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Union Security Insurance Company agrees to provide the insurance described in this and the following pages of the *policy*, subject to payment of premiums.

Policyholder: Durand Academy & Community Services, Inc.

Policy Number: G 4,021,378

Delivered In: New Jersey and governed by its laws, unless otherwise preempted by federal law.

Effective Date: August 1, 2005 - The date the *policy* takes effect which is also its date of issue.

Premium Due Dates: The first premium is due on the Effective Date. Future premiums are due on the first day of each month after that.

Policy Anniversary: July 1, 2006, and each July 1 after that.

Insurance Provided: Group Term Life Insurance - Noncontributory  
Group Accidental Death and Dismemberment Insurance -  
Noncontributory



Assistant Secretary



Executive Vice-President

**Union Security Insurance Company** 2323 Grand Boulevard Kansas City Missouri  
64108-2670

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NEW JERSEY LIFE AND HEALTH  
INSURANCE GUARANTY ASSOCIATION ACT

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Residents of New Jersey who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the New Jersey Life and Health Insurance Guaranty Association.

The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force.

The valuable extra protection provided by these insurers through the Guaranty Association is not unlimited, however. And, as noted below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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**DISCLAIMER**

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The New Jersey Life and Health Insurance Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in New Jersey. You should not rely on coverage by the New Jersey Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the guaranty association to induce you to purchase any kind of insurance policy.

The New Jersey Life and Health  
Insurance Guaranty Association  
One Gateway Center  
7th Floor  
Newark, NJ 07102

State of New Jersey  
Department of Insurance  
20 West State Street  
CN-325  
Trenton, NJ 08625

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The state law that provides for this safety-net coverage is called the New Jersey Life and Health Insurance Guaranty Association Act, N. J. S. A. 17B:32A-1, et seq. (the "Act").

**COVERAGE**

The following is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

Generally, individuals will be protected by the Life and Health Insurance Guaranty Association if they live in New Jersey and hold a life, health or long-term care insurance contract, annuity contract, or if they are insured under a group insurance contract, issued by a member insurer.

The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are not protected by this Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- the policy is issued by an organization which is not a member of the New Jersey Life and Health Insurance Guaranty Association.

The Association also does not provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate as more fully described in Section 3 of the Act;
- dividends;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them).

## **LIMITS ON AMOUNT OF COVERAGE**

The Act also limits the amount the Association is obligated to pay out. The Association cannot pay more than what the insurance company would owe under a policy or contract.

With respect to any one insured individual, regardless of the number of policies or contracts, the Association will pay not more than \$500,000 in life insurance death benefits and present value annuity benefits, including net cash surrender and net cash withdrawal values. Within this overall limit, the Association will not pay more than \$100,000 in cash surrender values for life insurance, \$100,000 in cash surrender values for annuity benefits, \$500,000 in life insurance death benefits or \$500,000 in present value of annuities--again no matter how many policies and contracts that were with the same company, and no matter how many different types of coverages.

The Association will not pay more than \$2,000,000 in benefits to any one contract holder under any one unallocated annuity contract.

There are no limits on the benefits the Association will pay with respect to any one group, blanket or individual accident and health insurance policy.

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## GENERAL DEFINITIONS

These terms have the meanings shown here when *italicized*. The pronouns "we", "us", "our", "you", and "your" are not *italicized*.

*Active work* means the expenditure of time and energy for the *policyholder* or an *associated company* at your usual place of business on a *full-time* basis.

*Associated company* means any company shown in the *policy* which is owned by or affiliated with the *policyholder*.

*Contributory* means you pay part of the premium.

*Covered person* means an eligible employee or member of the *policyholder*, or an *associated company* who has become insured for a coverage.

*Doctor* means a person acting within the scope of his or her license to practice medicine, prescribe drugs or perform surgery. Also, a person whom we are required to recognize as a *doctor* by the laws or regulations of the governing jurisdiction, or a person who is legally licensed to practice psychiatry, psychology or psychotherapy and whose primary work activities involve the care of patients, is a *doctor*. However, neither you nor a *family member* will be considered a *doctor*.

*Eligible class* means a class of persons eligible for insurance under the *policy*. This class is based on employment or membership in a group.

*Family member* means a person who is a parent, spouse, child, sibling, grandparent or grandchild of the *covered person*.

*Full-time* means working at least 30 hours per week, unless indicated otherwise in the *policy*.

*Home office* means our office in Kansas City, Missouri.

*Injury* means accidental bodily injury. It does not mean intentionally self-inflicted injury while sane or insane.

*No-fault motor vehicle coverage* means a motor vehicle plan that pays disability or medical benefits without considering who was at fault in any accident that occurs.

*Noncontributory* means the *policyholder* pays the premium.

*Policy* means the group policy issued by us to the *policyholder* that describes the benefits for which you may be eligible.

*Policyholder* means the entity to whom the *policy* is issued.

*Proof of good health* means evidence acceptable to us of the good health of a person.

We, us, and our mean Union Security Insurance Company.

