



Colonial Penn Life Insurance Company
Home Office: 399 Market Street, Philadelphia, PA 19181
(215) 928-8000 www.colonialpenn.com

**Disclosure for Critical Illness - Cancer and Terminal Illness
Accelerated Death Benefit Rider
For Whole Life Insurance Policy**

Brief Description: If the insured is diagnosed as having a Qualifying Event, this rider allows the owner to receive part of the policy's Death Benefit that would otherwise be payable to the beneficiary upon the insured's death. The Accelerated Death Benefit is a lump sum benefit and is in lieu of payment of the full Death Benefit of the policy. Refer to the example below.

Qualifying Events that can trigger payment of the Accelerated Death Benefit.

The Qualifying Event for the Accelerated Death Benefit is the Critical Illness - Cancer or Terminal Illness of the insured. The Qualifying Event must occur and be certified by a Licensed Physician while the rider is in force.

1. **Critical Illness** is a pathological diagnosis or clinical diagnosis of cancer.
 - a. Except as specifically excluded in b. below, cancer means a disease which expresses itself as:
 - i. A malignant tumor characterized by the uncontrolled growth and spread of malignant cells;
 - ii. The invasion of body tissue by such malignant cells;
 - iii. Leukemia; or
 - iv. Hodgkin's disease
 - b. Cancer does not include
 - i. Pre-malignant conditions, conditions with malignant potential or pre-leukemic conditions;
 - ii. Carcinoma in-situ - the earliest form of cancer which involves only the tissue where it is found and has not invaded the surrounding tissue or organs in the body;
 - iii. Melanoma-a type of skin cancer that begins in the melanocyte cells;
 - iv. Nonmelanoma-a type of skin cancer other than melanoma that usually, but not exclusively, develops in the basal and squamous cells.
2. **Terminal Illness** is a medical condition from which the insured is not reasonably expected to recover and from which the insured is expected to die within 12 months from the date of Certification by a Licensed Physician.

Cost of Insurance

The premium for this rider is based on the rider benefit and the gender and age of the insured when the policy takes effect.

Administrative Fee

An Administrative Fee will be charged to you for processing the payment of the Accelerated Death Benefit. It will be automatically deducted from the Accelerated Death Benefit payment.

Impact on Policy Values

The Death Benefit, cash value, policy premium and loan amount, if any, of the policy will be reduced proportionately by the Accelerated Death Benefit. The new premium for the policy will be based on the remaining Death Benefit amount using the same premium rate that applied at issue.

This rider provides an Accelerated Death Benefit which is intended to qualify for tax treatment under Section 101(g)(1)(A) of the Internal Revenue Code, except as provided by Section 101(g)(5), for insureds who are Terminally Ill.

Receipt of an Accelerated Death Benefit may be a taxable event. You should consult your personal tax advisor.

Any benefit received under this rider may impact the recipient's eligibility for Medicaid or other government benefits or entitlements.

This rider is not a qualified long-term care insurance contract under Section 7702B of the Internal Revenue Code, nor is it a non-qualified long-term care insurance contract. This rider does not provide long-term care insurance, nor does it replace long-term care insurance coverage. Carefully review all limitations of this rider, as well as those of the policy to which it is attached.

Only one (1) Accelerated Death Benefit is payable under this rider.

Upon a request to accelerate the policy death benefit and upon the payment of the Accelerated Death Benefit, you and any irrevocable beneficiary shall be given a statement demonstrating the effect of the acceleration of the payment of death benefit on the Death Benefit, cash value, policy premium and policy loans, if any, under the policy.

