



**LIFETIME BENEFIT TERM INSURANCE GROUP POLICY**  
**("The Policy")**

Combined Insurance Company of America (herein called "We", "Our" or "Us") agrees to pay the benefits in accordance with all the terms and conditions of The Policy. The Policy is issued in consideration of the Group Policyholder Application and the payment of premiums when due.

The Policy is effective as of the date shown below. It will remain in effect for 12 consecutive months. After the first 12 months, The Policy will automatically renew from year to year, subject to the Termination Of The Policy provision.

**Policyholder:** Accolade Healthcare  
**Policy Number:** CUA-LBT  
**Policy Effective Date:** September 1, 2017  
**State of Issue:** Illinois  
**Eligible Classes:** Eligible Employees  
Eligible Spouses  
Eligible Dependents

The Policy is issued in the State of Issue shown above and will be governed by its laws.

The Policy provides:

- An Initial Guaranteed Death Benefit until the later of 25 years after the Coverage Date or age 70, but not beyond age 100. After this initial period, a Reduced Guaranteed Death Benefit of 50% of the Initial Guaranteed Death Benefit is provided until age 121.
- Guaranteed Paid-Up Term Benefits upon termination of premium payments after premiums have been paid for 10 full Coverage Years.
- Non-guaranteed Paid-Up Term Benefits that increase the Guaranteed Paid-Up Term Benefit upon termination of premium payments after premiums have been paid for 10 full Coverage years
- After the Initial Guaranteed Death Benefit Period, non-guaranteed One Year Term Insurance which may increase the Reduced Guaranteed Death Benefit up to the Initial Guaranteed Death Benefit.
- Level Guaranteed Premiums payable to Age 100.
- The Policy is non-participating and provides no cash surrender values or loan values.

The Policy replaces any prior one given to The Policyholder by Us for Lifetime Benefit Term Insurance.

**READ THE POLICY CAREFULLY**

**Right to Examine Policy:** We want The Policyholder to be satisfied with the Coverage under The Policy. Policyholder may, within 30 days after The Policy is delivered, return The Policy to our Administrative Office and will receive a full refund of any premiums that have been paid. Once returned, The Policy will be void from its beginning.

**COMBINED INSURANCE COMPANY OF AMERICA**

Brad Bennett, President

Rebecca L. Collins, Secretary

**Home Office**

Combined Insurance Company of America  
111 East Wacker Drive, Suite 700  
Chicago, IL 60601  
1-800-544-9382

**Administrative Office**

Combined Insurance Company of America  
17 Church Street  
Keene, NH 03431  
1-855-241-9891



<b>Table of Contents</b>	<b>Page No.</b>
The Policy Schedule .....	4
Policyholder Application .....	8
<b>Definitions</b> .....	9
Active Employee .....	9
Age .....	9
Beneficiary .....	9
Certificate, Certificate of Coverage .....	9
Certificateholder .....	9
Coverage Year .....	9
Coverage .....	9
Coverage Date .....	9
Date of Issue .....	9
Death Benefit .....	9
Deferred Paid-Up Term Death Benefit .....	9
Eligible Classes .....	9
Eligible Employee .....	9
Eligible Dependent .....	9
Evidence of Insurability .....	9
Expiry Date .....	9
Face Amount .....	9
Initial Guaranteed Death Benefit .....	10
Initial Guaranteed Death Benefit Period .....	10
Insured .....	10
Irrevocable Beneficiary .....	10
Issue Age .....	10
Lapse .....	10
Non-guaranteed Credits .....	10
The Policy .....	10
Policyholder .....	10
Reduced Guaranteed Death Benefit .....	10
Rider .....	10
Spouse .....	10
Vesting Period .....	10
We, Our, or Us .....	10
<b>Premiums</b> .....	10
Payment of Premiums .....	10
Grace Period .....	10
Reinstatement .....	10
<b>The Death Benefit</b> .....	11
Guaranteed Death Benefit .....	11
Guaranteed Paid-Up Term Death Benefit .....	11
Decreasing Term Death Benefit .....	11
Deferred Paid-Up Term Death Benefit .....	11
Non-guaranteed Credits .....	11
One-Year Term Insurance .....	12
Early Fully Paid-Up Coverage .....	12
Death Benefit Calculations .....	12
Payment of Proceeds .....	13
Death of Beneficiary, Multiple Beneficiaries .....	13
Facility of Payment .....	13
<b>Coverage Values</b> .....	13
Basis of Values .....	13
Certificate Schedule of Guaranteed Values .....	13
<b>Policyholder Provisions</b> .....	13
Policyholder Application .....	13
Duties .....	13
Inspection of The Policy .....	14
<b>Policy Changes, Terminations and Portability Privileges</b> .....	14

<b>Table of Contents cont.</b>	<b>Page No.</b>
Change in The Policy .....	14
Effective Date of Changes .....	14
Termination of Policy .....	14
Termination of Coverage Under The Policy.....	14
Portability Privilege .....	14
<b>Policy Provisions</b> .....	<b>15</b>
Entire Policy .....	15
Statements Are Not Warranties .....	15
Contestability.....	15
Clerical Errors .....	15
Money Payable .....	15
Time Periods.....	15
<b>Certificate Provisions made Part of The Policy</b> .....	<b>15</b>

The Certificate and any Riders or Endorsements follow Page                      See attachment.

