

Life and AD&D Insurance – Active Employees

Introduction

The Employers participating in the Consolidated Benefit Plans provide several programs to protect you from financial hardship if you or someone in your family dies.

If you are a Benefit-eligible employee you automatically receive Basic Employee Term Life insurance and Basic Accidental Death and Dismemberment (AD&D) coverage equal to one times the greater of your prior year's benefit-eligible earnings, or your current base salary rounded up to the next \$1,000. (Both plans combined with the Optional Basic Employee Term Life and AD&D, are subject to a combined maximum of \$1,350,000.) You also receive Business Travel Accident coverage equal to three times the greater of your prior year's benefit-eligible earnings or your current base salary that protects you when you are traveling for business. In addition, you can purchase protection for yourself and your family through other programs.

There are optional insurance programs available to you. They include the following:

- Optional Basic Employee Term Life Insurance/Optional Basic AD&D Insurance *
- Optional Dependent Term Life Insurance
- Group Universal Life (GUL) Insurance
- Voluntary Optional AD&D Insurance

* Note: If you elect Optional Basic Employee Term Life Insurance, you will automatically be enrolled in the Optional Basic AD&D coverage for the same dollar amount.

The life insurance programs provide additional life insurance protection for you and your covered family members. The Accidental Death and Dismemberment (AD&D) programs also provide additional benefits for you and your covered family members if loss occurs as the result of an accident. Participation in these optional insurance programs is completely voluntary.

Eligibility

For information regarding who is eligible for benefits, including the definition of eligible dependent, see the "General Benefits" section of the Benefits Handbook.

Enrolling in the Plans

Basic Plans: You do not need to enroll, coverage is provided to you automatically.

Optional Plans: You can enroll in the Optional Plans within 31 days of eligibility or a qualifying Status Change without coverage being subject to evidence of insurability. You can also enroll or change coverage the first of any month but may be required to provide evidence of insurability

Enrolling in the Basic Plans

You are automatically provided coverage under the Basic Plans (Basic Employee Term Life, Basic AD&D, and Business Travel Accident insurance) therefore you do not need to enroll in these coverages.

These coverages will become effective on the first day you are actively at work and are eligible for coverage.

Enrolling in the Optional Life Insurance Plans

You may choose to enroll for coverages under the Optional Life Insurance Plans (Optional Basic Employee Term Life, Optional Dependent Term Life, Optional AD&D and Group Universal Life).

Note: If you elect Optional Basic Employee Term Life Insurance, you will automatically receive both the Optional Basic Employee Term Life and the Optional Basic AD&D coverage. The premiums are adjusted for the bundled coverage. These coverages cannot be unbundled.

Evidence of insurability may be required if you're enrolling more than 31 days after you could first be covered.

Enrolling in Group Universal Life Coverage

You can choose Group Universal Life coverage for yourself, your spouse, and/or your children. You must choose coverage for yourself to enroll your spouse and children. Children are covered under a Term Life Insurance rider on the employee's policy.

At the time you are hired, you have 31 days to enroll in Group Universal Life coverage. If you enroll in Group Universal Life coverage during your first 31 days of employment, you can select from the following coverage amounts without providing evidence of insurability:

Covered Individual

Maximum Coverage Without Evidence of Insurability

Life and AD&D Insurance – Active Employees

| | |
|-----------------------|-----------------------------------------------------------------------|
| Employee | 1 X your current eligible earnings up to a maximum of \$500,000 |
| Spouse | \$10,000 |
| Children | \$15,000 |
| Commissioned Employee | One times annual pay with a minimum of \$15,000, maximum of \$500,000 |

If you enroll when you first become eligible, your coverage will become effective on the date you apply. If you do not enroll within 31 days of your hire date, you can enroll at a later date, but you will need to provide evidence of insurability. Your coverage will take effect upon approval by the insurance company.

Once you have enrolled in Group Universal Life, you can increase your coverage or your dependents' coverage at any time by providing evidence of insurability. Any change becomes effective on the date the insurance company approves it.

Once you are enrolled, you can purchase coverage for your dependents, up to the maximum coverage allowed, without providing evidence of insurability if you have a change in status.

You have 31 days after the event to make the change. You must elect coverage for yourself before you can elect coverage for your dependents. The following chart shows the maximum coverage you can choose without providing evidence of insurability:

| <u>Change in Status</u> | <u>Maximum Coverage Without Evidence of Insurability</u> |
|-----------------------------------------|------------------------------------------------------------------------------------------------------|
| Marriage, divorce, newly acquired child | Employee can elect coverage equal to one times current eligible earnings (if not currently enrolled) |
| Marriage | \$10,000 spouse coverage |
| Newly acquired child | \$15,000 dependent child coverage |

You must be actively at work on the date your insurance becomes effective. If you are not actively at work due to sickness or injury on the date your coverage would otherwise become effective, the effective date will be delayed until you return to active employment.

Enrolling in the Voluntary Optional AD&D Programs

You can enroll in the Optional AD&D Programs during the year if you have a qualifying change in status. Events that qualify for a change in status are:

- marriage or divorce;
- birth or adoption of a child; or
- spouse's loss of employment.

