



GenPro II Long Term Care

Description

The Generation Protector II is a qualified long-term care insurance product that provides coverage for the full spectrum of long term care services. The product is designed to offer consumers a very strong home care package with Facility Care Daily Benefits and a 130% Home and Community Care coverage option as well as optional Waiver of Premium Benefits, Respite Care Benefits, Bed Reservation Benefits and Caregiver Training Benefits. Other options include Calendar Day Elimination Period, Restoration of Benefits, Monthly Indemnity Benefit, Monthly Home and Community Care Benefit, Return of Premium, and Full Return of Premium. In addition, the following Riders are also available: Paid up at Age 65 Rider, Ten Year Premium Payment Rider, Coverage Enhancement Rider, Spousal Shared Care Rider, Spousal Waiver of Premium Rider, Household Discount Rider, 3% Lifetime Compound Benefit Increase Rider, 4% Lifetime Compound Benefit Increase Rider, 5% Lifetime Compound Benefit Increase Rider, Two Times Compound Benefit Increase Rider, Simple Benefit Increase Rider, Contingent Benefit Upon Lapse Rider, International Coverage Benefit Rider, Shortened Benefit Period Rider, Full Indemnity Rider, Home and Community Care Elimination Period Waiver Rider, Spousal Discount Rider, Married Discount Rider and Spousal Survivor Rider.

Product Type

The Generation Protector II is a tax-qualified long term care policy as defined under Section 7702B(b) of the Internal Revenue Code of 1986.

Age Limitations

Minimum: 18

Maximum: 84

Risk Classifications

Preferred Plus

Preferred

Standard

Select I

Select II

Daily Benefit

Minimum \$50

Maximum \$500

In \$10 dollar increments

Benefit Period

2 Years

3 Years

4 Years

5 Years

8 Years

Lifetime

Elimination Period

The Elimination Period is the period of time that must be satisfied before we will pay benefits and is the number of covered service days in which the insured is Chronically Ill, has received care in either a Nursing Facility or Assisted Living Facility, or has received Home and Community Care, and has not received Benefit Payments from this Contract. Each day of covered services under the Contract counts toward the Elimination Period. Available choices are 7 days, 30 days, 60 days, 90 days, 180 days or 365 days. The elimination period only needs to be satisfied once during the life of the contract.

Discounts

The following discounts are available: Married (10%), Household (10%), Existing Policyholder (5% if own any other Inforce Allianz Product (Note: the discount comes from a reduction in commissions)), Spousal (30%), and Endorsed Group (5%). A policy cannot have **both** the Existing Policyholder discount and the endorsed group discount.

Eligibility for Benefits

Benefits are available when the Insured is found to be Chronically Ill. The chronic illness must have begun after the Effective Date. Benefits will be paid as long as: 1.) the policy is In Force, except if the Extension of Benefits provision under the General Policy Provisions applies, 2.) the Elimination Period is satisfied, 3.) the Insured is receiving Qualified Long Term Care Services and provides proof of such Chronic Illness. Chronic illness means the insured is unable to perform 2 of 6 Activities of Daily Living.

Home and Community Care Benefits

These benefits are equal to 70%, 100% or 130% of the Nursing Home Daily Benefit Amount. The Insured does not qualify for these benefits if confined to a Hospital or receiving Facility Care Benefits. The benefits paid accumulate toward the Maximum Lifetime Benefit.

Maximum Lifetime Benefit

The Maximum Lifetime Benefit is total amount the Company will pay in the Insured's lifetime for all benefits, other than the Waiver of Premium Benefit and Care Coordination Advisor Benefit. The Maximum Lifetime Benefit is calculated as the Facility Care Daily Benefit times the Benefit Period, in years, times 365. All benefits paid accumulate toward the Maximum Lifetime Benefit, unless otherwise stated. However, for Home and Community Care Benefits, only an amount up to 30 times the Facility Care Daily Benefit, if the Home and Community Care Monthly Benefit option is elected, will accumulate toward the Maximum Lifetime Benefit.

Waiver of Premium Benefit

This is included in the base contract. Once the Insured satisfies the elimination period and is eligible for payments, premiums are waived as they come due based on the Payment Mode for as long as benefits are payable. Once the Insured is no longer Chronically Ill, the Insured will be responsible for premium as they come due based on the Payment Mode in effect. Premiums will not be waived if the Insured is only receiving benefits under the Alternative Plan of Care Benefit, Caregiver Training Benefit, Respite Care Benefit, or Care Coordination Advisor Benefit. The benefits paid accumulate toward the Maximum Lifetime Benefit.