Hypothetical Example of an Accelerated Death Benefit Payment

**Whole Life Insurance Policy
with Critical Illness - Cancer and Terminal Illness Accelerated Death Benefit Rider**

| | | |
|--|-------------------------|-------------------------|
| Issue age | 40 | |
| Sex | Male | |
| Beginning of Policy Year | 11 | |
| <u>Before Acceleration</u> | | |
| Death Benefit | \$50,000.00 | |
| Mode | Monthly | |
| Policy Premium | \$76.04 | |
| Rider Premium | \$7.23 | |
| Total Monthly Premium | \$83.27 | |
| Cash Value | \$4,050.00 | |
| Policy Loan and Accrued Loan Interest | \$1,000.00 | |
| Interest Rate | 4.20% | |
| Qualifying Event | Critical Illness | Terminal Illness |
| Acceleration % | Cancer | |
| | 25.00% | 25.00% |
| <u>Accelerated death benefit payment calculation</u> | | |
| Accelerated Death Benefit | \$12,500.00 | \$12,500.00 |
| Acceleration % x Policy Loan and Accrued Loan Interest | \$250.00 | \$250.00 |
| 12 months interest on Accelerated Death Benefit | | \$525.00 |
| Due and unpaid premium on Policy and Rider | \$0.00 | \$0.00 |
| Present value of premiums payable on Accelerated Death Benefit | | \$212.73 |
| Administrative Fee | \$100.00 | \$100.00 |
| Accelerated Death Benefit payment | \$12,150.00 | \$11,412.27 |
| <u>After Acceleration</u> | | |
| Death Benefit | \$37,500.00 | \$37,500.00 |
| Policy Premium | \$57.97 | \$57.97 |
| Rider Premium | \$0.00 | \$0.00 |
| Total Premium | \$57.97 | \$57.97 |
| Cash Value | \$3,037.50 | \$3,037.50 |
| Policy Loan and Accrued Loan Interest | \$750.00 | \$750.00 |

Whole Life Insurance/Living Insurance™

Find Your Accelerated Death Benefit Rider Additional Monthly Premium based on Your Selected Whole Life Benefit Amount

