

**AMERICAN-AMICABLE LIFE INSURANCE COMPANY OF TEXAS**  
P.O. Box 2549 • Waco, Texas 76702-2549 • (800) 736-7311 • (254) 297-2777

**DISCLOSURE STATEMENT FOR CHRONIC ILLNESS ACCELERATED DEATH BENEFIT RIDER**

The Chronic Illness Accelerated Death Benefit Rider provides an accelerated payment for a portion of the Death Benefit of the Policy to which it is attached, in the event the Insured becomes Chronically Ill as defined below.

**BENEFITS PAID UNDER THIS ACCELERATED DEATH BENEFIT RIDER WILL REDUCE THE FACE AMOUNT, THE CASH VALUE (IF ANY), THE AMOUNT AVAILABLE FOR POLICY LOANS (IF ANY), AS WELL AS THE ASSOCIATED PREMIUM UNDER THE LIFE INSURANCE POLICY TO WHICH THIS RIDER IS ATTACHED.**

**BENEFITS PAID UNDER THIS RIDER MAY BE TAXABLE. THE BENEFIT IS NOT INTENDED TO QUALIFY FOR FAVORABLE TAX TREATMENT. YOU SHOULD CONSULT YOUR TAX ADVISOR REGARDING POSSIBLE TAX CONSEQUENCES. ANY MEDICAID OR OTHER GOVERNMENT BENEFIT OR PUBLIC ASSISTANCE FOR WHICH YOU ARE ELIGIBLE MAY BE AFFECTED BY PAYMENTS RECEIVED UNDER THIS RIDER. THE BENEFIT IS NOT INTENDED TO QUALIFY AS LONG-TERM CARE INSURANCE.**

**CHRONIC ILLNESS:** The Insured will be considered Chronically Ill if they have been certified within the last six (6) months, or recertified every twelve (12) months, by a Physician with either of the following:

- 1) being permanently unable to perform, without Substantial Assistance from another person, at least two (2) Activities of Daily Living for a period of at least ninety (90) consecutive days due to loss of functional capacity; or
- 2) requiring Substantial Supervision, for a period of at least ninety (90) consecutive days, by another person to protect oneself from threats to health and safety due to permanent Severe Cognitive Impairment.

Activities of Daily Living include eating, toileting, transferring, bathing, dressing and continence as defined in the Rider form.

Severe Cognitive Impairment is deterioration or loss of intellectual capacity in the following: memory, orientation, reasoning and judgment as defined in the Rider form.

**ACCELERATED DEATH BENEFIT:** The Accelerated Death Benefit will be equal to the Policy Death Benefit on the Acceleration Date multiplied by the Acceleration Percentage. The Owner can elect to accelerate up to 25% of the current Face Amount of the Policy every twelve (12) months. The Maximum Accelerated Death Benefit for the Policy is the lesser of 95% or \$150,000 of the Policy's Face Amount at issue. Upon receipt of any required claim forms, Proof of Claim, and consent from any assignee and irrevocable beneficiary the Accelerated Death Benefit will be paid in a lump sum. There will be a \$100 Administrative Charge assessed when each payment is made under this Rider.

The Accelerated Death Benefit Payment will equal the greater of:

- 1) the Net Cash Value in the Policy, if any, multiplied by the Acceleration Percentage; or
- 2) the result of the following:
  - a) the Accelerated Death Benefit multiplied by the discount factor; minus
  - b) the present value of any expected unpaid future premiums payable under the Policy; minus
  - c) the Administrative Charge; minus
  - d) any outstanding Indebtedness, multiplied by the Acceleration Percentage.

The discount factor will be based on our assessment of the future expected mortality of the Insured and the Accelerated Death Benefit Interest Rate. The Accelerated Death Benefit Interest Rate will be declared by us. It will not exceed the greater of the following:

- 1) the yield on 90-day U.S. Treasury Bills on the Acceleration Date; or
- 2) the maximum adjustable Policy loan interest rate allowed by law on the Acceleration Date.