month, in WI, the minimum benefit is \$2,000 per month.

6 A 2 year benefit period is not available in FL.

7 An elimination period (EP) over 60 days is not available in GA. An EP over 90 days is not available in CT, KS, MN, SD, VT. An EP over 180 days is not available in FL, MD, NC, ND, NY, PA, WA. The 730 day EP is not available in MA, WI.

8 Please consult your tax advisor for details and to verify your qualifications.

9 Home Care is required in GA, KY, MD, MI, NY, OR, RI, VT, and WI.

10-12 International Benefits are paid at 75% of the Home Care Benefit Amount and are limited to a 6-year benefit duration, regardless of the benefit duration of the policy.

11 Called Home and Community Care in PA.

13 Additional Care Benefit is called Alternate Care in MA and PA. Does not have a separate Lifetime Maximum benefit in MA, PA. See Policy for complete details about coverage and eligibility.

14 Compound Inflation is the only option in ID. Compound and Simple are the only options in TX. Compound and CPI are the only options in WI. Compound Inflation must be offered in one plan in AR, DE, DC, CT, MO, PA, TN, VA, and WI. Inflation must be in one plan if 100% voluntary in GA. Schedule Growth option is also available in HI only. Benefit Increase Options known as Inflation in PA and TX.

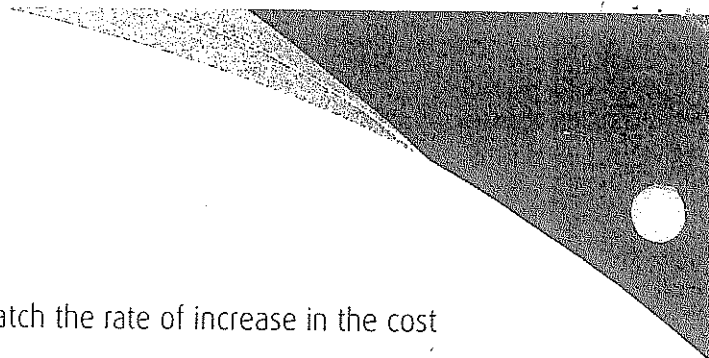
Pre-Existing Condition Exclusion²⁷

In some states there is a pre-existing condition exclusion for chronic illnesses which began prior to the effective date of coverage:

The insured individual has a pre-existing condition if medical advice, treatment, care or services including consultation or diagnostic measures or prescription drugs were received or recommended in the six (6) months just prior to the insured individual's coverage effective date; or the insured individual took pre-scribed drugs in the six (6) months just prior to his or her coverage effective date.

We will not consider for any purpose an ADL loss or onset of severe cognitive impairment that occurs in the six (6) months just after the insured individual's coverage effective date if the ADL loss or severe cognitive impairment is caused by, contributed to by or results from a pre-existing condition.

If the insured individual was required to apply for coverage by completing a long term care insurance application and we approved the application, the pre-existing condition provision will not apply to that insured individual.

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- 15 The inflation/benefit increase and CPI options may not match the rate of increase in the cost of long term care services in the future.
 - 16 Shortened Benefit Period must be offered in one plan in CT, DE, MD, NM, OK and TN. SBP is 5 years in MD and 2 years in NM.
 - 17 Not applicable in FL, CT, NM, PA, RI, and WA.
 - 18 This option is not available in CT, FL, NC, NJ, NY, OR, and PA.
 - 19 Called Refund of Premium in TX. Not available in PA or TN.
 - 20 Single Pay APO is not available in NJ, NY, TN, TX. 5 year APO is not available in NJ or NY. The greater of 10 years or age 65 is not available in NJ, or TX. To Age 65 is not available in NJ, NY or TX. Must be sold with SBP in PA and TN.
 - 21 Exclusion language may vary by state.
 - 22 Called war or act of war while serving in the military or any auxiliary unit in OK.
 - 23 Self-inflicted injuries while sane or insane in CO, ID, KS, OH, and PA. Cannot exclude intentionally self-inflicted injuries or attempted suicide while sane in MN.
 - 24 Called participation in a felony, riot or insurrection in AL, AZ, CO, GA, HI, ID, KS, MD, MN, OH, PA, RI, SD, TX and VT. Called a felony, of which the cause is the result of being engaged in an illegal occupation, in NJ.
 - 25 Called Treatment for alcoholism or drug addiction in AL, LA, OH. Called Chronic Illness caused by alcoholism or drug addiction in AZ, CO, HI, ID, KS, MD, MT, ND, NV, OK. Called a confinement due to alcoholism or drug addiction in CT. Called alcoholism, alcohol abuse, drug addiction or drug abuse, except for a loss sustained as a consequence of you being under the influence of any narcotic administered on the advice of a Physician in GA. Called services provided for alcohol or drug detoxification, or alcohol or drug rehabilitation in MA. Called treatment of alcoholism or drug addiction in NJ. Described as we will not provide benefits for alcoholism or drug addiction in PA.
 - 26 Additional exclusion in VA confined in a government facility except for veterans in a veterans administration or armed forces facility.
 - 27 Pre-existing condition exclusion does not apply in the following states: AZ, CT, FL, MA, MD, MI, MN, NM, NY, PA, SD, TX, VA and WA.

This is not intended to be a complete description of the Long Term Care insurance policy and some coverage options may not be available in all states. The insurance policy has exclusions and limitations that may affect any benefits payable. For costs and complete details of coverage, refer to Policy Form GLTC04 (underwritten by Unum Life Insurance Company of America in all states except New York; underwritten by First Unum Life Insurance Company in New York) or contact your insurance agent or Unum representative.

Unum Life Insurance Company of America is not endorsed by or affiliated with the Federal or State government.

In all States except New York, Long Term Care underwritten by:

Unum Life Insurance Company of America, 2211 Congress Street, Portland ME 04122

In New York, Long Term Care underwritten by:

First Unum Life Insurance Company, 99 Park Avenue, Sixth Floor, New York NY 10016
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