

INSURED --- JOHN DOE
POLICY NUMBER -- 00 000 000
POLICY DATE -- November 12, 1999

New York Life Insurance and Annuity Corporation

51 Madison Avenue, New York, NY 10010 (A Delaware Corporation)

The Corporation will pay the benefits of this policy in accordance with its provisions. These benefits consist of:

- A death benefit which we pay upon the Insured's death;
 - Accelerated payments of the death benefit for Qualified Long-Term Care Services if the Insured becomes Chronically Ill;
 - An accelerated payment of the death benefit if the Insured is certified to be terminally ill; or
 - A Maturity Benefit payable on the Maturity Date
- all in accordance with the terms and conditions of this policy.

30 Day Right to Examine Policy. Please examine your policy. Within 30 days after delivery, you can return the policy to the Corporation or to the agent through whom it was purchased, with a written request for a full refund of premium. Upon such a request, the policy will be void from the start, and a full premium refund will be made.

Caution: We have issued this policy based upon your responses to the questions on your Application. A copy of your Application is attached. If your answers are misstated or untrue, we may have the right to deny benefits 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 or incomplete, contact us at the above address.

Tax Consequences: This contract for long-term care insurance is intended to be a federally qualified long-term care insurance contract and may qualify you for federal and state tax benefits. Receipt of the Accelerated Benefit for Terminal Illness is generally tax-free but may affect your Eligibility for Benefits under State or Federal Law. The policy will terminate when the Accelerated Benefit for Terminal Illness is paid. As with all tax matters, you should consult your personal tax advisor.

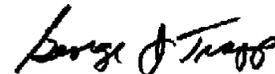
Notice to Buyer Regarding the Long-Term Care Benefits Provided by this Policy: This policy may not cover all of the costs associated with long-term care incurred by the Insured during the period of coverage. The buyer is advised to review carefully all policy terms and limitations.

Notice to Persons Eligible for Medicare: THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If you are eligible for Medicare, review "The Guide To Health Insurance For People With Medicare" available from us.

READ YOUR POLICY CAREFULLY. THIS POLICY IS A LEGAL CONTRACT BETWEEN YOU AND THE CORPORATION.



President



Secretary

Universal Life Insurance Policy with Accelerated Benefits

Adjustable Life Insurance Benefits - Modified Single Premium Payment.
Death Benefit May Be Accelerated for Long-Term Care or Terminal Illness.
Interest Credited on Cash Value at Rate Set by Corporation.

Policy is Non-Participating.

898-60.59Q

WE & YOU

In this policy, the words “we”, “our”, “us” or “the Corporation” refer to New York Life Insurance and Annuity Corporation, and the words “you” or “your” refer to the Owner of this policy.

When you write to us, please include the policy number, the Insured’s full name, and your current address.

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SECTION ONE - DEATH BENEFIT

- 1.1 Is A Death Benefit Payable Under This Policy?** We will pay the death benefit to the beneficiary promptly when we have proof that the Insured died before the Maturity Date and before this policy ends, subject to the General Provisions section of this policy. The death benefit payable under this policy is based on the policy's initial face amount shown on the Policy Data page. The death benefit will also reflect any changes to the face amount made in accordance with the provisions of this policy up to the time of the Insured's death.
- 1.2 How Is The Death Benefit Determined If Benefits Have Never Been Accelerated For Long-Term Care?**
1. At the time of the Insured's death, the death benefit will be the greater of:
 - a. the face amount of the policy; or
 - b. a percentage of the cash value equal to the minimum necessary for this policy to qualify as life insurance under the cash value accumulation test as defined under Section 7702(b) of the Internal Revenue Code of 1986, as amended. (A table of these percentages is shown on Policy Data page 2.2.) We will change these percentages if required by law or regulation.
 2. From this amount we will deduct any unpaid loans or accrued loan interest.
- 1.3 At the Time Of The Insured's Death, If Benefits Have Been Accelerated For Long-Term Care, How Is The Death Benefit Determined?** The death benefit we will pay is the greater of:
1. the amount determined in 1.2 reduced to reflect any benefits paid under the acceleration provision of the policy; or
 2. the amount determined in 1.2 calculated on the most recent Benefit Commencement Date adjusted for any benefits paid under the acceleration provision of the policy, any additional premiums paid, partial surrenders taken and unpaid loans made and loan interest accrued since such Benefit Commencement Date.
- 1.4 When Is A Residual Death Benefit Payable?** A Residual Death Benefit is payable instead of the Death Benefit described in Section 1.3 if there are no loans outstanding on the most recent Benefit Commencement Date and if the amount of the Residual Death Benefit is greater than the amount determined in Section 1.3. It is only available if Long-Term Care Benefits have been paid.
- 1.5 Will A Death Benefit Be Payable If The Insured Survives To The Maturity Date?** If the Insured survives to the Maturity Date, the death benefit will be payable under the provisions of Section Five.

SECTION TWO - DEFINITIONS

2.1 How Are Special Words and Phrases Defined In The Policy? The terms set forth below have the following definitions in determining benefits for this policy.

Activities of Daily Living (ADL's) are the following six basic functional abilities which relate to the Insured's ability to live independently:

1. **Bathing** – Washing oneself by sponge bath or in either a tub or shower, including the act of getting into or out of a tub or shower.
2. **Dressing** – Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
3. **Eating** – Feeding oneself by getting food in the body from a receptacle (such as a plate, cup, or table) or by feeding tube or intravenously.
4. **Transferring** - The ability to move into or out of bed, a chair or wheelchair.
5. **Toileting** – Getting to and from the toilet, getting on or off the toilet, and performing associated personal hygiene.
6. **Continence** - The ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).

Adult Day Care means a program that provides medical and non-medical Qualified Long-Term Care Services to Chronically Ill persons in need of personal services, supervision, protection or assistance with the Activities of Daily Living and taking medications in an Adult Day Care Center during any part of the day on a less than 24 hour a day basis.

Adult Day Care Center means a facility that provides Adult Day Care and is properly licensed to do so, if licensing is required in that jurisdiction. If licensing is not required in that jurisdiction, the center must be operated as an Adult Day Care Center at least 5 days a week for a minimum of 5 hours per day, have on its staff a full-time director and one or more nurses, must maintain a client to staff ratio of no greater than 8 : 1 and must not be an overnight facility. It must provide care in accordance with a Plan of Care and maintain appropriate records. It must have established procedures for obtaining appropriate assistance in the event of a medical emergency. It must also have a formal arrangement for providing the services of a dietician, licensed physical therapist or licensed occupational therapist.

Assisted Living Facility means a facility that is properly licensed as a residential care facility or a residential care facility for the elderly as defined in the California Health and Safety Code to provide Qualified Long-Term Care Services for Chronically Ill persons who are inpatients in that facility. If licensing is not required in that jurisdiction, the facility must: provide care and services on an on-going basis to 10 or more inpatients; provide care to each inpatient in accordance with a Plan of Care; maintain appropriate records; have trained staff on duty to provide the required care and services 24 hours per day; have procedures in place to obtain emergency assistance for its inpatients from appropriate medical personnel; and have appropriate methods and procedures for administering drugs and biologicals to its inpatients.

Benefit Commencement Date means the first day after the completion of the Waiting Period. This date is used to calculate the Monthly Benefit for Long-Term Care during a Period of Care. It is the first day on which benefits for Qualified Long-Term Care Services may be payable during a Period of Care.