You and your mean an employee or member of the *policyholder* or an *associated company* who has met all the eligibility requirements for a coverage.

## DEFINITIONS FOR LIFE INSURANCE

*Accelerated benefit* means the group term life accelerated benefit under the *policy* issued by us to the *policyholder*. *Accelerated benefits* do not apply to any insurance under the *policy* other than group term life insurance.

*Accidental death and dismemberment insurance* means the group accidental death and dismemberment insurance under the *policy* issued by us to the *policyholder*.

*Beneficiary* means the person or entity you choose to receive your amount of insurance at your death.

*Conversion policy* means a policy of individual life insurance which may be issued to you by us when part or all of your group *life insurance* ends, as described in the Conversion to an Individual Policy provision.

*Disabled* and *disability* mean that you are under the *regular care and attendance* of a *doctor*, and prevented by *injury* or physical or mental disease from performing the material duties of any occupation for which your education, training, or experience qualifies you.

You will also be considered *disabled* for *life insurance* if you are disabled under any long term disability insurance policy issued by us to the *policyholder* under which you are insured.

*Government plan* means the United States Social Security Act, the Railroad Retirement Act, the Canadian Pension Plan, similar plans provided under the laws of other nations, and any plan provided under the laws of a state, province, or other political subdivision. It also includes any public employee retirement plan or any teachers' employment retirement plan, or any plan provided as an alternative to any of the above acts or plans. It does not include any Workers' Compensation Act or similar law, or the Maritime Doctrine of Maintenance, Wages, or Cure.

*Life insurance* means the group term life insurance under the *policy* issued by us to the *policyholder*.

*Period of disability* means the time that begins on the day you become *disabled* and ends on the day before you return to *active work*. If you satisfy the *qualifying period* and then:

- return to *active work*;
- become *disabled* again; and
- remain insured under the *policy*,

the same *period of disability* may continue. Your return to *active work* must be for less than:

- 6 months, if the later *disability* results from the same cause, or a related one; or
- 1 day, if the later *disability* results from a different cause.

If you return to *active work* for more than the time shown above, and then become *disabled* again, you will start a new *period of disability*. You must satisfy the *qualifying period* again and the period outlined in the Maximum Benefit Period provision will start over.

Any day which is not a scheduled working day for a *covered person* will be considered a day of *active work* if the person would have been able to perform his or her normal duties on that day.

*Qualifying medical condition* means you have a medical condition which is diagnosed by a *doctor* as life-threatening and which results in an expected life span of 12 months or less according to prevailing medical standards.

## DEFINITIONS FOR LIFE INSURANCE (continued)

*Qualifying period* means the length of time you must be *disabled* before your insurance will be continued without further premium payment under the Disability Benefit. This time period is your Qualifying Period stated in any long term disability insurance policy issued by us to the *policyholder* under which you are insured, or if none, 6 months.

*Regular care and attendance* means the regular and personal care of a *doctor* which, under prevailing medical standards, is appropriate for your condition. We will no longer require the regular care of a *doctor* if we receive acceptable proof that further care would be of no benefit.

*Retire* means you begin receiving retirement benefits from either:

- a *retirement plan* sponsored by your employer, the *policyholder*, or an *associated company*, or
- a *government plan*.

*Retirement plan* means a formal or informal retirement plan, whether or not under an insurance or annuity contract.

## SUMMARY OF GROUP INSURANCE

This summary is intended to help understand the group insurance policy. It does not change any of its provisions.

### Life Insurance for Covered Persons

When we receive written proof that a *covered person* has died, we will pay the amount of that person's *life insurance* to the *beneficiary*. We will pay it in a single sum unless an optional payment method is chosen.

The *policy* also provides a benefit for persons who become *disabled*. Insurance is continued for qualified persons for a specified time without payment of premium.

The *policy* includes a conversion privilege. If any amount of a person's *life insurance* ends, it may be possible to convert all or a part of it to a *conversion policy* with no health exam.

If we receive proof that a *covered person* has a *qualifying medical condition* and meets certain criteria, we may pay a part of that person's *life insurance* as an accelerated benefit. The amount of *life insurance* will be reduced by the amount of accelerated benefit paid and by any *interest charge*, if applicable.

### Accidental Death and Dismemberment Insurance

If a *covered person* dies from an *injury*, we will pay an accidental death benefit to the *beneficiary*. We will pay it in a single sum unless an optional payment method is chosen.

If a *covered person* loses a hand, a foot, or the sight of an eye, we may pay the accidental dismemberment benefit to that person, according to the provisions of the *policy*.

The loss must occur within 365 days after the accident. We will not pay more than the maximum amount of *accidental death and dismemberment insurance* for any one accident.

If a *covered person* dies from an automobile accident *injury* while wearing a seat belt, we will pay an automobile accident benefit to the *beneficiary*.

If a *covered person* dies from an *injury* and an accidental death benefit is payable, we will pay an annual higher education benefit to each eligible dependent student.

There are losses not covered by the *policy*. Please see the Exclusions provision.

