



American United Life Insurance Company ®  
Indianapolis, Indiana 46206-0368

Certifies that it has issued and delivered a Policy numbered AULtimate LIFE2E to:

Fifth Third Bank, Indiana, Trustee For The  
American United Life Group Insurance Trust For The Business And Professional Service Industry  
(Hereinafter called the Group Policyholder)

*Hunterdon Radiological Associates, P.A.*  
(Hereinafter called the Group Policyholder)

Group Policy Number: **00610305-0000-000**

Class: **001**

Change Effective Date: **Does Not Apply**

This certificate replaces any and all certificates previously issued to You under the Policy indicated above.

American United Life Insurance Company ® (AUL) certifies that the Employee whose enrollment form is on file with the Participating Unit as being eligible for insurance and for whom the required premium has been paid is insured under the above numbered Policy for group insurance benefits as designated in the Schedule of Benefits. Benefits are subject to change as described on the Schedule of Benefits page.

This certificate describes the coverage provided in the Policy. The Policy determines all rights and benefits in this certificate and may be amended, cancelled or discontinued at any time by agreement between AUL and the Participating Unit without notice to You. The Policy may be examined at the main office of AUL during the regular office hours.

Thomas M. Zurek  
Secretary

Dayton H. Molendorp  
President and Chief Executive Officer

**CERTIFICATE OF INSURANCE  
GROUP TERM LIFE INSURANCE  
WITH AN ACCELERATED LIFE BENEFIT**

**NOTE: RECEIPT OF THE ACCELERATED LIFE BENEFIT MAY BE TAXABLE.  
PLEASE SEEK ASSISTANCE FROM A PERSONAL TAX ADVISOR.**

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**SECTION 1-SCHEDULE OF BENEFITS  
BASIC INSURANCE**

CLASS 001

**CLASSIFICATION**

All Eligible Full-Time Employees

**LIFE AMOUNT**

Two Times Annual Base Salary Rounded Up To The Next Higher \$1,000 With A Minimum Of \$10,000 And A Maximum Of \$200,000

**AD&D PRINCIPAL SUM**

Two Times Annual Base Salary Rounded Up To The Next Higher \$1,000 With A Minimum Of \$10,000 And A Maximum Of \$200,000

Annual Base Salary means the Person's annualized earnings from the Participating Unit that do not include bonus or overtime pay.

**GUARANTEED ISSUE AMOUNT:** \$200,000. All amounts of Insurance in excess of the amount shown above shall require satisfactory Evidence of Insurability. Amounts for which the Employee becomes eligible which are over the Guaranteed Issue Amount in the Schedule of Benefits will be issued only on approval by AUL. Approval will be based on Evidence of Insurability satisfactory to AUL. If coverage is approved, it will take effect on the date named by AUL. See Section 4, Individual Effective Date.

**REDUCTIONS:** Upon attainment of age 70, the Life Insurance will reduce by 50%.

Reductions will be based upon the Life Amount prior to the payment of any Accelerated Life Benefit.

**TERMINATIONS:** Terminations are governed by the Individual Terminations Section. See Section 9.

**WAITING PERIOD** for Employees hired before the policy effective date: 90 days.

**WAITING PERIOD** for Employees hired on or after the policy effective date: 90 days. Also, see Eligibility, Section 3.

**SECTION 1-SCHEDULE OF BENEFITS**  
**BASIC INSURANCE**  
**Continued**

Class 001 (Continued)

**ACCELERATED LIFE BENEFIT:** You may request payment of 25% or 50% of the Life Amount shown above. This benefit is available on a Life Amount of \$10,000 or more. The maximum payment is limited to 25% or 50% of the Life Amount shown above or \$100,000, whichever is less. See Section 13.

<b>ACCIDENTAL DEATH BENEFITS</b>	These Benefits are included in this certificate. See Section 12.
Seat Belt Benefit	the lesser of: (1) 10% of the Person's Principal Sum of Accidental Death and Dismemberment Insurance or (2) \$25,000.
Air Bag Benefit	the lesser of: (1) 10% of the Person's Principal Sum of Accidental Death and Dismemberment Insurance or (2) \$5,000.
Repatriation Benefit	the lesser of: (1) Reasonable Expenses for transportation of the Person's body to a funeral home or mortuary near the Person's principal place of residence; (2) \$5,000; or (3) 10% of the Person's Principal Sum of Accidental Death and Dismemberment Insurance.
Child Higher Education Benefit	\$4,000 per Eligible Child per Academic Year for Education Expenses. The cumulative benefit payments for all eligible children will not exceed the lesser of: (1) \$20,000 or (2) 10% of the Person's Principal Sum of Accidental Death and Dismemberment Insurance.
Child Care Benefit	\$4,000 per Eligible Child per calendar year for Child Care expenses. The cumulative benefit payments for all eligible children will not exceed the lesser of: (1) \$20,000 or (2) 10% of the Person's Principal Sum of Accidental Death and Dismemberment Insurance.

**CONTRIBUTIONS:** Employee premium contributions are not required. See Section 4.

**ELIGIBILITY:** Immediate. See Section 3.

**FULL-TIME EMPLOYEE REQUIREMENT:** 19.23 hours or more per week. See Section 3.

**INDIVIDUAL EFFECTIVE DATE:** Immediate. See Section 4.

**INDIVIDUAL TERMINATIONS:** Immediate. See Section 9.

**WAIVER OF PREMIUM FOR TOTAL DISABILITY:** This benefit is included. See Section 8.

## SECTION 2-DEFINITIONS

**ACCIDENTAL BODILY INJURY** means an injury occurring as a result of an accident, either directly or indirectly, along with all other related conditions, sustained by You while insured under the Policy.

**ACTIVE WORK** and **ACTIVELY AT WORK** mean the use of time and energy in the services of the Participating Unit at the regular place of business by You while You are physically and mentally capable of performing each of the material and substantial duties of Your regular job at least the minimum number of hours listed in the Eligibility Section. This includes time off for vacation, jury duty and funeral leave, where You otherwise could have been Actively at Work. This does not include time off as a result of an injury, Accidental Bodily Injury, Sickness, strike or lock-out.

**CHILD** means any child born of You; or any child You legally adopted, from the time of placement in Your home with the intent to adopt; or any stepchild who lives with You; or any child for whom You have legal guardianship; or any child for whom coverage must be provided in accordance with state law or court order.

**CONTRIBUTORY INSURANCE** means insurance for which You pay part or all of the premium.

**COVERAGE MONTH** means that period of time beginning on the first day that the Participating Unit's coverage is in force and ending on the day before that date of the next month.

**DATE OF DISABILITY** means the first day You are not Actively at Work due to an Accidental Bodily Injury or Sickness that causes a Total Disability.

**DEPENDENT** see Dependent Insurance, Section 20, if included. If Dependent Insurance is not included, then references to Dependents, Child and Dependent Insurance are null and void.

**ELIMINATION PERIOD** means a period of consecutive days beginning on Your Date of Disability and ending on the date that the period specified in the Waiver of Premium for Total Disability Benefit expires. This period may include up to three (3) days of Active Work.

**EMPLOYER** see PARTICIPATING UNIT. Any references to Employer shall include Insured Units.

**EVIDENCE OF INSURABILITY** means a statement of proof of an Employee's or Dependent's medical history upon which acceptance for insurance will be determined by AUL.

**GRANDFATHERED RETIREE**, see Eligibility, Section 3A, if included.

## SECTION 2-DEFINITIONS

NON-CONTRIBUTORY INSURANCE means insurance for which You pay none of the premium.