Calendar Day Elimination Period

If selected on the application the Calendar Day Elimination Period differs from the Service Day Elimination Period in that the period of time that must be satisfied before the Company will pay benefits is the number of calendar days in which the insured is Chronically Ill and has not received Benefit Payments under this Contract. Each calendar day beginning with the first day that the insured receives Qualified Long Term Care Services until he or she is no longer Chronically Ill counts toward the Elimination Period. The Calendar Day Elimination Period must only be satisfied once.

Waiver of Home and Community Care Elimination Period Rider

This Rider waives the Elimination Period if the Insured is receiving Home and Community Care (HCC) benefits, subject to the following conditions. If the Insured is Chronically Ill and receiving HCC, each day that benefits are received for HCC will count towards the Elimination Period. Any remainder of the Elimination Period must be satisfied prior to eligibility for Facility Care Benefit payments.

3% Lifetime Compound Benefit Increase Rider (Only one of the 5 COLA options may be selected)

Each policy anniversary, the following benefits will increase by 3% of the amount in effective on the previous Policy Anniversary: Facility Care Daily Benefit and Home and Community Care Daily Benefit, Monthly Indemnity Benefit (if elected), and the Home and Community Care Monthly Indemnity Benefit (if elected). The Maximum Lifetime Benefit will be increased by 3% of the Remaining Lifetime Benefit (the Maximum Lifetime Benefit on the previous Policy Anniversary less claims paid to the current Policy Anniversary). The annual increases will occur even if benefits are being paid.

4% Lifetime Compound Benefit Increase Rider

Each policy anniversary, the following benefits will increase by 4% of the amount in effective on the previous Policy Anniversary: Facility Care Daily Benefit and Home and Community Care Daily Benefit, Monthly Indemnity Benefit (if elected), and the Home and Community Care Monthly Indemnity Benefit (if elected). The Maximum Lifetime Benefit will be increased by 4% of the Remaining Lifetime Benefit (the Maximum Lifetime Benefit on the previous Policy Anniversary less claims paid to the current Policy Anniversary). The annual increases will occur even if benefits are being paid.

5% Lifetime Compound Benefit Increase Rider

Each policy anniversary, the following benefits will increase by 5% of the amount in effective on the previous Policy Anniversary: Facility Care Daily Benefit and Home and Community Care Daily Benefit, Monthly Indemnity Benefit (if elected), and the Home and Community Care Monthly Indemnity Benefit (if elected). The Maximum Lifetime Benefit will be increased by 5% of the Remaining Lifetime Benefit (the Maximum Lifetime Benefit on the previous Policy Anniversary less claims paid to the current Policy Anniversary). The annual increases will occur even if benefits are being paid.

Two Times Compound Benefit Increase Rider

Each policy anniversary, the Insured's Daily/Monthly Benefit will be increased by 5% of the amount in effect on the previous Policy Anniversary. The Maximum Lifetime Benefit will be increased by 5% of the Remaining Lifetime Benefit (the Maximum Lifetime Benefit on the previous Policy Anniversary less claims paid to the current Policy Anniversary). Annual increases will occur each year until the current Daily/Monthly Benefit first exceeds two times the original Daily/Monthly Benefit. The annual increases will occur even if benefits are being paid.

Simple Benefit Increase Rider

Each policy anniversary, the following benefits will increase by 5% of the original amount in effective on the Issue Date: Facility Care Daily Benefit and Home and Community Care Daily Benefit, Monthly Indemnity Benefit (if elected), and the Home and Community Care Monthly Indemnity Benefit (if elected). The Remaining Lifetime Benefit will increase by the same proportion as the increase in daily benefits. The annual increases will occur even if benefits are being paid.

Home and Community Care Monthly Benefit

If the insured is receiving Benefit Payments under the Home and Community Care Benefit, the Company will pay up to 30 times the Home and Community Care Daily Benefit on a monthly basis for the actual expenses incurred during the month.

Paid Up at Age 65 Rider

This rider will provide a paid-up contract if all required premiums from issue to the Policy Anniversary following the Insured's 65th birthday have been paid. If the Insured has paid the required premium each year until the first Policy Anniversary following the Insured's 65th birthday, this Rider will provide the Insured with a paid-up Contract.

Ten-Year Premium Payment Rider

This rider will provide a paid-up contract if all required premiums in the first ten Policy Years have been paid. All bill modes are available.

Full Indemnity Benefit Rider

This Rider provides a monthly cash benefit in lieu of reimbursement of the Facility Care Daily Benefit and Home and Community Care Daily Benefit, subject to limitations. Once the insured is deemed Chronically Ill and has satisfied the Elimination Period, we will pay the Indemnity Benefit (30 times the Facility Care Daily Benefit). The insured will not be required to submit applicable statements and bills for covered care services. The Indemnity Benefit is in lieu of reimbursement of the Facility Care Daily Benefit and Home and Community Care Daily Benefit for actual expenses incurred.