In the following pages, the provisions that describe a particular coverage were designed to be used in both the *policy* and the certificate. Therefore the terms "you" and "your" are used to refer to the *covered person*.

**Please read  
the insurance  
policy carefully**

## GROUP POLICY SCHEDULE

**Eligible Class:** Each *full-time* employee of the *policyholder* or an *associated company*,

- who is at *active work*, and
- who is working in the United States of America, except any temporary or seasonal worker.

**Associated Companies:** None

**Present Service Requirement:** 90 days

**Future Service Requirement:** 90 days

**Entry Date:** An eligible person will become insured on the first of the month occurring on or after the day all eligibility requirements are met.

### Minimum Participation Requirements:

Number: 10

Percentage: 100%

## SCHEDULE

### Amount of Life Insurance

1. For each *covered person* who has not reached age 70, the amount of insurance will be 100% of the *covered person's annual pay*, subject to a maximum amount of insurance of \$100,000.\*

*Annual pay* means your basic yearly pay from the *policyholder* or an *associated company*, and is computed on a yearly basis. Bonuses, overtime, and other compensation not considered by us as basic wages or salary are not included. However, commissions received during the prior full calendar year will be included. If you have been eligible to receive commissions for less than a full calendar year, *annual pay* will include commissions received during the time you were eligible to receive them.

If you are an hourly employee, *annual pay* will be based on your hourly rate of pay, but not on more than 40 hours per week.

2. For each *covered person* who has reached age 70 or more, the amount of insurance will be 50% of the amount shown in 1 above.\*

\* The amount of insurance will be rounded to the next higher multiple of \$1,000, if not already an exact multiple. Any reduction will be subject to the other provisions of the *policy* and will also apply if the *covered person's* insurance is continued during *disability*.

**Maximum Amount Without Proof of Good Health:** \$100,000

### Amount of Accelerated Benefit

With the written consent of the *beneficiary(ies)*, a *covered person* may choose an amount of *accelerated benefit* up to 80% of the amount of *life insurance*. Without the written consent of the *beneficiary(ies)*, a *covered person* may choose an amount of *accelerated benefit* up to 50% of the amount of *life insurance*. The amount will be rounded to the next higher multiple of \$1,000, if not already an exact multiple, and may never be less than \$5,000 or more than \$250,000.

## **SCHEDULE (continued)**

### **Amount of Accidental Death and Dismemberment Insurance**

The maximum amount of *accidental death and dismemberment insurance* is equal to the amount of *life insurance* in effect at the time of the loss.

### **Amount of Automobile Accident Benefit**

The maximum amount of automobile accident benefit is equal to 20% of the amount of *accidental death and dismemberment insurance* in effect at the time of the loss.

**Amount of Higher Education Benefit:** \$3,000

**Change Date:** For changes in pay or age, the Change Date will be the date of the change.

### **Survivor Financial Counseling Service**

You or your *beneficiary* may be eligible for a survivor financial counseling service through a third-party vendor if, at the time of the claim, we have a contract in effect with a financial counseling provider, and if:

- your *beneficiary* is eligible for a *life insurance* benefit of at least \$50,000; or
- you apply and qualify for an accelerated benefit of at least \$50,000.

## ELIGIBILITY AND TERMINATION PROVISIONS

### Eligible Persons

To be eligible for insurance, a person must:

- be a member of an *eligible class*;
- complete any Service Requirement shown in the Schedule by continuous service with the employer, the *policyholder*, or an *associated company*, and
- give us *proof of good health*, if required.

The Present Service Requirement applies to persons in an *eligible class* on the Effective Date of the *policy*. The Future Service Requirement applies to persons who become members of an *eligible class* after that.

### Effective Date for an Eligible Person

Any *noncontributory* insurance will take effect on the Entry Date shown in the Schedule in the *policy*.

For any *contributory* insurance, a person must apply for insurance on a form acceptable to us, and agree to pay part or all of the premium.

- If a person applies before becoming eligible, insurance will take effect on the Entry Date shown in the Schedule in the *policy*.
- If the application is made on the date the person becomes eligible, or within 31 days after that, insurance will take effect on the Entry Date occurring on or after the date of the application.
- If application is made more than 31 days after the day the person becomes eligible or after insurance ended because the premium was not paid, then *proof of good health* is required. If the proof is acceptable to us, insurance will take effect on the Entry Date occurring on or after the date we approve your *proof of good health*.

### Exception to Effective Date

If an eligible person is not at *active work* on the day insurance would otherwise take effect, insurance will not take effect until the person returns to *active work*. If the day insurance would normally take effect is not a regular work day for a person, insurance will take effect on that day if the person is able to do his or her regular job.

### When a Person's Insurance Ends

A *covered person's* insurance will end on the date:

- the *policy* ends;
- the *policy* is changed to end the insurance for a person's *eligible class*;
- a person is no longer in an *eligible class*;

## ELIGIBILITY AND TERMINATION PROVISIONS (continued)

- a person stops *active work*; however, for a *covered person* who renews his or her contract with the *policyholder* for the next school year, the *policyholder* may consider insurance to continue even though the person stops *active work* during the summer recess; or
- a required contribution was not paid.