PARTICIPATING UNIT means the sole proprietorship, partnership, corporation, firm, school, school district, or other instrumentality of a state or political subdivision thereof that employs You and that has been approved by AUL and who has been added by amendment to the Policy. Any references to Participating Unit shall include Insured Units.

PERSON means an Employee who meets the requirements of the Eligibility and Individual Effective Date Sections.

PERSONAL INSURANCE means the insurance provided under the Policy for You.

RETIREE means an individual who, on his last workday prior to retirement, was an Actively at Work Person and who is receiving a benefit under the terms of the Participating Unit's pension plan. Retiree does not include a Person who is receiving pension plan benefits solely due to being Totally Disabled and who otherwise does not meet the Participating Unit's criteria for receipt of pension plan benefits.

SICKNESS means illness, bodily disorder or disease, pregnancy, and any condition classified as a mental disorder in *International Classification of Diseases, Clinical Modification*, published by Med-Index.

SUBSCRIPTION AGREEMENT means the specific subscription agreement as executed by the Participating Unit and approved by AUL.

TEMPORARY LAY-OFF means a period of time shown in Continuation of Insurance, Section 7, during which the Employee is not Actively at Work and is not terminated from employment with the Participating Unit.

TOTAL DISABILITY and TOTALLY DISABLED see Waiver of Premium for Total Disability, Section 8, if included.

WAITING PERIOD means the amount of continuous, Active Work to be performed by the Employee, while in an eligible class, to become eligible for Personal Insurance. The Waiting Period is stated on the Schedule of Benefits.

WE, OUR, US, and AUL mean American United Life Insurance Company®

YOU and YOUR means an Employee who meets the requirements of the Eligibility and Individual Effective Date Sections. PERSON, when used, has the same meaning as YOU and YOUR.

## **SECTION 2 - DEFINITIONS**

**ELIGIBLE UNIT** means any sole proprietorship, partnership, corporation, firm, individual school district, or other instrumentality of a state or political subdivision thereof that is subsidiary to or affiliated with the Participating Unit.

**INSURED UNIT** means any Eligible Unit stated as a Subsidiary in the Subscription Agreement. See Section 23, Insured Units.

## **SECTION 3-ELIGIBILITY**

### **DEFINITIONS**

**EMPLOYEE** means an individual:

- 1) whose employment with the Participating Unit constitutes his principal occupation; and
- 2) who regularly works at that occupation at the Participating Unit's regular place of business a minimum of 19.23 hours per week; and
- 3) who is not temporarily or seasonally employed by the Participating Unit.

**WAITING PERIOD** means the amount of continuous, Active Work to be performed by the Employee, while in an eligible class, to become eligible for Personal Insurance. The Waiting Period is stated on the Schedule of Benefits.

### **ELIGIBILITY**

On the effective date of the Participating Unit's coverage under the Policy, an Employee becomes eligible for Personal Insurance if:

- 1) the Employee has fulfilled the Waiting Period, if any, and is Actively at Work; or
- 2) the Employee has fulfilled the Waiting Period, if any, and is not Actively at Work due to being on an Employer-approved leave of absence other than for injury or sickness; or
- 3) the Employee has fulfilled the Waiting Period, if any, and is not Actively at Work due to being on Temporary Lay-off.

After the effective date of the Participating Unit's coverage under the Policy and while such coverage is in force, an Actively at Work Employee becomes eligible for Personal Insurance on the date following fulfillment of the Waiting Period, if any.

**TO REMAIN ELIGIBLE FOR PERSONAL INSURANCE AND DEPENDENT INSURANCE, IF ANY, PERSONS MUST CONTINUOUSLY MEET THE ABOVE REQUIREMENTS.**



**SECTION 4-INDIVIDUAL EFFECTIVE DATE  
NON-CONTRIBUTORY INSURANCE**

*Refer to your Schedule of Benefits to determine to which coverage this page applies. When applicable, the Schedule of Benefits will indicate employee premium CONTRIBUTIONS are not required.*

For amounts of coverage that do not exceed the Guaranteed Issue Amount shown on the Schedule of Benefits, the effective date for an eligible Employee is the date the Employee becomes eligible, subject to the further provisions of this Section.

For amounts of coverage that exceed the Guaranteed Issue Amount shown on the Schedule of Benefits, the eligible Employee must make written request to the Participating Unit on a form approved by AUL. The effective date of insurance for an eligible Employee, subject to the further provisions of this Section, is the date named by AUL when Evidence of Insurability is required. Evidence of Insurability, satisfactory and without expense to AUL, is required if the amount requested exceeds the Guaranteed Issue Amount shown on the Schedule of Benefits.

Any eligible Employee who converted insurance under the Policy to an individual policy which remains in force is required, as a condition of becoming insured again under the Policy, to submit Evidence of Insurability satisfactory and without expense to AUL. The effective date of insurance shall be a date named by AUL.

If an Employee is not Actively at Work on the date insurance would otherwise become effective, the effective date is the date the eligible Employee returns to Active Work.

When an Employee has met the requirements of the Eligibility Section and this Section, that Employee has Personal Insurance and is referred to as You.

Contributions for Basic insurance are not required from You for Personal Insurance.

Also see Continuity of Coverage, Section 5, if included.

## **SECTION 5-CONTINUITY OF COVERAGE**

This Section applies where the Participating Unit's coverage under the Policy is issued as a replacement of a prior plan of group term life insurance that terminated on the day before the effective date of the Participating Unit's coverage under the Policy.

References to Dependent used in this Section apply only if the Participating Unit's coverage under the Policy includes Dependent Insurance.

Coverage, as limited below, will be extended under this Section to an Employee or Employee's Dependent who:

- 1) was insured under the prior plan on its termination date; but
- 2) was not eligible for full coverage on the effective date of the Participating Unit's coverage under the Policy because, in the case of an Employee, was not Actively at Work, or in the case of a Dependent, was confined in a hospital, convalescent care facility or nursing home.

Coverage is extended if such Employee or Dependent:

- 1) makes application on or before the effective date of the Participating Unit's coverage under the Policy;
- 2) pays the required premium; and
- 3) is not eligible for coverage under the Waiver of Premium provision of the Participating Unit's prior plan.

The amount of coverage extended will be the lesser of:

- 1) the benefit for which the Employee or Dependent would have been eligible under the Policy, if the Employee had been Actively at Work or the Dependent had not been confined in a hospital, convalescent care facility or nursing home; or
- 2) the benefit for which the Employee or Dependent was insured under the Participating Unit's prior plan less the amount payable under that plan.

The coverage under this Section will terminate on the earliest of the following dates:

- 1) the last date for which any required contribution has been made;
- 2) the date the Personal Insurance or Dependent Insurance becomes effective under the Participating Unit's coverage under the Policy;
- 3) the date the coverage would have terminated as outlined in the Individual or Dependent Termination Sections of the Participating Unit's coverage under the Policy if the Personal Insurance or Dependent Insurance had become effective; or
- 4) the date the Employee or Dependent becomes eligible for coverage under the prior plan's Waiver of Premium provision.

**THIS BENEFIT DOES NOT INCLUDE ANY RETIREMENT BENEFITS.**

## SECTION 6-CHANGES IN INSURANCE COVERAGE

The amount of insurance for which You are eligible is shown in the Schedule of Benefits.

A change in insurance that does not result in an increase in benefits takes effect on:

- 1) the first day of the Coverage Month following any scheduled reduction; or
- 2) the first day of the Coverage Month following AUL's approval of a request for change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's approval of a request for change, if the date is after the first day of the Coverage Month.