Evidence of insurability is not required to enroll in Voluntary Optional AD&D coverage. Coverage will be effective on the date of hire unless enrollment or change is due to a qualified status change. In that case, coverage is effective on the date of the status change as long as your form is received within 31 days of the qualifying event.

Choosing a Beneficiary

When you become covered under an Employer-provided Basic Plan (Basic Employee Term Life, Basic AD&D, and Business Travel Accident insurance) or enroll for coverage under an Optional Plan (Optional Basic Employee Term Life, Optional Dependent Term Life, Group Universal Life, or the Voluntary Optional AD&D programs) you will be asked to name a beneficiary. Please make sure the designation is exact, listing the person's full name and relationship to you. You may name the same or different beneficiaries for each plan.

Also note that if you have spouse coverage for Group Universal Life, your spouse will need to separately designate a beneficiary since this is an individual policy. For children covered under Group Universal Life, you will automatically be the beneficiary.

If you or another covered person dies, all death benefits will be paid to the person named as beneficiary. If you name more than one beneficiary, any benefit will be shared equally among them unless you designate otherwise.

You may change your beneficiary at any time by completing a new Beneficiary Designation form. Forms are available from your Benefits Contact, your company's website, or www.efoundations.biz (case sensitive ID = foundations, password = HR). The change will be effective on the date you deliver the signed form to your Benefits Contact.

If you do not designate a beneficiary, or if your beneficiary dies before you do, death benefits will be paid to the first survivor from the following list:

- your spouse;
- your children;
- your birth parents;
- your sisters and/or brothers; or
- your estate.

Loss of life benefits payable due to the death of the insured person's spouse, dependent child, or children will be paid to the insured person, absent any beneficiary designation by such a spouse, dependent child, or children.

Definition of Earnings

The plans listed below use the following eligible earnings definition to determine coverage:

- **Basic Employee Term Life/Optional Basic Employee Term Life;**
- **Basic AD&D/Optional Basic AD&D;**
- **Business Travel Accident;**
- **Voluntary Optional AD&D;**

Life and AD&D Insurance – Active Employees

Eligible earnings is the greater of the previous year's benefit-eligible earnings (which includes base pay, incentive payments, commissions, overtime, intermittent pay, shift differential, retroactive pay adjustments, lump-sum merit pay, business/performance-related bonuses and salary continuation plans – e.g., sick pay and short-term disability) or current base salary.

- **For Group Universal Life**, eligible earnings is defined as:

For non-commission employees: your prior year-end eligible earnings or your current base pay, whichever is greater. Eligible earnings include incentive, bonus, shift differential and overtime pay.

For commission employees: your prior year-end eligible earnings or \$15,000, whichever is greater. Eligible earnings include incentive, bonus, shift differential and overtime pay.

Basic Employee Term Life Insurance Provided by Your Employer

Your employer provides life insurance coverage equal to one times the greater of your prior year-end benefit-eligible earnings or your current base salary.

You automatically receive life insurance equal to your benefit-eligible earnings rounded up to the next higher \$1,000. For example, if your eligible earnings were \$26,300, your coverage amount would be \$27,000. The maximum amount of coverage provided is \$1,350,000 (combined with Optional Basic Employee Term Life Insurance).

The entire cost of Basic Employee Term Life Insurance coverage is paid by your employer.

If you die while this coverage is in effect, your beneficiary will receive your life insurance benefit.

Coverage Limitations Due to Age

The amount of your Basic Employee Term Life insurance coverage is reduced when you reach age 65 and age 70 as follows:

- When you reach age 65 or more but less than age 70, your Basic Employee Term Life insurance coverage is reduced to 65% of the amount it would have been had you not reached this age limitation.
- When you reach age 70, the amount is further reduced to 50% of the amount it would have been had you not reached this age limitation.

The limited coverage amount will not apply until the January 1 after you reach age 65 or 70.

Living Benefit Option

Life and AD&D Insurance – Active Employees

If you become terminally ill, up to 75% of your life insurance benefit can be paid to you in advance while you are still alive. The maximum you can receive as a living benefit is \$250,000. To qualify for this early payment, your physician must certify that your life expectancy is twelve months or less and the insurance company must approve the request.

Your living benefit will be reduced if, within twelve months after the date the insurance company receives proof of your terminal illness, a reduction on account of age would have applied to the amount of your Basic Employee Term Life insurance coverage.

You can choose to receive the money in one payment or in six equal monthly installments. The money can be used for any purpose. Depending on the amount, a portion of the payment(s) may be considered taxable income.

Your remaining benefit will be paid to your beneficiary after your death. This amount will be considered a tax-free life insurance benefit.

You need to satisfy the following conditions to be paid under the living benefit option:

- You must choose this option in writing, in a manner that satisfies the insurance company.
- Your doctor must certify in writing that your life expectancy is twelve months or less.
- Your Employee Term Life Insurance must not be assigned.
- The living benefit proceeds are available to you on a voluntary basis only. This means creditors cannot claim this benefit and government agencies cannot require you to claim this benefit in order to get or keep a government benefit or entitlement.

