

The Baltimore Life Insurance Company  
10075 Red Run Boulevard  
Owings Mills, Maryland 21117-4871

### Accelerated Death Benefit Rider Disclosure Statement

This is a brief description of the Accelerated Death Benefit Rider and its effects on your policy. Please refer to the rider form for contract provisions.

#### **Your benefit.**

We will allow you, the owner, to accelerate a minimum of \$5,000 up to all of the eligible death benefit, not to exceed \$250,000, if the Insured suffers from a Terminal Illness, is Chronically III and confined to a licensed Qualified Nursing Facility continuously for at least 90 days and the Insured's stay is certified to be permanent, or requires Extended Care.

**Terminal Illness** means a medical condition of the Insured resulting from bodily injury, or disease, or both: (a) which has been diagnosed by a physician and (b) which a physician has certified in writing is expected to result in the death of the Insured within twelve (12) months.

**Chronically III** means the Insured is unable to perform, without substantial assistance from another person, at least two out of six Activities of Daily Living; or suffers from a severe organic mental illness.

**Activities of Daily Living** are: (1) eating; (2) toileting; (3) transferring (i.e., moving into or out of a bed, chair, or wheelchair); (4) bathing; (5) dressing; and (6) continence.

**Extended Care** means care of the Insured that is required because the Insured is Chronically III and has remained Chronically III continuously for at least 90 days, as certified in writing by a physician. Extended Care includes care provided by a licensed home health care agency or by a licensed or state-certified adult day care center.

#### **The benefit payable to you.**

Upon satisfaction of the requirements under the rider, we will pay to you an amount equal to the percentage of the eligible death benefit you elect to accelerate, multiplied by the Specified Percentage, reduced by an administrative charge of \$250.00. The amount of the payment to you will be reduced by the amount of the reduction in any outstanding loan resulting from the acceleration. There are no other costs or liens to the policy associated with the Accelerated Death Benefit Rider.

The Specified Percentages are: 95% for the Terminal Illness benefit, 90% for the Qualified Nursing Facility benefit, and 80% for the Extended Care benefit.

Effects to the policy upon acceleration are as follows:

- the policy's face amount will be reduced by the accelerated percentage of the eligible death benefit; and
- the cash value and any loan balance will also be reduced by the accelerated percentage of the eligible death benefit.

As an example showing the effects on your policy, if you elected to accelerate 70% of the policy's death benefit, assume the following hypothetical amounts and that the Insured is permanently confined to a Qualified Nursing Facility:

Face Amount:	\$120,000
Loan Balance:	\$10,000
Cash Value:	\$58,000

The portion of the death benefit to be accelerated, 70% of \$120,000 or \$84,000, meets the minimum (\$5,000) and maximum (\$250,000) requirements. Since the acceleration is based on a Qualified Nursing Facility event, the Specified Percentage (90%) is applied and the result is: \$75,600 (\$84,000 X .90). The \$75,600 amount is reduced by the accelerated proportional amount of the loan and by the administrative fee of \$250 (\$75,600 minus 70% of the \$10,000 loan, then reduced by \$250.) The resulting \$68,350 benefit amount is payable to you.

Your policy's face amount, loan balance, and cash value would also be reduced by your elected acceleration percentage of 70% as shown below:

	Before <u>Acceleration</u>	After <u>Acceleration</u>
Face Amount:	\$120,000	\$36,000
Loan Balance:	\$10,000	\$3,000
Cash Value:	\$58,000	\$17,400

**Conditions for the benefit.**

- The policy and rider must be in force and the Insured is living at the time you make a written request for benefits.
- Written proof satisfactory to us that the Insured suffers from a Terminal Illness, or is Chronically Ill and has been certified as such in writing by a physician, and has been confined to a Qualified Nursing Facility continuously for at least 90 days with written certification by a physician that such confinement is expected to be permanent, or requires Extended Care.
- Any Assignee or Irrevocable Beneficiary under the policy must consent in writing to your election of this benefit.
- A request for acceleration will not be approved if you are required by a government agency to use this benefit in order to apply for, obtain, or keep government benefits or entitlements.
- The death benefit amount accelerated must be no less than \$5,000 and no more than \$250,000.
- Only one benefit election is allowed under this rider. Once a benefit is paid, this rider ends.

**Tax Consequences: A benefit that you receive under this Rider may be taxable or may adversely affect your eligibility for Medicaid or other government benefits or entitlements. Before claiming a benefit under this Rider, you should seek the advice of your personal tax advisor.**

I acknowledge that I have read and understand this disclosure statement.

\_\_\_\_\_  
Signature of Applicant/Owner

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agent Number

\_\_\_\_\_  
Application or Policy Number