In order for a change in insurance that does result in an increase in benefits to become effective, You must be Actively at Work.

A change in insurance that results in an increase in benefits that does not exceed Your Guaranteed Issue Amount shown on the Schedule of Benefits takes effect on:

- 1) the first day of the Coverage Month, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the date You become eligible for the change in insurance, if the date is after the first day of the Coverage Month; subject to the further provisions of this Section.

A change in insurance that results in an increase in benefits that does exceed Your Guaranteed Issue Amount shown on the Schedule of Benefits is subject to:

- 1) Evidence of Insurability, satisfactory and without expense to AUL; and
- 2) upon AUL's approval, takes effect on:
  - a) the first day of the Coverage Month, if the date is the first day of a Coverage Month; or
  - b) the first day of the next Coverage Month following AUL's approval of a request for change, if the date is after the first day of the Coverage Month; subject to the further provisions of this Section.

If You are not Actively at Work on the approved change date, any increase in the amount of insurance takes effect on:

- 1) the date of Your return to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following Your return to Active Work, if the date is after the first day of the Coverage Month.

## SECTION 7-CONTINUATION OF INSURANCE

### DEFINITIONS

ACTIVE WORK and ACTIVELY AT WORK mean the use of time and energy in the services of the Participating Unit at the regular place of business by You while You are physically and mentally capable of performing each of the material and substantial duties of Your regular job at least the minimum number of hours listed in the Eligibility Section. This includes time off for vacation, jury duty and funeral leave, where You otherwise could have been Actively at Work. This does not include time off as a result of an injury or sickness, strike or lock-out.

TEMPORARY LAY-OFF means a period of time shown below in this Section during which the Employee is not Actively at Work and is not terminated from employment with the Participating Unit.

### CONTINUATION OF INSURANCE

While the Participating Unit's coverage under the Policy is in force, if You have ceased Active Work due to:

- 1) sickness or injury, Personal Insurance may be continued until the earlier of the following:
  - a) the day following cessation of Active Work for 9 months, or
  - b) the date premium payments are discontinued by the Participating Unit, or
  - c) the date You return to Active Work; or
- 2) Temporary Lay-off, Personal Insurance may be continued until the earlier of the following:
  - a) the 90th day following cessation of Active Work, or
  - b) the date premium payments are discontinued by the Participating Unit, or
  - c) the date You return to Active Work; or
- 3) an Employer-approved leave of absence other than for injury or sickness, Personal Insurance may be continued until the earlier of the following:
  - a) the 90th day following cessation of Active Work, or
  - b) the date premium payments are discontinued by the Participating Unit, or
  - c) the date You return to Active Work.

If You have not returned to Active Work, Personal Insurance terminates at the end of Continuation of Insurance. At the end of Continuation of Insurance, You may qualify, if eligible, for Waiver of Premium for Total Disability, see Section 8, if available; or may convert to an individual policy in accordance with Section 10.

## SECTION 8 - WAIVER OF PREMIUM

This Section applies to Basic Life Insurance.

### WAIVER OF PREMIUM FOR TOTAL DISABILITY

#### DEFINITIONS

**ACCIDENTAL BODILY INJURY** means an injury occurring as a result of an accident, either directly or indirectly, along with all other related conditions, sustained by You while insured under the Policy.

**ACTIVE WORK** and **ACTIVELY AT WORK** mean the use of time and energy in the services of the Participating Unit at the regular place of business by You while You are physically and mentally capable of performing each of the material and substantial duties of Your regular job at least the minimum number of hours listed in the Eligibility Section. This includes time off for vacation, jury duty and funeral leave, where You otherwise could have been Actively at Work. This does not include time off as a result of an injury, Accidental Bodily Injury, Sickness, strike or lock-out.

**DATE OF DISABILITY** means the first day You are not Actively at Work due to an Accidental Bodily Injury or Sickness that causes a Total Disability.

**ELIMINATION PERIOD** means a period of consecutive days beginning on Your Date of Disability and ending on the date that the period specified in the Waiver of Premium for Total Disability Benefit expires. This period may include up to three (3) days of Active Work.

**SICKNESS** means illness, bodily disorder or disease, pregnancy, and any condition classified as a mental disorder in *International Classification of Diseases, Clinical Modification*, published by Med-Index.

**TOTAL DISABILITY AND TOTALLY DISABLED** mean that because of Accidental Bodily Injury or Sickness You cannot engage in any occupation for which You are reasonably fitted by training, education, or experience. If You accept any type of gainful employment, other than in a state-approved rehabilitation program or sheltered workshop, You will be considered fitted to that occupation.

## SECTION 8 - WAIVER OF PREMIUM

### WAIVER OF PREMIUM FOR TOTAL DISABILITY BENEFIT

AUL will waive further premium payments for Your Life Insurance if You:

- 1) become Totally Disabled before age 60 and while insured under the Participating Unit's coverage under the Policy; and
- 2) remain continuously Totally Disabled during the 9 month Elimination Period; and
- 3) submit proof of Total Disability between the sixth and ninth month following the Date of Disability; and
- 4) submit acceptable proof of continuous Total Disability one (1) month prior to the end of each following year of disability.

The Total Disability must be certified by a legally qualified physician other than You or a member of Your immediate family. Members of Your immediate family mean Your Spouse, parent, son, daughter, brother, or sister.

AUL also may require that You be examined:

- 1) at AUL's expense;
- 2) by AUL's choice of physician;
- 3) once a year after being Totally Disabled for two (2) years.

Premium payment is due until AUL approves the benefit request and the Elimination Period has been fulfilled.

As long as You meet the conditions set forth above, You will retain a Life Insurance benefit without further premium payment until the first of the following occurs:

- 1) unsatisfactory proof of Total Disability is submitted;
- 2) You accept employment, or are found able to accept employment for which You are reasonably fitted by training, education or experience;
- 3) You refuse to submit to medical examination;
- 4) proof of continuous Total Disability is not submitted by the twelfth month of any benefit period unless it was not reasonably possible to do so; or
- 5) You attain age 65; or
- 6) You become a Retiree.

The termination of the Participating Unit's coverage or the termination of Your class will not cause this Waiver of Premium for Total Disability Benefit to discontinue.

Any Accidental Death and Dismemberment Insurance will remain in force until the earliest of the following dates:

- 1) the date final action is taken on the benefit request;
- 2) 9 months after the Date of Disability; or
- 3) the date premium payments are discontinued.

When You are approved for coverage under this Waiver of Premium for Total Disability Benefit, Your benefits in force under the Policy:

- 1) do not include any Accidental Death and Dismemberment benefits You may have had; and
- 2) will reduce if:
  - a) the benefits for Your class are reduced; or
  - b) the Schedule of Benefits includes an automatic reduction for all Persons in Your class at a certain age.

## **SECTION 8 - WAIVER OF PREMIUM**

### **WAIVER OF PREMIUM FOR TOTAL DISABILITY BENEFIT (Continued)**

Life and Accidental Death and Dismemberment Insurance premiums must be paid during the Waiver of Premium for Total Disability Elimination Period. If the benefit request is approved, any premium paid beyond the Elimination Period will be refunded.

If the benefit request is not approved, You may elect to convert Your coverage to an individual policy within 31 days from notice of the non-approval, as described in Section 10. If You do not pay premiums during the Elimination Period or do not convert Your coverage to an individual policy, You cannot convert Your coverage to an individual policy upon notice of non-approval.

If You die during the Elimination Period and premiums have not been paid, no death benefit will be paid.