## THE POLICY SCHEDULE

### Eligibility to Participate in Coverage

In order for the Eligible Employee or his/her Eligible Dependents to participate in the Coverage, the Eligible Employee must meet the following requirements:

- ⇒ Must reside in the U.S.
- ⇒ Must be an Active Employee.

### Eligibility Requirements

#### **Guaranteed Issue Eligibility- Defined Benefit**

Employee Coverage Issue Ages: 19 - 70	Spouse Coverage	Child Coverage ▲ Issue ages: 15 days to 25 yrs	Child Rider Issue ages: 15 days to 25 yrs
Maximum amount allowed is \$50,000	N/A	Maximum amount allowed is \$25,000	25 units

#### **Lives Eligible for Guaranteed Issue Eligibility**

For all applicants, Guaranteed Issue Eligibility questions must be completed. A Spouse or Fiancé is not eligible for Guaranteed Issue. Refer to Common-Law Spouse and Fiancé guidelines.

Employees may apply for insurance on a Guaranteed Issue Eligibility basis if they meet the following conditions:

#### **Employee:**

- Employee must be a U.S. citizen or a Permanent Resident.
- The employee must be actively at work performing the regular duties of his/her job in the usual manner and the usual place of employment on the enrollment form date.
- The employee is actively at work for 30 hours or more per week and has completed sixty (60) days of employment as of the enrollment form date.
- Employee issue ages are 19 through 70 (age last birthday as of the Coverage Date).

## Conditional Guaranteed Issue Eligibility- Defined Benefit

Employee Coverage Issue Ages: 19 - 70	Spouse Coverage ▲ Issue Ages: 19 – 70
Maximum amount allowed is \$100,000	Maximum amount allowed is \$50,000

### Lives Eligible for Conditional Guaranteed Issue Eligibility

For all applicants, Conditional Guaranteed Issue Eligibility questions must be completed. A Fiancé is not eligible for Conditional Guaranteed Issue Eligibility. Refer to Common-Law Spouse and Fiancé guidelines.

Employees and their spouses may apply for insurance on a Conditional Guaranteed Issue Eligibility basis if they meet the following conditions:

#### Employee:

- Employee must be a U.S. citizen or a Permanent Resident.
- The employee must be actively at work performing the regular duties of his/her job in the usual manner and the usual place of employment on the enrollment form date.
- The employee is actively at work for 30 hours or more per week and has completed sixty (60) days of employment as of the enrollment form date.
- Employee issue ages are 19 through 70 (age last birthday as of the Coverage Date).
- As of the enrollment form date, the employee has not missed more than 5 consecutive days of active work due to an illness or injury in the past 3 months.
- As of the enrollment form date, the employee has not been treated in a medical facility, hospitalized or disabled in the past 6 months, excluding flu or cold. Hospitalized means in-patient or outpatient, whether or not confined. Treated in a medical facility does NOT include a regular physician's office visit.
- \*\* The Employee, within the last 10 years, has not been diagnosed as having or been treated by a physician for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or tested positive for the Human Immunodeficiency Virus (HIV). \*\* Question may vary by state.

#### Spouse:

- Employee and Spouse must be U.S. citizens or Permanent Residents.
- The employee must be actively at work performing the regular duties of his/her job in the usual manner and the usual place of employment on the enrollment form date.
- The employee is actively at work for 30 hours or more per week and has completed sixty (60) days of employment as of the enrollment form date.
- Spouse is defined as the person to whom an employee is legally married. A Domestic Partner, Civil Union Partner or a Common Law Spouse is eligible to apply for coverage if the Employer's situs State recognizes these relationships, or for all other states, if considered eligible by the Employer for core/benefit medical benefits. The Employer must provide documentation that Domestic Partner or Civil Union Partner is eligible for core/medical benefits.
- Spouse issue ages are 19 through 70 (age last birthday as of the Coverage Date).
- As of the enrollment form date, the spouse is not currently hospitalized, receiving home health care or receiving or applying to receive disability benefits.
- As of the enrollment form date, the spouse has not been treated in a medical facility, hospitalized or disabled in the past 6 months, excluding flu or cold, Hospitalized means in-patient or outpatient, whether or not confined. Treated in a medical facility does NOT include a regular physician's office visit.
- \*\*The spouse, within the last 10 years, has not been diagnosed as having or been treated by a physician for Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or tested positive for the Human Immunodeficiency Virus (HIV). \*\* Question may vary by state.
- As of the enrollment form date, the spouse has not been seen or treated by a licensed physician or other medical practitioner within the past 6 months, excluding flu, cold or routine physical.