Care Planning Agency means an agency or organization which primarily engages in Care Planning and is properly licensed to do so, if licensing is required in the jurisdiction in which it operates. If licensing is not required, the agency must operate at least 5 days per week for a minimum of 8 hours a day. It must have at least one full-time licensed Nurse and one full-time social worker on staff and maintain a written record for each client which includes a record of all services provided.

Chronically III means that the Insured has been certified within the preceding 12 months by a Licensed Health Care Practitioner as:

1. being unable to perform, without Substantial Assistance from another individual, at least 2 Activities of Daily Living for a period expected to last at least 90 days due to loss of functional capacity; or
2. requiring Substantial Supervision to protect the Insured or others from threats to health and safety due to Severe Cognitive Impairment.

You are responsible for the Insured having a currently valid certification.

Date of Service means a day on which the Insured is Chronically III and has received Qualified Long-Term Care Services for which benefits may be payable under this policy. However, Personal Care provided by a Family member during a Waiting Period will count as a Date of Service in order to meet Waiting Period requirements.

Family means you, your spouse, the Insured and the Insured's spouse and the following of their and your relatives: parents, grandparents, siblings, children, step-children, grandchildren, and their respective spouses.

Hands-on Assistance means the physical assistance of another person without which the Insured would be unable to perform the Activity of Daily Living.

Home Health Care means a program which provides Qualified Long-Term Care Services at the Insured's place of residence, but not in a hospital or Nursing Home. This may include, but shall not be limited to, the services of a licensed nurse, a licensed physical, occupational or speech therapist, licensed audiologist or a licensed chemotherapy specialist, and a home health care aide or personal care attendant, as well as hospice care and medical social services by a social worker. A Home Health Agency may provide these services.

Home Health Agency means an agency or organization that is properly licensed to provide Home Health Care to Chronically III persons in their home or residence for an hourly or daily charge. If licensing is not required by the jurisdiction in which the services are provided, the Home Health Agency must work under the direction of a Licensed Health Care Practitioner, maintain appropriate records, and be engaged on a full-time basis in providing these services.

Homemaker Services means assistance with activities necessary to or consistent with the Insured's ability to remain in his or her residence, that is provided by a skilled or unskilled person under a Plan of Care developed by a Physician or a multidisciplinary team under medical direction.

Hospice means a facility, agency or organization properly licensed as a Hospice in the jurisdiction where the facility is located or the services are provided. If licensing as a Hospice is not required, the facility, agency or organization must be organized to provide palliative care, to alleviate the physical, emotional, social and spiritual discomforts of individuals who are terminally ill.

Hospice Services are outpatient services not paid by Medicare, that are designed to provide palliative care, alleviate the physical, emotional, social and spiritual discomforts of an individual who is experiencing the last phases of life due to the existence of a terminal disease, and to provide supportive care to the primary care giver and the family. Care may be provided by a skilled or unskilled person under a Plan of Care developed by a Physician or a multidisciplinary team under medical direction.

Lapse means that the policy's cash surrender value has become less than the Monthly Deduction Charge for the next policy month.

Licensed Health Care Practitioner means any physician as defined in section 1861(r)(1) of the Social Security Act, or any registered professional nurse, licensed social worker, or other individual who meets such requirements as may be prescribed by the Secretary of the Treasury for non-physicians to certify individuals as Chronically Ill. The following are not Licensed Health Care Practitioners for the purpose of this policy: the Owner of this policy; the Insured; a member of the Owner's or the Insured's Family; a member of the Owner's or the Insured's business; any employee of the Owner or the Insured.

Life Insurance Proceeds means in this policy or any rider attached to this policy, the death benefit payable under this policy.

Long-Term Care Benefits means the amount we pay for Qualified Long-Term Care Services.

Monthly Benefit for Long-Term Care means the maximum amount of the Net Death Benefit we will accelerate in a month during which Long-Term Care benefits are payable. This amount is determined by dividing the Total Benefit for Long-Term Care on the Benefit Commencement Date by the number which appears in the Long-Term Care Benefit Payment Option shown on the data page. If no loans or partial surrenders have been made, this amount is guaranteed to be at least the amount shown on the data page. The Monthly Benefit for Long-Term Care will be adjusted for premiums paid or partial surrenders made after the Benefit Commencement Date.

Net Death Benefit is the death benefit less any outstanding loans and interest accrued on the loans.

Nursing Home means a facility or a separate portion of a facility which is operated primarily to provide 24-hour care for Chronically Ill persons for a daily charge which includes room and board, and is properly licensed as a Nursing Home in the jurisdiction where it is located. If licensing is not required in the jurisdiction, the facility must have at least 10 beds; provide 24-hour a day nursing services under planned programs and procedures developed and reviewed periodically by a professional group of at least one Physician and one registered nurse; have a Physician available to furnish medical care in case of emergency; employ one licensed nurse on the premises full time; have a registered nurse on duty or on call at all times; maintain clinical records for all patients; and have appropriate methods and procedures for administering drugs and biologicals. Nursing Home does not mean: a hospital (except a separate portion of a hospital licensed as a Nursing Home); a rest home or other residential facility not meeting all the above criteria; or a facility operated primarily for the treatment of alcoholism, drug addiction, or mental illness.

Period of Care means a period of time that begins with the first Date of Service and ends when the Insured has not received Qualified Long-Term Care Services for a period of 180 consecutive days. The Waiting Period starts on the first Date of Service in each Period of Care.

Personal Care means assistance with the Activities of Daily Living, including the instrumental Activities of Daily Living, provided by a skilled or unskilled person under a Plan of Care developed by a Physician or a multidisciplinary team under medical direction. Instrumental Activities of Daily Living include using the telephone, managing medications, moving about outside, shopping for essentials, preparing meals, laundry and light housekeeping.

Physician means any physician as defined in section 1861(r)(1) of the Social Security Act and who is practicing as such within the scope of a license issued by the jurisdiction in which the services are rendered. The following are not physicians for the purpose of this policy; the Owner of this policy; the Insured; a member of the Owner's or the Insured's Family; a member of the Owner's or the Insured's business; any employee of the Owner or the Insured.

Plan of Care means a description and schedule of services and assistance prescribed for the Chronically Ill Insured by a Licensed Health Care Practitioner.

Qualified Long-Term Care Services mean necessary diagnostic, preventive, therapeutic and rehabilitative, maintenance or Personal Care services for the Chronically Ill Insured, which are provided pursuant to a Plan of Care. They must be prescribed by a Licensed Health Care Practitioner to provide needed assistance with the Activities of Daily Living or to provide protection from threats to health and safety because of Severe Cognitive Impairment.

Residual Death Benefit is an amount equal to 10% of the highest death benefit calculated by the terms of this policy on any Benefit Commencement Date adjusted for partial surrenders and additional premiums paid. The Residual Death Benefit will not be payable if there are loans outstanding on the most recent Benefit Commencement Date.

Respite Care means short-term care providing Qualified Long-Term Care Services in an institution, in the home or in a community based program that is designed to relieve a primary care giver in the home.

Severe Cognitive Impairment means loss or deterioration of intellectual ability as determined using reliable standardized tests and clinical evidence demonstrating impairment in one or more of the following areas:

1. Short- or long-term memory
2. Orientation to person, place, and time; or
3. Deductive and abstract reasoning.

Such loss in intellectual ability can result from Alzheimer's Disease or similar forms of senility or irreversible dementia.

