CareForward™

Product guide

Table of contents

Introduction

CareForward

CareForward is a combination of long-term care insurance and life insurance. Clients can pay a one-time lump sum premium or pay over a period of years. As long-term care benefits are used, the death benefit decreases. Any remaining death benefit will be paid to a beneficiary when the insured person passes away.

The long-term care benefits can help your clients and prospects pay for qualified long-term care expenses and protect their income and savings from being redirected to pay for care services.

Care can be provided in a variety of settings—from home care to facility care—giving your clients the flexibility to receive the level of care they need in a location they may prefer. The life insurance component provides coverage for a single life and is designed to provide lifetime insurance protection together with cash value accumulation.

Why CareForward?

CareForward combines long-term care insurance with life insurance. It allows your clients to help plan for uncertainty by protecting themselves and their loved ones.

Your clients could spend years building their savings, only to have it diminished by long-term care expenses. CareForward offers guaranteed benefits for your clients or their loved ones with no increase in premiums.

If the CareForward long-term care benefits are not used, then the life insurance proceeds are paid to beneficiaries generally free from income taxes. Death benefit proceeds may be subject to state and/or federal inheritance and/or estate taxes. Refer your clients to their attorney and tax professional, as appropriate, for additional information.

Long-term care benefits can help your clients live as they do now—even in their own home. Long-term care services include:

- Home health care
- Respite care
- Hospice care
- Adult day care
- Care in a nursing home
- Care in an assisted living facility

Benefits also include care coordination services, which evaluate your clients' needs and coordinate and monitor the delivery of long-term care services.

Long-term care includes a range of services and support that may be needed. Long-term care is assistance with the basic personal tasks of everyday life, called "activities of daily living," such as:

- Bathing
- Dressing
- Using the toilet
- Transferring (to or from bed or chair)
- Caring for incontinence
- Eating

Target market

Target market

- Purposeful Providers, ages 40 to 55, who want to:
  - Protect their income and savings in retirement.
  - Pay for long-term care expenses without depleting savings or redirecting current income.
  - Have choices and control over who provides care and where.
  - Make decisions today to preserve or ensure options and independence in the future.
  - Avoid the "use it or lose it" scenario, and have looked at traditional LTCi.

Secondary markets

- People ages 55+. This generation:
  - Is trying to manage helping their parents and raising their children at the same time.
  - Recognizes that their parents may not have planned and may not be able to financially obtain coverage.
  - May be willing to purchase coverage on their parents so they can manage their care instead of providing it.
- Women
  - The vast majority of people needing long-term care are women.
  - Most informal caregivers are women.

Prospect profile

Clients may consider buying CareForward if they:

- Want to protect some of their assets and income.
- Can afford to pay their premiums without financial difficulty.
- Want to stay independent of the support of others.
- Want the flexibility to choose care in the setting in which they will be most comfortable.

Keep in mind, your clients should not buy CareForward if they:

- Cannot afford the premiums.
- Have limited assets, savings or income.
- Only have a single source of income from a Social Security benefit or Supplemental Security Income (SSI).
- Often have trouble paying for utilities, food, medicine or other important needs.
- Are on Medicaid.

There are several long-term care insurance options available to your clients, including stand-alone long-term care insurance and life insurance with long-term care insurance. Each type of coverage has unique characteristics and features.

You can help your clients understand the differences and develop insights about which type of coverage that may be appropriate for their specific situations. Consider your clients' overall financial situation and use the available proposal of cost and benefits to highlight the unique product features.

Product overview

These benefits, which are included, are subject to the LTC Maximum Monthly Benefit amount, LTC Total Available Benefit and LTC Elimination Period.

While this is a participating product, no dividends are expected to be paid from it.

This is a reimbursement contract, with repayment of up to the LTC Maximum Monthly Benefit amount for any month where the client receives qualified long-term care services.

CareForward is federally tax-qualified long-term care insurance pursuant to the Internal Revenue Code 7702B(b). The comprehensive long-term care portion of the insurance product provides coverage including home health care, residential care facilities and adult day care.

Feature	Description
Home health care	Home care services must be necessary to enable clients to continue to live safely in their homes (the place of residence, which excludes a care facility); and be provided in their place of residence by one of the following: • An employee of a home health care agency. • A person properly licensed when legally required. • A person with the training and supervision appropriate for the services provided. A home health care agency provides care for chronically ill individuals and must be properly licensed by the appropriate agency. Care cannot be provided by an immediate family member, unless: • He or she is a regular employee of a facility or agency that is providing the treatment, services or care; and • The facility or agency receives the payment for the treatment, service or care, and he or she receives no compensation other than the normal compensation for employees in his or her job category. Home care services include: • Homemaker services. • Home health aide services. • Skilled nursing services. • Nutritional and dietary services. • Physical, occupational, speech and respiratory therapy. • Outpatient hospice care services. NOTE: Refer to the “Long-term care benefit eligibility” section for LTC benefits qualification details.
Adult day care	Adult Day Care facilities provide qualified long-term care services in a non-residential setting to persons who are chronically ill. An adult day care facility must: • Be licensed to provide adult day care, if required, by the appropriate licensing agency where the facility operates; or • If licensing or certification is not required where the facility operates, – Retain enough full-time staff to maintain no more than an 8-to-1 client to staff ratio; and – Have established procedures for obtaining appropriate aid in the event of a medical emergency. NOTE: Refer to the “Long-term care benefit eligibility” section for LTC benefits qualification details.