If you are on a Leave of Absence

If you are away from work because of an approved leave of absence, in some cases, you may continue Basic Employee Term Life coverage during your leave. If you are on a paid leave of absence, disability, receiving workers' compensation or on an unpaid FMLA leave, your benefit premiums continue at the same rate as an active employee. (If you are on an unpaid leave, other than a FMLA leave, your coverage ends and portability and conversion options are available.)

For a summary of how your benefits are impacted when on a leave, see the Handbook section entitled, "Benefits on Leave". For information on how your benefits may be impacted while on a specific leave, call your Benefits Contact.

Optional Basic Employee Term Life Insurance

You can purchase additional term life insurance/AD&D coverage for yourself to supplement the Basic Employee Term Life and Basic AD&D Insurance provided by your employer.

You pay the cost of this coverage. Premium is per \$1,000 of coverage based on eligible earnings and insurance rates in effect.

Note: If you elect Optional Basic Employee Term Life Insurance, you will automatically receive both the Optional Basic Employee Term Life and the Optional Basic AD&D coverage. The premiums are adjusted for the bundled coverage. These coverages cannot be unbundled.

Coverage Amount

You can choose additional coverage for yourself in the amount of one times your benefits-eligible earnings (rounded to the next highest multiple of \$1,000).

The maximum amount of coverage is \$1,350,000 (Optional Basic Employee Term Life and Basic Employee Term Life Insurance combined).

Increasing Your Coverage

If you're a new employee, there is a limit on the amount of insurance coverage you can elect without submitting evidence of insurability. This is called the non-medical limit and it's equal to 100% of your annual earnings. If, at anytime, the amount of life insurance is more than the non-medical limit, you must provide satisfactory evidence of insurability to the insurance company before the amount over the limit can become effective.

If you elect Optional Basic Employee Term Life coverage outside of the standard election period when you're first hired (at annual enrollment, for example), you'll need to provide evidence of insurability to the insurance company before your optional coverage will become effective. No evidence of insurability is required for accident coverages.

Coverage Limitations Due to Age

The amount of your Optional Basic Employee Term Life insurance coverage is reduced when you reach age 65 and age 70 as follows:

- Age 65 but less than age 70: your Optional Basic Employee Term Life insurance coverage is reduced to 65% of the amount it would have been had you not reached this age limitation.
- Age 70 and older: the amount is further reduced to 50% of the amount it would have been had you not reached this age limitation.

The reduced coverage amount will become effective the January 1 after you reach age 65 or 70.

Life and AD&D Insurance – Active Employees

Coverage During Disability

If you become disabled you may be able to keep your Basic and Optional Basic Employee Term coverage without making any premium payments. Employees who become totally disabled prior to age 60 must submit proof of disability to Prudential within 12 months of disability effective date.

Optional Dependent Term Life Insurance

You can purchase additional life insurance protection for your spouse and your dependent children.

You pay the cost of this coverage. Your cost is based on the coverage you select.

There are two separate options to choose from when purchasing life insurance coverage for your spouse and your dependent children.

Coverage Amounts

Option 1: the life insurance coverage amount for your spouse is \$10,000, and the life insurance coverage amount for your dependent children is \$5,000.

Option 2: the life insurance coverage for your spouse is \$5,000, and the life insurance coverage amount for your dependent children is \$2,500.

Group Universal Life Insurance

Group Universal Life Insurance offers two benefits—life insurance protection and a cash value account. You can choose coverage for yourself, your spouse, and/or your children.

You can purchase additional life insurance protection for yourself, your spouse, and/or your children through the Group Universal Life Insurance Plan. While all life insurance plans provide a death benefit, Group Universal Life Insurance offers a second benefit - it allows you to make contributions to a cash value account that earns interest on a tax-deferred basis. This feature, called the "Protection Plus" Cash Accumulation Plan, is available to you and your spouse on a voluntary basis. You can participate in the life insurance only, or establish a Cash Accumulation Plan.

Group Universal Life is permanent, portable coverage. If you terminate employment or retire, you can take your coverage with you.

Coverage Amounts

You have 10 levels of coverage to choose from: from one times up to 10 times your benefit-eligible earnings. The maximum coverage amount is \$1,500,000.

Life and AD&D Insurance – Active Employees

All coverage amounts are based on your benefit-eligible earnings rounded up to the next higher \$1,000. For example, if your benefit-eligible earnings is \$26,300 and you choose two times pay, your coverage amount would be \$54,000 (\$27,000 x 2).

You can also buy Group Universal Life coverage for your spouse and term coverage for your dependent children. You must elect coverage for yourself in order to elect spouse or child coverage. All unmarried children between the ages of 14 days up to 25 years are covered. Coverage for children is provided under a Term Life Insurance rider on the employee's policy.