If coverage under the Waiver of Premium for Total Disability Benefit ceases, You are entitled to convert Your insurance to an individual policy within 31 days of such cessation of coverage as set forth in Section 10.

If coverage under the Waiver of Premium for Total Disability Benefit ceases because You return to Active Work with the Participating Unit, and the Participating Unit's coverage under the Policy is still in force, You are immediately eligible for all coverage available to Your class.

If You are approved for Waiver of Premium for Total Disability and the death claim is payable under the Waiver of Premium for Total Disability Section, any conversion policy issued to You must be returned for cancellation and premium refund. **IN NO EVENT WILL ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS, IF ANY, BE PAYABLE BEYOND THE WAIVER OF PREMIUM FOR TOTAL DISABILITY BENEFIT ELIMINATION PERIOD.**

## **SECTION 9 - INDIVIDUAL TERMINATIONS**

Personal Insurance terminates on the earliest of the following dates:

- 1) the date the Participating Unit's coverage under the Policy is terminated;
- 2) the date You request termination but not prior to the date of the request;
- 3) the date for which any required contribution is made;
- 4) the date You cease to be eligible, see Eligibility, Section 3 and Section 3A, if any;
- 5) the date You become a Retiree, unless the Schedule of Benefits includes a specific classification for Retirees;
- 6) the date You enter active military service for any country except for temporary duty of 30 days or less; or
- 7) the date You cease Active Work, except for an event listed in Continuation of Insurance, Section 7.

Accidental Death and Dismemberment Personal Insurance terminates whenever any of the above events occur.

Accidental Death and Dismemberment Personal Insurance also terminates on the earliest of the following dates:

- 1) the date final action is taken on the Waiver of Premium for Total Disability Benefit request; or
- 2) the date You become a Retiree, unless the Schedule of Benefits includes a specific classification for Retirees that includes AD&D Principal Sum Amounts; or
- 3) the date Your Life Insurance amounts reduce to zero.



## SECTION 10 - CONVERSION PRIVILEGE

If Your Life Insurance or a portion of it ceases due to:

- 1) termination of employment;
- 2) termination of membership in a class eligible for insurance; or
- 3) a reduction in the benefit amount,

You are entitled to a conversion policy without submission of Evidence of Insurability. The amount of such conversion policy shall be equal to or less than the amount of Personal Life Insurance which has ceased.

If Your Life Insurance or a portion of it ceases due to:

- 1) termination of the policy;
- 2) termination of the class of insurance under which You are covered; or
- 3) termination of the Participating Unit's coverage under the policy,

You are entitled to a conversion policy without submission of Evidence of Insurability if Your Personal Insurance has been in force with AUL for five (5) continuous years. If Section 5 - Continuity of Coverage applies to You, You will be given credit for the amount of time covered under the prior plan towards this (5) years. The amount of the conversion policy shall not exceed the smaller of:

- 1) the coverage terminated minus any new group coverage for which You become eligible within 31 days; or
- 2) \$10,000.

In the event that Your employment and the Participating Unit's coverage under the policy terminate at the same time, You will be entitled to convert Your coverage no matter how long Your coverage has been in force.

The conversion policy is subject to the following:

- 1) Written application must be made and the first premium paid within 31 days after the later of the date of:
  - a) termination of insurance; or
  - b) conversion notification by the Participating Unit. If You are not notified by the Participating Unit of Your conversion rights within 15 days after the date of termination of insurance, an additional conversion application period will begin. This additional conversion application period will end on the earlier of: (i) 15 days after notice is received; or (ii) 60 days from the end of the original 31 day conversion period.
- 2) Any plan of insurance other than term insurance currently offered by AUL may be selected. Your Basic Life and Supplemental Life Insurance, if any, are available for conversion. Your Accidental Death and Dismemberment Insurance and Waiver of Premium for Total Disability Benefit, if any, are not available for conversion.
- 3) The premium will be based on Your age on the effective date of the conversion policy, the class of risk to which You belong and the premium rate in effect on the date of conversion.
- 4) The conversion policy takes effect at the end of the application period and is in lieu of all benefits under the Participating Unit's coverage under the Policy, unless You remain insured under the Policy as a member of a different class.

## **SECTION 10 - CONVERSION PRIVILEGE**

If death occurs during the application period, AUL will pay under the group policy the maximum amount available for conversion whether or not the application has been made or the premium paid. After the application period, no application will be accepted unless You prove that it was not possible for You to apply in a timely fashion.

Premium must be paid for the number of days of coverage provided during the application period.

IN NO EVENT WILL A DEATH BENEFIT BE PAYABLE UNDER BOTH THE CONVERSION SECTION AND WAIVER OF PREMIUM FOR TOTAL DISABILITY SECTION, IF ANY, OF THE POLICY. ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS, IF ANY, ARE NOT PAYABLE BEYOND THE DATE SET FORTH IN SECTION 9, INDIVIDUAL TERMINATIONS.

## **SECTION 11 - INDIVIDUAL REINSTATEMENTS**

If Personal Insurance and Dependent Insurance, if any, terminate due to termination of employment, that insurance may be reinstated upon return to employment as an Actively at Work Employee. The following conditions apply:

- 1) Where return to employment occurs within 30 days of the termination date, insurance becomes effective upon the date of return to Active Work. Evidence of Insurability is not required.
- 2) Where return to employment occurs after the period specified in 1 above, You will be considered a new employee and the Eligibility and Individual Effective Date Sections will apply.
- 3) Where insurance has been changed to a conversion policy, according to the terms of the Conversion Privilege Section, the conversion policy must be terminated or Evidence of Insurability, satisfactory and without expense to AUL, will be required prior to reinstatement. The effective date of reinstatement will be as specified by AUL.
- 4) Reinstatement is subject to the payment of any required premium.
- 5) The maximum benefits reinstated will not exceed the maximum benefits which would have been available had You been continuously insured.

If reinstatement is requested for any reason other than a return to employment as an Actively at Work Employee, Evidence of Insurability, satisfactory and without expense to AUL, will be required. The terms and effective date of any reinstatement will be as specified by AUL. Dependent Insurance cannot be reinstated without reinstatement of Personal Insurance.

## **SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT**

This Section applies to Basic Accidental Death and Dismemberment Insurance.

### **DEFINITIONS**

**ACCIDENTAL DEATH** means death due to an accident, directly and independently of all other causes.

**ADDITIONAL ACCIDENTAL DEATH BENEFITS** mean the Seat Belt Benefit, the Air Bag Benefit, the Repatriation Benefit, the Child Higher Education Benefit and the Child Care Benefit. The total of the Additional Accidental Death Benefits payable will not exceed 100% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.

**ACCIDENTAL DISMEMBERMENT** means loss of sight, speech or hearing, severance of a body member or Loss of Use of a limb of the body due to an accident, directly and independently of all other causes. The losses listed in the table are defined as follows:

**LOSS OF SIGHT** means total, permanent blindness.

**LOSS OF SPEECH** means total, permanent and irrecoverable loss of vocal communication.

**LOSS OF HEARING** means total, permanent deafness in both ears which cannot be corrected by any means.

**LOSS OF HAND** means complete severance of the arm through or above the wrist.

**LOSS OF THUMB AND INDEX FINGER** means complete severance of both the thumb and index finger at or above the metacarpophalangeal joints on the same hand.

**LOSS OF FOOT** means complete severance through or above the ankle.

**LOSS OF USE OF UPPER AND LOWER LIMBS OF THE BODY** means a total, permanent and irrecoverable loss of voluntary movement of the upper and lower limbs of the body which has continued for 12 continuous months.