Product overview (continued)

Feature	Description
Residential care facility	Residential care facilities include: • Nursing homes • Assisted living facilities • Hospice The residential care facilities must either (1) be licensed, or (2) meet qualifications as described. A **Nursing Home** is a facility or that part of one that provides room, board and inpatient care for its residents. It must: • Be licensed or certified as a Nursing Home by the appropriate governing agency where the facility operates; or • If licensing or certification is not required where the facility operates: – Provide Skilled Nursing Services under the supervision of a Doctor or a registered graduate nurse (R.N.); – Have a registered graduate nurse (R.N.), a licensed practical nurse (L.P.N.), or a licensed vocational nurse (L.V.N.) on duty or on call at all times and at least one such nurse who is employed full-time on the day shift; and – Keep a record of the care provided to each resident. An **Assisted Living Facility** is a facility or that part of one that provides room, board and inpatient care for its residents. It must: • Be licensed or certified as an Assisted Living Facility by the appropriate governing agency where the facility operates; or • If licensing or certification is not required where the facility operates: – Provide 24-hour-a-day care and services sufficient to support the needs of persons who are chronically ill; – Have a trained and ready-to-respond employee on duty at all times; – Keep a record of the care provided to each resident; – Provide its residents with three meals a day; – Have appropriate methods and procedures for providing residents with help in managing prescribed medications; and – Have established procedures for obtaining appropriate aid in the event of a medical emergency. **Hospice** is a facility or that part of one that provides room, board and inpatient palliative care for Chronically Ill persons who are in the last phases of life due to terminal illness. A Hospice must be licensed or certified to provide Hospice Care Services by the appropriate governing agency where the care is provided. Residential care facilities do not include that part of any facility that is primarily: • A clinic, hospital or sanitarium. • A subacute care or rehabilitation hospital. • A sheltered living accommodation, a residence home or a similar living arrangement. • A home or facility for the treatment of alcoholism, drug addiction or mental illness. Eligible expenses under this provision include charges for room, board, personal care and skilled nursing services provided by the facility to the extent that such charges are for qualified long-term care services. NOTE: Refer to the “Long-term care benefit eligibility” section for LTC benefits qualification details.

Product overview (continued)

<table>
<tr><td>Care coordinator</td><td>If requested by the client, care coordinator services can be provided.

Expenses for care coordinator services will not be reimbursed but rather are covered separately by Thrivent.

Services provided by a care coordinator include, but are not limited to:
• Identifying needed services;
• Locating caregivers and facilities;
• Assisting in the development, implementation and coordination of a plan of care; and
• Monitoring ongoing care.</td></tr>
<tr><td>Plan of care</td><td>A plan of care is a required written document that:
• Is prepared and signed by a licensed health care practitioner in accordance with accepted standards of practice;
• Prescribes qualified long-term care services that are consistent with an assessment of the client's impairment; and
• Includes services or treatment that could not be omitted without adversely affecting the client's health.</td></tr>
<tr><td>Long-term care benefit eligibility</td><td>The insured must meet the following conditions to be eligible for LTC benefits.
• Be chronically ill, and
• Have received qualified LTC services; and
• Satisfied the LTC Elimination Period (for benefits subject to the LTC Elimination Period for care).

On a given day, a person is chronically ill if a licensed health care practitioner has, within the 12-month period preceding the day, certified in writing that the person has either:
• A physical impairment, expected to last at least 90 days, that prevents him or her from performing at least two activities of daily living (ADLs) without substantial assistance. The six ADLs are:
– Bathing
– Continence
– Dressing
– Eating
– Transferring
– Using the toilet
• A severe cognitive impairment is an impairment of the mind comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia, that is measured by clinical evidence and standardized tests, and requires substantial supervision. Performing ADLs are not considered for a severe cognitive impairment.

Qualified Long-Term Care Services are necessary diagnostic, preventive, therapeutic, curative, treatment, mitigation and rehabilitative services and maintenance or personal care services that are:
• Required because the client is chronically ill; and
• Provided pursuant to a plan of care.

NOTE: Substantial Assistance means hands-on assistance or standby assistance. Hands-on assistance is the physical assistance of another person without which one would not be able to perform an Activity of Daily Living. Standby assistance is the presence of another person within arm's reach that is necessary to prevent, by physical intervention, injury to oneself while performing an Activity of Daily Living.</td></tr>
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Product overview (continued)

LTC Elimination Period	The LTC Elimination Period for care varies, depending on the location of care received, and only needs to be satisfied once during the life of the contract: • Home Care is 0 days. • Adult Day Care is 0 days. • Residential Care Facility is 90 days. Residential Care Facility days are credited on a calendar week basis, so long as services are received at least once in the calendar week. • For the first calendar week, days will be credited for the day of service and any remaining days in that calendar week, even if no other services are received. • For subsequent calendar weeks: On the day in which services are received, that day and all prior days in the calendar week will be credited. On each following day in the calendar week, that day will be credited even if no services are received. Calendar week begins Sunday and ends Saturday. Weeks during which services are received need not be consecutive. Days credited to the LTC Elimination Period for Home Care or Adult Day Care will also be credited towards the LTC Elimination Period for Residential Care Facility. • For example, if a client first receives qualifying LTC services in an Adult Day Care for 22 days and then later transfers to a nursing home (Residential Care Facility), the client will have 68 days remaining to satisfy the LTC Elimination Period for Residential Care Facility (i.e., 90 – 22 = 68).
Bed reservation feature	Residential care facility benefits will not be interrupted by a temporary absence from the facility where the client is a resident. Temporary absence is a period: • That is immediately preceded by a day on which the client incurs expenses that are eligible for payment under the residential care facility benefit; and • During which the client is temporarily absent from the residential care facility for any reason but continues to be charged by the facility for qualified LTC services. If the LTC Elimination Period for care crediting days has not yet ended, days will not be interrupted by such a temporary absence. Pays up to the LTC Maximum Monthly Benefit amount, up to 60 days per calendar year and the days do not need be consecutive.
Alternate care benefit	If the plan of care prescribes qualified long-term care services not covered under the contract, such services may be covered if: • The prescribed services are cost-effective alternatives. • Thrivent has a written agreement that describes the qualified long-term care services are to be covered and how they will be covered under the contract. No benefits will be paid for services provided prior to the date of the written agreement.