## THE POLICY SCHEDULE continued

### Lives Eligible for Simplified Eligibility

For Employees and Spouses, all sections of the enrollment form must be completed for Simplified Eligibility.

Additional information may be requested, depending upon the applicant's medical history. Applicants that are ratable, no greater than Table 4, will be accepted on a standard basis. All others will be declined. Simplified Eligibility underwriting is available as long as the following eligibility conditions are met.

#### Employee:

- Employee must be a U.S. citizen or a Permanent Resident.
- The employee must be actively at work performing the regular duties of his/her job in the usual manner and the usual place of employment on the enrollment form date.
- The employee is actively at work for 30 hours or more per week and has completed sixty (60) days of employment as of the enrollment form date.
- Employee is age 19 through 80 (age last birthday as of the Coverage Date).
- The employee proposed for coverage must answer the required health questions on the enrollment form which Combined Administrative Office will review to determine if the coverage applied for can be issued.
- **For LTC: Only if applying for Simplified Issue:** In addition to the required health questions, the Employee must also answer the following questions on the back of the enrollment form. Has the employee, in the past 5 years:
  - Been confined in a long term care facility, currently receive home health or adult day care, or has the proposed insured been advised by a physician to receive such confinement or care?
  - Required assistance for a period longer than 4 weeks to perform any of the following daily activities: bathing, continence, dressing, eating, toileting, getting up and down from bed or chair?

#### Spouse:

- Employee and Spouse must be U.S. citizens or Permanent Residents.
- The employee must be actively at work performing the regular duties of his/her job in the usual manner and the usual place of employment on the enrollment form date.
- The employee is actively at work for 30 hours or more per week and has completed sixty (60) days of employment as of the enrollment form date.
- Spouse is age 19 through 70 (age last birthday as of the Coverage Date).
- Spouse is defined as the person to whom an employee is legally married. A Domestic Partner, Civil Union Partner or a Common Law Spouse is eligible to apply for coverage if the Employer's situs State recognizes these relationships, or for all other states, if considered eligible by the Employer for core/benefit medical benefits. The Employer must provide documentation that Domestic Partner or Civil Union Partner is eligible for core/medical benefits.
- The spouse proposed for coverage must answer the required health questions on the enrollment form which Combined Administrative Office will review to determine if the coverage applied for can be issued.
- **For LTC: Only if applying for Simplified Issue:** In addition to the required health questions, the Spouse must also answer the following questions on the back of the enrollment form. Has the spouse, in the past 5 years:
  - Been confined in a long term care facility, currently receive home health or adult day care, or has the proposed insured been advised by a physician to receive such confinement or care?
  - Required assistance for a period longer than 4 weeks to perform any of the following daily activities: bathing, continence, dressing, eating, toileting, getting up and down from bed or chair?

**THE POLICY SCHEDULE continued**

**Simplified Eligibility - Defined Benefit**

Employee Coverage Issue Ages: 19 - 70	Spouse Coverage ▲ Issue Ages: 19 - 70	Employee Coverage Issue Ages: 71 – 80
Maximum amount allowed is \$250,000	Maximum amount allowed is \$125,000	Maximum amount allowed is \$50,000

**▲ RESTRICTIONS ON SPOUSE & DEPENDENT CHILD COVERAGE: IL STATE LAW LIMITS THE AMOUNT OF COVERAGE AN EMPLOYEE CAN PURCHASE ON A SPOUSE OR DEPENDENT CHILD.**

- **Employee must participate in order to apply for Spouse or Dependent Child coverage.**
- **Spouse or Dependent Child coverage amount can not exceed the amount the employee purchases.**
  - **Example: If employee purchases \$10,000, the Spouse / Dependent Child is limited to \$10,000.**
- **SPOUSE OR DEPENDENT COVERAGE CAN NOT EXCEED PUBLISHED MAXIMUM SIMPLIFIED ISSUE LIMIT INDICATED ABOVE, REGARDLESS OF STATE RULES.**

**Policy and Riders**

The Policy provides for Group Lifetime Benefit Term Insurance and Riders:

1. Accelerated Death Benefit for Terminal Illness
2. Accelerated Death Benefit for Long Term Care
3. Restoration Rider
4. Waiver of Premium Rider
5. Payor Waiver of Premium Rider
6. Dependent Child

The Policy provides Certificateholders with a choice of Riders:

1. Accelerated Death Benefit for Long Term Care
2. Restoration Rider
3. Waiver of Premium Rider
4. Payor Waiver of Premium Rider
5. Dependent Child

Any or all of the Riders may be declined by The Certificateholder.