Stand-By Assistance means the presence of another person within arm's reach of the Insured that is necessary to prevent, by physical intervention, injury to the Insured while the Insured is performing an Activity of Daily Living (such as being ready to catch the Insured if he or she falls while getting into or out of the bathtub or shower as part of bathing, or being ready to remove food from the Insured's throat if he or she chokes while eating).

Substantial Assistance means hands-on assistance or stand-by assistance from another person to perform an Activity of Daily Living due to a loss of functional capacity to perform the activity.

Substantial Supervision means continual supervision which may include cuing by verbal prompting, gestures, or other demonstrations by another person that is necessary to protect the Insured and others from threats to health or safety (such as may result from wandering).

Total Benefit for Long-Term Care means the maximum amount available to pay Long-Term Care Benefits under this policy. This is the Net Death Benefit of the policy as of the Benefit Commencement Date for each Period of Care adjusted as provided in Section 3.6.

Waiting Period means the 90 days during a Period of Care when the Insured receives Qualified Long-Term Care Services for which no benefits are payable except the Care Planning Benefit. The 90 days do not have to be consecutive but must occur within a 270 day period.

SECTION THREE - ACCELERATED BENEFITS FOR LONG-TERM CARE

- 3.1 When Can The Death Benefit Be Accelerated For Long-Term Care?** You are eligible to receive an acceleration of the death benefit for long-term care if, before the policy ends, the Insured has been certified by a Licensed Health Care Practitioner to be Chronically III and is following a Plan of Care and has received 90 days of Qualified Long-Term Care Services during the Waiting Period. The Residual Death Benefit, if available, cannot be accelerated to pay Long-Term Care Benefits.
- 3.2 Does This Policy Include A Care Planning Benefit?** Yes. If the Insured is Chronically III, we will pay for a Care Planning Agency's services up to \$500 for each Period of Care. The eligible charges for this benefit include; the charges for assessing the circumstances of the Insured's home which relate to the ability to live independently; assessing the level of assistance or supervision needed; the preparation of a Plan of Care for the Insured; the coordination of the Insured's schedule of services and the monitoring of the delivery of those services; and the monitoring of any changes in the Insured's abilities and the updating of the Plan of Care when appropriate.

There is no Waiting Period for the Care Planning Benefit and the amount we pay does not reduce the Monthly Benefit or the Total Benefit for Long-Term Care.

If New York Life Insurance and Annuity Corporation recommends a Care Planning Agency and you choose to use that Agency's services instead of another, we will pay that Agency's eligible charges for care planning services the Insured received during that Period of Care without regard to the \$500 limit.

3.3 What Long-Term Care Benefits Are Payable When the Death Benefit Is Accelerated For Long-Term Care? Each month we will pay the Owner an amount equal to the actual charges for Qualified Long-Term Care Services while the Insured is confined in a Nursing Home, Assisted Living Facility, Hospice or for charges for Home Health Care, Personal Care, Homemaker Services, and Hospice Services. However, we will not pay more than the Monthly Benefit for Long-Term Care.

If Qualified Long-Term Care Services are provided at an Adult Day Care Center, we will pay the charges up to 50% of the Monthly Benefit for Long-Term Care for those services.

If Respite Care services are provided at an Adult Day Care Center, we will pay the charges up to 50% of the Monthly Benefit for Long-Term Care for those services. If they are provided in a Nursing Home or at the Insured's place of residence, we will pay an amount equal to the actual charges for those services.

In any case, the sum of all benefits payable for Qualified Long-Term Care Services in a month can not exceed the Monthly Benefit for Long-Term Care.

3.4 Is There A Maximum Amount Available To Pay Long-Term Care Benefits Under This Policy? Yes. We will not pay any Long-Term Care Benefits in excess of the Total Benefit for Long-Term Care except if any benefits are provided under a rider attached to the policy.

3.5 How Is The Total Benefit For Long-Term Care Determined For A Period Of Care? The Total Benefit for Long-Term Care for any Period of Care will be equal to the Net Death Benefit on the Benefit Commencement Date for that Period of Care.

3.6 Will The Total Benefit For Long-Term Care For A Period Of Care Ever Change? The Total Benefit for Long-Term Care for a Period of Care may change under the following conditions:

1. If the cash value grows with the policy, the Net Death Benefit may increase thus increasing the Total Benefit for Long-Term Care.
2. We will reduce the Total Benefit for Long-Term Care if the Net Death Benefit changes due to a partial surrender. We will increase the Total Benefit for Long-Term Care if the Net Death Benefit changes due to a payment of premium under the Benefit Increase Provision.
3. During a Period of Care, and prior to any lapse that may occur, we will annually reduce the Amount of the Total Benefit for Long-Term Care by any unpaid loan interest accrued.
4. If a lapse should occur and Long-Term Care Continuation Benefits are payable, then the Total Benefit for Long-Term Care will be reduced by any unpaid loan interest accrued since the last annual adjustment.

3.7 Are There Exclusions Or Limitations That Apply To The Acceleration For Long-Term Care?

Yes. We will not pay any benefits for the following:

1. Care received outside the United States;
2. Care not prescribed in the Insured's Plan of Care;
3. Conditions resulting from illness or injury received while attempting to commit an assault or felony;
4. Care or treatment received due to an attempted suicide or an intentionally self-inflicted injury;
5. Services or supplies that are covered by Medicare, or other governmental programs except Medicaid;
6. Expenses which are payable under Worker's Compensation or other state occupational or sickness law or motor vehicle no-fault laws;
7. Care for which no charge would be made in the absence of insurance;
8. Care provided by a Family member;
9. Charges for treatment of alcoholism or drug addiction unless the drug addiction was the result of the administration of drugs as part of treatment by a Physician; or
10. Prescription drugs.

3.8 If Long-Term Care Benefits Are Paid, Will There Be Any Death Benefits Payable On The Insured's Death? Yes, each time Long-Term Care Benefits are paid, the Net Death Benefit is reduced by the amount paid. Also, the face amount of the policy will be reduced in direct proportion to the decrease in the death benefit. If the Insured dies while Long-Term Care Benefits are being paid, a death benefit may still be payable under the provisions of Section One. If no loans are outstanding on the most recent Benefit Commencement Date, the amount payable upon the death of the Insured will not be less than the Residual Death Benefit.

3.9 What Effect Does The Payment Of Long-Term Care Benefits Have On The Cash Value? When Long-Term Care Benefits are paid, the cash value of this policy is reduced in direct proportion to the decrease in the death benefit. For example, if your death benefit is decreased by 5%, the cash value will be reduced by 5%. The guaranteed minimum cash surrender values are based on the face amount and are therefore similarly reduced.

3.10 Can You Change The Long-Term Care Benefit Payment Option? Prior to receiving Qualified Long-Term Care Services, if you apply for an underwritten increase in the face amount, you may request to change to a longer Long-Term Care Benefit Payment Option if one is available at the time of the request. If the underwritten increase in the face amount is approved by us, we will extend the Long-Term Care Benefit Payment Option to the new one you have chosen.