Contract provisions

Feature	Descriptions
Issue ages	Ages 18 to 75 • The pay-to-95 option will only be allowed up to age 65. • Premium will be based on the proposed insured's age as of the application date. If the proposed insured's date of birth is within 30 days of the application date, premium will be based on the younger age. Example: The proposed insured's birthday is on Nov. 10 and she turned 60. She applies for a CareForward contract on Nov. 28. In this case, her issue age would be 59 years old, even though her actual age is 60 (30 days prior to Nov. 28 she was 59 years old). • The issue date will be the date the contract is in good order, which includes initial premium and underwriting approval.
Risk classes	• Nontobacco • Nontobacco Class 1 • Tobacco • Tobacco Class 1
Face amount at issue	Minimum: $50,000 Maximum: $500,000
Premium payment options	The premium payment options are: • Single premium (Single-pay). • Premiums payable for 10 contract years (10-pay). • Premiums payable for 20 contract years (20-pay). • Premiums payable to age 95 (Pay-to-95), limited to a max issue age of 65. Total premium for the contract will consist of: • Life insurance component. • Long-term care insurance component. • Optional riders. Premiums are guaranteed not to increase for the LTCi and life insurance components.
Premium payment/billing	The premium payment modes, for non-single premium payment types, are: • Annual • Monthly (may include an additional charge)
Couples discount	Couples discount can be added at or after issue, and only applies to the LTCi portion of the premium. Clients are eligible if: • Married; or • In a State/domestic partnership/civil union named in a valid certificate or license by the State; or • Living together with another individual for three consecutive years in a committed relationship as partners or family members AND – Are committed to sharing expenses. – Are not married. – If related, must belong to the same generation. NOTE: Both individuals do not need to own a CareForward contract to receive the discount.
Trust Ownership	CareForward can be owned by a trust. However, Thrivent recommends that clients consult with a tax advisor or attorney prior to transferring into trust ownership.

Contract provisions (continued)

Feature	Descriptions
LTC Payout Percent	LTC Payout Percent options are: 3%, 4% or 5%. The LTC Payout Percent represents the percentage of the Face Amount at issue that determines the LTC Maximum Monthly Benefit amount. The LTC Payout Percent is selected at issue and cannot be changed.
LTC Benefit Multiplier	Selected at issue, the options are: 1, 2 or 3. **How it works:** At issue, the LTC Benefit Multiplier is applied to the Face Amount to determine the LTC Total Available Benefit. It cannot be increased after issue. The LTC Benefit Multiplier can be decreased after issue to 1 (if the client had elected a multiplier greater than 1 at issue). Decreasing the LTC Benefit Multiplier will decrease the LTC component of total premium. • In order to decrease premium, clients may elect to decrease Face Amount, drop the optional LTC Inflation Benefit, or decrease the LTC Benefit Multiplier. They cannot decrease the LTC Payout Percent. NOTE: The LTC Benefit Multiplier cannot be dropped to 1 if the contract has the PUA Rider.
Total Face Amount	The Total Face Amount at issue may increase through the Paid-Up Addition (PUA) Rider. The Total Face Amount will be the sum of the original Face Amount at issue and any Face Amount purchased at issue with the PUA Rider. The Total Face Amount at issue is still limited by the Maximum Face Amount at issue. The Total Face Amount cannot increase after issue (after the 12-month period for the PUA Rider has expired). The Face Amount can be reduced after issue. Reduction of Face Amount may result in a refund of premium to ensure compliance with IRC section 7702 and the definition of life insurance. • Electing to reduce the Face Amount will proportionally reduce the available LTC Total Available Benefit. This will also subsequently reduce the life insurance and LTCi premiums. • The Face Amount cannot be reduced below the Minimum Face Amount at issue limit. If the Face Amount has already dropped below the Minimum Face Amount at issue limit due to LTC Benefits paid, no Face Amount reduction is allowed. The Face Amount may also be reduced after issue if the contract changes to Reduced Paid-up Status (RPU).
Excess premium	Throughout the life of the contract, any excess or unearned life premium paid may be returned to the client. Any excess Cash Value (stemming from a client election to decrease Face Amount) may also be paid out to the client. The Health Insurance Portability and Accountability Act of 1996, or HIPAA, gives some federal income tax advantages to people who buy tax-qualified long-term care insurance policies (including CareForward). Internal Revenue Code Section 7702B establishes the tax treatment for qualified long-term care insurance contracts and does not allow for refunds of earned LTC premium. Unearned premium or excess premium created by an LTC coverage decrease, removal of an LTC benefits rider, addition of the Couples Discount, premium mode change, being on premium waiver due to LTC claim, or any other reason is retained and will be applied to future LTC premium due. Earned LTC premium can only be refunded on the death of the insured or termination of the contract.

Contract provisions (continued)

Feature	Descriptions
Loans	There is no minimum loan amount. 8% charged in arrears. If interest is not paid when due, it is added to the debt balance and bears interest at the same rate. May borrow up to the cash value as of the next contract anniversary, discounted back to the date of request using the current loan interest rate, less remaining premium due prior to the next anniversary. Debt is the outstanding loan balance on the contract. Any debt will decrease the Cash Surrender Value and Death Benefit available on a dollar-for-dollar basis. • Example: A contract has a Total Face Amount of \$100,000, a current Cash Value of \$12,000, and current debt of \$5,000. No LTC Benefits have been paid on this contract. Upon surrender in the current month, the client would receive \$7,000 (equal to the Cash Surrender Value, or \$12,000 minus \$5,000). If the client were to die in the current month, the Death Benefit paid to beneficiaries would be \$95,000 (\$100,000 minus \$5,000). Debt will decrease LTC Benefit payments paid to the client, as part of the LTC Benefit payment will be used to repay the Debt. The amount of Debt repayment is equal to the resulting decrease in Debt proportional to the decrease in LTC Base Available Benefit due to the LTC Benefit payment. • Example: After several years in-force, a contract has a Face Amount of \$80,000 and an LTC Base Available Benefit of \$100,000 (larger than the Face Amount due to the inclusion of the optional LTC Inflation Benefit). The client has outstanding loans on the contract, resulting in a Debt balance of \$2,500. At this point, an LTC Benefit payment of \$4,000 is requested. As a result, the Face Amount and Debt balance decrease proportionally to the decrease in the LTC Base Available Benefit. Specifically: – The LTC Base Available Benefit decreases by \$4,000 to \$96,000. This represents a 4% decrease in the LTC Base Available Benefit (\$4,000 = 4% of \$100,000). – The Face Amount decreases 4% to \$76,800 (\$80,000–\$76,800 = \$3,200, or 4% of \$80,000). – The Debt balance decreases 4% to \$2,400 (\$2,500–\$2,400 = \$100, or 4% of \$2,500). This Debt repayment of \$100 is subtracted from the LTC Benefit payment made to the client. Thus, the net LTC Benefit payment the client receives is \$3,900 (\$4,000–\$100 = \$3,900). Since Debt repayment is proportional to decreases in the Cash Value (and, thus, Face Amount) due to LTC Benefits paid, Debt will be fully repaid (and the Maximum Loan Available will equal zero) when the Cash Value and Face Amount equal zero. This will occur when LTC Benefits paid fully depletes the LTC Base Available Benefit. Debt will also be fully repaid if the contract changes to RPU status.
Coverage period	Non-cancellable for life. The insured has the right to continue the contract in force by the timely payment of premiums set forth in the contract. Thrivent shall not unilaterally make any change in any provision of the contract while the contract is in force, nor make any change to the premium rates.
Free look period	30 days (state variations may apply).
Grace period	Any premium in default may be paid within a grace period of 65 days after the date it is due. During the grace period, this contract will remain in force. After any premium remains in default for 30 days, we will give notice by mail to the Owner. Notice will be deemed to have been given to the Owner as of five days after the date we mail it. If the premium in default is not paid within the grace period, this contract will terminate or enter nonforfeiture status, if applicable, on the 31st day after we have given notice to the Owner.
Contract fee	\$50, charged annually and is added into the total annual premium due for the contract. (Does not apply to single premium contracts.)