The following chart shows the coverage amounts available to you, your spouse, and your children.

| <u>Employee Coverage</u> | <u>Spouse Coverage</u> | <u>Child Coverage</u> |
|--------------------------------|------------------------|-----------------------|
| 1X Benefit-eligible Earnings | \$10,000 | \$5,000 |
| 2X Benefit-eligible Earnings* | \$25,000* | \$10,000 |
| 3X Benefit-eligible Earnings* | \$50,000* | \$12,500 |
| 4X Benefit-eligible Earnings* | \$75,000* | \$15,000 |
| 5X Benefit-eligible Earnings* | \$100,000* | |
| 6X Benefit-eligible Earnings* | \$150,000* | |
| 7X Benefit-eligible Earnings* | \$200,000* | |
| 8X Benefit-eligible Earnings* | \$250,000* | |
| 9X Benefit-eligible Earnings* | | |
| 10X Benefit-eligible Earnings* | | |

As a new employee, or an employee electing coverage due to a qualifying status change, you can purchase one times your Benefit-eligible earnings, to a maximum of \$500,000 within the 31-day period after becoming eligible without providing evidence of insurability. In addition, you can elect \$10,000 in coverage for your spouse without providing evidence of insurability. Coverage for your child(ren) may also be purchased without providing evidence of insurability.

**Evidence of insurability form must be completed and approval received from the insurance company for this level of coverage.*

Increasing Your Coverage

You can change your coverage amount any time during the year. If you want to increase your coverage for reasons other than change in status, you need to complete an evidence of insurability form and receive approval of coverage from the insurance company. Evidence of insurability will not be required for an increase in your amount of insurance equal to one multiple of earnings if the request is made within 31 days of a qualifying status change. Evidence of insurability is also required to increase coverage for your spouse or children. You must be actively at work on the date any increase in your amount of insurance becomes effective. If you are not actively at work due to sickness or injury on the date the increase would otherwise become effective, the effective date of the increase will be delayed until you return to active employment.

The Cash Accumulation Plan

You can establish a "Protection Plus" Cash Accumulation Plan account for yourself and/or your spouse as long as you have also elected term insurance coverage. You contribute to this Plan through after-tax payroll deductions. The minimum contribution amount is \$5 per pay period per person. You may increase the amount in \$5 increments. You may also make additional contributions of \$100 or more at any time directly to the insurance company.

Contributions to a Cash Accumulation Plan earn interest. The interest rate changes from time to time, but can never fall below the minimum guaranteed interest rate of 4%.

Loans and Withdrawals

You can receive money from your Cash Accumulation Plan account through either loans or withdrawals. You can borrow from your account at an interest rate of not more than 8% per year. Note, however, that borrowed funds are also credited with an interest rate of 6%, which allows you to borrow at a net rate of 2%.

Withdrawals are allowed after you have participated in the Plan for one year. The minimum withdrawal is \$100, and there is a fee of \$10 per withdrawal.

Living Benefit Option – Group Universal Life

If you, your insured spouse or insured dependent are diagnosed by a physician as terminally ill with a life expectancy of 12 months or less, an accelerated death benefit may be requested. The accelerated death benefit can be either a full or partial payment of the insured's death benefit.

If the full amount of the insured's death benefit is accelerated, the insurance for that insured and all other benefits under his or her certificate and any certificate supplements that apply will end. In the event a spouse's coverage terminates because a certificate holder elects an accelerated death benefit, coverage may be converted to an individual life policy. Coverage for dependent children cannot be converted.

If a partial amount of the death benefit for an insured is accelerated, insurance will remain in force, and the death benefit will be reduced by the death benefit that was accelerated. The following are reduced in the same proportion as the death benefit if the insurance is on the life of a primary insured:

- the face amount of insurance;
- the net cash value; and
- the loan principal.

If a partial accelerated benefit is requested, the remaining death benefit must be at least \$25,000. An insured may reapply for an accelerated payment of the remaining amount of insurance at any time, although the insured may have to provide further evidence of eligibility for the benefit.

Life and AD&D Insurance – Active Employees

To accelerate your death benefit, the following conditions must be met:

- Insurance must be in force and all premiums due must be fully paid;
- The insured must apply on a form satisfactory to Minnesota Life;
- The insured must give evidence that his or her life expectancy, because of sickness or accident, is 12 months or less. This must include certification by a physician;
- The insured must not have assigned the ownership of his or her insurance; and
- The insured must not have an irrevocable beneficiary.

Minnesota Life may require that the insured be medically examined at Minnesota Life's expense to verify his or her medical condition.

Accelerated benefits are made available on a voluntary basis only. An accelerated benefit is not intended to cause an involuntary reduction of the death benefit ultimately payable to the named beneficiary. Therefore, payment of the death benefit cannot be accelerated if the insured is required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise, or is required by a government agency to use this option in order to apply for, obtain, or keep a government benefit or entitlement.

Paying for Coverage

The cost you pay for Group Universal Life coverage depends on two factors - your age and your amount of insurance. The cost of your spouse's insurance is based on your spouse's age and amount of insurance elected. The cost for children's insurance is a flat amount regardless of how many children you cover or their ages.

If you are on a Leave of Absence

If you are away from work because of an approved leave of absence, your Group Universal Life coverage may continue during your leave. You can continue coverage by paying the full cost of the benefit premium. In the case of a military leave, conversion or portability options are available. When you return to work you may elect to continue to pay premiums directly to Minnesota Life, or you may re-enroll in your employer's payroll deduction program, but you cannot do both.

