

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

ACCELERATED DEATH BENEFIT RIDER DISCLOSURE STATEMENT

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

Your benefit.

You, the policy owner, are eligible to receive an accelerated death benefit under the rider for the insured. A physician must certify that the insured under this policy is terminally ill or is permanently confined to a qualified nursing facility.

The benefit payable to you.

Upon satisfaction of the requirements under the rider, we will pay you up to 75% of the eligible death benefit for a terminal illness or up to 50% of the eligible death benefit upon permanent confinement in a qualified nursing facility. However, the rider benefit will not be less than \$5,000 or more than \$250,000.

The accelerated death benefit will be considered a lien against the policy and will accrue interest up to an annual rate of 8%. A one-time service fee, not to exceed \$100, will be added to the lien. If the rider benefit is not approved, no service fee will be charged. The benefit amount will be reduced by any policy loans prior to the payment of the accelerated death benefit. You can repay all or part of the lien at any time.

Conditions for the benefit.

- You must make a written request for the benefits during the lifetime of the insured and while the policy and rider are in force.
- The policy owner must provide written proof satisfactory to us that the insured suffers from a terminal illness, or has been permanently confined to a qualified nursing facility continuously for at least 90 days.
- Any assignee or irrevocable beneficiary under the policy must consent in writing to your election of this benefit.
- A request for acceleration will not be approved if you are required by a government agency to use this benefit in order to apply for, obtain, or keep government benefits or entitlements.
- Only one benefit election is allowed under this rider. Once a benefit is paid, no other benefits will exist under this rider.
- The premium amount for this policy will not change and will continue to be payable including any premiums for riders.

Effects to the policy upon acceleration.

- The policy's death benefit will be reduced at the insured's death unless the lien has already been repaid in full at that time.
- After the acceleration date any policy value you withdraw from the policy by any method, will be applied first to reduce the lien until it has been eliminated.
- The policy will end if the lien and accrued interest equals or exceeds the policy death benefit.

Benefit Examples for a Policy with a \$100,000 Death Benefit

Accelerated Death Benefit Requested for Terminal Illness:

Maximum Rider Benefit:	\$ 75,000
Service Fee:	100
Accelerated Death Benefit Lien:	75,100

Benefit Amount Paid To You: \$ 75,000

Death Occurs Immediately after the Accelerated Death Benefit has been Paid

Policy Death Benefit:	\$100,000
Less Lien:	<u>-75,100</u>

Net Death Proceeds Payable at the Death of the Insured:..... \$ 24,900

Accelerated Death Benefit Requested for Confinement at Nursing Home on a Policy with a \$5,000 Loan:

Maximum Rider Benefit:	\$ 50,000
Service Fee:	100
Accelerated Death Benefit Lien:	50,100

Maximum Benefit Payable:.....	\$ 50,000
Less Policy Loan:.....	<u>-5,000</u>
Benefit Amount Paid To You:	\$ 45,000

Death Occurs One Year After Accelerated Death Benefit is Paid

Policy Death Benefit:	\$100,000
Less Lien:	-50,100
Less Accrued Interest (50,100 x .08):	<u>-4,008</u>

Net Death Proceeds Payable at the Death of the Insured:..... \$ 45,892

TAX CONSEQUENCES: A BENEFIT THAT YOU RECEIVE UNDER THIS RIDER MAY BE TAXABLE OR MAY ADVERSELY AFFECT YOUR ELIGIBILITY FOR MEDICAID OR OTHER GOVERNMENT BENEFITS OR ENTITLEMENTS. BEFORE CLAIMING A BENEFIT UNDER THIS RIDER, YOU SHOULD SEEK THE ADVICE OF YOUR PERSONAL TAX ADVISOR.

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

Signature of Applicant/Owner

Signature of Agent

Date

Agent Number