3.11 Is There A Minimum Benefit Guarantee For The Payment Of Long-Term Care Benefits And/Or The Death Benefit? Provided there have been no loans or partial surrenders or acceleration of the death benefit for terminal illness, the death benefit, together with any Long-Term Care Benefits paid, will never be less than the policy face amount.

3.12 How Do You Request Payment Of An Accelerated Benefit For Long-Term Care? You must send us a written request for payment of the Accelerated Benefit for Long-Term Care. The request must include your name, the name of the Insured and the Policy Number. The request must be sent to us at our Home Office, 51 Madison Avenue, New York, NY 10010 within 60 days, or as soon as reasonably possible, after Qualified Long-Term Care Services begin.

3.13 What Is Needed To Submit A Claim? When we receive your request, we will send you forms for filing a proof of loss. If we do not provide these forms to you within 15 days after we receive your request, you need not use our form if, instead, you give us written proof of the nature and extent of the loss. You should include:

1. your name and address, Social Security Number;
2. the Insured's name and Social Security Number;
3. the Plan of Care the Insured is following;
4. the type of benefits you are claiming;
5. the names and addresses of the Insured's physicians;
6. the places the Insured stayed;
7. the Insured's diagnosis; and
8. the Dates of Service for which Qualified Long-Term Care Services were provided.

Whether or not our claim form is used, proof of loss must include the original bills which may apply and copies of medical records from the Insured's primary physician and providers of Qualified Long-Term Care Services. When Personal Care services are provided, the person providing care for the Insured must specify the Personal Care given and all Dates of Service.

As part of the proof of loss, we may require the Insured to be examined by a Licensed Health Care Practitioner of our choice and at our expense. We also reserve the right to independently verify that the Insured is:

1. unable to perform without Substantial Assistance from another individual at least 2 Activities of Daily Living for a period expected to last at least 90 days due to loss of functional capacity; or
2. requires Substantial Supervision to protect the Insured or others from threats to health and safety due to Severe Cognitive Impairment;

and that the Insured is following the Plan of Care.

Independent verification may occur as often as once every 90 days. To satisfy these requirements, we must have your cooperation and that of the Insured.

3.14 When Must The Claim Forms Be Returned? Proof of loss must be given to us in writing at our Home Office within 90 days, or as soon as reasonably possible, of the end of the month for which Long-Term Care Services are claimed. Failure to give us proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time. However, the proof must be given as soon as reasonably possible and in no event, except in the absence of the Owner's legal capacity, later than one year from the time proof is otherwise required.

3.15 When Will The Long-Term Care Claims Be Paid? We will pay you Long-Term Care Benefits when we have received written proof of loss satisfactory to us. We will pay benefits on a monthly basis after services have been rendered. Any claim for Qualified Long-Term Care Services which we have received: a) prior to receiving proof of death; or b) prior to receiving your request for the accelerated benefit for terminal illness, will be processed before payment of the death benefit or the accelerated benefit for terminal illness.

3.16 Can You Take Legal Actions Against Us For Payment Of A Long-Term Care Claim? With respect to any claim for Long-Term Care Benefits under this policy, no legal action may be taken against us during the 60 days after you have sent us any written proof of loss of such claim, or after 3 years from the date the proof of loss is required to be given.

SECTION FOUR - ACCELERATED BENEFIT FOR TERMINAL ILLNESS

- 4.1 What Is The Accelerated Death Benefit For Terminal Illness?** You may apply for an acceleration of the death benefit for terminal illness at any time before the policy ends.

This benefit will be payable in a single sum to you as the Owner. The amount payable will equal the death benefit as of the date we receive your request to accelerate the death benefit for terminal illness, multiplied by the interest factor. The benefit will be reduced by any unpaid loan and accrued interest, any Long-Term Care Benefits paid, and an administrative fee of up to \$150.

The interest factor is based on our assumptions of the life expectancy of the Insured. We will also determine, based on these assumptions, the appropriate adjustment for interest on any cash value, or for any monthly costs of insurance. These adjustments are based upon procedures and standards on file with, or required by, the insurance department of the state in which this policy is delivered.

The accelerated payment we make for terminal illness is, to the extent applicable law permits, exempt from the claims, attachments or levies of creditors or government agencies. If you are required by a government agency to use the accelerated benefit for terminal illness in order to apply for, obtain, or keep a government benefit or entitlement, you are not eligible for this benefit.

This policy ends when benefits for acceleration of the death benefit for terminal illness are paid.

- 4.2 How Do You Apply For The Accelerated Benefit For Terminal Illness?** To apply for this benefit, you must provide us with a written application for this benefit. You must also submit this policy to us. You must also provide evidence of the Insured's reduced life expectancy which is satisfactory to us. Such evidence must include a certification from a Physician that the Insured's life expectancy is 12 months or less. In addition, we reserve the right to have the Insured examined by a physician of our choice, at our expense.

If the policy is subject to an irrevocable beneficiary designation, you must provide us with written consent by any such beneficiary to accelerate the benefit for terminal illness.

- 4.3 Is There Any Adjustment If The Insured Dies After The Accelerated Benefit For Terminal Illness Is Paid?** If we receive proof that the Insured died within 60 days after the payment of the accelerated benefit for terminal illness, we will refund to the beneficiary the administrative fee and the amount of the interest factor adjustment that we deducted when benefits were accelerated.

SECTION FIVE - MATURITY BENEFITS

- 5.1 Can You Receive A Maturity Benefit?** Yes. If you send us a written request before the Maturity Date, and if the Insured is living on the Maturity Date and the policy has neither lapsed nor ended, we will pay the cash surrender value to the Owner. The policy will end the date the Maturity Benefit is paid.
- 5.2 What Is The Maturity Date?** The Maturity Date is the policy anniversary nearest the Insured's Age 100.
- 5.3 What Policy Changes Become Effective On the Maturity Date?**
1. The face amount of this policy shown on the Policy Data page will no longer apply. Instead, the death benefit payable under this policy will be the policy's cash value.
 2. We will pay this death benefit to the beneficiary promptly when we have received proof that the Insured died while this policy was in effect. We will deduct any unpaid loan and accrued interest from this death benefit.
 3. No more premium payments will be permitted and monthly cost of insurance charges will no longer be imposed against the policy. However the cash value of the policy will continue to be credited with interest in accordance with the terms of the policy.
 4. Any other supplementary benefits provided by a rider attached to the policy, which are still in effect, will end as of the Maturity Date except for the Extension of Benefits Rider.

If the Insured is Chronically Ill and following a Plan of Care on the Maturity Date, we will continue to pay up to the Monthly Benefit for Long-Term Care until the Total Benefit for Long-Term Care has been paid. Any policy changes that would otherwise become effective on the Maturity Date will become effective when the Insured is no longer eligible to receive Long-Term Care Benefits.