For a summary of how your benefits are impacted when on a leave, see the Handbook section entitled, "Benefits on Leave". For information on how your benefits may be impacted while on a specific leave, call your Benefits Contact.

AD&D Benefits Provided by the Employers Participating in the Farm Credit Consolidated Benefit Plans.

Your AD&D coverage pays a benefit if you die or become disabled as the result of an accidental bodily injury.

AD&D programs include:

- Basic AD&D (employer-provided)
- Optional Basic AD&D (bundled with Optional Basic Employee Term Life)
- Voluntary Optional AD&D

Basic AD&D Coverage Amount

You automatically receive AD&D insurance equal to one times your eligible earnings rounded up to the next higher \$1,000. The maximum amount of coverage is \$1,350,000 (combined with Optional Basic AD&D).

AD&D benefits will be paid if you die or suffer a covered loss within one year of an accident. If you die as a result of an accident, your beneficiary will receive an AD&D benefit equal to 100% of your coverage amount. If you suffer a covered loss, other than loss of life as a result of an accident, the benefit percentage depends on the nature of the loss.

The following chart shows the benefit percentages paid for various losses.

| <u>Loss of:</u> | <u>Amount Paid (Percent of Coverage Amount)</u> |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Life | 100% |
| Speech and Hearing | 100% |
| Speech and one: hand, foot, or sight of one eye | 100% |
| Hearing and one: hand, foot, or sight of one eye | 100% |
| Both hands, both feet or sight of both eyes or a combination of a hand, a foot or sight of one eye | 100% |
| One hand, one foot, or sight in one eye | 50% |
| Speech or Hearing | 50% |
| Thumb and index finger of the same hand | 25% |

Life and AD&D Insurance – Active Employees

The AD&D coverage provided by the Employers participating in the Farm Credit Consolidated Benefit Plans also covers the loss of use. Loss of use means the permanent and total inability of the specified body part to function, as determined by a doctor, approved by the insurance company. The following chart shows the benefit percentages paid for loss of use.

| <u>Loss of use of:</u> | <u>Amount Paid (Percent of Coverage Amount)</u> |
|---------------------------------------------------------------|-----------------------------------------------------|
| Both arms and both legs | 100% |
| Both arms or both legs or a combination of an arm and a leg | 75% |
| One arm or one leg | 50% |
| Both hands or both feet or a combination of a hand and a foot | 50% |
| One hand or one foot | 25% |

What is Not Covered

Your coverage is in effect 24 hours a day, on or off the job, anywhere in the world. However, this Plan does not provide benefits for losses that result from the following activities:

- suicide, attempted suicide, or self-inflicted injury;
- war or any act of war (declared or undeclared);
- emotional trauma, mental or physical illness, disease, pregnancy, childbirth or miscarriage, or bodily malfunction;
- any infection, other than an infection that results from an accident or accidental consumption of a substance contaminated by bacteria; or
- travel in any aircraft owned, leased or operated by your employer.

If you are on a Leave of Absence

If you are away from work because of an approved leave of absence, in some cases, you may continue Basic AD&D coverage during your leave. If you are on a paid leave of absence, disability, receiving workers compensation or on an unpaid FMLA leave, your benefit premiums continue at the same rate as an active employee. If you are on an unpaid leave, other than a FMLA leave, your coverage ends the last day of active employment.

For a summary of how your benefits are impacted when on a leave, see the handbook section entitled, "Benefits on Leave". For information on how your benefits may be impacted while on a specific leave, call your Benefit Contact.

Optional AD&D Coverage

Optional AD&D coverage is available to you and your family if you want additional financial security.

You can elect to purchase additional AD&D coverage for yourself, your spouse, and your dependents. Optional AD&D coverage pays a benefit if you (or a covered dependent) die or become dismembered as a result of an accidental injury. This benefit is paid in addition to any benefits you receive from other life insurance policies.

Paying for Coverage

The cost of Optional AD&D coverage is based on the amount of coverage you choose. You pay for Optional AD&D coverage with pre-tax dollars.

Coverage Amounts

Coverage is available in multiples of \$25,000 up to 10X your annual base salary. The minimum coverage is \$25,000. The maximum is \$750,000, or up to ten times your annual base salary, whichever is less. For example, if your annual base salary is \$25,000, you can purchase up to \$250,000 in AD&D coverage.

If you choose coverage for yourself, you can also cover your spouse, your children, or your entire family. If you elect coverage for your spouse and/or dependents, the coverage amount will be based on a percent of your covered amount (up to a maximum amount of \$50,000 for each dependent child). The percent varies based on your family members.

The following chart shows the coverage available*:

| | |
|-------------------------------|-----------------|
| Employee, spouse & child(ren) | 100%, 50% & 15% |
| Employee & spouse | 100% & 60% |
| Employee & child(ren) | 100% & 20% |

Maximum benefit payable per claim is \$2,000,000 per employee; for all benefits payable under the Business Travel Accident, Basic AD&D, Option Basic AD&D and Voluntary Optional AD&D.