### Continuance of Insurance

If a person is unable to perform *active work* for a reason shown below, the *policyholder* may continue the person's insurance and the person's dependent insurance, if any, on a premium-paying basis provided the person remains in other respects a member of the *eligible class*. The continuance cannot be more than the maximum continuance shown below. Continuance must be based on a uniform policy, and not individual selection.

The maximum continuance is the longest applicable period described below:

- 12 months\* for *injury*, sickness, or pregnancy;
- 3 months\* for lay-off, leave of absence (other than a family or medical leave of absence described below), or change to part-time; or
- the end of the period the *policyholder* is required to allow\* for a family or medical leave of absence under:
  - the federal Family and Medical Leave Act; or
  - any similar state law.

\* after the last day of *active work*.

Any leave of absence, including a family or medical leave of absence described above, must be approved in advance in writing by the *policyholder* if the person's insurance is to be continued.

### Reinstatement

If a person re-enters an Eligible Class within 12 months after insurance ends, the person will not have to complete the Service Requirement again. All other provisions of the *policy* will apply.

## LIFE INSURANCE FOR YOU

### Insurance Provided

We will pay your *beneficiary* the amount of insurance shown in the Schedule when we receive all the required proof of covered loss, including written proof of your death, acceptable to us, and a completed claim form. Your amount of insurance will be reduced by the amount of any *conversion policy*. However, if the *conversion policy* was issued because part of your insurance terminated because of retirement, attainment of a specified age, or change in class, there will be no reduction. Also no reduction will occur if you furnish, at your own expense, *proof of good health*.

For any *contributory* insurance, if you take your own life within 1 year after you become insured under the *policy*, the amount of insurance we pay will be the sum of your contributions for this insurance.

For any *contributory* insurance, if you take your own life within 1 year after you elect an increase in your amount of insurance under the *policy*, the amount of the increase will be limited to the sum of your contributions for the increase.

### Changes in Amounts of Insurance

If your amount of insurance changes for any reason, the change will take place on the Change Date shown in the Schedule. But in the case of an increase, if you are not at *active work* on that day, no increase will take effect until you return to *active work*.

### DISABILITY BENEFIT

If you stop *active work* before age 65 because you become *disabled* while insured under the *policy* and remain *disabled* for the *qualifying period*, your *life insurance* will continue for the period outlined in the Maximum Benefit Period provision. Once the *qualifying period* is satisfied, no further premium is due for you while you remain *disabled* for the amount of *life insurance* that is being continued.

#### Amount

The amount of insurance continued will be the amount for which you were insured on the day before you became *disabled*. However, it is subject to any reduction in amount contained in the *policy*, on that day, and may be reduced by the amount of any *conversion policy*.

#### Proof of Disability

You must give us proof of your *disability* as stated in the Claim Provisions. You must submit all proof to our *home office* at no expense to us. If you die while *disabled*, we require proof that you were continuously *disabled* until death.

#### Maximum Benefit Period

If you become *disabled* before your 60th birthday, your insurance will continue as long as you are *disabled*, but not past the earlier of age 65, or the date you *retire*. If you become *disabled* on or after your 60th birthday, but before age 65, your insurance may continue for up to 1 year, but not past the earlier of age 65, or the date you *retire*.

If you are no longer *disabled*, your insurance will end unless you re-enter an *eligible class* and premium payments begin again. If you become *disabled* again during the same *period of disability*, you do not have to satisfy the *qualifying period* again. The maximum benefit period will not start over but will continue on the day you become *disabled* again.

If your amount of insurance reduces or ends while you are *disabled*, you can apply for an individual policy. See the Conversion to an Individual Policy provision.

## LIFE INSURANCE FOR YOU (continued)

### Extension of Benefits

Your insurance will continue even if the *policy* ends, if you meet the proof requirements as stated in the Claim Provisions.

### Exclusions

Your insurance will not continue under the Disability Benefit if your *disability* results directly or indirectly from:

- intentionally self-inflicted injury, while sane or insane;
- war or any act of war, whether declared or not;
- service in the armed forces of any country, combination of countries or international organization at war, whether declared or not; or
- taking part in a riot or insurrection, or an act of riot or insurrection.

Your insurance will not continue if your *disability* starts:

- after you are no longer in an *eligible class*;
- after the *policy* ends; or
- during the time allowed for conversion to an individual policy.

If you have converted to an individual policy after part or all of your group *life insurance* ended, no group insurance for the amount that ended will be paid unless the individual policy is returned without claim. Then we will refund all premiums paid for the individual policy, less any payments we made.

### Conversion to an Individual Policy

If any or all of your group *life insurance* ends, you can apply for any individual policy offered by us (*conversion policy*). You must apply and pay the premium within 31 days. The individual policy may be any we offer for conversion. No *proof of good health* is required. The amount of insurance available to you depends on the reason your insurance ends.