**LOSS OF USE OF BOTH LOWER LIMBS OF THE BODY** means a total, permanent and irrecoverable loss of voluntary movement of both lower limbs of the body which has continued for 12 continuous months.

**LOSS OF USE OF UPPER AND LOWER LIMBS ON ONE SIDE OF THE BODY** means a total, permanent and irrecoverable loss of voluntary movement of the upper and lower limbs on one side of the body which has continued for 12 continuous months.

**LOSS OF USE OF ONE LIMB OF THE BODY** means a total, permanent and irrecoverable loss of voluntary movement of one limb of the body which has continued for 12 continuous months.

**HEMIPLEGIA** means the total, permanent and irrecoverable paralysis of the upper and lower limbs on the same side of the body.

**PARAPLEGIA** means the total, permanent and irrecoverable paralysis of both lower limbs of the body.

**QUADRIPLEGIA** means the total, permanent and irrecoverable paralysis of both upper and lower limbs of the body.

**UNIPLEGIA** means the total, permanent and irrecoverable paralysis of one limb of the body.

## SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT

### ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

If You have an accident while insured under the policy which results in a loss shown below, AUL will pay the amount shown opposite the loss if:

- 1) the loss occurs within 365 days of the date of the accident; and
- 2) AUL receives acceptable proof of loss.

FOR ACCIDENTAL LOSS OF	AMOUNT PAYABLE
Life	Principal Sum
Both Hands or Both Feet or Sight of Both Eyes	Principal Sum
Speech and Hearing	Principal Sum
One Hand and One Foot	Principal Sum
One Hand and Sight of One Eye	Principal Sum
One Foot and Sight of One Eye	Principal Sum
Sight of One Eye	One-half of the Principal Sum
One Hand or One Foot	One-half of the Principal Sum
Speech or Hearing	One-half of the Principal Sum
Thumb and Index Finger	One-quarter of the Principal Sum
FOR CONDITIONS OF	
Quadriplegia or Loss of Use of Upper and Lower Limbs of the Body	Principal Sum
Paraplegia or Loss of Use of Both Lower Limbs of the Body	One-half of the Principal Sum
Hemiplegia or Loss of Use of Upper and Lower Limbs on the Same Side of the Body	One-half of the Principal Sum
Uniplegia or Loss of Use of One Limb of the Body.	One-quarter of the Principal Sum

The Principal Sum is shown in the Schedule of Benefits.

AUL will only pay a benefit amount for either paralysis or loss of a limb, but not a benefit amount for both.

The total amount payable will never exceed the Principal Sum for all losses sustained by You in one accident. The amount payable for loss of life is paid according to Payment of Death Benefits, Section 15. Amounts payable for other losses are paid to You.

## SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT

### LIMITATIONS

Benefits are not payable for loss due directly or indirectly to:

- 1) suicide or attempted suicide, whether sane or insane;
- 2) air travel as a crew member;
- 3) participation in a riot or from war or an act of war, whether declared or undeclared;
- 4) caused or contributed to by Your commission of or attempt to commit a felony;
- 5) being under the influence of any narcotic unless administered on the advice of a physician;
- 6) the voluntary inhaling of gas (unless due to occupational accident);
- 7) sickness other than infection occurring as a result of accidental injury;
- 8) voluntary use of alcohol resulting in intoxication above the legal limit;
- 9) voluntary use of a hallucinogen or substance causing intoxication;
- 10) violation of traffic laws, racing, stunt-driving, or engaging in other similar activity during the accident; or
- 11) participation in hang-gliding, bungee jumping, skydiving, rock climbing or mountain climbing.

Notice and Proof of Injury/Accidental Death: Written notice of the injury/Accidental Death on which the claim is based must be given to AUL's Home Office within 31 days of the date of the accident. Acceptable proof of loss must be furnished to AUL's Home Office within 90 days, or other number of days as required by state law, after the date of the loss. Failure to provide notice or proof within 90 days will not invalidate or reduce a claim if such notice or proof is furnished as soon as reasonably possible. Acceptable proof of loss must be furnished as follows:

- 1) A certified death certificate;
- 2) A complete and accurate AUL death claim form and if available, a copy of the police, autopsy, and medical reports related to the death;
- 3) A statement by the Participating Unit certifying the amount of coverage existing on the date of loss; and
- 4) At AUL's option, other documents or information as needed to investigate the loss and determine whether or not benefits are payable under the policy.

AUL has the right to examine You:

- 1) as often as reasonably necessary;
- 2) at AUL's expense; and
- 3) by a medical professional of AUL's choice.

## **SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT**

### **TERMINATION OF ACCIDENTAL DEATH & DISMEMBERMENT BENEFIT**

Accidental Death and Dismemberment coverage for You will terminate as outlined in Section 9, Individual Terminations.

The Group Policyholder may terminate the insurance under this Section at the end of any Policy Month by giving AUL 31 days prior written notice.

AUL may terminate the insurance under this Section at the end of any Policy Month by giving at least 31 days prior notice to the Group Policyholder.

**AUL WILL STILL BE LIABLE FOR PAYMENT OF VALID CLAIMS INCURRED BEFORE THE TERMINATION DATE.**

**THIS COVERAGE AND ANY BENEFITS UNDER THIS SECTION ARE NOT AVAILABLE DURING CONVERSION OR WHILE ELIGIBLE FOR ANY WAIVER OF PREMIUM BENEFIT.**

## **SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT**

This Section applies to Basic Accidental Death Insurance.

### **DEFINITIONS**

SEAT BELT means a properly installed safety belt meeting the standards stated in the Federal Motor Vehicle Safety Standard Number 208 (49 C.F.R. Section 571.208) for the make, model, and year of the Automobile.

AUTOMOBILE means a motor vehicle properly registered with local authorities and permitted under applicable laws for use on highways.

### **SEAT BELT BENEFIT**

AUL will pay an Additional Accidental Death Benefit if You die as a result of a non-occupational Automobile accident while You are properly wearing a Seat Belt at the time of the accident. The following rules apply:

- 1) The Seat Belt Benefit equals the lesser of:
  - a) 10% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits; or
  - b) \$25,000.
- 2) AUL must receive satisfactory written proof that Your death resulted from an Automobile accident and that You were properly wearing a Seat Belt at the time of the accident. A copy of all police reports must be submitted with the claim, and must show conclusively the Seat Belt was properly worn.
- 3) This benefit will not be paid if You, while operating the Automobile, were legally intoxicated as defined by applicable laws, violating traffic laws, racing, stunt-driving, or engaging in other similar activity during the accident.

In no event will the total of all Additional Accidental Death Benefits payable exceed 100% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.

In addition to the above limitations, this benefit is subject to the further limitations and provisions of this Section 12.



## SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT

This Section applies to Basic Accidental Death Insurance.

### DEFINITIONS

AIR BAG means an inflatable restraint device that is activated in an Automobile accident and

- 1) was installed by the Automobile manufacturer;
- 2) is not altered after the original installation by the Automobile manufacturer;
- 3) is functioning properly; and
- 4) complies with Federal Motor Vehicle Safety Standard Number 208 (49 C.F.R. Section 571.208) for the make, model and year of the Automobile.

AUTOMOBILE means a motor vehicle properly registered with local authorities and permitted under applicable laws for use on highways.

SEAT BELT means a properly installed safety belt meeting the standards stated in the Federal Motor Vehicle Safety Standard Number 208 (49 C.F.R. Section 571.208) for the make, model, and year of the Automobile.