Ancillary benefits

Ancillary benefits are not subject to the LTC Elimination Periods for care, nor do they satisfy the LTC Elimination Period. They are paid out of the LTC Total Available Benefit.

Ancillary benefits do not trigger Waiver of Premium. Benefits are still subject to the benefit eligibility requirements and must be qualified long-term care services to be payable. The benefits cannot be used for prescription drugs.

The Ancillary Benefit limit for all types of ancillary coverage is **two times** that of the LTC Maximum Monthly Benefit amount at the time of claim.

- Respite care benefits, up to the Ancillary Benefit limit, are available each calendar year. The other Ancillary Benefit types may only receive up to the Ancillary Benefit limit over the life of the contract.
- Ancillary Benefits increase with the LTC Inflation Benefit Rider at the selected rate.

Ancillary benefit	Description
Respite care benefit	Qualified long-term care services that are designed to relieve an informal caregiver and are provided on a short-term basis in a residential care facility, an adult day care facility or in the client's home as home care services. If a calendar week includes one or more days for which we pay benefits for respite care, no days of that week will be credited toward the LTC Elimination Period.
Equipment/home modification benefit	Covers items that are outlined in the plan of care and are solely provided to assist the client to remain in his/her home. Special equipment is: • Therapeutic equipment such as a hospital bed, wheelchair, crutches or walker; • Safety-related equipment such as a medical alert system; and • Any other medical equipment that is specified in the plan of care. Home modifications include: • Home safety checks to evaluate the client's home to determine if it is a physically safe environment for the client and provide recommendations for home modifications; • Accessibility changes to the client's home such as a ramp, chairlift or alterations to the bathroom or kitchen to accommodate a wheelchair; • Safety-related changes to the client's home such as the installation of grab bars or railings; and • Any other changes to the client's home that are specified in the plan of care.
Caregiver training	Training that is: • Given to an informal caregiver as specified in the plan of care; and • Provided by a person who is licensed, certified or otherwise qualified to provide training to an informal caregiver.
International care	Limited to the availability of the LTC Base Available Benefit only (i.e., if the LTC Base Available Benefit has been exhausted and only the LTC Rider Available Benefit remains, international care benefits are not available). International care pays up to the Ancillary Benefit limit for qualified LTC services received outside of the U.S. and can be used for residential care, adult day care or home health care. Client must provide appropriate documentation: • Required certification from U.S. licensed health care practitioner that the client is chronically ill; • Plan of care; • Properly completed claim forms, and proof that client is receiving covered care, in the form of fully itemized bills and evidence that the client remitted payment for the services indicated in the claim; • Copies of medical records which we deem necessary to support the client's claim; • Copy of passport, airline ticket or other proof acceptable that client is outside the country; and • All documentation must be submitted in English and is the responsibility of the client. Benefit is paid in U.S. dollars to the client. The client is then responsible for paying the caregiver. The international care benefit will not cover expenses incurred in countries where payment would violate economic, financial or trade sanctions imposed by the U.S. or U.N. If care violates this, the international care benefit will be null and void.

Riders

Riders at issue:

- Accelerated Death Benefit for Terminal Illness Rider
- Paid-Up Addition Rider

Optional riders, for an additional premium, which must be purchased at issue, but may be dropped after issue:

- LTC Extension of Benefit Rider (LTC Rider Available Benefit)
- LTC Inflation Benefit Rider
- LTC Nonforfeiture Rider

Limitations and state variations may apply.

<table>
<tr><th>Rider</th><th>Descriptions</th></tr>
<tr><td>Accelerated Death Benefit for Terminal Illness Rider</td><td>The Accelerated Death Benefit for Terminal Illness Rider is included at issue and allows the contract owner to receive all or a portion of the death proceeds while the insured is still alive.
If this option is elected, LTC coverage on the contract will terminate.
• Included at no additional cost.
• Available if the insured has a life expectancy of 24[1] months or less as a result of a disease or physical condition. Certification by a qualified physician is required.
• Proceeds are paid as a lump sum. If the entire death proceeds are accelerated, the life insurance contract will terminate on the date the proceeds are paid.
• $10,000[2] minimum acceleration amount (or if less, the entire accelerated benefit). Remaining coverage after acceleration must meet minimum face amount requirements.
• Benefits paid under this rider may, in limited situations, be taxable. Clients should consult with a tax advisor.
The Accelerated Death Benefit for Terminal Illness Rider benefit is calculated as:
• The available Death Benefit for the contract at the time of election, discounted for expected future life expectancy, less
• The present value of future premiums that would have been collected during the remaining lifetime, less
• A processing fee of up to $150 ($100 in Florida).
The discount rate used for the calculation above is set at the greater of the 90-day Treasury bill (index) rate or the maximum statutory adjustable contract loan interest rate.
Once the client qualifies and elects the Accelerated Death Benefit for Terminal Illness Rider benefit, LTC benefits will no longer be paid for LTC services received after election of the Accelerated Death Benefit for Terminal Illness Rider benefit.