If your insurance ends because you are no longer eligible or because of a change in age or other status, you may convert the full amount that ended. However, if your insurance ends as the result of a change in the *policy*, you may not convert the full amount that ended.

If the *policy* ends or is changed to reduce or end your *life insurance*, and if you have been insured for at least 5 years under the *policy* (including time insured under the *policyholder's* prior policy of group life insurance, if any, under which you were covered on the day before that coverage was replaced by this *policy*), you may convert up to the lesser of:

- \$10,000, and
- the amount of *life insurance* that ended minus the amount of any group life insurance for which you become eligible within 31 days.

If you die within 31 days after your *life insurance* ends, we will pay to your *beneficiary* the amount you could have converted, whether or not you applied or paid the premium.

## LIFE INSURANCE FOR YOU (continued)

You cannot apply for a *conversion policy* if your group *life insurance* ended because you did not pay your share of the premium.

### ACCELERATED BENEFIT

If, while you are a *covered person*, you have a *qualifying medical condition*, you have the right to receive a portion of your *life insurance* during your lifetime, payable as an *accelerated benefit*. You must have at least \$10,000 of *life insurance* in force to be eligible to receive an *accelerated benefit*.

RECEIPT OF AN ACCELERATED BENEFIT MAY AFFECT ELIGIBILITY FOR A STATE OR FEDERAL PROGRAM, SUCH AS MEDICAID, AND BENEFITS MAY BE TAXABLE. A TAX ADVISOR SHOULD BE CONSULTED.

We are not responsible for any effect on your state or federal taxes, or loss of eligibility for any state or federal program.

Unless otherwise indicated, all provisions of the *policy* shall apply to the *accelerated benefit*.

### Amount of Accelerated Benefit

You may receive an *accelerated benefit* of your *life insurance*, as shown in the Schedule.

If the amount of your *life insurance* is scheduled to reduce due to age within 12 months following the date you apply for the *accelerated benefit*, your *accelerated benefit* will be based on the reduced amount.

An *accelerated benefit* may be paid only once during your lifetime. Benefits will be paid in a single sum to you. If you are not living when benefits are payable, no *accelerated benefit* will be paid and any amount of insurance will be paid according to the provisions of the *policy*.

Once an *accelerated benefit* is paid to you, we will notify you of the remaining *life insurance* in force.

### Proof Required for the Accelerated Benefit

You must submit a claim form and any other information we find necessary to decide our liability.

We may ask you to be examined in connection with your claim for an *accelerated benefit*. We will pay for any exam we require.

### Effect of Accelerated Benefit

After an *accelerated benefit* is paid, premium is due only for the remaining *life insurance*, unless the premium is waived under the Disability Benefit provision. The *life insurance* payable at your death to your *beneficiary* equals:

- the amount of your *life insurance* as if an *accelerated benefit* payment has not been made, minus
- the *accelerated benefit* payment, minus
- the *interest charge*.

The *interest charge* equals the *accelerated benefit* amount times the number of days from the *accelerated benefit* payment to your date of death, times an annual interest rate divided by 365. The annual interest rate is the current yield on 90-day treasury bills, that is in effect on the date of the *accelerated benefit* payment. If the 90-day treasury bill is no longer in effect, we will use an appropriate substitute index which is approved by the Department of Banking and Insurance.

## LIFE INSURANCE FOR YOU (continued)

Your amount of dependent *life insurance, accidental death and dismemberment insurance, travel accident insurance, dependent accidental death and dismemberment insurance* and survivor income insurance, if any, is not affected by the payment of the *accelerated benefit*. The amount of any *conversion policy* will be based on your reduced amount of *life insurance* after the payment of the *accelerated benefit*.

### Exclusions

An *accelerated benefit* will not be paid if:

- you have assigned all or part of your *life insurance*, unless the assignee consents, in writing.
- you have named an irrevocable *beneficiary* for all or part of your *life insurance*, unless the *beneficiary* consents, in writing.
- all or a part of your *life insurance* is payable to a former spouse as part of a divorce decree or property settlement.
- you have previously received an *accelerated benefit* of your *life insurance*.
- your *life insurance* is less than \$10,000.

## ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE FOR YOU

### Accidental Death Insurance Provided

If you die as the direct result of an *injury*, we will pay your *beneficiary* the amount of Accidental Death and Dismemberment Insurance shown in the Schedule.

The insurance will be paid only if death occurs within 365 days after the *injury*. This 365-day limit will not apply if you are in a coma or being kept alive by an artificial life support system at the end of the 365 days.

### Accidental Dismemberment Insurance Provided

If you suffer one or more of the following losses as the direct result of an *injury*, we will pay the benefit shown:

<u>Covered Loss</u>	<u>Benefit</u>
1 hand, 1 foot, or the sight of 1 eye	½ the amount of Accidental Death and Dismemberment Insurance
Any 2 or more of the above	The full amount of Accidental Death and Dismemberment Insurance

Loss of a hand or foot means permanent severance at or above the wrist or ankle. Loss of sight of the eye means total and permanent loss of sight.

