



CONTINENTAL AMERICAN INSURANCE COMPANY

[Columbia, South Carolina
800.433.3036]

DISCLOSURE STATEMENT FOR ACCELERATED BENEFITS

We have received Your request to accelerate a death benefit under Your life insurance plan. We are beginning the evaluation of Your claim and will advise You when the review has been completed. **The Accelerated Benefit is subject to the terms and conditions of the Policy and must be approved by Us. You must complete the claim form and return it to Us with the required medical information.**

Keep this Disclosure Statement for Your records.

Any Accelerated Benefit paid by Us is subject to the terms of Your life insurance Certificate and will be subject to the following:

Accelerated Benefit Payment

Upon approval, We will pay the benefit in a lump sum or periodic payments based on Your selection. If You have assigned the Certificate or designated an irrevocable Beneficiary, prior to payment You must provide Us a signed acknowledgement of concurrence for payout from any assignee of record or irrevocable Beneficiary of record. Benefits are payable to You. Once the benefit becomes payable, the Life Insurance Benefit Amount will be reduced by the amount of the payment.

Receipt of an Accelerated Benefit may be taxable. We are not responsible for any tax or other effects of any benefit paid. Prior to applying for such benefit, You should seek assistance from a qualified tax advisor. Payment of the Accelerated Benefit will generate a Form 1099.

Receipt of an Accelerated Benefit may affect eligibility for Title XIX of the Social Security Act (Medicaid), and other government benefits or entitlements and may have income tax consequences. You may want to consult a tax advisor and the local Department of Public Welfare and Social Security Administration Office for more information.

You cannot be required to apply for an Accelerated Benefit before qualifying for Medicaid or be required by creditors to apply for an Accelerated Benefit. No health facility, as defined in section 20 of the Public Health Law, can require any person to accelerate payment of a benefit as a condition of admission to such health care facility or for providing any care in such facility.

Premium Payment

Premium payments must continue to be paid on the remaining amount of life insurance, unless You qualify to have Your Premium waived. There is no additional Premium cost when You elect this benefit. Your [Employer] will deduct Your adjusted Premium contribution amount, if any, from Your salary while You are working. If You stop working You must continue to pay Your [Employer] directly for the same premium contribution amount, if any.

Remaining Life Insurance Benefit

Upon Our payment of an Accelerated Benefit, the amount of Your life insurance will be reduced by the amount paid. The amount of life insurance available for waiver of premium, accidental death, an extended benefit, and the amount eligible for conversion[or portability], will also be reduced.

The remaining life insurance benefit, if any, will be paid according to the terms of the Policy subject to any additional reduction and termination provisions. [If there is no benefit remaining, coverage under the Policy will terminate immediately upon payment.]

For a complete description of the terms, conditions, exclusions, and limitations of the Accelerated Benefit under Your life insurance plan, refer to Your Certificate of Insurance and the Accelerated Benefit Rider attached to it. In the event of a discrepancy between this disclosure statement and Your Certificate, the Certificate will control.

Illustration of Accelerated Benefit Payment

Payment of an Accelerated Benefit **will reduce** the Death Benefit payable. Below is a sample illustration of the effect of an Accelerated Payment on Your Life Insurance Benefit Amount.

Amount of life insurance in effect on the date of claim:	[\$50,000]
Amount of Accelerated Benefit Selected:	[\$25,000]
Processing Fee:	none
Lump Sum Accelerated Benefit Payment:	[\$25,000]
Remaining Life Insurance Benefit Amount:	[\$25,000]
	[\$0. You have accelerated 100% of the payable death benefit amount. Coverage under the Certificate will terminate immediately upon payment.]

If You have any questions, please do not hesitate to contact Us at the toll free number below.

Life Claims:
[P.O. Box 84075,
Columbus, Georgia, 31993-9103
Phone: 800.433.3036]