[1]In Florida, New York, Pennsylvania and Texas, benefits are available if the insured has a life expectancy of 12 months or less.
[2]Partial accelerated benefits are not allowed in Oregon.</td></tr>
<tr><td>Paid-up Addition Rider</td><td>This rider provides paid-up additional life insurance in the form of paid-up additions (PUAs) and paid-up LTC coverage.
At issue, additional single premium will be allowed from 1035 exchanges or other sources, via the Paid-Up Addition Rider (PUA Rider). Additional premium with this rider must be declared at issue and received within 12 months from issue.
At issue, coverage purchased through the PUA Rider:
• Will not increase the modal premium associated with the contract, due to being paid-up at issue.
• Will be included in the Total Face Amount/Cash Value at issue for the contract.
How it works:
The LTC Benefit Multiplier will apply to the Total Face Amount at issue of the contract (thus, applying to both the original Face Amount and any additional Face Amount purchased through the PUA Rider). The available LTC Total Available Benefit will therefore increase due to the additional Face Amount from this rider.
The Cash Value associated with the PUA Rider is available for surrender at any time. Surrendering this amount will reduce the Total Face Amount, and subsequently the LTC Total Available Benefit, by a proportional amount.
NOTE: If any part of the contract is paid-up, the PUA must be fully surrendered before the LTC Benefit Multiplier can be reduced or the LTC Inflation Benefit can be dropped.</td></tr>
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<tr><th>Rider</th><th>Descriptions</th></tr>
<tr><td>LTC Extension of Benefit Rider (LTC Rider Available Benefit)</td><td>
With the LTC Extension of Benefit Rider, the LTC Rider Available Benefit is added to the contract if the LTC Benefit Multiplier is greater than 1, which is chosen at issue.
If an LTC Benefit Multiplier of 1 is selected, the LTC Rider Available Benefit will not be included on the contract.
The LTC Rider Available Benefit extends the amount of LTC coverage available for reimbursement of eligible LTC claims beyond the Face Amount. The LTC Total Available Benefit is the sum of the LTC Base Available Benefit and the LTC Rider Available Benefit.
How it works:

$100,000 Face Amount at issue and an LTC Benefit Multiplier of 1. This means that the LTC Total Available Benefit at issue (which could increase with inflation after issue, with the optional LTC Inflation Benefit) is equal to $100,000. The LTC Base Available Benefit covers benefits up to the Face Amount at issue (plus any optional inflation after issue). Thus, since the LTC Total Available Benefit at issue equals the Face Amount at issue, there is no LTC Rider Available Benefit in this case.
$100,000 Face Amount at issue and an LTC Benefit Multiplier of 3. This means the LTC Total Available Benefit at issue is equal to $300,000. Thus, there is both an LTC Base Available Benefit (equal to $100,000 at issue) and an LTC Rider Available Benefit (equal to $200,000 at issue).
As with the LTC Base Available Benefit, the LTC Rider Available Benefit may increase after issue, due to the optional LTC Inflation Benefit. It may decrease after issue, either due to LTC Benefit payments or by electing to decrease the Face Amount.

The LTC Rider Available Benefit is not impacted by LTC Benefit payments made from the LTC Base Available Benefit. The LTC Rider Available Benefit is only available for reimbursement of eligible LTC claims once the LTC Base Available Benefit is fully depleted.
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<tr><td>LTC Inflation Benefit Rider</td><td>
An optional rider that may be purchased only at issue, but may be dropped after issue.
The LTC Inflation Benefit cannot be dropped if the contract includes the PUA Rider.
Options for the annual rate of compound interest and duration from issue available with this rider are:

5% interest for the life of the contract (Lifetime Duration).
3% interest for the life of the contract (Lifetime Duration).
3% interest for 20 years from issue (20-year Duration).

How it works:
When included, the rider will increase the LTC Total Available Benefit and LTC Maximum Monthly Benefit amount on the contract anniversary (including when on claim) by automatically applying an annual rate of compound interest at the selected rate and for the selected duration. It will not apply to the Face Amount or any other benefit available on the contract.

If elected at issue, the LTC Inflation Benefit may only be dropped after issue (applying no inflation thereafter). Neither the rate of interest applied via the rider nor the duration of inflation applied via the rider can be changed after issue, except to drop the rider completely.
Once the rider is dropped, the LTC Total Available Benefit and LTC Maximum Monthly Benefit will no longer increase. Annual increases received prior to dropping the LTC Inflation Benefit will remain included in the contract.
The LTC Inflation Benefit will be dropped automatically once the contract changes to non-forfeiture status (if applicable).

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</table>

Rider	Descriptions
LTC Nonforfeiture Benefit Rider	An optional rider that may be purchased only at issue for an additional premium, but can be dropped after issue. It provides an option for the long-term care benefits to continue on a reduced basis, with no additional premium, if the insured chooses to terminate his or her contract for any reason. The contract must be in force for a minimum of three years before this benefit can be triggered. Clients who do not elect this will still have a reduced paid-up option for the life insurance portion of the contract. The Face Amount (Death Benefit) will not be impacted or decreased by LTC benefit payments once the contract is in nonforfeiture status. With this rider, long-term care insurance coverage will continue should the contract go into RPU status. • If the contract has not been in-force for at least three years, a change to nonforfeiture or RPU status will terminate all LTC coverage, even if the client has the LTC Nonforfeiture Benefit Rider. • If the contract has not been in-force at least three years, LTC coverage will continue even if the Cash Value of the contract is zero and with no requirement of premium payment going forward. **How it works:** The LTC Nonforfeiture Benefit Rider allows the contract owner to continue to have LTC nonforfeiture benefits. This will be calculated as: a) The sum of all LTC premiums paid (including premium for the LTC Nonforfeiture Benefit Rider itself) since issue, less b) The sum of all long-term care benefits paid since issue, c) Capped at the LTC Total Available Benefit at the time of change to nonforfeiture status. Once the LTC nonforfeiture benefit is zero, LTC coverage for the contract terminates. Nonforfeiture status may be elected or triggered by premium default. Qualifications for LTC benefits are the same for nonforfeiture status as they were prior to the change to nonforfeiture status.

