

PENN TREATY NETWORK AMERICA INSURANCE COMPANYSM

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IOWA LONG TERM CARE PARTNERSHIP PLAN

OUTLINE OF COVERAGE – POLICY FORM SERIES – IAPART-PF2600-2-LTINF

This policy provides benefits for care provided in your home, in your community and in a Long Term Care facility.

Federal Tax Qualified Coverage: This policy is not intended to be a qualified Long Term Care Insurance contract.

Coordination With Other Benefits Notice: As long as this policy remains precertified for Medicaid Asset Protection, benefits provided under this policy may be reduced to the extent that similar benefits are payable under any other plans or programs to which you are entitled (including Medicare). Please refer to the Coordination With Other Benefits section of the policy for a full explanation. This provision will not reduce the Maximum Lifetime Benefit payable under the policy.

Notice to Buyer: This policy may not cover all of the costs associated with Long Term Care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all policy limitations.

Caution: The issuance of the Long Term Care Insurance policy is based on your responses to the questions on your application. A copy of your application will be attached to your policy. If your answers are incorrect or untrue, we have the right to deny or rescind your policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact us at the address shown above.

- 1) This policy is an individual policy of insurance issued in the State of Iowa.
- 2) **PURPOSE OF THE OUTLINE OF COVERAGE:** This Outline of Coverage provides a very brief description of the important features of the policy. You should compare this Outline of Coverage to outlines of coverage for other policies available to you. This is not an insurance contract, but only a summary of coverage. Only the individual policy contains governing contractual provisions. This means that the policy sets forth, in detail, the rights and obligations of both you and your insurance company. Therefore, if you purchase this coverage, it is important that you **READ YOUR POLICY CAREFULLY!**
- 3) **TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND THE PREMIUM REFUNDED:**
 - A) You have the right to return the policy within thirty (30) days of your receipt of the policy if you are dissatisfied for any reason. Any premium paid will be refunded in full.
 - B) If you die while insured under the policy, we will issue a refund of the premium paid for coverage that extends beyond the date of your death.
- 4) **THIS IS NOT MEDICARE SUPPLEMENT COVERAGE:** If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from us. Neither Penn Treaty Network America Insurance CompanySM nor our agents represent Medicare, the federal government or any state government.

THIS POLICY QUALIFIES UNDER THE IOWA LONG TERM CARE INSURANCE PROGRAM FOR MEDICAID ASSET PROTECTION.
THIS POLICY MAY PROVIDE BENEFITS IN EXCESS OF THE ASSET PROTECTION PROVIDED IN THE
IOWA LONG TERM CARE ASSET PRESERVATION PROGRAM.

5) LONG TERM CARE COVERAGE: Policies of this category are designed to provide one or more necessary or medically necessary diagnostic, preventative, therapeutic, rehabilitative, maintenance or personal care services provided in a setting other than an acute care unit of a hospital. Benefits may be provided for institutional care, such as confinement in an Assisted Living Facility or Nursing Facility, and Community-Based Health Care, such as Adult Day and Home Health Care.

6) BENEFITS PROVIDED BY THIS POLICY: Benefits are provided for care received in your home and community, as well as for confinements in Assisted Living Facilities and Nursing Facilities. You may choose from \$90 per day to \$300 per day as your Maximum Daily Benefit. You may choose a Maximum Lifetime Benefit of \$75,000*, \$150,000, \$250,000, \$350,000, \$500,000, or Unlimited; and 0, 20, 90, 100, 180 and 365 days for the Elimination Period. *If a Maximum Lifetime Benefit of \$75,000 is chosen, the Maximum Daily Benefit available will be \$200.

Home And Community-Based Care Benefits

For each day you are eligible to receive benefits, we will pay the lesser of: 1) 80% of the actual charge incurred; or 2) 80% of the Maximum Daily Benefit; or 3) 80% of the reasonable and customary fee for similar services rendered in the same geographic area. ***Please see details listed below under Early Notification of Claim that allows you to receive up to 100% of the Maximum Daily Benefit.***

(Home and Community-Based Care Benefits may include Homemaker Care Services, Personal Care Services, Home Health Care Services, Adult Day Care, Hospice Care or Respite Care Services.)

100% Early Notification of Claim Benefit: If you notify us within fifteen (15) days of the Home/Community-Based Care beginning, we will pay the lesser of: 1) 100% of the actual charge incurred; or 2) 100% of the Maximum Daily Benefit; or 3) 100% of the reasonable and customary fee for similar services rendered in the same geographic area.