Minimum Participation Requirement: 10 Eligible Employees





**Combined Insurance Company of America  
("The Company")**

**Group Policyholder Application**

Home Office: 111 East Wacker Drive, Suite 700, Chicago, IL 60601

Administrative Office: 17 Church St., Keene, NH 03431

Name of Entity/Policyholder: <u>Accolade Healthcare</u>	Policy Number: <u>CUA-LBT</u>
Address (No., Street, City, State & ZIP Code): <u>2946 W. Sherwin Ave, Chicago IL 60645</u>	Policy Effective Date: <u>9/1/2017</u>
Contact Name, Phone # and Fax #: <u>Moë Freedman / Joseph Schrage 818-665-6601</u>	

The Entity/Policyholder requests to participate in the Lifetime Benefit Term Group Policy offered by The Company and authorizes The Company, its authorized agents or enrollers, to offer Eligible Classes the opportunity to purchase The Company's products. The Entity/Policyholder must:

- Allow agents or enrollers to conduct an annual enrollment of all Eligible Classes, as shown in the Policy Schedule. Eligible Classes are:
  - Eligible Employees, who must be actively at work, as determined by The Company's underwriting rules, on the date the enrollment form is signed.
  - their Eligible Spouses; and
  - their Eligible Dependents.
- Provide The Company with employment census data in order that The Company may, under its rules, determine proper enrollment eligibility.
- For On-Site Enrollments, provide The Company's authorized agents or enrollers direct access to its Eligible Classes to solicit enrollment forms through means mutually agreed upon by both the Policyholder and The Company. The Company reserves the right to withdraw from the enrollment and withdraw any applications already solicited should these conditions not be satisfied.
- Honor all Deduction Authorization forms signed by its employees, if any, for payment of the premium to The Company when due. Bills will normally be sent once each month for any premiums due and the Policyholder shall forward all deductions to the Insurer within 15 days of the receipt of the monthly billing. The Policyholder shall maintain records of all premiums withheld on behalf of its employees. The Policyholder will communicate any deduction or billing changes to The Company. These records shall always remain open to inspection and audit by The Company during normal business hours and for one year after The Policy has been terminated. In the event of any misappropriation by the Policyholder, its employees or agents, of funds owed to The Company, the Policyholder shall reimburse The Company for The Company's entire loss including attorney fees and expenses incurred in collection.
- Indicate selection of Policy and Riders that may be made available to Eligible Classes, subject to state and/or underwriting approvals:

	Accept	Decline
Group Lifetime Benefit Term Insurance Policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Accidental Death Benefit Rider	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Waiver of Premium Rider	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Payor Waiver of Premium Rider	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dependent Child Rider	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Level Term Rider	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Accelerated Death Benefit for Terminal Illness Rider	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Guaranteed Insurance Option Benefit Rider	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Accelerated Death Benefit for Long Term Care Rider	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Extension of Benefits Rider - <input type="checkbox"/> 1 <input type="checkbox"/> 2 - <input type="checkbox"/> Paid Up <input type="checkbox"/> Without Paid Up	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Restoration Rider - <input type="checkbox"/> 25% <input checked="" type="checkbox"/> 50%	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>

The insurance being applied for will be effective as of the enrollment date, provided the person(s) to be insured is (are) found acceptable for Coverage as applied for.

Will the Policyholder pay for any of the premium for the coverage elected?  Yes  No → Employee pays all premium  
 Will the Policyholder pay for the entire premium for the coverage elected?  Yes  No

Enrollment Period: from 8/17/2017 to 8/31/2017

Executed on this \_\_\_\_\_ day of \_\_\_\_\_

\* JSP Moë Freedman  
 Print Name and Title of Officer/Representative      Signature of Officer/Representative  
Jonathan Spetner  
 Print Name of Licensed Resident Agent      Signature of Licensed Agent, if required by State

License Identification Number (as Required)

Please complete, sign, date and return this document to The Company at the Administrative Office above. Keep a photocopy for your records.



## DEFINITIONS

**Active Employee** means an employee who is actively at work for thirty (30) hours or more per week, performing the regular duties of their job in the usual manner and at the usual place of employment at the time of enrollment, and has completed sixty (60) days of employment as of the enrollment form date.

**Age** is equal to the Issue Age of the Insured on the Date of Issue. The Age increases by one year on each Coverage anniversary date.

**Beneficiary** is the person, persons or entity designated by the Certificateholder to receive the Death Benefit provided under The Policy.

**Certificate or Certificate of Coverage** means a document that describes the terms of the insurance made available under The Policy to Eligible Classes.

**Certificateholder** refers to the person who is allowed to exercise the rights given by The Policy and allowed by Us. The Certificateholder may be someone other than the Insured. The Certificateholder is shown in the Certificate Schedule.