### AIR BAG BENEFIT

AUL will pay an Additional Accidental Death Benefit if You die as a result of a non-occupational Automobile accident while You are properly wearing a Seat Belt at the time of the accident and the Air Bag deployed properly at the time of the accident. The following rules apply:

- 1) The Air Bag Benefit equals the lesser of:
  - a) 10% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits; or
  - b) \$5,000.
- 2) AUL must receive satisfactory written proof that Your death resulted from an Automobile accident and that You were properly wearing a Seat Belt at the time of the accident, You were positioned in a seat that is designed to be protected by an Air Bag, and that the Air Bag deployed at the time of the accident. A copy of all police reports must be submitted with the claim, and must show conclusively the Air Bag inflated properly at the time of the accident.
- 3) This benefit will not be paid if You, while operating the Automobile, were legally intoxicated as defined by applicable laws, violating traffic laws, racing, stunt-driving, or engaging in other similar activity during the accident.

In no event will the total of all Additional Accidental Death Benefits payable exceed 100% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.

In addition to the above limitations, this benefit is subject to the further limitations and provisions of this Section 12.

## **SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT**

This Section applies to Basic Accidental Death Insurance.

### **DEFINITIONS**

**REASONABLE EXPENSES** means usual and customary fees or charges assessed in the marketplace for the services performed.

### **REPATRIATION BENEFIT**

AUL will pay an Additional Accidental Death Benefit if You die either 200 miles away from Your principal place of residence or are outside of the country at the time of Accidental Death. The following rules apply:

- 1) The Repatriation Benefit equals the lesser of:
  - a) Reasonable Expenses for transportation of Your body to a funeral home or mortuary near Your principal place of residence;
  - b) \$5,000; or
  - c) 10% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.
- 2) AUL must receive satisfactory written proof documenting the location of Your Accidental Death. Any Repatriation Benefit will be paid following receipt that reasonable transportation expenses were incurred.
- 3) Only one Repatriation Benefit will be paid to the beneficiary who has incurred the cost for any covered expenses, regardless of any additional coverages for which You may be insured with AUL.
- 4) Acceptable written proof and documentation of the reasonable transportation expenses incurred must be received by AUL within 12 months of Accidental Death.

In no event will the total of the Additional Accidental Death Benefits payable exceed 100% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.

In addition to the above limitations, this benefit is subject to the further limitations and provisions of this Section 12.

## SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT

This Section applies to Basic Accidental Death Insurance.

### DEFINITIONS

**ACADEMIC YEAR** means the annual period of educational sessions of an accredited post-secondary educational institution.

**CHILD** means any minor related by blood, marriage or court order that can be claimed as a dependent for federal income tax purposes, and may include:

- 1) Your natural born child(ren);
- 2) Your legally adopted child(ren);
- 3) stepchild(ren) who live with You; and
- 4) child(ren) for whom You have legal guardianship.

**ELIGIBLE CHILD** means Your unmarried Child under age 25, who on the date of Your Accidental Death:

- 1) is enrolled in and is attending an accredited post-secondary educational institution on a full-time basis; or
- 2) is at the 12<sup>th</sup> grade level and enrolls and attends an accredited post-secondary educational institution within 16 months from the date of Your death; and
- 3) is dependent upon You for principal support and is claimed as a dependent on Your federal income tax return.

**EDUCATION EXPENSES** means tuition that is assessed by the accredited post secondary educational institution and is required to be paid in order for the Child to be classified as a full time student.

### CHILD HIGHER EDUCATION BENEFIT

AUL will pay an Additional Accidental Death Benefit subject to the following rules:

- 1) The Child Higher Education Benefit payment will be no more than \$4,000 for each Eligible Child per Academic Year for Education Expenses. The cumulative benefit payments for all eligible children will not exceed the lesser of:
  - a) \$20,000; or
  - b) 10% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.
- 2) The Child Higher Education Benefit will be paid:
  - a) once per year at the conclusion of the Academic Year;
  - b) not more than 5 consecutive years after the date of Your death; and
  - c) until such date that the Child no longer satisfies eligibility requirements under the policy or the accredited post-secondary educational institution.
- 3) If there is no Eligible Child, no Child Higher Education Benefit will be paid.
- 4) Child Higher Education Benefits will only be paid based on enrollment in one accredited post-secondary educational institution.
- 5) No annual Child Higher Education Benefits will be paid beyond the date the policy terminates. If the policy terminates within 60 days of the end of the current Academic Year, a final Child Education Benefit will be paid when eligible.

In no event will the total of the Additional Accidental Death Benefits payable exceed 100% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.

In addition to the above limitations, this benefit is subject to the further limitations and provisions of this Section.

## SECTION 12-ACCIDENTAL DEATH AND DISMEMBERMENT

This Section applies to Basic Accidental Death Insurance.

### DEFINITIONS

**CHILD** means any minor related by blood, marriage or court order that can be claimed as a dependent for federal income tax purposes, and may include:

- 1) Your natural born child(ren);
- 2) Your legally adopted child(ren);
- 3) stepchild(ren) who live with You; and
- 4) child(ren) for whom You have legal guardianship.

**ELIGIBLE CHILD** means Your Child under the age of 13.

**CHILD CARE EXPENSES** mean any reasonable and customary weekly or monthly child-care fees assessed by a Child Care Facility.

**CHILD CARE FACILITY** means a properly state-licensed child-care center not owned or operated by a member the Child's Family.

**FAMILY** means any parent, step-parent, grandparent, brother, sister, uncle or aunt.

### CHILD CARE BENEFIT

AUL will pay an Additional Accidental Death Benefit subject to the following rules:

- 1) The Child Care Benefit applies to each Eligible Child enrolled in a Child Care Facility on the date of Your Accidental Death or subsequently enrolls in a Child Care Facility within 12 months of Your Accidental Death.
- 2) No more than \$4,000 will be paid for each Eligible Child per calendar year for Child Care expenses. The cumulative benefit payments for all eligible children will not exceed the lesser of:
  - a) \$20,000, or
  - b) 10% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.
- 3) The Child Care Benefit will be paid once per year at the completion of the calendar year to the earlier of:
  - a) the date the Child no longer satisfies eligibility requirements;
  - b) the date the Child attains age 13; or
  - c) 5 consecutive years after the date of Your Accidental Death.
- 4) If there is no Eligible Child, no Child Care Benefit will be paid.
- 5) No Child Care Benefit will be paid beyond the date the policy terminates. If the policy terminates within 60 days of the end of the calendar year, a final Child Care Benefit will be paid when eligible.

In no event will the total of all Additional Accidental Death Benefits payable exceed 100% of Your Principal Sum of Accidental Death and Dismemberment Insurance shown on the Schedule of Benefits.

In addition to the above limitations, this benefit is subject to the further limitations and provisions of this Section 12.

## **SECTION 13 - ACCELERATED LIFE BENEFIT**

This Section applies to Basic Life Insurance.

### **DEFINITION**

**TERMINAL CONDITION** means an injury or sickness that, despite appropriate medical care, is reasonably expected to result in Your death within 12 months from the date of payment of the Accelerated Life Benefit, as determined by AUL. AUL may require that You be examined at AUL's expense by AUL's choice of physician.

### **BENEFIT**

If You are Totally Disabled as defined in the Waiver of Premium for Total Disability provision and are diagnosed with a Terminal Condition while covered under this provision, You may request payment of the Accelerated Life Benefit. The available amount of Accelerated Life Benefit is shown in the Schedule of Benefits. Benefits will be paid in one lump sum to You.