The loss must occur within 365 days after the *injury*.

### Limitation

We will not pay more than the amount of Accidental Death and Dismemberment Insurance shown in the Schedule for any 1 accident. We will pay benefits only for an *injury* occurring while you are covered under the *policy*.

Any time your *life insurance* is continued under the Disability Benefit, your *accidental death and dismemberment insurance* will also continue, for up to 1 year from the date you became *disabled*. No premium is due when no premium is due for *life insurance*.

You cannot convert your *accidental death and dismemberment insurance* to an individual policy.

### Exclusions

We will not pay benefits if the loss results directly or indirectly from:

- war or any act of war, whether declared or not;
- taking part in a riot or insurrection, or an act of riot or insurrection;
- service in the armed forces of any country, combination of countries, or international organization at war, whether declared or not;
- any physical or mental disease;
- any infection, except a pyogenic infection that occurs from an accidental wound;
- a felony you commit;

## ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE FOR YOU (continued)

- suicide or attempted suicide, while sane or insane;
- intentionally self-inflicted injury, while sane or insane;
- your being under the influence of any narcotic, unless you use it as prescribed by a *doctor*, or
- your intoxication; this includes but is not limited to operating a motor vehicle while you are intoxicated.

"Intoxication" and "intoxicated" mean your blood alcohol level at death or dismemberment exceeds the legal limit for operating a motor vehicle in the jurisdiction in which the loss occurs.

## ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE FOR YOU (continued)

### AUTOMOBILE ACCIDENT BENEFIT

#### Automobile Accident Benefit Provided

If you die as the direct result of an automobile accident *injury* while you are properly wearing an unaltered seat belt installed by the automobile's manufacturer, we will pay your *beneficiary* the amount of the Automobile Accident Benefit, which is shown in the Schedule.

The insurance will be paid only if death occurs within 365 days after the automobile accident. This 365-day limit will not apply if you are in a coma or being kept alive by an artificial life support system at the end of the 365 days.

#### Definitions

"Automobile" means a four-wheel car of the private passenger type including pick-up trucks and vans with a load capacity of one ton or less.

"Automobile accident" means an accident that occurs when you are driving or riding in an automobile.

#### Limitation

We will pay an Automobile Accident Benefit only for an automobile accident *injury* occurring while you are covered under the *policy*.

#### Exclusions

We will not pay benefits if the automobile accident:

- occurs when the automobile is being used for racing, stunting, exhibition work, sport, or test driving;
- occurs when you are breaking any traffic laws of the jurisdiction in which the automobile is being operated; or
- occurs when you are not properly wearing an unaltered seat belt installed by the automobile's manufacturer.

The Exclusions listed under the Accidental Death and Dismemberment Insurance Coverage for You will also apply to the Automobile Accident Benefit.

## **ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE FOR YOU (continued)**

### **HIGHER EDUCATION BENEFIT**

#### **Higher Education Benefit Provided**

If you die as the direct result of an *injury*, and an Accidental Death Insurance benefit is payable, we will pay the annual Higher Education Benefit shown in the Schedule to each eligible dependent student.

The Higher Education Benefit will be payable at the beginning of each school year for a maximum of 4 consecutive years if there is an eligible dependent student who continues to be enrolled for each consecutive term.

#### **Definitions**

"Dependent student" means each of your unmarried children who is less than 25 years of age and who (i) is already enrolled on a full-time basis in an accredited school at your death or (ii) enrolls on a full-time basis in an accredited school within one year of your death.

"Accredited school" means a state accredited institution of higher learning, including but not limited to a college, university, trade school or vocational school.

"Children" include any biological or adopted children, stepchildren and foster children, each of whom must depend on you for support and maintenance. A child will be considered adopted on the date of placement in your home. "Children" also include any children for whom you are the legal guardian, who reside with you on a permanent basis and depend on you for support and maintenance.

The term "full-time basis" means full-time as defined by the accredited school.

## ADDITIONAL PROVISIONS FOR LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

### Optional Payment Methods

You or your *beneficiary* may choose to have all or part of your insurance paid in installments. You can request this at any time. Your *beneficiary* may request this within 31 days after your death.

This option is not available if the *beneficiary* is an estate, corporation, partnership, association, or trustee.

### Beneficiary

You may change the *beneficiary* at any time. Any request to name or change the *beneficiary* must be in writing on a form acceptable to us and signed by you. After we receive the request at our *home office*, the change will take effect on the date you signed it. A *beneficiary* change will be without prejudice to us for any payment we made before we received notice in our *home office*.

You may also send a request to change the *beneficiary* to the main office of the *policyholder*. The change must be made in a manner acceptable to us.

Any application to convert all your group *life insurance* which names a *beneficiary* different from the last *beneficiary* you named under the *policy* will be considered a change of *beneficiary* to the person named in the application. The change will take effect on the date of the application.

If you named more than 1 *beneficiary*, your amount of insurance will be divided among them equally, unless you specified otherwise.