How AD&D Benefits are Paid

If you die as a result of an accident, your beneficiary will receive a payment equal to the full benefit amount you elected. If you are dismembered in an accident, the benefit amount depends on the nature of the loss.

Life and AD&D Insurance – Active Employees

The following chart shows the benefit percentages paid for various losses.

| <u>Loss of:</u> | <u>Amount Paid (Percent of Coverage Amount)</u> |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Life | 100% |
| Speech and Hearing | 100% |
| Speech and one: hand, foot, or sight of one eye | 100% |
| Hearing and one: hand, foot, or sight of one eye | 100% |
| Both hands, both feet or sight of both eyes or a combination of a hand, a foot or sight of one eye | 100% |
| One hand, one foot, or sight in one eye | 50% |
| Speech or Hearing | 50% |
| Thumb and index finger of the same hand | 25% |

Benefits will be paid if you die or become dismembered within one year of an accident. Loss of sight means total and irrecoverable loss of sight. Loss of a hand or foot means severance at or above the wrist or ankle. Only one benefit will be paid for multiple losses resulting from the same accident.

Paralysis

If an accident results in you or a covered dependent paralyzed within one year of the accident, after 365 consecutive days of paralysis, an additional benefit will be paid. The benefit amount depends on the nature of the paralysis.

The following chart shows the benefit percentages paid after an elimination period of one year:

| <u>Total paralysis of:</u> | <u>Amount Paid (Percent of Loss of Life Benefit Amount)</u> |
|----------------------------------------|-----------------------------------------------------------------|
| Both arms and both legs (quadriplegia) | 100% |
| Both legs (paraplegia) | 75% |
| Any two of an arm or a leg | 50% |
| An arm or a leg | 25% |

Coma

If an accident results in you or a covered dependent lapsing into a coma within 90 days of the accident and remaining in a coma for one year, an additional monthly benefit of 2% of the covered person's loss of life benefit will be paid.

The monthly payment will continue to be made until the earliest of:

- the total payments equal the coma maximum amount (100% of the covered persons loss of life benefit);
- you (or the covered dependent) are no longer in a coma; or

Life and AD&D Insurance – Active Employees

- you (or the covered dependent) die.

Special Pilot Coverage

If you request pilot coverage, you will receive a pilot questionnaire. Your pilot coverage is subject to approval and will become effective when your completed pilot questionnaire is approved by the insurance company.

Disability Benefit

If you suffer a Permanent Total Disability within one year after an accident, after 365 consecutive days of a Permanent Total Disability, you will receive a monthly disability benefit equal to 1% of your benefit amount. For example, if your benefit amount was \$50,000, your monthly disability benefit would be \$500.

Your benefit would be reduced by any amount paid for dismemberment or loss of sight.

Payments would continue until you recover or until the entire benefit amount has been paid. The \$50,000 benefit in the example above would be paid out at a rate of \$500 per month for 100 months (8 years and 4 months). If you die before receiving the full \$50,000, the balance of your benefit would be paid to your beneficiary. You are considered totally and permanently disabled if you are unable to engage in any occupation for which your education, training, or experience has prepared you. Your disability must be expected to continue for the rest of your life.

This benefit applies only to you, not to your spouse or children, and not to persons age 70 and older.

Education Benefit

If you die as a result of an accident, this Plan may provide additional benefits to help your dependents with education expenses. To qualify for this additional benefit, your children must:

- be a full-time student at an institution of higher learning on the date of the accident; or
- subsequently enroll as a full-time student at an institution of higher learning within 2 years of the accident.

Each qualifying child will receive up to a \$5,000 annual benefit for up to 4 consecutive years for actual incurred costs for tuition, fees, and room and board billed by the institution of higher learning and required course supplies. If you have dependent coverage on your children but do not have any child eligible for education benefit expense payments at the time of the accident on the date of the Insured Person's loss of life, the insurance company will pay a one-time benefit amount of \$2,500 in addition to the loss of life benefit. This one-time payment will be in lieu of any future education benefit amounts.

Spouse Employment Training Benefit

If you die as a result of an accident, your spouse may also qualify for a \$5,000 spouse employment training expense benefit. To qualify for this benefit, your spouse must:

- have been covered under this Plan at the time of the accident; and
- incur the employment training expense within 3 years of the accident.

Hospital Benefit

If you or a covered family member is hospitalized as the result of an accident after seven consecutive days of being hospitalized, this Plan will pay a monthly benefit equal to \$200 per day.

Benefits begin after seven days and continue for up to 30 days if the person remains hospitalized.

Psychological Therapy Benefit

An additional benefit will be paid if you or a covered family member suffers a covered loss that results in a physician determining that psychological therapy is required.

The plan will pay an additional 2% of the covered person's benefit amount but no more than \$10,000 for reasonable and customary psychological therapy charges incurred. This benefit is paid in addition to the covered person's benefit amount or loss of other benefit amounts for losses covered if any.

Psychological therapy payments will be made until the earlier of:

- the total psychological therapy benefit amount has been paid; or
- two years have elapsed from the date of the loss.

Rehabilitation Benefit

An additional benefit will be paid if you or a covered family member suffers a loss that prevents you from performing the duties of your regular occupation and a doctor determines that rehabilitation is necessary.