Definitions

Feature	Descriptions
LTC Base Available Benefit	The LTC Base Available Benefit at issue is equal to the Total Face Amount at issue. The LTC Base Available Benefit may increase after issue, due to the optional LTC Inflation Benefit. It may decrease after issue, either due to LTC Benefit payments or by electing to decrease the Face Amount. The LTC Base Available Benefit reflects the amount of LTC coverage available to reimburse eligible LTC claims by accelerating the death benefit. The LTC Base Available Benefit decreases by the exact amount of LTC Benefit payments, until such time that it is fully depleted. The death benefit will decrease proportionately to the decrease of the LTC Base Available Benefit, ensuring that both values reach zero remaining coverage at the same time.
LTC Total Available Benefit	It is the total benefit available for qualified long-term care services, determined at issue as a multiple of the Total Face Amount (via the LTC Benefit Multiplier). The LTC Total Available Benefit is the sum of the LTC Base Available Benefit and the LTC Rider Available Benefit. The available benefit is reduced by the amounts paid to the client for qualified long-term care benefits and ancillary benefits. **How it works** From the client's perspective, the LTC Total Available Benefit at issue is a multiple of the Total Face Amount at issue of the contract (including any additional Face Amount purchased through the PUA Rider), potentially increasing by inflation after issue. The LTC Total Available Benefit is also equal to the sum of the LTC Base Available Benefit and the LTC Rider Available Benefit. When the insured is eligible for reimbursement of qualified LTC services, the LTC Base Available Benefit is depleted by the exact amount of the LTC Benefit payment, subject to the LTC Maximum Monthly Benefit. The client must meet the benefit eligibility requirements and satisfy the LTC Elimination Period for either Residential Care Facility or Home Care/Adult Day Care before LTC Benefit payments can be paid. The LTC Rider Available Benefit, if selected by way of an LTC Benefit Multiplier greater than 1, will not decrease due to LTC Benefit payments until such time that the LTC Base Available Benefit is fully depleted (which is also when the Face Amount of the life coverage is fully depleted). Once that occurs, the LTC Rider Available Benefit will decrease by the exact amount of the LTC Benefit payment, subject to the LTC Maximum Monthly Benefit. If the Face Amount is decreased due to a client request (but not switching to RPU status), the LTC Total Available Benefit is decreased proportionally to the change in Face Amount. **Example of how LTC coverage is impacted:** If client elects a Face Amount decrease If the Face Amount is decreased 25% by client request, the LTC Total Available Benefit would decrease by 25%. By decreasing the LTC Total Available Benefit 25%, the LTC Base Available Benefit decreases 25% and the LTC Rider Available Benefit, if applicable, decreases 25%. If LTC benefit payments are made A client is issued a contract with an $80,000 Face Amount. Selected for the LTC options, are: • An LTC Benefit Multiplier of 3, providing an LTC Total Available Benefit of $240,000 at issue. The LTC Base Available Benefit would be $80,000 at issue, with the LTC Rider Available Benefit equal to $160,000 at issue. • An LTC Payout Percent of 5% (setting the LTC Maximum Monthly Benefit at issue equal to $4,000, or 5% of the Face Amount at issue). • No LTC Inflation Benefit. During the ninth contract year, the client qualifies for LTC benefits and is reimbursed an LTC Maximum Monthly Benefit of $4,000 each month for 12 months (totaling $48,000 in LTC Benefit payments). At that point: • The LTC Total Available Benefit remaining is $192,000 ($240,000–$48,000). • Both the Face Amount (Death Benefit) and LTC Base Available Benefit have decreased to $32,000 ($80,000–$48,000). • The LTC Rider Available Benefit remains at $160,000. This amount will be utilized once the LTC Base Available Benefit (and Face Amount) has been fully depleted from LTC Benefit payments.

Definitions (continued)

Feature	Descriptions
LTC Maximum Monthly Benefit	The maximum monthly benefit amount at issue is $15,000. The minimum monthly benefit amount at issue is $1,500. (Minimum for: South Dakota is $3,000; Vermont is $3,000; Wisconsin is $1,800.) In order for benefits to be paid, the need for care must be identified in the Plan of Care. The LTC Maximum Monthly Benefit may increase after issue due to the optional LTC Inflation Benefit and may exceed the at-issue maximum. • Dropping the optional LTC Inflation Benefit will not decrease the LTC Maximum Monthly Benefit, but will stop any future increases from being implemented. **How it works:** The LTC Maximum Monthly Benefit at issue is calculated as the Total Face Amount at issue multiplied by the LTC Payout Percent selected. If the contract goes into reduced paid-up status (due to premium in default or elected) the LTC Maximum Monthly benefit will be zero (because all LTC benefits cease). If the contract includes the LTC Nonforfeiture Rider and the contract goes into reduced paid-up status after being in force for three years, the LTC Maximum Monthly benefit will not decrease. It will remain at the amount at the time of status change. Although payment of LTC benefits will decrease the Face Amount, this will not decrease the LTC Maximum Monthly Benefit. Any Debt will decrease the net reimbursement amount for LTC services received. The net reimbursement amount due to the client will be equal to the gross reimbursement amount (subject to the LTC Maximum Monthly Benefit at the time of claim), less a proportional Debt repayment. The proportional Debt repayment is an amount equal to the outstanding Debt balance multiplied by the same proportion that the LTC Base Available Benefit and Face Amount are decreasing by due to LTC Benefit payment. If no Debt exists, the client will be reimbursed for any qualified claim amount, up to the LTC Maximum Monthly Benefit. The monthly benefit amount for the first month of LTC payment will be prorated if the LTC Elimination Period is met based on the number of days remaining in that month. If benefits become no longer payable on a day other than the last day of a month, the LTC Maximum Monthly Benefit for that month will be reduced pro-rata based on the number of days during that month for which benefits are payable.
Waiver of Premium	When the Waiver of Premium qualifications are met, the total premiums (LTCi and Life) will be waived. The Waiver of Premium elimination period is 90 days, regardless of location of care received, and only needing to be satisfied once during the life of the contract. Days credited towards the elimination period are on a calendar week basis. • Ancillary Benefits do not trigger Waiver of Premium benefits. • When qualified to receive Adult Day Care or Home Care Benefits, premium will still be required from the client until the elimination period is met. • Once the client is either no longer benefit eligible and/or no longer receiving LTC services, the Waiver of Premium benefit will end and premium payments will resume (effective back to the date the client was no longer benefit eligible). If premiums are waived during the premium pay periods of a non-lifetime pay contract (10-pay, 20-pay), the contract will be considered paid-up at the original contract duration from issue. **How it works:** The first time clients qualify for LTC benefits, they choose to receive Home Care (with a 0-day LTC Elimination Period for care). They will be reimbursed for all qualifying expenses (subject to the LTC Maximum Monthly Benefit) starting on day 1 of care. However, the client will also need to continue paying contract premiums during this time until the 90-day Elimination Period for Waiver of Premium is satisfied. Once satisfied, all premium will be waived as long as they continue to qualify for LTC Benefits.
Death Benefit	After issue, the available Death Benefit at any time will be equal to the Total Face Amount at that time less any debt. The Face Amount and Death Benefit will never be less than zero. As LTC benefits are paid, the Face Amount on the base contract will decrease.