If a *beneficiary* dies before you do, the rights and interest of that *beneficiary* will end.

If no *beneficiary* is living or existing when you die, or if none was named, or if the *beneficiary* is disqualified by operation of law, your insurance will be paid to the first qualified surviving class of the following classes in this order:

- your lawful spouse;
- your living children, in equal shares;
- your living parents, in equal shares; or
- your estate.

### Assignment

If you assign your interest under the *policy* to another person, all your rights under the *policy* are permanently transferred. This includes the right to name and change the *beneficiary* and the right to convert to an individual policy. You may assign your insurance to only 1 of the following:

- your lawful spouse;
- your child, parent, brother, or sister; or
- the trustee of a trust you set up for the benefit of your lawful spouse, children, parents, brothers, or sisters.

We are not responsible for the validity of any assignment. An assignment will not affect us until we receive written notice at our *home office*.

**ADDITIONAL PROVISIONS FOR LIFE INSURANCE AND ACCIDENTAL DEATH AND  
DISMEMBERMENT INSURANCE (continued)**

**Incontestability**

(This provision applies to *life insurance* only.)

The validity of the *policy* cannot be contested after it has been in force for 2 years. The validity of your coverage under the *policy* cannot be contested after you have been insured under the *policy* for 2 years during your lifetime. However, if the premiums are not paid, the validity of the *policy* or your coverage can be contested at any time.

No statement you made regarding *proof of good health* can be used in a legal dispute unless it was in writing, it was signed by you, and a copy was given to you or your *beneficiary*.

**Spendthrift**

As permitted by law, the benefits under the *policy* are not subject to commutation, encumbrance or alienation. They are not subject to the claim of, or legal process, by any creditor of you or your *beneficiary*.

## CLAIM PROVISIONS

### Payment of Benefits

We will pay benefits when we receive all the required proof of covered loss.

### To Whom Payable

We will pay your life insurance and accidental death benefits according to the Beneficiary provision. For any other benefits we will follow the provisions applicable to such benefits, if any. Otherwise, all other benefits will be paid to you, if you are living. If not, we will pay your estate.

If no *beneficiary* is living at your death, we may pay up to \$500 to any person we decide is entitled to it because of expenses incurred during your last illness or for your funeral.

Any amount we pay in good faith releases us from further liability for that amount.

### Filing a Life Disability Benefit Claim

Within 30 days of the start of your *disability*, you should give us proof that you are currently *disabled* and have been continuously *disabled* since your last day of *active work*. Proof must be given within 90 days after the end of your *qualifying period*. If it is not reasonably possible to give proof on time, it must be given no later than 1 year after the time proof is otherwise required, except in the absence of legal capacity.

Continuing proof of *disability* must be given as often as we may reasonably require. Continuing proof must be given within 60 days of our request.

You must furnish whatever items we decide are necessary as proof of *disability*. You must agree to be examined by a *doctor* we choose, as often as needed to decide the existence or extent of *disability*. We will pay for any exam we require. If, within a reasonable time, you do not furnish any required items or do not have any required exam, your coverage will end.

### Authority

The *policyholder* delegates to us and agrees that we have the sole discretionary authority to determine eligibility for participation or benefits and to interpret the terms of the *policy*. All determinations and interpretations made by us are conclusive and binding on all parties.

### Review Procedure

You must request, in writing, a review of a denial of your claim within 60 days (180 days for Life Disability Benefit) after you receive notice of denial.

You have the right to review, upon request and free of charge, copies of all documents, records, and other information relevant to your claim for benefits, and you may submit written comments, documents, records and other information relating to your claim for benefits.

We will review your claim after receiving your request and send you a notice of our decision within 60 days (45 days for Life Disability Benefit) after we receive your request, or within 120 days (90 days for Life Disability Benefit) if special circumstances require an extension. We will state the reasons for our decision and refer you to the relevant provisions of the *policy*. We will also advise you of your further appeal rights, if any.

## CLAIM PROVISIONS FOR ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE ONLY

### Filing a Claim

1. You or your *beneficiary* must send us notice of the claim. We must have written notice of any insured loss within 30 days after it occurs, or as soon as reasonably possible. You can send the notice to our *home office*, or to one of our regional group claims offices, or to one of our agents. We need enough information to identify you as a *covered person*.
2. Within 15 days after the date of the notice, we will send you or your *beneficiary* certain claim forms. The forms must be completed and sent to our *home office* or to one of our regional group claims offices. If you or your *beneficiary* do not receive the claim forms within 15 days, we will accept a written description of the exact nature and extent of the loss.
3. The time limit for filing a claim is 90 days after the date of the loss.
4. If it is not reasonably possible to give proof on time, we will not deny or reduce your claim if you give us proof as soon as reasonably possible.

### Physical Exam

We may ask you to be examined as often as we require at any time we choose. For an accidental death claim, we may have an exam or autopsy performed, before or after burial, where allowed by law. We will pay for any exam we require.