The plan will pay an additional 2% of the covered person's benefit amount but no more than \$10,000. This benefit is paid in addition to the covered person's other loss benefits.

Rehabilitation benefits will be made until the earlier of:

- the total rehabilitation benefit amount has been paid; or
- two years have elapsed from the date of the loss.

Seat Belt Benefit

An additional accidental death benefit will be paid if you or a covered family member suffers loss of life, as the result of a covered accident which occurs while driving or riding in a private passenger car, if:

- the car is equipped with seat belts;
- the seat belt was in actual use and properly fastened at the time of the accident; and
- the position of the seat belt is certified in the official report of the accident; or by the investigating officer. A copy of the police accident report must be submitted with the claim.

The plan will pay a minimum of \$1,000, up to a maximum of 10% of the covered person's benefit amount but no more than \$50,000. If a certified report is not available, and it is unclear if the covered person was properly wearing a seat belt, then the plan will pay a fixed benefit amount of \$3,000 to the designated beneficiary.

Felonious Assault Benefit

If you die or are injured as the result of a felonious assault, robbery, holdup, or kidnapping, your benefit amount will be increased by \$25,000. This benefit applies only if the assault occurs while you're acting on behalf of your employer. It does not apply if the felonious assault is an act by an immediate family member or a co-worker.

What is Not Covered

In general, your coverage is in effect 24 hours a day, on or off the job, anywhere in the world. However, this Plan **does not** provide benefits for losses that result from the following activities:

- suicide, attempted suicide, or self-inflicted injury;
- war or any act of war either declared or undeclared (war does not include acts of terrorism);
- participating in military action in the Armed Forces of any country or established international authority, however, orders to active military service for 60 consecutive days or less shall not constitute service in the Armed Forces;
- emotional trauma, mental or physical illness, disease, pregnancy, childbirth or miscarriage, bacterial or viral infection, or bodily malfunctions;
- any infection, other than an infection that results from an accident or accidental consumption of a substance contaminated by bacteria;
- travel in any aircraft owned, leased or operated by your employer; or
- acting or training as a pilot or crew member in any aircraft. (You can apply for special coverage that will protect you if you are a pilot. See the "Special Pilot Coverage" section for additional information on pilot coverage.)

If you are on a Leave of Absence

If you are away from work because of an approved leave of absence, in some cases, you may continue Optional AD&D coverage during your leave. If you are on a paid leave of absence, short-term disability or on an unpaid FMLA leave, your benefit premiums continue at the same rate as an active employee. If you are on an unpaid leave, other than a FMLA leave, workers compensation or long-term disability, your coverage ends the last day of active employment and you can elect to convert coverage. If you are on unpaid military leave coverage ends on your last day of active employment and no conversion option is available.

For a summary of how your benefits are impacted when on a leave, see the Handbook section entitled, “Benefits on Leave”. For information on how your benefits may be impacted while on a specific leave, call your Benefits Contact.

Business Travel Accident Insurance

Business Travel Accident Insurance protects you when you are traveling for business.

Your employer provides Business Travel Accident insurance to all employees, including temporary employees traveling on business for the employer. New employees become eligible for this coverage on the date they begin work.

This plan provides coverage only for death or dismemberment that result from an accident that occurs while you are traveling for business. It does not pay benefits if you die as the result of an illness. The full cost of this coverage is paid by your employer.

Coverage Amount

The amount of your coverage is equal to three times your eligible earnings up to a maximum benefit of \$1,000,000.

The following chart shows the benefit percentages paid for various losses.

| <u>Loss of:</u> | <u>Amount Paid (Percent of Coverage Amount)</u> |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Life | 100% |
| Speech and Hearing | 100% |
| Speech and one: hand, foot, or sight of one eye | 100% |
| Hearing and one: hand, foot, or sight of one eye | 100% |
| Both hands, both feet or sight of both eyes or a combination of a hand, a foot or sight of one eye | 100% |
| One hand, one foot, or sight in one eye | 50% |
| Speech or Hearing | 50% |

Life and AD&D Insurance – Active Employees

| | |
|-----------------------------------------|-----|
| Thumb and index finger of the same hand | 25% |
|-----------------------------------------|-----|

The Business Travel Accident insurance also covers the loss of use. Loss of use means the permanent and total inability of the specified body part to function, as determined by a doctor. The following chart shows the benefit percentages paid for loss of use.

| <u>Loss of use of:</u> | <u>Amount Paid (Percent of Coverage Amount)</u> |
|---------------------------------------------------------------|-----------------------------------------------------|
| Both arms and both legs | 100% |
| Both arms or both legs or a combination of an arm and a leg | 75% |
| One arm or one leg | 50% |
| Both hands or both feet or a combination of a hand and a foot | 50% |
| One hand or one foot | 25% |

The death or loss must occur within one year of the accident. If you suffer more than one loss, the policy pays only for the loss with the larger benefit.

The maximum benefit payable per employee per accident is \$2 million. If more than one employee is involved, the aggregate maximum benefit paid for any one accident is \$5 million. In that case, each person's benefit will be reduced by the same proportion if necessary to stay within the \$5 million benefit amount.