| ISSUE AGE | MALE MONTHLY RIDER PREMIUMS | | | | | ISSUE AGE | FEMALE MONTHLY RIDER PREMIUMS | | | | |
|-----------|-----------------------------|----------|----------|----------|----------|-----------|-------------------------------|----------|----------|----------|----------|
| | Whole Life Benefit Amount | | | | | | Whole Life Benefit Amount | | | | |
| | \$10,000 | \$20,000 | \$30,000 | \$40,000 | \$50,000 | | \$10,000 | \$20,000 | \$30,000 | \$40,000 | \$50,000 |
| 40 | \$1.45 | \$2.89 | \$4.34 | \$5.78 | \$7.23 | 40 | \$1.06 | \$2.12 | \$3.17 | \$4.23 | \$5.29 |
| 41 | 1.52 | 3.03 | 4.55 | 6.07 | 7.58 | 41 | 1.11 | 2.22 | 3.32 | 4.43 | 5.54 |
| 42 | 1.60 | 3.20 | 4.80 | 6.40 | 8.00 | 42 | 1.16 | 2.32 | 3.47 | 4.63 | 5.79 |
| 43 | 1.69 | 3.38 | 5.07 | 6.77 | 8.46 | 43 | 1.21 | 2.42 | 3.64 | 4.85 | 6.06 |
| 44 | 1.79 | 3.57 | 5.36 | 7.15 | 8.94 | 44 | 1.27 | 2.54 | 3.81 | 5.08 | 6.35 |
| 45 | 1.90 | 3.79 | 5.69 | 7.58 | 9.48 | 45 | 1.33 | 2.67 | 4.00 | 5.33 | 6.67 |
| 46 | 2.02 | 4.03 | 6.05 | 8.07 | 10.08 | 46 | 1.40 | 2.81 | 4.21 | 5.62 | 7.02 |
| 47 | 2.15 | 4.29 | 6.44 | 8.58 | 10.73 | 47 | 1.48 | 2.97 | 4.45 | 5.93 | 7.42 |
| 48 | 2.28 | 4.57 | 6.85 | 9.13 | 11.42 | 48 | 1.57 | 3.13 | 4.70 | 6.27 | 7.83 |
| 49 | 2.43 | 4.86 | 7.29 | 9.72 | 12.15 | 49 | 1.65 | 3.31 | 4.96 | 6.62 | 8.27 |
| 50 | 2.59 | 5.17 | 7.76 | 10.35 | 12.94 | 50 | 1.75 | 3.50 | 5.25 | 7.00 | 8.75 |
| 51 | 2.76 | 5.52 | 8.27 | 11.03 | 13.79 | 51 | 1.86 | 3.72 | 5.57 | 7.43 | 9.29 |
| 52 | 2.93 | 5.87 | 8.80 | 11.73 | 14.67 | 52 | 1.97 | 3.94 | 5.91 | 7.88 | 9.85 |
| 53 | 3.12 | 6.24 | 9.36 | 12.48 | 15.60 | 53 | 2.10 | 4.19 | 6.29 | 8.38 | 10.48 |
| 54 | 3.32 | 6.64 | 9.96 | 13.28 | 16.60 | 54 | 2.22 | 4.45 | 6.67 | 8.90 | 11.12 |
| 55 | 3.53 | 7.06 | 10.59 | 14.12 | 17.65 | 55 | 2.37 | 4.73 | 7.10 | 9.47 | 11.83 |
| 56 | 3.75 | 7.50 | 11.25 | 15.00 | 18.75 | 56 | 2.52 | 5.03 | 7.55 | 10.07 | 12.58 |
| 57 | 3.98 | 7.96 | 11.94 | 15.92 | 19.90 | 57 | 2.67 | 5.35 | 8.02 | 10.70 | 13.37 |
| 58 | 4.22 | 8.43 | 12.65 | 16.87 | 21.08 | 58 | 2.85 | 5.69 | 8.54 | 11.38 | 14.23 |
| 59 | 4.46 | 8.92 | 13.39 | 17.85 | 22.31 | 59 | 3.02 | 6.04 | 9.06 | 12.08 | 15.10 |
| 60 | 4.72 | 9.45 | 14.17 | 18.90 | 23.62 | 60 | 3.21 | 6.42 | 9.62 | 12.83 | 16.04 |
| 61 | 5.00 | 9.99 | 14.99 | 19.98 | 24.98 | 61 | 3.40 | 6.81 | 10.21 | 13.62 | 17.02 |
| 62 | 5.29 | 10.57 | 15.86 | 21.15 | 26.44 | 62 | 3.62 | 7.23 | 10.85 | 14.47 | 18.08 |
| 63 | 5.60 | 11.19 | 16.79 | 22.38 | 27.98 | 63 | 3.85 | 7.69 | 11.54 | 15.38 | 19.23 |
| 64 | 5.92 | 11.84 | 17.76 | 23.68 | 29.60 | 64 | 4.10 | 8.19 | 12.29 | 16.38 | 20.48 |
| 65* | 6.27 | 12.53 | 18.80 | 25.07 | 31.33 | 65* | 4.37 | 8.73 | 13.10 | 17.47 | 21.83 |
| 66* | 6.64 | 13.27 | 19.91 | 26.55 | 33.19 | 66* | 4.66 | 9.32 | 13.99 | 18.65 | 23.31 |
| 67* | 7.03 | 14.07 | 21.10 | 28.13 | 35.17 | 67* | 4.99 | 9.98 | 14.97 | 19.97 | 24.96 |
| 68* | 7.45 | 14.90 | 22.35 | 29.80 | 37.25 | 68* | 5.36 | 10.72 | 16.07 | 21.43 | 26.79 |
| 69* | 7.90 | 15.79 | 23.69 | 31.58 | 39.48 | 69* | 5.76 | 11.52 | 17.27 | 23.03 | 28.79 |
| 70* | 8.37 | 16.74 | 25.11 | 33.48 | 41.85 | 70* | 6.19 | 12.38 | 18.57 | 24.77 | 30.96 |
| 71* | 8.88 | 17.77 | 26.65 | 35.53 | 44.41 | 71* | 6.65 | 13.30 | 19.95 | 26.60 | 33.25 |
| 72* | 9.44 | 18.88 | 28.32 | 37.77 | 47.21 | 72* | 7.15 | 14.29 | 21.44 | 28.58 | 35.73 |
| 73* | 10.05 | 20.10 | 30.15 | 40.20 | 50.25 | 73* | 7.70 | 15.39 | 23.09 | 30.78 | 38.48 |
| 74* | 10.71 | 21.42 | 32.14 | 42.85 | 53.56 | 74* | 8.32 | 16.63 | 24.95 | 33.27 | 41.58 |
| 75* | 11.45 | 22.91 | 34.36 | 45.81 | 57.27 | 75* | 9.03 | 18.06 | 27.09 | 36.12 | 45.14 |

You must be age 40-75 to apply. *The Chronic Illness and Terminal Illness Accelerated Death Benefit Rider is not available for ages 65-75. Your premium is based on your gender and age when coverage takes effect. If approved, coverage will be effective on the date shown on your rider as long as the initial premium has been paid. To calculate other payment options, multiply the monthly rate by 3 (for quarterly), 6 (for semi-annual) or 12 (for annual).