SECTION SIX - OWNER AND BENEFICIARY

- 6.1 Who Is The Owner Of This Policy?** The owner of this policy is stated on the Policy Data page. In this policy, the words “you” and “your” refer to the owner of this policy.
- 6.2 Can A Successor To The Owner Be Named?** A successor owner can be named in the application, or in a notice you sign which gives us the facts that we need. If you die before the successor owner, the successor owner will become the new owner. If no successor owner survives you and you die before the Insured, your estate becomes the new owner.
- 6.3 Can You Change The Owner Of This Policy?** Yes, you may change the owner of this policy in a notice you sign which gives us the facts that we need. This change will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording this change. When this change takes effect, all rights of ownership will pass to the new owner. Changing the owner cancels any prior choice of owner, but does not automatically change the beneficiary.
- 6.4 Who Are The Beneficiaries For This Policy?** You may name one or more beneficiaries when you apply for this policy. If more than one beneficiary is named, they can be classed as first, second and so on. If 2 or more are named in a class, their shares in the death benefit are equal, unless you state otherwise. The stated shares of the death benefit will be paid to any first beneficiaries who survive the Insured. If no first beneficiaries survive, payment will be made to any beneficiaries surviving in the second class, and so on.
- 6.5 May You Change A Beneficiary?** While the Insured is living, you can change a beneficiary in a notice you sign which gives us the facts that we need. This change will take effect as of the date you signed the notice, subject to any payment we made or action we took before recording the change.
- 6.6 What Happens If No Beneficiaries Are Living When The Death Benefit Becomes Payable?** If no beneficiary for the death benefit survives the Insured, the right to the death benefit proceeds will pass to you. If you are no longer living, this right will pass to your estate.
- 6.7 What If The Beneficiary And The Insured Die At The Same Time?** Unless stated otherwise in the policy or in your signed notice which is in effect at the Insured’s death, if any beneficiary dies at the same time as the Insured, or within 15 days after that Insured but before we receive proof of the Insured’s death, we will pay the death benefit proceeds as though that beneficiary died first.

SECTION SEVEN - INCREASING OR DECREASING COVERAGE

7.1 Can You Change The Death Benefit Or The Face Amount Of This Policy? Yes. You may change the face amount as described below while the Insured is living but only if this policy would continue to qualify as life insurance, as defined under Section 7702(b) of the Internal Revenue Code of 1986, as amended. We reserve the right to limit these changes in the first policy year, on a uniform basis by class.

7.2 Can You Increase The Death Benefit? You may increase the death benefit in two different ways, through the Benefit Increase Provision and/or through the Underwritten Increase Provision.

Benefit Increase Provision:

Prior to the first policy anniversary, we will send you a notice of the amount of premium needed to purchase a 5% increase in the net death benefit as of that policy anniversary. No evidence of insurability will be required for this type of increase. If you pay this premium, we will send you a notice for a 5% increase on each subsequent policy anniversary through the policy anniversary nearest the Insured's age 99. However, should you choose not to pay the premium amount in any notice within 31 days of the applicable anniversary, we will not send you any further notices and you will no longer have the opportunity to increase your benefits under this provision during the lifetime of the policy. Once we have paid the Total Benefit for Long-Term Care, no additional premiums can be paid.

Underwritten Increase Provision:

You may also increase the death benefit by applying to have the face amount of this policy increased subject to our minimum requirements. To increase the face amount, we must have your written application, also signed by the Insured, together with any proof of insurability that we require. We reserve the right to limit increases in the face amount. We will decline your request if the Insured's current risk classification is not equal to or better than it was at issue. Any increase will take effect on the Monthly Deduction Day on or after the day we approve the application for the increase and received the required premium. The Table of Surrender Charge Percentages will apply to any premium payment and the cash value resulting from such payment based on the years measured from the date of each payment.

7.3 Can You Decrease The Face Amount? Yes. You must request a partial cash surrender value benefit in order to decrease the face amount. The new face amount must be at least \$10,000. Any decrease will take effect on the date we receive your signed request. See Section 9.6 concerning partial cash surrenders.

SECTION EIGHT - PREMIUMS, LAPSE AND REINSTATEMENT

- 8.1 How Do You Pay Premiums For This Policy?** Premiums are payable at our Home Office or at any location that we indicate to you in writing. Additional premiums may be paid under this policy as described in 7.2. The cash value and the benefits provided under this policy are based on the amount of premium payments and the Insured's attained age at time of premium payments. When you ask us, we will tell you how much cash value there is. Please refer to the Cash Value, Loans and Surrenders section of this policy for full details.
- 8.2 Can The Policy Lapse?** If, on a Monthly Deduction Day, the cash surrender value is less than the Monthly Deduction Charge for the next policy month the policy will lapse.
- 8.3 If The Policy Lapses Does Coverage Continue?** The policy will continue for a late period of 62 days after that Monthly Deduction Day. If we do not receive payment before the end of the late period, the policy will end. There will be no more benefits provided under the policy or any attached riders. However, if the Residual Death Benefit or Long-Term Care Continuation Benefits apply, the policy will not end and these will be the only remaining benefits under the policy.
- 8.4 How Will You Know If The Policy Lapses?** We will mail a notice to you at your last known address at least 31 days before the end of the late period. If you designated another person to be notified of possible policy termination, we will also mail a copy of the notice to the last known address which we have on record of the person you designated to be notified.
- 8.5 What If The Insured Dies During The Late Period?** If the Insured dies during the late period, we will pay the death benefit to the beneficiary. However, this benefit will be reduced by the amount of any unpaid loan and accrued interest and the Monthly Deduction Charges for the full policy month or months that run from the beginning of the late period through the policy month in which the Insured died.
- 8.6 Can You Reinstate The Policy If It Ends?** Within 5 years after this policy has ended and while the Insured is living, you may apply, in writing, to reinstate the policy (and any other benefits provided by riders) if you did not surrender it. When you apply for reinstatement, you must provide proof of insurability that is acceptable to us. However, no proof of insurability will be required if:
1. the required payment as described in Section 8.7 is made within 31 days after the end of the late period; or
 2. you are the Insured and the required payment and any past due payments are made within 5 months after the end of the late period and you met the definition of Chronically Ill during the late period.
- 8.7 What Payment Is Required To Reinstate The Policy?** In order to reinstate this policy, a payment must be made in an amount which is sufficient to keep this policy in force for at least 2 months. Any unpaid loan must also be repaid, together with loan interest at 6% compounded once each year from the end of the late period to the date of reinstatement. If a policy loan interest rate of less than 6% is in effect when the policy is reinstated, the interest rate for any unpaid loan at the time of reinstatement will be the same as the policy loan interest rate.

The effective date of reinstatement will be the Monthly Deduction Day on or following the date we approve your signed request for reinstatement.

SECTION NINE - CASH VALUE, LOANS AND SURRENDERS

- 9.1 How Is The Cash Value Determined?** The first Monthly Deduction Day is the issue date of the policy. Thereafter, the Monthly Deduction Day for each calendar month is shown on the Policy Data page. The cash value on the first Monthly Deduction Day is determined by subtracting from the initial premium, the premium expense charge and the Monthly Deduction Charge and any Monthly Deduction Charges due for the period between the Policy Date and the Issue Date.

The cash value after the issue date is determined as follows:

From the cash value as of the prior Monthly Deduction Day:

1. subtract any partial cash surrender value benefits paid, surrender charges and service charges;
2. subtract the proportionate amount attributable to Long-Term Care Benefits paid (See 3.8);
3. subtract any service or other charges made since that day;
4. add all premiums received since the prior Monthly Deduction Day less any premium expense charges; and
5. add any interest credited for the number of days since the prior Monthly Deduction Day.

The cash value on each Monthly Deduction Day will also be reduced by the Monthly Deduction Charge.

- 9.2 What Is The Premium Expense Charge?** The premium expense charge will not exceed that shown on the Policy Data pages. This charge will be deducted from each premium when that premium is received.