**Certificate Year** is the period from the Date of Issue to the first Date of Issue anniversary or from one Date of Issue anniversary to the next. A Certificate Year does not include the Date of Issue anniversary at the end of the Certificate Year.

**Coverage** means the insurance provided to the Insured under The Policy.

**Coverage Date** is the date on which an Insured's Coverage under The Policy begins. The Coverage Date is shown in the Certificate Schedule.

**Date of Issue** of a Certificate is used to determine the suicide and Contestability periods. Date of Issue is also the date from which anniversaries, years, months and premium due dates are determined. The Date of Issue is shown in the Certificate Schedule.

**Death Benefit** is the amount payable to the Beneficiary. The Death Benefit calculations are explained in the Death Benefit provision.

**Deferred Paid-Up Term Death Benefit** is paid-up term insurance purchased with Non-Guaranteed Credits that are payable upon termination of premium payments after premium payments have been paid through the Vesting Period.

**Eligible Classes** means the class(es) of people eligible to apply for Coverage under The Policy. Eligible Classes are shown on Page 1 of The Policy.

**Eligible Employee** means a person who is an Active Employee of The Policyholder.

**Eligible Dependent** means a person who is:

1. The Insured's Spouse;
2. The Insured's newborn child;
3. The Insured's unmarried natural child, legally adopted child, child in the waiting period prior to finalization of adoption by the Insured, or stepchild under age 26; or
4. The Insured's unmarried grandchild under age 26.

**Evidence of Insurability** is statement of history that, when applicable, We may use to determine if a person is approved for Coverage.

**Expiry Date** is the date when Coverage and benefits expire without value. The Expiry Date is shown in the Certificate Schedule.

**Face Amount** is the amount of insurance on which premium calculations are made. The Face Amount is shown in the Certificate Schedule.

**Initial Guaranteed Death Benefit** means the Guaranteed Death Benefit provided during the Initial Guaranteed Death Benefit Period. It is shown on the Certificate Schedule.

**Initial Guaranteed Death Benefit Period** is the initial period where a level guaranteed death benefit equal to the Face Amount is provided so long as premiums are paid when due. The Initial Guaranteed Death Benefit Period for the Insured is shown in the Certificate Schedule.

**Insured** is the person whose life is insured under The Policy. The Insured is shown in the Certificate Schedule.

**Irrevocable Beneficiary** is a Beneficiary whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under The Policy. See Certificateholder's Rights for exceptions. Any Beneficiary may be named an Irrevocable Beneficiary.

**Issue Age** means the Insured's age last birthday on the Date of Issue. The Insured's Issue Age is shown on the Certificate Schedule.

**Lapse** means the Coverage has terminated or been placed on paid-up term insurance because a premium was not paid when due.

**Non-guaranteed Credits** may be credited on each Certificate Anniversary based upon current interest and mortality rates, declared in advance by Us that are more favorable than the guaranteed rates. Credits are used to purchase additional Deferred Paid-Up Term Insurance.

**The Policy** means the group contract whose provisions govern the insurance being provided to Eligible Classes.

**Policyholder** is the entity through which We make this insurance available to Eligible Classes. The Policyholder is shown on page 1.

**Reduced Guaranteed Death Benefit** means the Guaranteed Death Benefit provided after the Initial Guaranteed Death Benefit Period. It is shown on the Certificate Schedule.

**Rider** means an additional benefit that is made available under The Policy. All Riders elected by The Policyholder are attached to The Policy. No Coverage is available under a Rider unless also attached as a Rider to the Certificate.

**Spouse** means the person to whom the Eligible Employee is legally married or the Eligible Employee's Domestic Partner/Civil Union Partner, as defined in the individual Certificates. He/she does not qualify as a Spouse, if he/she is individually eligible as an Eligible Employee under The Policy.

**Vesting Period** is the number of years that premiums must be paid by the Certificateholder, before paid-up term insurance becomes available in the event of discontinuation of premium payments. The Vesting Period is shown in the Certificate Schedule.

**We, Our, or Us** refers to Combined Insurance Company of America.

## PREMIUMS

### Payment of Premiums

Policyholder must remit to Us the sum of all premiums collected and due for each Insured covered under The Policy. Premiums are payable in advance to our Administrative Office. The first premium is due on the Date of Issue shown on the Certificate Schedule. Each subsequent premium is due when the period covered by the preceding premium ends.

### Grace Period

Policyholder has a grace period of 31 days from each premium due date, except the first, in which to pay the premium then due. Coverage will continue during the Grace Period. Policyholder is liable for the premium due during the Grace Period.

### Reinstatement

Coverage under The Policy may be reinstated, while the Insured is alive, at any time within five years after the date of Lapse subject to Our acceptance of a Certificateholder's application for reinstatement. However, the

Coverage cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the Insured's lifetime, the Coverage will be reinstated without Evidence Of Insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to Evidence Of Insurability satisfactory to Us. All overdue premiums must be paid with interest compounded annually at 6% from their due dates to the date of reinstatement.