Definitions (continued)

Feature	Descriptions
Reduced paid-up additions (life insurance)	This option allows the client to elect to have a reduced paid-up (RPU) life insurance death benefit, with no LTC benefits. With this option, the contract owner may apply the cash surrender value as a net single premium to buy paid-up life insurance with no further premiums payable. Paid-up life insurance is not subject to minimum face amount requirements. Any additional LTC benefits on the contract will terminate, unless the contract has an active LTC Nonforfeiture Rider. (See the LTC Nonforfeiture Rider section for more details.) This option can be elected at any time but cannot be reinstated to a premium-paying contract after election. This option is not applicable to single-premium and paid-up contracts. Note that any Debt will be fully repaid when going to RPU status.
Cash Value/Cash Surrender Value	**Cash Value** As long as all premiums on the contract have been paid, the Cash Value is the sum of the guaranteed cash value plus the cash value from the Paid-up Addition Rider (if applicable). The Cash Value is available to the contract owner upon full surrender of the contract. In addition, any paid-up additions may be surrendered for Cash Value. A Face Amount decrease will result in a distribution of a portion of the guaranteed Cash Value. The Cash Value and Face Amount will decrease when LTC benefit payments are made. **Cash Surrender Value** A contract may be surrendered for its Cash Surrender Value at any time. The Cash Surrender Value is equal to the Cash Value less the sum of any debt and the portion of any due and unpaid premiums for the period up to that day. If this option is elected, all insurance coverage will terminate, unless the client has the LTC Nonforfeiture Benefit Rider.
Face Amount decrease	The Face Amount will decrease when long-term care benefits are paid. The Face Amount will decrease proportionally to the decrease in the LTC Base Available Benefit. • Example: A contract has a Face Amount of $100,000 and an LTC Base Available Benefit of $110,000 (larger than the Face Amount due to the inclusion of the optional LTC Inflation Benefit). After an LTC Benefit payment of $4,950 is made, then: – The LTC Base Available Benefit decreases $4,950 to $105,050. This represents a 4.5% decrease in the LTC Base Available Benefit ($4,950 = 4.5% of $110,000). – The Face Amount decreases 4.5% to $95,500 ($100,000–$95,500 = $4,500, or 4.5% of $100,000). Note that decreases due to LTC Benefit payments will impact the base contract Face Amount and, if applicable, the Paid-Up Addition (PUA) Face Amount by the same proportion as the LTC Base Available Benefit. Thus, the Total Face Amount (equal to the sum of the base contract Face Amount and PUA Face Amount) will be reduced by that same proportion as well. • From previous example: If the Total Face Amount of $100,000 consisted of $75,000 from the base contract Face Amount and $25,000 from the PUA Face Amount, then the 4.5% decrease due to LTC Benefit payment applies proportionally to each Face Amount value. – The base contract Face Amount decreases 4.5% to $71,625 ($75,000–$71,625 = $3,375, or 4.5% of $75,000). – The PUA Face Amount decreases 4.5% to $23,875 ($25,000–$23,875 = $1,125, or 4.5% of $25,000). – The Total Face Amount decreases $3,375 + $1,125 = $4,500 (4.5% of $100,000). Due to proportionally decreasing when the LTC Base Available Benefit decreases, the Face Amount will reach zero when the LTC Base Available Benefit reaches zero.

Long-term care expense exceptions

<table>
<tr><th>Feature</th><th>Description</th></tr>
<tr><td>Benefit exceptions</td><td>CareForward does not provide long-term care benefits for the following services:
• Charges billed by a doctor or charges for prescription drugs.
• Services that are received outside of the United States, its territories and possessions, except as covered under the International Care Benefit.
• Care required due to an attempt at suicide or an intentionally self-inflicted injury.
• Care provided in a hospital, facility or home for the treatment of alcoholism or drug addiction.
• Care or services provided by an immediate family member unless:
– He or she is a regular employee of a facility or agency that is providing the treatment, services or care;
– The facility or agency receives the payment for the treatment, service or care and he or she receives no compensation other than the normal compensation for employees in his or her job category; and
– He or she has no ownership or financial interest in the facility or agency providing the treatment, services or care.
• Services that are reimbursable under any Workers' Compensation, Occupational Disease Act or Law, Employer's Liability Laws or similar law.</td></tr>
<tr><td>Medicare non-duplication</td><td>CareForward does not pay benefits for expenses which are reimbursable under Medicare or would be reimbursable under Medicare but for the application of a deductible or coinsurance amount. LTC benefits will not pay for Medicare coinsurance.</td></tr>
<tr><td>Multiple LTCi contracts</td><td>If other LTCi contract is issued by Thrivent:
• If an LTC expense is also covered by other LTCi contracts/riders issued by Thrivent, the covered expense will be reduced by the sum of the amounts that we pay for that expense under other coverage (in states that allow this). The contract/rider with the earliest issue date will pay first.
If other LTCi contract is not issued by Thrivent:
• If the state does not allow coordination, then the insured can be reimbursed from more than one contract (a non-Thrivent contract) for the same long-term care expenses.
NOTE: States that allow coordination between multiple LTCi plans: Arizona, California, Connecticut, District of Columbia, Delaware, Indiana, Montana, South Dakota.</td></tr>
</table>

Underwriting

For CareForward underwriting information refer to the CareForward Underwriting Guide.

Suitability

National Association of Insurance Commissioners (NAIC) Suitability:

- The sale of a long-term care insurance contract must be determined to be suitable. You must determine whether the purchase is appropriate for the needs of the applicant.

Factors that help determine suitability:

- The prospective applicant must have the ability to pay for the proposed coverage and other pertinent financial information related to the purchase of the coverage.
- The applicant's goals or needs with respect to long-term care and the advantages and disadvantages of insurance to meet those goals or needs.
- The values, benefits and cost of the applicant's existing insurance, if any, when compared to the values, benefits and cost of the recommended purchase or replacement.
- The values, benefits and cost of CareForward when assessed against the applicant's goals or needs.