Eligibility For Benefits

You will be eligible for the Home and Community-Based Care benefits described in the policy when:

- 1) The care/assistance must begin after the Effective Date of the policy and be provided while the policy is in force; and
- 2) The Elimination Period must be satisfied; and
- 3) The care/assistance must be:
 - a) Needed due to your being unable to perform two (2) or more Activities of Daily Living; or
 - b) Needed due to your Cognitive Impairment; or
 - c) Needed due to a complex, yet stable medical condition.

Facility Care Benefits

For each day you are eligible to receive benefits, we will pay the lesser of: 1) the actual charge incurred; or 2) the Maximum Daily Benefit listed in the Schedule of Benefits. (Facility Care Benefits may include Nursing Facilities, Assisted Living Facilities, Residential Care Facilities, Adult Congregate Living Facilities, Personal Care Facilities, Sheltered Living Facilities, Skilled Nursing Facilities, Intermediate Care Facilities, or Custodial Care Facilities.)

Eligibility For Benefits

You will be eligible for the Facility Care benefits described in the policy when:

- 1) the care/assistance must begin after the Effective Date of the policy and be provided while the policy is in force; and
- 2) the elimination period must be satisfied; and
- 3) the care/assistance must be:
 - a) Needed due to your being unable to perform three (3) or more Activities of Daily Living; or
 - b) Needed due to your Cognitive Impairment; or
 - c) Needed due to a complex, yet stable medical condition.

7) MEDICAID ASSET PROTECTION BENEFIT: Benefits paid to you, or a provider of Long Term Care services on your behalf, under this policy can count towards Medicaid Asset Protection for purposes of Medicaid eligibility in Iowa. In order for benefit payments to count towards Medicaid Asset Protection, you must meet the Eligibility for Benefits for Homemaker Care, Personal Care, Home Health Care, Adult Day Care, Hospice Care or Respite Care and/or Assisted Living Facility or Nursing Facility benefits. To qualify for Asset Protection under the Iowa Preservation Program you must be a resident of Iowa and apply to Iowa's Medicaid Program in order for Medicaid Asset Protection to be recognized.

8) LIMITATIONS AND EXCLUSIONS:

This policy will not pay benefits for:

- 1) Care/assistance provided while this policy is not in force.
- 2) Care/assistance provided by a family member, unless pre-approved by us, or in a facility owned or operated by a family member.
- 3) Care/assistance that you would not be legally obligated to pay for in the absence of this insurance.
- 4) Care/assistance provided outside of the United States or its possessions.
- 5) Care/assistance payable under any Worker's Compensation or Occupational Disease Law.
- 6) Care/assistance for mental, nervous or emotional disorders without demonstrable organic origin.
(NOTE: ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN SYNDROMES ARE COVERED BY THE POLICY AS ANY OTHER SICKNESS.)
- 7) Care/assistance required as a result of war, or an act of war, whether declared or not.
- 8) Care/assistance required as a result of attempted suicide or intentionally self-inflicted injuries.
- 9) Care/assistance required as a result of your being intoxicated or under the influence of a non-Physician prescribed narcotic.
- 10) Care/assistance required as a result of alcoholism and/or drug abuse.
- 11) Care/assistance required as a result of your commission of a felony or your being engaged in an illegal occupation.
- 12) Care/assistance paid for by Medicare. If any portion of the charges for such care/assistance is not paid by Medicare, they will be covered, subject to the terms of this policy.
- 13) Care/assistance required as a result of cosmetic surgery.

THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG TERM CARE NEEDS.

9) RELATIONSHIP OF COST OF CARE AND BENEFIT: Because the costs of Long Term Care services will likely increase over time, you should consider whether and how the benefits of the policy may be adjusted.

The policy illustrated in this Outline of Coverage was approved under the Iowa Long Term Care Asset Preservation Program and, as such, is required to include an inflation protection feature.

Policy form number IAPART-PF2600-2-LTINF is available to all applicants and automatically inflates all the benefits of the policy at a rate of five percent (5%) compounded annually for the lifetime of the policy. This means that both the Maximum Lifetime Benefit and Maximum Daily Benefit under the policy will inflate at five percent (5%) compounded annually on the policy anniversary.

