Living Benefits

This section provides for the accelerated payment of the life insurance benefits provided under the policy under certain circumstances.

DEFINITIONS FOR LIVING BENEFIT

Custodial Confinement: Confinement which:

1. Is primarily for the purpose of assisting in daily living functions; and
2. Can be provided without professional skills or training and could not have been omitted without adversely affecting the insured's physical or mental condition; and
3. Is received in a facility whose primary function is to provide, for a charge, room and board and custodial care to individuals who are not able to care for themselves due to sickness or injury but do not require daily nursing care. The facility must be either a separate facility or a distinct part of another facility physically separated from the rest of such facility; and
4. Is received in a facility that is not, other than incidentally, a hospital, a home for the aged, a retirement home, a group home, a rest home, a community living center, or a place mainly for the treatment of alcoholism, mental illness, or drug abuse.

Hospice Care: A certified care program which must be prescribed and supervised by a licensed physician. It must also be appropriately licensed and certified in the state where it is administered.

Immediate Family: The insured's spouse, child, parent, grandparent, grandchild, brothers and sisters and their spouses.

Living Benefit: The amount of the insured's life insurance benefits paid under this section.

Physician: An individual who is licensed to practice medicine or treat illness in the state in which treatment is received. This does not include the insured or a member of the insured's immediate family.

Skilled or Intermediate Confinement: Confinement which:

1. Is performed under the supervision of a physician; and
2. Consists of nursing and rehabilitation services administered by registered nurses (RNs), licensed practical nurses (LPNs), licensed vocational nurses or physical therapists; and
3. Is available on a 24-hour basis; and
4. Is received in a facility whose primary function is to provide, for a charge, room and board and skilled nursing care to individuals who are not able to care for themselves due to sickness or injury and who require regular nursing and rehabilitative care. The facility must be either a separate facility or a distinct part of another facility physically separated from the rest of such facility; and
5. Is received in a facility that is not, other than incidentally, a hospital, a home for the aged, a retirement home, a group home, a rest home, a community living center, or a place mainly for the treatment of alcoholism, mental illness, or drug abuse.

Terminal Condition: A condition caused by sickness or accident which directly results in a life expectancy of twelve months or less as determined by the Company.

ELIGIBILITY FOR LIVING BENEFIT

If the insured:

1. Has a terminal condition; or
2. Satisfies the requirements for confinement on a skilled, intermediate, or custodial care basis; or
3. Is admitted into a hospice care program;

the insured may request a living benefit.

Under the terminal condition option, the insured must provide evidence satisfactory to the Company that the insured's life expectancy, because of sickness or accident, is twelve months or less.

~~Under the skilled, intermediate, or custodial care option, the insured must provide evidence satisfactory to the Company that the insured has been confined on such basis for six continuous months and is expected to continue to be confined until death.~~

~~Under the hospice care option, the insured must provide evidence satisfactory to the Company that the insured has entered a certified hospice program.~~

~~Under all options, t~~The evidence submitted to the Company must include certification of the insured's condition by a licensed physician. The Company reserves the right to ask for independent medical verification of the insured's condition.

~~The confinement or care of the insured must be medically necessary. This means it must be appropriate and consistent with the diagnosis and in accord with accepted standards of community practice, it must not be considered experimental and it could not have been omitted without adversely affecting the insured's condition or the quality of medical care.~~

AMOUNT OF LIVING BENEFIT

The insured may request any living benefit payment amount not exceeding the total amount of life insurance in force on the life of the insured, except that if the insured requests a partial living benefit which is less than the total amount of insurance in force the amount requested may not be less than $5,000.

If the insured elects to receive living benefits equal to the total amount of insurance in force on the life of the insured, the insured's coverage under the policy will terminate upon payment of the benefit. If the insured is an employee who has enrolled his or her eligible spouse and dependents under the section entitled "Spouse and Dependent Coverage," coverage of the insured's eligible spouse and dependents shall continue in accordance with the section entitled "Coverage During Disability – Waiver of Premium Benefit," but in no event beyond ninety days after the death of the insured.

If the insured elects to receive a partial living benefit, the amount of insurance on the life of the insured will be reduced by the amount of the living benefit payment. Payment to an employee shall be made first from the Additional Plan coverage, if any, then from the Supplemental Plan coverage, if any, and lastly from the Basic Plan coverage. The remaining amount of insurance shall continue in force subject to all provisions of the policy. If the insured is an employee who has not attained the insurance reduction age, any required premiums will be reduced to reflect the remaining amount of insurance. If the insured is a spouse or dependent insured under the section entitled "Spouse and Dependent Coverage," the premiums required for any remaining coverage that section will not be reduced.

The insured may reapply for the payment of any remaining amount of insurance at any time. However, the Company reserves the right to ask for further satisfactory evidence that the insured meets all requirements for the living benefit.

The amount of life insurance eligible for a living benefit payment shall be the total amount of insurance in force on the life of the insured on the date the Company receives the application for a living benefit payment. During the review period extending from that date through the date the Company either pays or determines to deny the living benefit, no increases or reductions shall be made in the insured's amount of life insurance. If the insured dies during the review period, the amount payable as a death benefit shall be the coverage amount in effect at the beginning of the review period. Any amount of life insurance which remains in force after the review period ends shall be subject to increases or reductions in accordance with all provisions of the policy.

The maximum amount of living benefits payable to an insured during his or her lifetime is limited to the coverage amount in effect on the date the Company receives the first application which is approved, together with any increases on the remaining coverage amount which occur between the date of a partial payment and the date all coverage terminates. If the insured is reenrolled for coverage after a living benefit has been paid, such reenrollment does not increase the maximum living benefits that may be paid.

REQUESTING A LIVING BENEFIT

An eligible insured may request the payment of a living benefit on a form provided by the Department. The insured's life insurance must be in force and all required premiums must have been fully paid. The request for a living benefit must be voluntary. A living benefit is not intended to cause the insured to involuntarily reduce the death proceeds ultimately payable to the named beneficiary. Therefore:

1. If the insured is required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise, the insured is not eligible for this benefit.
2. If the insured is required by a government agency to use this option in order to apply for, obtain or keep a government benefit or entitlement, the insured is not eligible for this benefit.

PAYMENT OF LIVING BENEFIT

Upon receipt of satisfactory evidence of the insured's qualifying condition as defined in this section, the Company will pay the living benefit in one lump sum or in any other mutually agreeable manner. The Company's determination regarding the applicant's eligibility for the living benefit is final. All living benefits will be paid to the insured subject to Wis. Stats. §40.08 (9) and (9m) and applicable administrative rules. If the insured dies before all payments have been made, the Company will pay the remainder to the insured's beneficiary in one lump sum. The Company retains the right to have the insured medically examined at its own expense to verify the insured's medical condition. The Company may do this as often as reasonably required while living benefits are being considered or paid.