Disability Benefit

If you become totally and permanently disabled as the result of an accident, you will receive 1% of the benefit amount to be paid monthly. To qualify for this benefit, you must:

- become disabled within 30 days of an accident and solely as a result of the accident; and
- remain totally and permanently disabled for 12 months.

You are considered totally and permanently disabled if you are unable to engage in any occupation for which your education, training, or experience has prepared you. Your disability must be expected to continue for the rest of your life.

Any amounts paid for dismemberment will be subtracted from the disability benefit amount paid to you. This monthly disability benefit amount will end when the total benefit amount has been paid, or when you are no longer totally and permanently disabled.

This disability benefit does not apply to persons age 70 and older.

Covered Travel

This policy provides coverage 24 hours a day while you are traveling on authorized business away from the office. You are covered while:

Life and AD&D Insurance – Active Employees

- conducting local business away from your office;
- traveling out-of-town on employer-sponsored business; or
- on a personal excursion that coincides with business travel as long as the excursion is limited to any consecutive 72 hour period immediately prior to, during, or following the business travel.

This policy **does not** provide coverage for commuting between your home and work.

If you travel to another city and work there for more than 60 days, travel to and from work in that city is considered commuting, not business travel.

If you are traveling in a vehicle which disappears, sinks, is stranded, wrecked, or makes a forced landing, and your body is not found within one year of the accident, the full death benefit will be paid.

Accidents that take place while traveling by aircraft are covered only if:

- you are riding as a passenger, not as a pilot or crew member;
- the aircraft has a valid certificate of airworthiness;
- the aircraft is flown by a pilot with a valid license; and
- you are not covered if traveling in an aircraft that is owned or leased by your employer.

What is Not Covered

This Plan does not provide benefits for losses that result from the following activities:

- suicide, attempted suicide, or self-inflicted injury;
- war or any act of war (declared or undeclared);
- emotional trauma, mental or physical illness, disease, pregnancy, childbirth or miscarriage, or bodily malfunction;
- any infection, other than an infection that results from an accident or accidental consumption of a substance contaminated by bacteria; or
- travel in any aircraft owned, leased or operated by your employer.

If you are on a Leave of Absence

If you are away from work because of an approved leave of absence, business travel accident coverage ends on your last day of active employment.

For a summary of how your benefits are impacted when on a leave, see the Handbook section entitled, "Benefits on Leave". For information on how your benefits may be impacted while on a specific leave, call your Benefits Contact.

Situations That Can Affect Your Benefits

Certain situations, as described in this section, can affect your benefits.

Paying Taxes on Life Insurance

Life insurance and AD&D benefits are generally received tax-free for federal income tax purposes. Death benefits paid in advance under living benefit provisions may be taxable. Life insurance and AD&D benefits are included as part of the value of your estate for federal income tax purposes.

Paying Taxes on Imputed Income

If the value of your Basic &/or Optional Basic Employee Term Life insurance is more than \$50,000, the cost of the amount above \$50,000 is included in your taxable income each year. When an employer provided group term policy provides coverage in excess of \$50,000, the value of the insurance benefit that must be included in employees' income is computed with reference to an Internal Revenue Service Uniform Premiums table. The table below shows the imputed value of \$1,000 of group term coverage for a one-month period, based on the age of the employee.

| <u>Age</u> | <u>Monthly Cost per \$1,000</u> |
|--------------|---------------------------------|
| Under 25 | \$0.05 |
| 25 to 29 | 0.06 |
| 30 to 34 | 0.08 |
| 35 to 39 | 0.09 |
| 40 to 44 | 0.10 |
| 45 to 49 | 0.15 |
| 50 to 54 | 0.23 |
| 55 to 59 | 0.43 |
| 60 to 64 | 0.66 |
| 65 to 69 | 1.27 |
| 70 and above | 2.06 |

Using the table, determine your age on the last day of the tax year. Multiply the cost factor from the table, times the number of thousands of dollars of taxable coverage over \$50,000 (rounded to the nearest tenth). The result is the value of taxable coverage for one month. Multiply that result by the number of months you have been covered.

This amount is reported on your pay stub and appears on your annual W-2 form.

When Coverage Ends

Your life insurance protection ends if you are no longer employed by an Employer participating in the Consolidated Benefit Plans. You have the option to continue most types of coverage on an individual basis.

When Your Coverage Ends

Life and AD&D Insurance – Active Employees

Employer-provided coverage and AD&D coverage you have purchased for yourself and your dependents will end if:

- your employment ends;
- you or your dependents no longer meet the eligibility requirements;
- you fail to pay any required premiums; or
- your employer no longer offers this coverage.

Benefits will be paid if you die within 31 days after your coverage ends.

For a summary of how your benefits are impacted when your coverage ends, see the Handbook section entitled, "Benefits at Termination". For information on how your benefits may be impacted while on a specific leave, call your Benefits Contact.

This information is deemed to be accurate. In the event that this information is in conflict with the vendor contract or the policy, the contract or policy language will prevail. The employers intend to provide these programs on an ongoing basis; however, they reserve the right to amend or terminate any program at any time.