- 9.3 What Interest Is Applied To The Cash Value?** The interest applied to the cash value at any time will be based on a rate or rates of interest which we declare periodically. Such rate or rates will be declared at least annually and will be no less than an annual effective rate of 4%.

The interest rate applied to that portion of the cash value which equals the amount of any unpaid loan will never be less than 2% less than the effective annual loan interest rate.

When a premium is received, we will credit interest, based on that premium, less the appropriate premium expense charge, beginning on the date of receipt.

- 9.4 Can You Surrender This Policy For Its Cash Surrender Value?** At any time after this policy has cash value, and while the Insured is living, you may surrender it for its cash surrender value less any unpaid loan and accrued interest. The cash surrender value is equal to the greater of: (1) the cash value less any surrender charges which may apply; or (2) the guaranteed minimum cash surrender value. The table of guaranteed minimum cash surrender values is shown per \$1,000 of face amount. This table and the table of maximum surrender charge percentages are shown on Policy Data Page 2.1. The cash surrender value and the surrender charges will be calculated as of the date on which we receive your signed request. This policy and all insurance will end on the date we receive your surrender request.

9.5 What Is The Lifetime Money Back Guarantee? If you surrender the policy and all of the following conditions have been met, you will never receive less than the total premiums you have paid for the policy:

1. You have never received any Long-Term Care Benefits, as described in Section Three;
2. You have never received any accelerated benefits for terminal illness in accordance with Section Four;
3. You have never taken any loans under the policy; or
4. You have never received a partial cash surrender value benefit under the policy.

9.6 Is A Partial Cash Surrender Value Benefit Available? You can apply for a partial cash surrender value benefit, provided the resulting face amount is not less than \$10,000. The minimum partial cash surrender value benefit available is \$500.

To do this, we must have your signed request. The cash value will be reduced by the partial cash surrender value benefit, the surrender charge assessed and a \$25 service charge. The face amount will be reduced in direct proportion to the reduction in the cash value.

Any decrease in face amount caused by payment of this benefit will be applied proportionately to the initial face amount and to any underwritten increase in the face amount.

9.7 How Is The Surrender Charge Determined? The surrender charge will reduce the cash value which has developed over time from the initial premium and from the premium for each underwritten increase separately. Premiums paid under the Benefit Increase Provision will be considered part of the initial premium and any underwritten premium increase in proportion to the part of the Cash Value which resulted from such premium payments.

To calculate the surrender charge we will first determine the percentage of the cash value you will be surrendering. We will then multiply that percentage by the cash value which resulted from each of the underwritten premium payments separately. Each of these amounts will be multiplied by the appropriate surrender charge percentage shown on Policy Data Page 2.1. The \$25 service charge assessed for a partial cash surrender value benefit will reduce the cash values proportionately.

9.8 What Is The Loan Value Of This Policy? Using this policy as sole security, you can borrow any amount up to the loan value of this policy. The loan value on any given date is equal to the cash surrender value, less one Monthly Deduction Charge, and less loan interest on the new loan and any outstanding loans to the next Monthly Deduction Day.

If you take a loan on this policy, additional premiums may be needed if the cash surrender value will not be sufficient to cover the Monthly Deduction charges.

9.9 When Are Loans Not Available? You may not borrow any amount at any time on or after the Benefit Commencement Date during a Period of Care.

9.10 What Is The Loan Interest Rate For The Policy? Unless we set a lower rate for any period, the effective annual loan interest rate is 8%, which is payable in arrears. Loan interest for the policy year in which a loan is taken will be due on the next policy anniversary. Loan interest accrues each day and is payable on the anniversary, on the date of death, the date you request a surrender, the date the policy ends, or on the date of a loan increase or loan repayment. Loan interest not paid when due will be charged as a new unpaid loan.

- 9.11 If The Loan Interest Rate Is Reduced, Can It Subsequently Increase?** Yes. If we have set a rate lower than 8% per year, any subsequent increase in the interest rate will be subject to the following conditions:
1. The effective date of any increase in the interest rate shall not be earlier than one year after the effective date of the establishment of the previous rate.
 2. The amount by which the interest rate may be increased will not exceed one percent per year, but the rate of interest shall in no event ever exceed 8%.
 3. We will give notice of the interest rate in effect when a loan is made and when sending notice of loan interest due.
 4. If a loan is outstanding 40 days or more before the effective date of an increase in the interest rate, we will notify you of that increase at least 30 days prior to the effective date of the increase.
 5. We will give notice of any increase in the interest rate when a loan is made during the 40 days before the effective date of the increase.
- 9.12 Can Loan Repayments Be Made To The Policy?** Yes, all or part of an unpaid loan plus any accrued loan interest can be repaid before the Insured's death, the Maturity Date, before we pay the full cash surrender value benefit or before we pay the Total Benefit for Long-Term Care.
- 9.13 What Happens If A Loan Is Not Repaid?** We will deduct any unpaid loan and accrued interest from the proceeds when the death benefit, full cash surrender value benefit or accelerated benefit for terminal illness is paid.
- 9.14 Could The Policy Lapse Due To An Unpaid Loan?** It may happen in a given policy year that, based on the loan interest rate in effect when that year began (ignoring any subsequent increase in the rate during that year), any unpaid loan plus accrued interest will exceed the cash value of this policy less surrender charges and the monthly cost of insurance. In this event, the provisions of Section Eight will apply and you will have a late period to make the payment required to keep this policy in force.

However, if a higher interest rate or rates take effect during the policy year, this policy will not lapse any sooner than it would have if the rate had not changed.

- 9.15 Can Payment Of A Loan Or Surrender Proceeds Be Deferred?** We may defer paying you any partial or full cash surrender value benefits, or defer any loan except to pay a premium due us, for up to 6 months from the date we receive your request. Interest will be paid on any amount deferred beyond that date. We will set the interest rate to be at least 4% per year.

SECTION TEN - CALCULATION OF COST OF INSURANCE

10.1 What Monthly Deductions Are Made Against The Cash Value? On each Monthly Deduction Day, the following deductions are made:

1. the monthly cost of insurance for this policy;
2. an administrative fee which will not exceed the amount shown on the Policy Data pages.

The Monthly Deduction Day for this policy is shown on the Policy Data pages. The first Monthly Deduction Day is the issue date of the policy. If the issue date and the policy date of the policy are different, deductions made on the issue date will include the monthly deductions specified in 1 and 2 above which would have been made on each Monthly Deduction Day for the period from the policy date to the issue date as if the policy were issued on the policy date.

10.2 How Is The Cost Of Insurance For This Policy Calculated? The cost of insurance is calculated each month on each Monthly Deduction Day. The monthly cost of insurance for the initial face amount of insurance, and for each subsequent increase in this amount, is calculated separately. The monthly cost of insurance for each such amount of insurance is equal to (1) multiplied by the result of (2) minus (3), where:

1. is the monthly total cost of insurance rate per \$1,000 of insurance;
2. is the number of thousands of death benefit divided by 1.00327374; and
3. is the number of thousands of cash value as of the Monthly Deduction Day (before this cost of insurance and after any applicable administrative fee are subtracted).

The total cost of insurance rate is a combination of the cost of insurance rate for mortality and the cost of insurance rate for morbidity. The maximum cost of insurance rates are shown on Policy Data Page 2A.