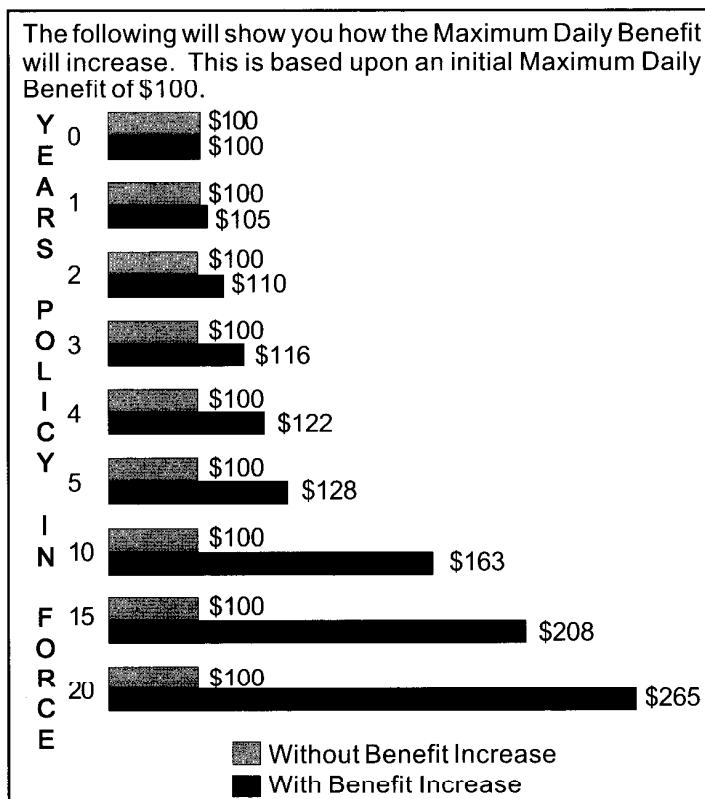
10) TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED:

- 1) The policy is guaranteed renewable for your life.
- 2) Waiver of Premium is provided after receiving benefits for ninety (90) days, subject to the terms of the policy. Premiums will not be due again until benefits cease being payable. The premium of any optional riders that you have selected will also be waived.
- 3) We may change premiums, but only if we do so for all persons covered under this policy form in your state. You will receive thirty (30) days advance notice of any such increase. We cannot change the renewal premium rates for this policy during the first three (3) years that it is in force.

11) ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS: This policy provides coverage for Alzheimer's Disease and other organic brain disorders. Benefits are provided as they would be for any other sickness or disease and are subject to the same limitations and exclusions as any other condition.

12) NOTICE TO APPLICANT REGARDING MANDATORY INFLATION PROTECTION: In order for this Long Term Care policy to remain Partnership-approved by the State of Iowa and qualify to provide Asset Preservation for the State Medicaid Program in Iowa, daily coverage benefits shall meet or exceed standards established by the State of Iowa. Below is a graphic comparison showing the differences in premiums and benefits, over a twenty (20) year period, between a policy that increases benefits and a policy that does not increase benefits.

Failure to maintain the required daily coverage benefits will result in the policy losing its Asset Preservation Program-approval status and no longer being allowed to provide Asset Preservation. It is our responsibility to automatically inflate daily coverage benefit levels in order to maintain Asset Preservation Program approval; it is your responsibility to make premium payments in order to maintain coverage and eligibility for Asset Preservation.



Reinstatement For Alzheimer's Disease, Other Forms Of Cognitive Impairment And/Or A Loss Of Functional Capacity

If your policy lapses, we will provide a retroactive continuation of coverage if, within five (5) months of the lapse date, we receive satisfactory proof of your Cognitive Impairment and/or inability to perform two (2) or more Activities of Daily Living on the renewal date and payment of all past due premiums.

13) PREMIUM:

You Have Selected The Following
Maximum Daily Benefit

\$ _____

Maximum Lifetime Benefit

\$ _____

Elimination Period

Your total annual premium for the policy and any optional riders is:

\$ _____

Marital Discount

\$ _____

There is a one-time policy fee of:

\$ 25.00

(which must be submitted at time of application)

TOTAL PREMIUM COLLECTED

\$ _____

14) ADDITIONAL FEATURES: Your medical history and functional abilities are considered when your application is underwritten. It will only be issued if you provide evidence of your insurability which is satisfactory and acceptable to the Company. A report of physical examination, assessment of functional capacity, attending physician's statement or copies of medical records must accompany the application or will be obtained by Penn Treaty Network America Insurance CompanySM for all applicants age eighty (80) or over.

Optional Riders Available With This Policy

- ☐ **Nonforfeiture Premium Benefit Rider** – (Form Number NFPBR-PTNA) This rider provides you with the right to retain a portion of the benefits offered by your policy in the event the policy lapses after having been continuously in force for at least three (3) years. This rider also provides for the return of a percentage of your premium if your death occurs while the policy and rider are in force.