Monthly Indemnity Benefit

Options are for 10%, 25% or 50% of the daily benefit amount. This amount will be paid in any month that the Insured receives Benefit Payments under the Facility Care Benefit or Home and Community Care Benefit. The benefit paid through this indemnity option reduces the Maximum Lifetime benefit amount.

Benefits paid directly to the insured and not determined by the expenses incurred may be subject to taxation by the Internal Revenue Service and may cause this Contract to lose its status as a federally tax-qualified long term care insurance contract.

Example:

Daily benefit amount is \$100.00. Monthly Indemnity Benefit of 10% is purchased. At some point the Insured qualifies for benefits and has satisfied the elimination period. If they put in a claim for 1 day of benefits and submit bills/receipts of \$100.00 for that bad day, what we would pay would equal 1 day's worth of daily benefits (\$100.00), less the monthly indemnity benefit percentage (- 10% or \$10.00) plus the monthly indemnity benefit amount (10% of \$100.00 * 30 days, or \$300.00), so the amount due the insured will be \$390.00 for that 1 day of claim. If the insured qualified for and submitted claim for 5 days with bills equaling \$100.00 each day, the check we'd send would be for \$750.00 (5 days * \$100.00 less 10% plus 30 days of the 10% benefit).

Return of Premium Upon Death Benefit

If this Contract Terminates due to the Insured's death, the company will pay a Return of Premium Upon Death Benefit to the Insured's Beneficiary, or to the Insured's estate if no Beneficiary has been designated.

The Return of Premium Upon Death Benefit is equal to the total of premiums paid for this Contract, excluding any premiums waived, reduced by the total of benefits paid. If the total of benefits paid exceeds the total of premiums paid, excluding any premiums waived, this Return of Premium Upon Death Benefit will be zero.

Full Return of Premium Upon Death Benefit

If this Contract Terminates due to the Insured's death, the company will pay a Full Return of Premium Upon Death Benefit to the Insured's Beneficiary or to the Insured's estate if no Beneficiary has been designated. The Full Return of Premium Upon Death Benefit is equal to the total of premiums paid for this Contract, excluding any premiums waived.

Restoration of Benefits

This is included in the base contract if elected – There is a separate charge for this benefit. If benefits have been paid and deducted from the Maximum Lifetime Benefit, the Maximum Lifetime Benefit will be restored to the amount shown on the current Policy Schedule plus increases per the Insured's benefit increase rider, if any, if, for a period of 180 consecutive days:

- The contract is In Force,
- The Insured is not receiving Benefit Payments
- And the Insured is no longer Chronically Ill.

The Maximum Lifetime Benefit may be restored an unlimited number of times.

Spousal Shared Care Rider

This Rider allows a Spouse who has exhausted his or her own Maximum Lifetime Benefit to draw from the other Spouse's benefit pool up to the calculated Spousal Shared Care Benefit Amount (defined as the Maximum Lifetime Benefit less claims paid, less 365 times the Facility Care Daily Benefit). The two Insureds must be married and must have purchased identical policies. Upon the death of one of the Insured spouses, the Company will increase the surviving Insured's Maximum Lifetime Benefit by the deceased spouse's Spousal Shared Care Benefit Amount, if any. The surviving Insured's premium will not change.

Spousal Waiver of Premium Rider

If one Insured's premiums are waived, this Rider waives the premium of the Insured spouse for as long as the first Insured's premiums are waived. This Rider is not available unless both Insureds purchase the Rider. If one of the Insured spouses is eligible for Benefit payments and has satisfied the Elimination Period, the Rider will waive premium for the other Insured spouse as it is due. We will continue to waive each premium due as long as the Insured spouse's premiums are being waived.

Spousal Survivorship Rider

With this Rider, if both the Insured's and Insured Spouses' policies are in force for a minimum of ten years, and one of the Insured dies, the surviving Insured's policy is paid up with no additional premiums due.

Coverage Enhancement Rider

This rider provides an opportunity each fifth year (Option Date) to enhance coverage without underwriting as long as Benefit Payments have not been received within two years of each Option Date. There are three options being offered, and the Insured can select any combination of the three. First option is to true-up the inflation protection to the lesser of the change in the Consumer Price Index for Nursing Homes and Adult Day Care (CPI) or 50% with minimum increase of 15%. Second Option is to decrease the Elimination Period to the next available Elimination Period. Third Option is to Increase the Benefit Period to the next available Benefit Period (possibilities are only moving from the 3 year period to 4 years, 4 years to 5 years, or 5 years to 8 years).