10.3 What Is The Cost Of Insurance Rate? A separate rate is used to obtain the cost of insurance for the initial face amount, and for each increase in the face amount.

The cost of insurance is based on the Insured's age, sex and class of risk at the time of the most recent underwritten premium payment.

The monthly rates that apply to the cost of insurance, at all ages, will not be greater than the maximum rates shown in the Table of Guaranteed Maximum Monthly Cost of Insurance Rates attached to this policy. The actual rate will be set by us, in advance, at least once a year. Any change in the cost of insurance rate will be on a uniform basis for Insureds of the same classification, such as attained age, sex and risk classification.

10.4 If The Total Benefit For Long-Term Care Has Been Paid, Will Monthly Deductions End? Yes. If the Total Benefit for Long-Term Care is paid before the policy lapses or otherwise ends, the monthly cost of insurance charge and administrative fee deductions will end.

SECTION ELEVEN - DEATH BENEFIT PAYMENT OPTIONS

- 11.1 How Will Policy Death Benefits Be Paid?** The death benefit of this policy will be paid in one sum, except when the benefit is accelerated for long-term care. Otherwise, all or part of the death benefit can be placed under one or more of the options described in this section except when the benefit is accelerated for terminal illness. If we agree, the death benefit may be placed under some other method of payment instead.

Any death benefit paid in one sum will bear interest compounded each year from the Insured's death to the date of payment. We set the interest rate each year. This rate will be at least 3% per year, and will not be less than required by law.

- 11.2 How Do You Elect An Optional Method Of Payment?** While the Insured is living, you can elect or change an option. You can also elect or change one or more beneficiaries who will be the payee or payees under that option.

After the Insured dies, any person who is to receive a death benefit in one sum can elect an option and name payees. The person who elects an option can also name one or more successor payees to receive any amount remaining at the death of the payee. Naming these payees cancels any prior choice of successor payees.

A payee who did not elect the option does not have the right to advance, take the payments in one sum, or make any other change. However, the payees may be given the right to do one or more of these things if the person who elects the option tells us in writing and we agree.

- 11.3 How Can An Option Be Changed?** If we agree, a payee who elects Option 1A, 1B or 2 may later elect to have any amount we still have, or the present value of any elected payments, placed under some other option described in this section.

- 11.4 Who Can Be Named Payees?** Only individuals who are to receive payments on their own behalf may be named as payees or successor payees, unless we agree otherwise. We may require proof of the age or the survival of a payee.

- 11.5 What Happens If The Payee Dies Before All Benefits Have Been Paid?** It may happen that when the last surviving payee dies, we still have an unpaid amount, or there are some payments which remain to be made. If so, we will pay the unpaid amount with interest to the date of payment, or pay the present value of the remaining payments, to that payee's estate in one sum. The present value of the remaining payments is based on the interest rate used to compute them, and is always less than their sum.

- 11.6 Is There A Minimum Payment The Company Will Make?** When any payment under an option would be less than \$100, we may pay any unpaid amount or present value in one sum.

- 11.7 What Are The Proceeds At Interest Options (1A and 1B)?** The death benefit proceeds may be left with us at interest. We will set the interest rate each year. This rate will be at least 3% per year.

Option 1A - the Interest Accumulation Option - We credit interest each year on the amount we still have. This amount can be withdrawn at any time in sums of \$100 or more. We pay interest to the date of withdrawal on sums withdrawn.

Option 1B - the Interest Payment Option - We pay interest once each month, every 3 months, every 6 months, or once each year, as chosen, based on the amount we still have.

11.8 What Is The Life Income Option (Option 2)? We make equal payments each month during the lifetime of the payee or payees. We determine the amount of the monthly payment by applying the death benefit proceeds to purchase a corresponding single premium life annuity policy which is being issued when the first payment is due. Payments are based on the appropriately adjusted annuity premium rate in effect at that time, but will not be less than the corresponding minimum shown in the Option 2 Table. These minimum amounts are based on the 1983 Table "a" with Projection Scale G, and with interest compounded each year at 3%.

When asked, we will state in writing what the minimum amount of each monthly payment would be under this option. It is based on the sex and adjusted age of the payee or payees.

To find the adjusted age in the year the first payment is due, we increase or decrease the payee's age at that time, as follows:

1998-2005	2006-2015	2016-25	2026-35	2036 & later
+1	0	-1	-2	-3

We make a payment each month during the lifetime of the payee. Payments do not change, and are guaranteed for 10 years, even if that payee dies sooner.

OPTION 2 TABLE

Minimum Monthly Payment per \$1,000 of Death Benefit Guaranteed for 10 Years

Payee's Adjusted Age	MALE	FEMALE
60	4.46	4.03
61	4.55	4.11
62	4.66	4.19
63	4.76	4.27
64	4.87	4.37
65	4.99	4.46
66	5.11	4.57
67	5.24	4.67
68	5.38	4.79
69	5.52	4.91
70	5.66	5.04
71	5.81	5.18
72	5.96	5.32
73	6.12	5.47
74	6.28	5.63
75	6.45	5.79
76	6.61	5.96
77	6.78	6.14
78	6.96	6.32
79	7.13	6.51
80	7.30	6.70
81	7.46	6.89
82	7.63	7.07
83	7.78	7.26
84	7.93	7.44
85 & over	8.07	7.62

SECTION TWELVE - GENERAL PROVISIONS

12.1 When Does This Policy Become Effective? This policy takes effect on the later of the following to occur:

1. The Issue Date shown on the Policy Data Page; or
2. The date we receive the full initial premium shown on the Policy Data Page.

No benefits are payable under this policy unless it takes effect while the Insured is living.

12.2 What Constitutes The Entire Contract? The entire contract consists of this policy, any attached riders or endorsements, and the attached copy of the application including any supplement to the application. Also, any application used to apply for increases in the policy face amount will be attached to and made a part of this policy. Only our Chairman, President, Secretary, or one of our Vice Presidents is authorized to change the contract, and then, only in writing. No change will be made to this contract without your consent. No agent is authorized to change this contract.

12.3 How Important Is The Information You Provide In The Application For This Policy? In issuing this policy, we have relied on the statements made in the application. All such statements are deemed to be representations and not warranties. We assume these statements are true and complete to the best of the knowledge and belief of those who made them.

12.4 Will We Be Able To Contest This Policy? A misstatement by the Insured in any application for the policy may be used to void the policy.

For accelerated benefits for long-term care the following will apply: During the first 6 months after the issue date of the policy, we may void the policy only if the misstatement was material to the issuance of the policy. After the first 6 months but before the end of 24 months, we may take this action only if the misstatement was material to both the issuance of the policy and to the claim for which benefits are being sought. After 24 months, we can take this action only if the Insured knowingly and intentionally misrepresented relevant facts about his or her health.

We will not contest the payment of the death benefit upon the death of the Insured based on the initial face amount after this policy has been in force during the lifetime of the Insured for 2 years from the issue date.

No benefits will be paid under this policy if it is voided or canceled. However, if the policy is rescinded after we have paid benefits for long-term care, we may not recover the long-term care payments already made.

The contestable period as described above for each underwritten increase as described in 7.2 will begin on the effective date of such increase. We may contest the payment of that amount only on the basis of those statements made in the application for such increase in face amount.