## THE DEATH BENEFIT

Death Benefits available to an Insured are determined in accordance with the Death Benefit provision of The Policy. The Guaranteed Death Benefit, Deferred Paid-Up Term Death Benefits and One Year Term Insurance for a given Insured vary according to Issue Age, Mortality Table, Rate Class, Premium and Non-Guaranteed Credits described in The Policy. Given the variability of these factors, the Guaranteed Death Benefit, Deferred Paid-Up Term Death Benefits and One Year Term Insurance for a given Insured are only illustrated in the Certificate Schedule and Illustration issued to the Certificateholder. The following provisions govern the calculation of the Death Benefit:

### Guaranteed Death Benefit

While premiums are being paid, the Policy provides for an initial level Guaranteed Death Benefit during the Initial Guaranteed Death Benefit Period. After the Initial Guaranteed Death Benefit Period, the Guaranteed Death Benefit equals the Reduced Guaranteed Death Benefit. The guaranteed death benefits and death benefit periods are shown on the Certificate Schedule.

The Guaranteed Death Benefit is equal to the sum of the Guaranteed Paid-Up Term Death Benefit and the Decreasing Term Death Benefit. The Guaranteed Death Benefit Coverage terminates without value at the Expiry Date shown in the Certificate Schedule.

### Guaranteed Paid-Up Term Death Benefit

The Guaranteed Paid-Up Term Death Benefit is equal to the accumulated amount of paid-up term insurance purchased by a level portion of the Coverage annual premium. This premium is shown on the Certificate Schedule. During the Vesting Period, the premium loads shown in the Certificate Schedule reduce this level portion of the premium. The table of Guaranteed Paid-Up Term Death Benefits is shown in the Certificate Schedule.

If the Coverage lapses because of unpaid premiums due during the Vesting Period, the Coverage will terminate with no value. If the Coverage lapses because of unpaid premiums due after the Vesting Period accumulated paid-up term insurance Coverage will remain in force until the Expiry Date.

### Decreasing Term Death Benefit

The Decreasing Term Death Benefit is equal to the Guaranteed Death Benefit minus the Guaranteed Paid-Up Term Death Benefit. The Decreasing Term Death Benefit terminates when premiums are no longer being paid.

### Deferred Paid-Up Term Death Benefit

We may purchase a non-guaranteed Deferred Paid-Up Term Death Benefit on each Date of Issue Anniversary while the Coverage is premium paying. A Deferred Paid-Up Term Death Benefit will not provide an increase in the death benefit while the Coverage is premium paying except as noted in the One Year Term Death Benefit provision. It will increase the paid-up death benefit available upon termination of premium payments, provided that premium payments are paid through the Vesting Period shown in the Certificate Schedule. The company will declare Non-guaranteed Credits in advance of each Certificate Year that will be used to purchase the Deferred Paid-Up Term Death Benefit.

### Non-guaranteed Credits

Credits are based upon interest and mortality more favorable than that guaranteed by The Policy. The total credit on each anniversary is equal to the sum of the Mortality, Survivor and the Excess Interest Credits. These Credits may not be less than zero.

The Mortality Credit is equal to i times ii times iii divided by iv:

- i. The Guaranteed Death Benefit.
- ii. The guaranteed mortality rate minus the current mortality rate.

- iii. One plus the current interest rate raised to the one half power.
- iv. One minus the current mortality rate.

The Survivor Credit is equal to i times ii times iii divided by iv:

- i. The Deferred Paid-Up Term Death Benefit on the prior anniversary.
- ii. The current mortality rate.
- iii. One plus the current interest rate raised to the one half power.
- iv. One minus the current mortality rate.

The Excess Interest Credit is equal to i times ii times iii:

- i. The sum of the Guaranteed and non-guaranteed Deferred Paid-Up Term Death Benefit on the prior anniversary.
- ii. The current interest rate minus the guaranteed interest rate.
- iii. The net single premium rate for Paid-Up term insurance.

The Guaranteed Death Benefit, current mortality rate, net single premium rate and interest rate for calculating the above Credits are determined as of the prior anniversary and are based upon rates declared in advance of the Coverage Year. Current rates are based upon Our future expectations of mortality and interest and are not calculated to recover past losses or distribute past profits. If We change current rates on in force Coverage under The Policy, the changes will be made uniformly for all insureds for a given age, Mortality Table and Rate Class as shown in the Certificate Schedule. If we change the current rates under The Policy, We will send the Certificateholder a Notice on the Coverage Anniversary Date on or following the date of the change in rates.

The additional Deferred Paid-Up Term Death Benefit as of the current anniversary is equal to the amount of Deferred Paid-Up Term Death Benefit on the prior anniversary plus the sum of the total Credits divided by the net single premium rate for paid-up term insurance on the current anniversary.

