



SONS OF
NORWAY

**Chronic Illness
Accelerated Benefit
Rider**

Chronic Illness Accelerated Benefit Rider (CIABR)

Product Description

The Chronic Illness Accelerated Benefit Rider (CIABR) provides a monthly benefit to the owner if the insured is under medically prescribed long term care. The rider is available for new universal life certificates. The benefit paid is an acceleration of a portion of the contract death benefit. The benefit can be paid on either a monthly or annual basis. The benefit covers a one year period. Each year, if the insured still qualifies, a new claim must be submitted for the payments to continue. This product is not long term care insurance under state law.

UNDERWRITING

This rider can also be attached to existing Nordic Elite I, II or III certificates with new underwriting.

The rider is available for standard rated cases only.

Not available in CA, CT, NY or DC.

Chronic Illness Accelerated Benefit Rider (CIABR)

Product Information

- Benefit may be used for At Home Care or Nursing Home Stay
- No Receipts Or Care Plan Are Needed. Certificate owners can decide how their benefit payments are spent
- The Chronic Illness Rider is available as a rider with no additional underwriting when added to the application for a new Sons of Norway universal life certificate .
- With new underwriting, this rider can be added to existing Sons of Norway Nordic Elite I, II and III certificates with issue dates of 2005 and later.

Chronic Illness Accelerated Benefit Rider (CIABR)

Product Information

- It's available for issue ages 18 - 85
- The rider is available for Standard, Select and Super Select Non-Tobacco and Tobacco certificates.
- Each monthly payment will be 2% of the death benefit amount of the certificate, or the remainder of the benefit available if less.
- Annual mode available by request. Each annual payment will be 24% of the death benefit amount of your policy, or the remainder of the benefit available if less.

Chronic Illness Accelerated Benefit Rider (CIABR)

Product Information

- **The Rider is available in amounts of 50,000 to 300,000.**
- **The amount of the rider is equal to the face amount of the base plan up to 300,000.**
- **If the face amount of the certificate exceeds \$300,000, the benefit amount for the rider is limited to \$300,000.**

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Product Information

- Each payment under this rider is an advanced payment of a portion of the death benefit of the certificate and reduces the death benefit of the certificate on a dollar-for-dollar basis.
- When payments under this rider equal the death benefit of the certificate, The certificate will terminate.

Chronic Illness Accelerated Benefit Rider (CIABR)

CHRONICALLY ILL INDIVIDUAL

- **Payment of the benefit requires that the insured be a Chronically ILL Individual as defined below.**
- **Each year, if the insured still qualifies, a new claim must be submitted for the payments to continue.**

Chronic Illness Accelerated Benefit Rider (CIABR)

CHRONICALLY ILL INDIVIDUAL (cont'd)

- **A Chronically ILL Individual is an individual certified by a Licensed Health Care Practitioner as:**
 - **Being unable to perform, without substantial assistance from another individual, at least 2 of the 6 Activities of Daily Living for an expected period of at least 90 days; or**
 - **Having a level of disability similar to the level of disability described in item 1; or**

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CHRONICALLY ILL INDIVIDUAL (cont'd)

- **Requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment; and**
- **Is not terminally ill. Benefits are not payable from this rider while the insured is currently receiving benefits from the Terminal Illness Accelerated Benefit Rider.**

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Premiums & Monthly Deductions

- The cost of insurance for this rider is deducted from the certificate value at the same time and in the same manner as the cost of insurance for this certificate.
- The monthly cost of insurance for this rider is stated in the certificate data pages.

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- **Premiums & Monthly Deductions**
 - Premiums for this rider vary only by issue age. They do not vary by class or sex.
 - The monthly cost for this rider is the annual premium divided by 12.
 - The monthly cost is determined at issue of a contract and does not change as long as the rider remains in force.