### **CONDITIONS**

To be eligible to request payment of the Accelerated Life Benefit:

- 1) You must have Personal Insurance;
- 2) You must be determined by AUL to be Totally Disabled under the Waiver of Premium for Total Disability provision;
- 3) You must be diagnosed with a Terminal Condition while covered under this provision;
- 4) AUL will require, in a community property state, Your spouse's written consent before the Accelerated Life Benefit is paid; and
- 5) You can receive an Accelerated Life Benefit only once.

### **PROOF REQUIRED FOR THE ACCELERATED BENEFIT**

Proof is a completed claim form and any other information AUL requires in order to determine liability. AUL may require that You be examined at AUL's expense by AUL's choice of physician.

## SECTION 13 - ACCELERATED LIFE BENEFIT

### EFFECT OF PAYMENT OF ACCELERATED LIFE BENEFIT

After payment of an Accelerated Life Benefit, Your Life Insurance payable at death to Your Beneficiary equals:

- 1) the amount of Your Life Insurance as if an Accelerated Life Benefit payment had not been made, minus
- 2) the Accelerated Life Benefit payment, minus
- 3) the interest charge.

The interest charge equals the Accelerated Life Benefit amount, times the number of days from the date of payment to Your date of death divided by 365, times the interest rate. The interest rate will be based on the current 90-day treasury bill rate at the time of payment of the Accelerated Life Benefit.

NOTE: Your Accidental Death and Dismemberment Insurance, if any, terminated upon approval of the Waiver of Premium for Total Disability Benefit according to Section 8.

The following information is used for illustrative purposes only:

- Example:
- Life insurance in force = \$100,000\*
  - Date of receipt of proof of terminal condition = 10/31/94
  - Date of payment of Accelerated Life Benefit = 11/1/94
  - Date of death = 2/15/95
  - Interest rate\*\* = 3.5%
- 1) Amount of Accelerated Life Benefit =  $.50 \times \$100,000 = \$50,000$
  - 2) Interest Charge =  $\$50,000 \times (106 \text{ days} / 365 \text{ days}) \times .035 = \$508.22$
  - 3) Death Benefit Payable =  $\$100,000 - \$50,000 - \$508.22 = \$49,491.78$

\*Your Life Insurance amount is shown on the Schedule of Benefits in Your certificate.

\*\*The interest rate is equal to the 90-day treasury bill rate on the date of the Accelerated Life Benefit payment.

### LIMITATIONS

An Accelerated Life Benefit will not be paid if:

- 1) You have named an irrevocable Beneficiary or made an assignment of Your Life Insurance benefits;
- 2) all or a portion of Your Life Insurance benefits are to be paid to a former spouse or trustee as part of a divorce decree or property settlement, or child support order;
- 3) Your Life Insurance terminates;
- 4) the Participating Unit's coverage under the Policy terminates; or
- 5) the Policy terminates.

NOTE: The payment of the Accelerated Life Benefit may be taxable. Please seek assistance from a personal tax advisor.

## **SECTION 15 - PAYMENT OF DEATH BENEFITS**

If You die while insured under the Policy, AUL will pay the benefits due to the Beneficiary:

- 1) upon timely receipt of proof of death; and
- 2) subject to all other provisions of the Policy and to Your instructions.

The following Sections describe the manner in which death benefits are paid.

## **SECTION 16 - NAMING OF BENEFICIARY**

**BENEFICIARY** means the individual, individuals or entity named by You to receive Your death benefit.

AUL will pay the death benefit according to Your designation of Beneficiary.

When You apply for coverage You may designate on an AUL-approved form:

- 1) one or more Beneficiaries;
- 2) indicate the order of payment to the Beneficiaries; and
- 3) indicate distribution of the proceeds among Beneficiaries.

If more than one Beneficiary is listed and no order of payment is given, then all Beneficiaries will share equally. If more than one Beneficiary is listed within the same order of payment and no distribution share is indicated, then all Beneficiaries will share equally.

If the Participating Unit's coverage under the Policy replaces insurance coverage of another carrier, AUL may, upon request of the Participating Unit, recognize Beneficiary designations in effect under the prior coverage as effective until a new designation is made with AUL.

### **CHANGING A BENEFICIARY**

You may change a Beneficiary at any time by written request. The request must be signed, dated and filed through the Participating Unit.

AUL will make the change effective as of the date the form was signed even if You are not alive when AUL receives it. However, AUL is not liable if benefits are paid to the previous Beneficiary before AUL receives the form. If You apply for an individual policy under the Conversion Section and name a new Beneficiary, AUL will treat the application as a Beneficiary change when determining payment.

AUL reserves the right to require that any Beneficiary designation be acceptable to it.

## **SECTION 17 - THE DEATH CLAIM**

If You die while insured under the Policy, proof of death should be furnished as soon as possible. Proof of death is a certified death certificate.

AUL, at its option, may also require:

- 1) return of Your insurance certificate; or
- 2) submission of pertinent medical record; or
- 3) police reports.

If the Participating Unit's coverage under the Policy is no longer in force, proof furnished more than two (2) years from the date of loss must also include:

- 1) proof of employment at death; and
- 2) proof of coverage under the Policy at death.



## **SECTION 18 - DETERMINATION OF BENEFICIARY**

Once acceptable proof of death is received, AUL will determine the Beneficiaries or payees in the following order:

- 1) Beneficiaries who outlive You. If more than one Beneficiary is designated and no order of preference is given, then all Beneficiaries will share equally. If more than one Beneficiary is listed within the same order of payment and no distributive share is indicated, then all Beneficiaries will share equally;
- 2) If no named Beneficiaries outlive You or none were named, then, at AUL's option, a surviving relative if Your estate is not substantial and there are no statutory requirements to the contrary. Relatives will be considered in descending order of preference as follows:
  - a) spouse;
  - b) child(ren);
  - c) parent(s); or
  - d) brother(s) and sister(s); or
- 3) Your estate.

AUL may, at its option, pay the proceeds in an amount up to \$2,000 to any individual appearing to AUL to be equitably entitled to payment by reason of having incurred funeral or other expenses incident to Your last illness or death.

In the event that You and Your Dependents should die simultaneously or if there is no clear evidence as to which parties died first, it shall be presumed that Your Dependents shall have predeceased You.

If any Beneficiary dies within fifteen (15) days after Your date of death, the amount that would have been paid to the Beneficiary will be treated as though that Beneficiary had died before You. This does not apply to any payment that is made to such Beneficiary during the fifteen (15) days following Your death. Any payment made in good faith shall fully discharge AUL to the extent of such payment.

## **SECTION 19 - SELECTION OF PAYMENT METHOD**

The proceeds will be paid in a lump sum unless another payment method is selected or changed by giving written notice to AUL prior to the Person's death. If no payment method is in effect at death, the payee may select a payment method. For information concerning payment method options, the Person or payee should contact AUL.

The amounts payable under a method, including any excess interest, will be as declared by AUL. The minimum interest rate used in computing payments under all methods will be 3% per year. Other than lump sum payment, AUL reserves the right to specify the minimum periodic payment when a method is to become effective.

## SECTION 21 - GENERAL POLICY PROVISIONS

**ENTIRE CONTRACT:** This policy, the enrollment forms of the individuals, the Subscription Agreement of the Participating Unit, and any amendments made from time to time constitute the entire contract.