12.5 Does This Policy Cover Suicide Of The Insured? Suicide of the Insured, while sane or insane within 2 years of the issue date, is not covered by this policy. In the event of suicide, this policy will end and the only amount payable will be the premiums paid to us, less any unpaid loan and any partial surrender benefits paid.

It may happen that the face amount of this policy is increased as described in the Increasing or Decreasing Coverage section. In this case, the 2 year suicide exclusion period for each increase will begin on the effective date of such increase. If the suicide exclusion period applies to such an increase, the only amount payable with respect to that increase will be the premiums paid to us, less any unpaid loan and any partial surrender benefits paid.

- 12.6 How Are The Dates Referred To In This Policy Measured?** Policy years, months, and anniversaries are measured from the policy date, unless otherwise stated.
- 12.7 How Is A Person's Age Calculated For The Purposes Of This Policy?** When we refer to a person's age in this policy on a policy anniversary, we mean his or her age on the birthday which is nearest that date. At any other time, age means the age on the birthday nearest to the previous policy anniversary.
- 12.8 What Happens If A Person's Age Or Sex Has Been Stated Incorrectly?** If we would pay too little or too much because the age or sex of the Insured is not correct as stated, we will adjust benefits, up or down, to reflect the correct age or sex. The amount of the death benefit shall be that which would be purchased by the most recent mortality charge at the correct age and sex.
- 12.9 May You Assign Or Transfer The Policy?** You may not assign the benefits payable under this policy, or any interest in it except as security for a loan with us as explained in Section 9.8.
- 12.10 Are The Payments Made Under This Policy Protected Against Creditors?** Payments we make under this policy are, to the extent the law permits, exempt from the claims, attachments, or levies of any creditors.
- 12.11 To Whom Should Payments For This Policy Be Made?** Any payment made to us by check or money order must be payable to New York Life Insurance and Annuity Corporation. When asked, we will provide a countersigned receipt, signed by our President or Secretary, for any premium paid to us.
- 12.12 Do The Provisions Of This Policy Relate To State And Federal Laws And Regulations?** On the Issue Date of this policy, if any provision is in conflict with the requirements of any Federal Law or regulation or any law or regulation of the state in which the policy was issued, that provision is automatically amended to conform to the minimum requirements of such laws and regulations. We may amend the policy at any time necessary to meet the requirements of the law pertaining to Qualified Long-Term Care Insurance contracts. If this Policy may be amended in more than one way to meet these requirements, we may determine how to best do so.
- 12.13 Are Any Dividends Payable On This Policy?** This is a non-participating policy on which no dividends are payable.
- 12.14 Will You Be Updated Regarding The Status Of Your Policy?** Each policy year after the first year, while this policy is in force and the Insured is living, we will send a written report to you within 30 days after the policy anniversary. It will show, as of that anniversary, the cash value, the cash surrender value and the amount of any unpaid loan and accrued interest. This report will also give you any other facts required by state law or regulation.

On request, we will furnish you with an illustrative report which, based on the then current non-guaranteed factors, shows the results for at least the next 20 years, but not beyond the policy anniversary nearest the Insured's age 100. Each report will take into account the cash value of the policy when the report is prepared, the interest rates, the maximum cost of insurance rates, and any other fees and charges in effect at that time. This report will also give you other facts required by state law or regulation. We may charge a reasonable fee, not to exceed \$35, for this report.

For each month when Long-Term Care Benefits are paid, a monthly report will show the benefits paid out during the month, the changes in values in the policy due to the Long-Term Care Benefits being paid, and the amount of Long-Term Care Benefits remaining.

12.15 What Is The Basis Used For Computation Of Policy Values? The guaranteed minimum cash surrender values are based on the 1980 CSO Tables of Mortality, ANB, Male/Female and Smoker/Nonsmoker versions and 5% interest. The maximum mortality cost of insurance rates are based on the 1980 CSO, ANB, Male/Female and Smoker/Nonsmoker versions, if the Insured is a standard risk. The maximum morbidity cost of insurance rates are based on 50% of the 1980 CSO Mortality Table, ANB, Unismoke, Table D (50% male) if the Insured is a standard risk. If the Insured is a substandard risk, a separate scale of maximum mortality cost of insurance rates applies. Semicontinuous functions are used. The guaranteed minimum cash surrender values are equal to the present value of the future guaranteed Death Benefit, as defined in Sections 1.2 and 1.3. We have filed a statement with the insurance official in the state or district in which this policy is delivered. It describes, in detail, how we compute policy benefits and cash surrender values. The cash surrender values available under the policy will not be less than the minimum values required by law.

Due to the minimum guaranteed cash surrender value, it is possible that excess interest credited to the policy account value will not increase the cash surrender value.

12.16 When Will This Policy End? This policy ends on the earliest of the following:

1. The date we receive your request for a full surrender of the policy;
2. The death of the Insured;
3. The date the Maturity Benefit is paid;
4. The date an accelerated benefit for terminal illness is paid;
5. The date the Total Benefit for Long-Term Care has been paid, unless a Residual Death Benefit is payable;
6. The end of the late period if we have not received payments sufficient to continue coverage, unless a Residual Death Benefit is payable or Long-Term Care Continuation Benefits are payable;
7. The date any Long-Term Care Continuation Benefits end, unless a Residual Death Benefit is payable.

12.17 If The Policy Lapses While Long-Term Care Benefits Are Being Paid, Can Long-Term Care Benefits Be Continued? Yes, if this policy lapses while the Insured is confined in a Nursing Home, Assisted Living Facility or Hospice and Long-Term Care Benefits are being paid, we will first pay the remaining Total Benefit for Long-Term Care as determined at the end of the late period and then any benefits provided under a rider attached to this policy. These benefits will be payable as a Long-Term Care Continuation Benefit. The amount payable monthly will not exceed the Monthly Benefit for Long-Term Care on the date the policy lapses. While the Insured remains confined and Chronically Ill, all other policy provisions applicable to the payment of Long-Term Care Benefits will continue to apply. This Long-Term Care Continuation Benefit will end on the earliest of the following to occur:

1. the Insured is no longer Chronically Ill;
2. the Insured is no longer confined in a Nursing Home, Assisted Living Facility or Hospice;
or
3. the entire Long-Term Care Continuation Benefit has been paid.

12.18 If Long-Term Care Continuation Benefits Are Paid, Can Additional Premiums Be Paid And Are Any Other Benefits Payable? If Long-Term Care Continuation Benefits are paid, additional premiums will not be accepted and no other benefits will be payable under this policy except for the Residual Death Benefit, if applicable (See Section 1.4). You will have no further rights under the policy except for any right to reinstate the policy that may still apply.

12.19 Can You Change The Policy If New Benefits Become Available? We will notify you within 12 months if we make available any new benefits or provisions. You will then have the opportunity, if you are not accelerating benefits for long-term care or within the waiting period, to change your current benefits to any benefit that became available, subject to any underwriting requirements, attained age requirements and appropriate premium adjustments.

SPECIMEN

New York Life Insurance and Annuity Corporation

51 Madison Avenue
New York, NY 10010

A Stock Company Incorporated in Delaware

Universal Life Insurance Policy with Accelerated Benefits

Adjustable Life Insurance Benefits-Modified Single Premium
Payment.
Death Benefit May Be Accelerated for Long-Term Care or
Terminal Illness.
Interest Credited on Cash Value at Rate Set by Corporation.

Policy is Non-Participating

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