Chronic Illness Accelerated Benefit Rider (CIABR)

Premiums & Monthly Deductions

During the period of time that Accelerated Death Benefits are being paid under this rider, we will waive the monthly deductions from the cash value for:

- 1. The cost of insurance for the certificate;**
- 2. The cost of insurance for all riders (including this rider) attached to this certificate;**
- 3. Any monthly fees under this certificate.**

Chronic Illness Accelerated Benefit Rider (CIABR)

NOTICE TO BUYER

- If benefits are paid under this rider, the certificate's death benefit, cash values and loan values will be reduced.
- This accelerated benefit rider does not and is not intended to qualify as long-term care under state law. It may not provide all of the benefits or meet all of the standards required of long-term care under state law and regulations.
- For the purposes of federal tax law only, the payment of rider benefits are intended to be a 'qualified long-term care product.' This rider qualifies under section 7702B of the Internal Revenue Code of 1986 as amended by Public Law 104-191. You should consult your tax advisor in order to ensure your understanding of the provisions of this Act.

Chronic Illness Accelerated Benefit Rider (CIABR)

NOTICE TO BUYER (continued)

If you receive payment of accelerated benefits from a life insurance certificate, you may lose your right to receive certain public funds. These funds may include Medicare, Medicaid, Social Security, Supplemental Security, Supplemental Security Income (SSI), and possibly others. Also, receiving accelerated benefits from a life insurance certificate may have tax consequences for you. We cannot give you advice about this. You may wish to obtain advice from a tax professional or an attorney before you decide to receive accelerated benefits from a life insurance certificate.

Chronic Illness Accelerated Benefit Rider (CIABR)

DEFINITIONS

- **Activities of Daily Living means the basic human functional abilities required for the insured to remain independent. They are as follows:**
 1. **Bathing – the ability to wash oneself by sponge bath or in either a tub or shower. This includes the task of getting into or out of the tub or shower.**
 2. **Continence – the ability to maintain control of bowel or bladder functions. If unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene. This includes caring for the catheter or colostomy bag.**
 3. **Dressing – the ability to put on and take off items of clothing and any necessary braces, fasteners, or artificial limbs.**

Chronic Illness Accelerated Benefit Rider (CIABR)

DEFINITIONS (continued)

- **Activities of Daily Living means the basic human functional abilities required for the insured to remain independent. They are as follows:**
 4. **Eating – the ability to feed oneself by getting food into the body from a receptacle; such as a plate, cup, or table, or by feeding tube or intravenously.**
 5. **Toileting – the ability to get to and from the toilet; getting on and off the toilet; and performing associated personal hygiene.**
 6. **Transferring – the ability to move into or out of a bed, chair, or wheelchair or to move from place to place. Transferring may be by walking, using a wheelchair or by other means.**

Chronic Illness Accelerated Benefit Rider (CIABR)

DEFINITIONS (continued)

Severe Cognitive Impairment means the deterioration in or loss of intellectual capacity. It may include exhibition of:

- **Comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia; or**
- **Abusive or assaultive behavior; or**
Poor judgment; or
- **Bizarre hygiene or habits which require continual supervision to protect the individual or others.**

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DEFINITIONS (continued)

Severe Cognitive Impairment is measured by clinical evidence and standardized test. It is based on impairment as indicated by loss in short or long-term memory or recognition of self, time of day or year, and deductive or abstract reasoning.

Chronic Illness Accelerated Benefit Rider (CIABR)

DEFINITIONS (continued)

Standby Assistance

means the presence of another person within arm's reach of the Chronically Ill Individual that is necessary to prevent, by physical intervention, injury while such individual is performing any Activities of Daily Living.

Substantial Assistance

means Hands-On Assistance or Standby Assistance.

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DEFINITIONS (continued)

Substantial Supervision

means continual supervision by another person that is necessary to protect the individual from threats to health or safety (such as may result from wandering). Supervision may include verbal prompts, gestures or other demonstrations.

Terminally ILL

means that the insured's life expectancy, as certified by a licensed physician, is 12 months or less.