Once earned, the Deferred Paid-Up Term Death Benefit is guaranteed and will not decrease except in years where it is used to purchase One Year Term insurance.

**One Year Term Insurance**

After the Initial Guaranteed Death Benefit Period, a portion of the value of the non-guaranteed Deferred Paid-Up Term Death Benefit will be used on each anniversary to purchase One Year Term Insurance equal to the reduction in the Guaranteed Death Benefit. If there is not enough value to purchase One Year Term Insurance equal to the reduction in the Guaranteed Death Benefit then as much One Year Term Insurance as the value will allow will be purchased.

The One Year Term Insurance premium is equal to i divided by ii:

- i. Current mortality rate
- ii. One plus the current interest rate raised to the one half power,

Where the current mortality rate and interest rate is determined as of the current anniversary.

The amount of Deferred Paid-Up Term Death Benefit will be reduced by the amount needed to pay the One Year Term Insurance Premium based upon the net single premium rate for paid-up term insurance.

**Early Fully Paid-Up Coverage**

If the sum of the Guaranteed and Deferred Paid-Up Term Death Benefit is greater than or equal to the Initial Guaranteed Death Benefit prior to age 100, the Coverage will become paid-up for an amount equal to the sum. No further premium payments will be due.

**Death Benefit Calculations**

In any Certificate Year, while premiums continue to be paid, the amount payable upon death of the Insured will be:

- a. Guaranteed Death Benefit in effect, in that year; plus
- b. After the Initial Guaranteed Death Benefit Period, One Year Term Insurance, if any; plus
- c. the premium paid beyond the date of death; plus
- d. interest, not less than required by law, from the date proof of death is received by Us to the date the claim is paid; minus
- e. any unpaid premium due and unpaid at the date of death.

In any Certificate Year after premiums have been paid thru the Vesting Period and the Coverage has Lapsed due to nonpayment of premiums, the amount payable upon death of the Insured will be:

- a. the Guaranteed Paid Up Term Death Benefit; plus
- b. the Deferred Paid Up Term Benefit, if any; plus
- c. interest, not less than required by law, from the date proof of death is received by Us to the date the claim is paid.

No Death Benefit is payable in the event that death occurs after Coverage has Lapsed, and the Lapse occurred prior to the end of the Vesting Period.

**Payment of Proceeds – Settlement of the death benefit shall be made by payment in one sum.**

The proceeds are subject to any adjustments provided in the Misstatement of Age, Contestability and Suicide provisions.

**Death of Beneficiary**

If any Beneficiary predeceases the Insured, the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Insured's Estate.

**Multiple Beneficiaries**

If there is more than one Beneficiary, proceeds shall be divided equally among the Beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

**Facility of Payment**

We may pay all or part of the death benefit to any person who paid any expense in connection with the Insured's last illness or death. That person must give us a copy of the receipt describing the expense and the amount paid for such expense. Reimbursement will not exceed \$1,000. The death benefit will be reduced by any payment made under this provision.

**COVERAGE VALUES**

**Basis of Values**

All paid-up term insurance amounts, present values and net single premiums for The Policy are based on the Mortality Table and interest rate shown on the Certificate Schedule. Calculations take into account that premiums are paid annually and that death benefits are payable uniformly throughout the Certificate Year. Any additional benefits provided by Riders shall be excluded from these calculations.

**Certificate Schedule of Guaranteed Values**

The Certificate Schedule of Guaranteed Values shows the guaranteed values at the beginning of the Certificate Year on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums for this Coverage are paid other than annually, adjustments will be made in calculating guaranteed Paid-Up term insurance values for that portion of the Certificate Year for which premiums were actually paid.

Guaranteed paid-up term insurance values for the end of any Certificate Year not shown in the table will be furnished upon written request to Our Administrative Office.

**POLICYHOLDER PROVISIONS**

**Group Policyholder Application**

Policyholder must submit to us an executed Group Policyholder Application electing to participate in the Group Lifetime Benefit Term Insurance Policy.

**Duties**

Policyholder's duties include, but are not limited to, the following:

1. Providing Us any and all information We determine is necessary for the enrollment of Eligible Classes and for the determination of their eligibility. Policyholder must provide us with all information necessary to underwrite the Coverage, to calculate premiums and to maintain necessary administrative records.
2. Maintaining records pertaining to the insurance of Eligible Classes, which We may reasonably require information on while The Policy is in force and for 2 years after The Policy terminates. Policyholder must also allow us to examine these records at any reasonable time during normal business hours.
3. Cooperating fully with Us in preparing and/or delivering any required notices regarding this insurance to Eligible Classes.

### **Inspection of The Policy**

Policyholder must make The Policy available for inspection by Eligible Employees at all reasonable times during normal business hours.