What are the guidelines for determining suitability?

- In general, a sale of long-term care insurance is NOT suitable if:
  - The applicant has less than $20,000 in annual income, or less than $30,000 in assets to protect (savings and investments), unless premium is being paid by a family member or other outside source.
  - The applicant is eligible or about to become eligible for Medicaid.
  - The applicant's only source of income is Social Security or supplemental security income.
  - The applicant otherwise has limited assets and can't afford to pay the premium over the life of the contract.

In order to ensure that a particular long-term care insurance product is suitable, the following elements must also be taken into consideration:

- Who will pay the premium (applicant, child, etc.).
- Where the premium will come from (income, savings, investments, etc.).
- The applicant's living arrangements (e.g., are family and friends available to assist in care, if needed).
- The actual cost of care in the area where the applicant lives.
- How care costs will be paid during the elimination period.
- Which contract options have been selected, including benefit multiplier, payout percent, inflation options, etc.
- What could happen if the applicant experiences a change in financial circumstances.

Conversions

CareForward is not eligible for term conversions and purchase options.

LTCi Purchase Option

CareForward is not eligible for Long-Term Care Insurance Purchase Option from Earning Power Protection (D-Series) and LB 1996-Series Disability Income Insurance.

Replacements

All replacement (internal or external) contracts will be subject to underwriting requirements and must meet suitability guidelines.

1035 exchange overview

If the contract being exchanged is:

Permanent Life Insurance:

- Insured on the exchanged life insurance contract must be the insured on the new CareForward contract.
- Owner of the exchanged contract must be the owner of the new CareForward contract. Ownership can be changed before or after an exchange transaction is completed; not during the transaction process.
- Proceeds must be exchanged directly between the insurance companies involved with no cash being received by the contract owner.
- If the life insurance contract being exchanged has an outstanding loan, the transaction may result in a taxable gain.

Life with Long-Term Care Insurance combo:

- Insured on the life insurance with long-term care insurance contract being exchanged must be the insured on the new CareForward contract.
- Owner of the contract must be the owner of the new CareForward contract. Ownership can be changed before or after an exchange transaction is completed; not during the transaction process.
- Proceeds must be exchanged directly between the insurance companies involved with no cash being received by the contract owner.
- If the life insurance contract being exchanged has an outstanding loan, the transaction may result in a taxable gain.
- Proceeds associated with the long-term care portion of the exchanged contract can only be applied to the long-term care portion of the new CareForward contract.

Taxation

CareForward is intended to be federally tax-qualified. Premiums for the long-term care insurance portion may be tax deductible. Annual LTCi premiums paid will be included on the proposal of cost and benefits and annual contract statement.

- Premiums can be included with other annual uncompensated medical expenses for deductions from income in excess of 7.5% of adjusted gross income up to a maximum amount adjusted for inflation. Refer to the Internal Revenue Code age-based limits for tax-qualified long-term care insurance premiums.
- Benefits received and used to pay for long-term care services generally will not be counted as income. For contracts that pay benefits using the expense-incurred method, benefits received in excess of the costs of long-term care services may be taxable.
- To trigger the benefits under the contract, federal law requires insureds to be unable to do two activities of daily living without substantial assistance.
- “Medical necessity” cannot be used as a trigger for benefits.
- Chronic illness or disability must be expected to last for at least 90 days.
- For cognitive impairment to be covered, a person must require substantial supervision. Please advise your clients to consult their tax consultant or legal advisor regarding the tax consequences in each situation.

If on claim and receiving long-term care reimbursement or per diem, each calendar year, separate 1099 Forms are required to be sent to clients, one for each benefit category.

Please advise your clients to consult their tax consultant or legal advisor regarding the tax consequences in each situation.

Modified Endowment Contract (MEC)

- CareForward can become a MEC.
- If a MEC, the long-term care benefits and death benefits are still tax-free.
- Other lifetime distributions, such as loans and surrenders, from a MEC are taxable as ordinary income to the extent there is gain in the contract.
- LTC claims payouts, which may cause the contract to become a MEC, will be processed without "holding" them and without the contract owner's acknowledgment of the MEC status that results. (Thrivent's normal process is to "hold" transactions that would cause a MEC until we have received acknowledgment from the contract owner.) A notice will be sent to the contract owner if the contract becomes a MEC.
- If a client owns more than one MEC, including a CareForward MEC, and the contracts were purchased by the same owner in the same calendar year from the same company and any affiliates (even if they were not MECs at issue), then those contracts are aggregated for the purpose of determining tax on a distribution. If aggregation of contracts applies, a distribution from one of these contracts would be taxable (at ordinary income tax rates) to the extent of the total combined gain from all aggregated MEC contracts.

NOTE: Taking LTC benefit payments in the first seven years or in the seven years following a material change may cause a CareForward contract to go into MEC status, if it was not a MEC at issue. Other transactions in CareForward may also result in MEC status.

Reinstatement

If the contract was not surrendered, all components of the contract can be reinstated to their prior levels before lapse. If the Face Amount and LTC Base Available Benefit were depleted (due to LTC Benefit payments) prior to lapse, they would remain depleted.

Debt at the time of termination must be fully repaid to reinstate the contract.

When not chronically ill, reinstatements of the Face Amount and LTC Base Available Benefit are governed by the base whole life contract:

- Three-year right from the date of termination, with underwriting. (Will be the same risk class as before or will be declined.)
- Allowed for contracts lapsed due to nonpayment of premium. Does not include surrendered contracts or free looks.
- Client must pay all overdue premiums with interest compounded at 6% annually plus any premium due.
- The incontestable provisions will apply as of the date of reinstatement with regard to statements made in the application for reinstatement.

When chronically ill, or if the Face Amount and LTC Base Available Benefit were depleted prior to lapse:

- Six-month right after the end of the grace period, with written proof of chronic illness.
- Allowed for contracts lapsed due to nonpayment of premium. Does not include surrendered contracts or free looks.
- Client must pay all overdue premiums without interest plus any premium due.

The reinstated coverage will be effective on the date the contract terminated for nonpayment of premium.

LTCi partnership

CareForward is not partnership qualified. State guidelines do not allow combination products, such as CareForward, to participate in any state LTC Insurance Partnership Programs.

Administrative questions

Is premium required with an application?

No. Premium is not required with an application.

NOTE: For California, premium is not allowed with the application.