Chronic Illness Accelerated Benefit Rider (CIABR)

CHRONIC ILLNESS ACCELERATED DEATH BENEFIT CONDITIONS

The payment of the Accelerated Death Benefit is conditioned on:

- 1. This rider and the certificate it is part of is in force; and**
- 2. The insured is certified by a Licensed Health Care Practitioner as a Chronically Ill Individual; and**
- 3. Is currently receiving and has been receiving Prescribed Long Term Care for a continuous period of 60 days; and**

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CHRONIC ILLNESS ACCELERATED DEATH BENEFIT CONDITIONS (continued)

- 4. Receipt by us of a Physician's Statement; and**
- 5. We receive written consent from any irrevocable beneficiaries and any assignees.**

Chronic Illness Accelerated Benefit Rider (CIABR)

- **Effect of CIABR on Certificate Values**
 - Each time a rider benefit payment is made, the death benefit of the certificate is reduced by the amount paid.
 - For Death Benefit Option 1 the cash value will be reduced by the proportion of the benefit paid to the Face Amount.
 - For Death Benefit Option 1, if there is an outstanding loan on the contract, the amount paid will be reduced by the proportion of loan to the Face Amount. This amount will be used to reduce the loan.

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DISCLOSURES

Upon request for benefits we will provide you with an Accelerated Death Benefit Payment Notice. This payment notice provides you with written disclosure of how the payment of the Accelerated Death Benefit affects the death benefit. The notice will also disclose any change in the certificate values and loan balances.

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PAYMENT REPORT

For each benefit payment, the following information will be furnished to you:

- 1. The amount paid; and**
- 2. An explanation of any changes in the certificate in regard to the death benefit, cash values or Certificate Indebtedness; and**
- 3. Any remaining benefits available.**

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CLAIMS

Notice of Claim: Written notice of claim must be given to us at our Headquarters in Minneapolis, Minnesota. The notice should include at least:

- 1. The insured's name,**
- 2. The certificate number shown in the certificate data page,**
- 3. The address to which claim forms should be sent, and**
- 4. Whether benefits are to be paid monthly or in a lump sum.**

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Proof of Insured's Medical Condition:

A Physician's Statement and a properly completed claim form must be furnished to us at our Headquarters before the Accelerated Death Benefit is paid.

Claim Forms:

We will send forms to you or your legal representative when we receive notice of a claim. If we do not provide the forms within 15 days of receiving the claim notice, you are deemed to have complied with the Chronic Illness Accelerated Death Benefit Conditions if you have submitted a Physician's Statement acceptable to us.

Payment of Claims:

The Accelerated Death Benefit is paid to you. You may request assignment of the benefit to the person or organization providing the insured's care. Any such request must be in a written form acceptable to us. All remaining death benefits of the certificate are paid to the beneficiary at the insured's death.

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LIMITATIONS AND EXCLUSIONS

Benefits are not payable from this rider while the insured is currently receiving benefits from the Terminal Illness Accelerated Benefit Rider.

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EXERCISE OF RIGHTS

If you are not legally competent as certified by a Physician or the court to exercise rights under this rider, we may permit another person to exercise these rights. This person may be the named beneficiary(ies) or any person who, in our opinion, has assumed the responsibility of your custody and principal support. The rights permitted under this provision are:

- 1. Making a claim for acceleration of death benefits;**
- 2. Designation of the payee; and**
- 3. Execution of receipts.**

Any payment made in good faith under this provision will satisfy our responsibility to the extent of such payment.

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DISPUTES IN BENEFIT DETERMINATIONS

Any dispute arising from benefit determinations must be addressed in writing to our Headquarters in Minneapolis, Minnesota.

REINSTATEMENT

This rider may be reinstated if the certificate to which it is attached is reinstated. To reinstate this rider we require satisfactory evidence of insurability of the insured.

INCONTESTABILITY

This rider is contestable on the same basis as the certificate.

TERMINATION

This rider terminates on the earliest of:

- 1. The date we receive your written request to terminate rider coverage; or**
- 2. The date the certificate terminates; or**
- 3. The date when no certificate death benefit remains; or**
- 4. The date the certificate lapses in accordance with a nonpayment of premiums provision contained in the certificate; or**
- 5. When the maximum lifetime benefit has been reached.**

Termination will not prejudice the payment of any benefits that occurred while the rider was in force.

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This is not a complete statement of terms and conditions of the CIABR. Please see the rider addendum to the certificate for full details.