**AMENDMENT and CHANGES:** The Participating Unit's coverage under this policy may be amended by mutual agreement between the Participating Unit and AUL but without prejudice to any valid claim incurred prior to the effective date of the amendment. No change in the Participating Unit's coverage under this policy is valid until approved by the Chief Executive Officer, President or Secretary of AUL. No agent has the authority to change the Participating Unit's coverage under this policy or waive any of its provisions.

**SUBSCRIPTION AGREEMENT:** A copy of the Subscription Agreement of the Participating Unit will be given to the Participating Unit when coverage is issued. All statements made by the Participating Unit or by Persons or Dependents are deemed representations and not warranties. No statement made by a Person or a Dependent may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or Dependent or, in the event of death or incapacity of the Person or Dependent, to the Person's or Dependent's Beneficiary or personal representative.

**INCONTESTABILITY:** The validity of the Participating Unit's coverage under this policy shall not be contested after two (2) years from the effective date of the Participating Unit's coverage under this policy except for non-payment of premiums. No statement made by a Person or Dependent on his signed enrollment form will be used to contest a claim or the validity of insurance after his coverage has been in force for two (2) years prior to his death.

**GRACE PERIOD:** If the Participating Unit or AUL does not give notice in writing that coverage under this policy is to be terminated, a grace period of 31 days will be granted for the payment of any premium falling due after the first premium. During the grace period, the Participating Unit's coverage continues in force but automatically terminates on the last day of the grace period. The Participating Unit is liable to AUL for payment of premium for the days the coverage remains in force during the grace period.

**LEGAL ACTION:** No legal action may be brought to obtain Accidental Death and Dismemberment Benefits under this policy:

- 1) for at least 60 days after proof of loss has been furnished; or
- 2) after five (5) years from the time written proof of loss is required to have been furnished to AUL.

**CONFORMITY WITH STATE LAWS:** Any provision of this policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

**DATA AND RECORDS:** The Participating Unit must furnish information which AUL reasonably requires. The Participating Unit's documents which may have a bearing on the insurance shall be open for inspection by AUL at all reasonable times.

**DIVIDENDS:** This policy may receive a dividend as determined each year by AUL. If payable, this dividend will be paid to the Participating Unit in cash or, upon request, used to reduce the next premium due. If Persons contribute toward the payment of premiums and if the dividend exceeds the Participating Unit's share of the aggregate cost of the insurance, any excess shall be used by the Participating Unit for the benefit of those Persons. Payment of any dividend directly to the Participating Unit discharges AUL from all liability for the payment of dividends.

**GENDER PRONOUNS:** Whenever the male pronoun is used, it shall also mean the female.

## **SECTION 21 - GENERAL POLICY PROVISIONS**

**CERTIFICATES:** AUL will issue certificates to the Participating Unit for delivery to You. The certificate will summarize the Policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any certificate and the provisions of the Policy, the provisions of the Policy will govern.

**ASSIGNMENT:** You may make an absolute assignment of all benefits and rights of Your Life Insurance. Your certificate of Life Insurance is assignable to the extent permitted by law except that no collateral assignment is permitted. No assignment is binding unless filed with AUL in a form acceptable to it. AUL assumes no responsibility for the validity or effect of any assignment.

**CLAIMS OF CREDITORS:** The benefits paid under the Policy will be exempt from the claims of creditors to the maximum extent permitted by law.

**CLERICAL ERROR:** Clerical error on the part of the Participating Unit or AUL will not invalidate insurance otherwise in force or continue insurance otherwise terminated. Upon discovery of an error, an equitable adjustment will be made in the premiums and/or benefits, if appropriate.

**MISSTATEMENT OF AGE:** If Your or Your Dependent's age has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts. Any adjustment of benefits due to the correction of age will also be made.

## **SECTION 22-PREMIUM PAYMENT**

Each premium is payable by the Participating Unit to AUL on or before its due date. Upon the request of the Participating Unit and the consent of AUL, the interval of payment may be changed. Payment of any premium does not maintain the insurance in force beyond the end of the period for which the premium has been paid except as provided under the Grace Period provision.

AUL reserves the right to change premium rates on:

- 1) any date after the Participating Unit's coverage has been in effect for 2 years, by giving written notice to the Participating Unit at least 31 days before the date the change is to become effective;
- 2) any date the benefit or eligibility provisions of the Participating Unit are changed;
- 3) any date the number of Persons insured through the Participating Unit changes by twenty-five percent (25%) or more; or
- 4) any date an Insured Unit is added to the Policy.

## **SECTION 23 - INSURED UNITS**

### **PROVISIONS APPLICABLE TO ELIGIBLE UNITS**

The Participating Unit is liable for all premiums due for an Insured Unit during any period of time it is an Insured Unit under the Policy.

**EFFECTIVE DATE.** Insurance for an Eligible Unit becomes effective on:

- 1) the effective date of the Participating Unit's coverage under the Policy if the Eligible Unit is listed in the Subscription Agreement; or
- 2) the effective date of an amendment which adds the Eligible Unit to the Participating Unit's coverage under the Policy.

**TERMINATION.** Insurance for an Insured Unit ceases on the earliest of the following dates:

- 1) the date the Insured Unit no longer meets the definition of an Eligible Unit;
- 2) the date the Insured Unit ceases active business operations or is placed in bankruptcy or receivership;
- 3) the date the Insured Unit loses its entity by means of dissolution, merger, or otherwise;
- 4) the date the Insured Unit is eliminated as an Insured Unit by an amendment to or change in the Policy; or
- 5) the date ending the Coverage Month for which any required premium payment is made for the Insured Unit's insurance.

If Your insurance is terminated due to the termination of an Insured Unit, Your rights are determined the same as if the Participating Unit's coverage under the Policy had terminated on that date.

Any references to Participating Unit or Employer used in this certificate shall include Insured Units.

## **SECTION 24 - TERMINATION OF THE POLICY**

**TERMINATION OF THE POLICY:** AUL may terminate the Policy at the end of any policy month by giving at least 31 days prior notice to the Group Policyholder.

Termination of the Policy, or termination of coverage for a Participating Unit, under any conditions will be without prejudice to any claim incurred prior to termination.

**AUL WILL STILL BE LIABLE FOR PAYMENT OF VALID CLAIMS INCURRED BEFORE THE TERMINATION DATE.**

## **SECTION 25 - TERMINATION OF A PARTICIPATING UNIT**

**TERMINATION OF A PARTICIPATING UNIT:** Insurance for a Participating Unit ceases on the earliest of the following dates:

- 1) the date the Participating Unit no longer meets the definition of the Participating Unit;
- 2) the date the Participating Unit ceases active business operations or is placed in bankruptcy or receivership;
- 3) the date the Participating Unit loses its entity by means of dissolution, merger, or otherwise;
- 4) the date the Participating Unit is eliminated as a Participating Unit by an amendment to or change in the Policy;
- 5) the date ending the Coverage Month for which the last premium payment is made for the Participating Unit's insurance;
- 6) the last day of a Coverage Month, provided that AUL has given at least 31 days prior written notice to the Participating Unit;
- 7) the last day of a Coverage Month, if the Participating Unit has given AUL at least 31 days prior written notice;
- 8) the date, as determined by AUL, that the Participating Unit fails to promptly furnish any information which AUL may reasonably require; or
- 9) the date, as determined by AUL, that the Participating Unit, without good and sufficient cause, fails to perform in good faith its duties pertaining to the Policy.

If a Person's insurance is terminated due to the termination of a Participating Unit, the person's rights under the Policy are determined as if the Policy had terminated on the date that the Participating Unit's coverage terminated.

If coverage for a Participating Unit terminates, the Participating Unit will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.