## **POLICY CHANGES, TERMINATIONS AND PORTABILITY PRIVILEGES**

### **Change in The Policy**

No change in The Policy will be made unless Our officer approves it in writing. Any approved change will be added to The Policy in writing.

The Policy will automatically comply with any State or Federal law as of the mandated effective date of the law, even if We have not notified The Policyholder of the change or The Policy has not been amended.

### **Effective Date of Changes**

Unless We and The Policyholder agree otherwise in writing, the effective date of any change in benefits will be the first day of the Coverage month that next follows the date We send notice to the Certificateholder of the change in benefits and corresponding change in premiums.

### **Termination of The Policy**

The Policy, together with all Riders, will terminate at the earliest of the following events:

1. If any premium payable by The Policyholder is not paid within the Grace Period. The Policy will terminate the day after the 31 day Grace Period.
2. If The Policyholder submits a 60 day advance notice to Us to terminate The Policy, The Policy, together with all Riders, will terminate on the date specified in such request.
3. If We give The Policyholder a 60 day advance written notice that We intend to terminate The Policy, The Policy will terminate on the day specified in such notice.
4. If The Policyholder fails to comply with any of the terms of The Policy, or fails to fulfill any obligations under or pertaining to this insurance, or fails to comply with or cooperate with Us in satisfying the requirements of any applicable law or regulation pertaining to this insurance, The Policy, together with all Riders, will terminate on the 32<sup>nd</sup> day after We have given The Policyholder notice of Our intent to terminate.
5. If the number of Eligible Employees who become insured under The Policy during any 12 month period does not meet the Minimum Participation Requirement shown in The Policy Schedule, The Policy, together with all Rider(s), will terminate on the 32<sup>nd</sup> day after We have given The Policyholder written notice of Our intent to terminate.

### **Termination of Coverage Under The Policy**

The Insured's coverage will terminate at the earliest of:

1. The end of the period for which premium is paid, subject to the Grace Period;
2. The premium due date following the date We receive the Certificateholder's written request to have the insurance terminated;
3. The date of the Insured's death; or
4. The date The Policy is cancelled, subject to the Portability Privilege.

Dependent coverage will terminate at the earliest of:

1. The end of the period for which premium is paid, subject to the Grace Period;
2. The monthly anniversary of the Date of Issue following the date a Dependent ceases to be a Dependent as defined;
3. The date the Insured's Coverage terminates, except as provided in a Dependent Conversion Provision;
4. The date of the Dependent's death; or
5. The monthly anniversary of the Date of Issue following the date we receive the Certificateholder's written request to terminate Dependent Coverage.

### **Portability Privilege**

If the Insured's Coverage under The Policy terminated because The Policy was cancelled or the Insured was no longer eligible for payroll deduction, the Insured has the option to continue the Insurance. To continue coverage:



1. We must receive a written request and payment of the first premium for the portability coverage no later than 60 days after such termination; and
2. The written request is made on a form we furnish or approve for that purpose.

## **POLICY PROVISIONS**

### **Entire Policy**

The Entire Policy between the parties consists of:

1. The Policy;
2. The Certificates of the Insured;
3. Any Riders or endorsements;
4. Any Policy Schedules;
5. The Policyholder's Application; and
6. Enrollment data and any individual enrollment form for each Insured.

The Policyholder is an agent of the Insured. For all purposes related to the insurance issued under The Policy, Policyholder acts as an agent of the Insured. Policyholder does not, therefore, act as our agent for any purposes related to insurance provided under The Policy.

### **Statements Are Not Warranties**

Any statement made by The Policyholder will be deemed to be a representation and not a warranty. No statement will be used in any contest unless a copy of the statement has been furnished to Policyholder.

### **Contestability**

Except for failure to pay premiums, We will not contest the validity of Coverage under The Policy after two years from The Policy Effective Date.

Except for failure to pay premiums, We will not contest the validity of Coverage under any Certificate after two years:

- a. from the Date of Issue; or
- b. from the effective date of the last reinstatement, if any.

### **Clerical Errors**

Any clerical error on:

- a. Our part;
- b. The Policyholder's part;
- c. Insured's part; or
- d. Certificateholder's part;

will not void The Policy or an Insured's Coverage validly in force, nor will it continue The Policy or an Insured's Coverage otherwise validly terminated.

### **Money Payable**

All monies payable by or to Us will be paid in the lawful currency of the United States of America.

### **Time Periods**

For all periods used in The Policy, the effective time will be 12:01 a.m. at Policyholder's address.

For all periods that affect the Insured's Coverage, the effective time will be 12:01 a.m. at the Insured's address.

## **CERTIFICATE PROVISIONS MADE PART OF THE POLICY**

The remainder of The Policy consists of the provisions that will appear in the Certificate. This will include Riders, Endorsements or Amendments that may be added to the Certificate. The Certificate describes the insurance that is being made available under The Policy to Eligible Classes.