Shortened Benefit Rider

This is a nonforfeiture benefit. If the Insured's policy is in force for at least 3 years and then lapses, this Rider provides a benefit equal to the Maximum Shortened Benefit Period Amount (the greater of the premiums paid or 30 times the Facility Care Daily Benefit at time of Lapse). After lapse, no further increases will occur under any benefit increase Rider (COLAs) and all other Riders will terminate on the date of lapse with no further benefits payable from those Riders.

International Coverage Benefit Rider

This rider is automatically included with the policy and has no charge to the policy Owner. This rider provides coverage to the Insured who is outside the US, D.C or Canada, subject to limitations. The International Coverage Maximum Lifetime Benefit is equal to 2 years of 70% of the Facility Care Daily Benefit paid for all benefits other than the Waiver of Premium Benefit. The Company will pay actual expenses up to 70% of the Facility Care Daily Benefit or Home and Community Care Daily Benefit but not less than \$50.00 per day. The benefits paid accumulate toward the Maximum Lifetime Benefit and the International Coverage Maximum Lifetime Benefit. The country the Insured is in must be designated in the Visa Waiver Program. No benefits will be payable for the Monthly Indemnity Benefit and Spousal Shared Care Rider.

Respite Care Benefit

This is included in the base policy and provides respite care benefits for a maximum of 30 days per calendar year. If the insured is Chronically Ill and is normally cared for by an informal caregiver, the Company will pay the actual incurred expense up to the Facility Care Daily Benefit if the Insured is in a Nursing Facility or Assisted Living Facility, will pay the actual incurred expense up to the Respite Facility Care Daily Benefit if the Insured is in a Nursing Facility or Assisted Living Facility, or will pay the actual incurred expense up to the Respite Home and Community Care Daily Benefit if the insured is receiving Home and Community Care. The Elimination Period does not apply to this benefit and days of respite care will not be used to satisfy the Elimination Period. The benefits paid accumulate toward the Maximum Lifetime Benefit.

Bed Reservation Benefit

This is included in the base policy and provides bed reservation benefits for a maximum of 60 days per calendar year. If the Insured is hospitalized, or temporarily leaves a Nursing

Facility or Assisted Living Facility, and is billed to reserve accommodations in a Nursing Facility or Assisted Living Facility, the Company will continue to pay as if the Insured was still confined to the Facility. The Bed Reservation Benefit will continue to pay the Monthly Indemnity Benefit, if the Monthly Indemnity Benefit option is elected, in addition to the Facility Care Daily Benefit, if the insured is confined in a Nursing Facility or Assisted Living Facility. The benefits paid accumulate toward the Maximum Lifetime Benefit.

Caregiver Training Benefit

This is included in the base contract. This benefit is equal to 5 times the Facility Care Daily Benefit amount shown on the Policy Schedule that can be used to fund the training of an informal caregiver for the Insured. The Elimination Period does not apply to this benefit and days of caregiver training will not be used to satisfy the Elimination Period. The benefits paid accumulate toward the Maximum Lifetime Benefit.

Alternative Plan of Care Benefit

This is included in the base contract. This provision provides funding for cost-effective care alternatives not otherwise covered by the contract. The Alternative Plan of Care must be agreed to by the Company, the Insured, and the Insured's Licensed Health Care Practitioner. It is available as long as the Maximum Lifetime Benefit has not been exhausted. If the Elimination Period has not been satisfied, the remaining days needed to satisfy the Elimination Period will be multiplied by the Facility Care Daily Benefit and subtracted from the amount payable for the Alternative Plan of Care Benefit. The benefits paid accumulate toward the Maximum Lifetime Benefit.

Care Coordination Advisor Benefit

This is included in the base contract. Access to care management professionals will be provided to work with the Insured, the Insured's family members and the Insured's Licensed Health Care Practitioner to determine and monitor the Insured's care. This assistance may include assessment of the Insured's situation, investigation of available care resources, and assistance in developing and monitoring a Plan of Care. This service is not required to obtain Benefit Payments, nor will this service accumulate toward the Maximum Lifetime Benefit.

Contingent Benefit Upon Lapse Rider

This is a non-forfeiture benefit which will be included with policies issued without the Shortened Benefit Rider. If the Policy is in force and the Company raises the premium rates more than a predefined percentage, the Facility Care Daily Benefit and/or the Benefit Period may be reduced to provide for a benefit equaling the original premium billing amount, as described in the Right to Reduce Benefits provision, or the Policy can be converted to a paid-up status with a defined Shortened Benefit Period. There is no cost for this rider.