

# KANAWHA INSURANCE COMPANY

[210 SOUTH WHITE STREET, POST OFFICE BOX 610, LANCASTER, SC 29721-0610]

## DISCLOSURE – ACCELERATED BENEFIT FOR TERMINAL ILLNESS

### General Description

This Benefit accelerates payment of certain Death Benefits that We would otherwise pay at the Insured's death. When the Insured incurs a Covered Terminal Illness, the Owner of the Policy may request payment. We will pay the Owner [up to] [50%] of the Face Amount(s) of life insurance minus [50%] [a portion] of any Policy Loan [equal to the portion of the Face Amount paid as an Accelerated Benefit].

A Terminal Illness is a severe medical condition, whether caused by sickness or injury, resulting in an expected life span of 12 months or less. A Covered Terminal Illness is a Terminal Illness that a Physician first diagnoses:

- while this Policy is in force, and
- more than 12 months after the Policy Date.

### Effect of Benefit on Policy Values

The Death Benefit paid when the Insured dies is reduced by the amount of this Benefit.

Payment of this Benefit will reduce the Cash Value. For Example, if:

- the Cash Value is \$1,000;
  - this Benefit is \$50,000; and
  - the Whole Life Face Amount is \$100,000; then
- the new Cash Value will be  $\{(\$1,000) \times (\$50,000/\$100,000)\} = \$500$ .

Payment will reduce any Policy Loan outstanding on the date of payment by [50%] [a portion equal to the portion of the Face Amount paid as an Accelerated Benefit].

If the sum of this Benefit paid plus the sum of any Policy loan(s) exceeds the life insurance face amount, all Policy coverage will end.

### Cost

There is no premium or administrative charge for this benefit.

### Limitations and Exclusions

This Benefit is not paid for loss caused or contributed to by a suicide attempt, whether the Insured is sane or insane at the time of the attempt.

This Benefit may be used only once.

This Benefit does not accelerate:

- Accidental Death Dismemberment and Loss of Sight Benefits; or
- life insurance Benefits covering a Spouse or Child(ren).

If the Insured dies prior to payment, no Benefit will be paid. Our liability will be discharged to the extent of any Benefit paid before We receive and record Proof that the Insured is dead.

**THIS BENEFIT MAY BE SUBJECT TO TAX AND MAY AFFECT MEDICAID ELIGIBILITY. TO DETERMINE THE TAX IMPACT ON YOU, IF ANY, YOU SHOULD SEEK THE ADVICE OF YOUR PERSONAL TAX ADVISOR PRIOR TO MAKING A CLAIM FOR THIS BENEFIT.**

\_\_\_\_\_  
Proposed Policyowner's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Licensed Insurance Producer's Signature

\_\_\_\_\_  
Date

[ \_\_\_\_\_ ]  
[State Insurance License No.]

Please return the signed original of this form to Kanawha. Give the second copy to the proposed policyowner.