### Limit on Legal Action

No action at law or in equity may be brought against the *policy* until at least 60 days after you file proof of loss. No action can be brought after the applicable statute of limitations has expired, but, in any case, not after 3 years from the date of loss.

### Incontestability

The validity of the *policy* cannot be contested after it has been in force for 2 years, except if premiums are not paid.

Any statement made by the *policyholder* or a *covered person* will be considered a representation. It is not considered a warranty or guarantee. A statement will not be used in a dispute unless it is written and signed, and a copy is given to the *covered person* or the *beneficiary*.

No statement, except fraudulent misstatement, made by a *covered person* about insurability will be used to deny a claim for a loss incurred or *disability* starting after coverage has been in effect for 2 years.

No claim for loss starting 2 or more years after the *covered person's* effective date may be reduced or denied because a disease or physical condition existed before the person's effective date, unless the condition was specifically excluded by a provision in effect on the date of loss.

## GENERAL PROVISIONS

### Entire Contract

The *policy* and the *policyholder's* application attached to it are the entire contract. Any statement made by you or the *policyholder* is considered a representation. It is not considered a warranty or guarantee. A statement will not be used in a dispute unless it is written and signed, and a copy is given to you or your *beneficiary*.

### Errors

An error in keeping records will not cancel insurance that should continue nor continue insurance that should end. We will adjust the premium, if necessary, but not beyond 3 years before the date the error was found. If the premium was overpaid, we will refund the difference. If the premium was underpaid, the difference must be paid to us.

### Misstatements

If any information about you or the *policyholder's* plan is misstated or altered after the application is submitted, including information with respect to participation or who pays the premium and under what circumstances, the facts will determine whether insurance is in effect and in what amount. We will retroactively adjust the premium.

### Certificates

We will send certificates to the *policyholder* to give to each *covered person*. The certificate will state the insurance to which the person is entitled. It does not change the provisions of the *policy*.

### Workers' Compensation

The *policy* is not in place of, and does not affect any state's requirements for coverage by Workers' Compensation insurance.

### Agency

Neither the *policyholder*, any employer, any *associated company*, nor any administrator appointed by the foregoing is our agent. We are not liable for any of their acts or omissions.

### Fraud

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties. An application for insurance or statement of claim containing any materially false or misleading information may lead to reduction, denial or termination of benefits or coverage under the *policy* and recovery of any amounts we have paid.

## GENERAL PROVISIONS (continued)

### Changing the Policy

The *policyholder* owns the *policy*. The *policy* may be changed at any time by an endorsement or amendment agreed upon by the *policyholder* and us. The *policy* may also be changed in whole or in part when there is any change in laws or regulations which affect our obligations under the *policy*. A change must be approved by one of our executive officers and be signed by the *policyholder* and us. No agent can change the *policy* or waive any of its provisions.

### Required Data

The *policyholder* must give us all data needed to administer the insurance and determine premiums. The *policyholder* must also give us any other information we require. We may inspect the *policyholder's* records relating to the insurance provided by the *policy*.

### Policyholder's Assignment

The *policyholder* may assign the *policy*. This will not affect the rights of any *covered person* or *beneficiary*. We will not be responsible for the validity of any assignment. We must receive written notice of an assignment at our *home office*.

### When the Policy Ends

The *policy* will end on the date:

- the grace period ends, if the premium has not been paid; or
- we receive written notice from the *policyholder*, or the date shown in the notice, whichever is later.

The *policy* will also end if the number or percentage of persons covered under the *policy* does not meet the Minimum Participation Requirements shown in the Schedule.

If the Participation Requirements are not met, we will notify the *policyholder* 31 days in advance that insurance will end. We consider that notice is given when delivered or mailed to the last known address of the *policyholder*.

If the date the *policy* ends is not the same as the date to which premiums have been paid, the difference in premium:

- must be paid to us, if underpaid; or
- will be refunded by us, if overpaid.

## **PREMIUMS**

### **Premium Payments**

The *policyholder* must pay all premiums in advance at our *home office* or to one of our agents. The *policyholder* may request on any policy anniversary that the frequency of premium payment be changed to any frequency we offer for such *policy*.

### **Grace Period**

If any premium is not paid when due, the *policy* will be in default on that date. The *policyholder* has a grace period of 31 days after that date to pay the premium. In any case, the *policyholder* must pay the premium for coverage in force during the grace period.

### **Calculation of Premiums**

The first premium is due on the effective date. Future premiums are due on each premium due date. The premium is based on the premium rate and the amount of insurance. We will furnish premium rates to the *policyholder* with an explanation of how to apply them.

Premiums for *covered persons* who have been paid by the *policyholder* on less than a 12-month basis during the preceding school year will continue to be due on each premium due date occurring during the summer recess.

### **Our Right to Change Premium Rates**

We may change the premium rate:

- after the first policy anniversary; or
- when our liability changes.

Unless our liability changes:

- we will not change the rates more than once in any period of 12 consecutive months; and
- we will give the *policyholder* 31 days advance written notice of an increase in rates.

## **ENDORSEMENTS AND AMENDMENTS**