

Colonial Life & Accident Insurance Company P.O. Box 1365 Columbia, SC 29202-1365

> Lenoir County Government Po Box 3289 Kinston, NC 28502-0000

1200 Colonial Life Boulevard, P. O. Box 1365, Columbia, South Carolina 29202 1.800.325.4368 coloniallife.com A Stock Company

GROUP SHORT TERM DISABILITY INSURANCE POLICY

Please Read This Policy Carefully

This policy is a legal contract between the policyholder and us. To understand the coverage, this policy must be read as a whole.

Throughout this policy, the wordpolicyholder refers to the organization shown on the Policy Rate Schedul&ou or your refers to the insured shown on the Certificate Schedule who is a member of an eligible class as described on the Policy Rate Schedule, who holds a certificate of coverage and for whom premiums are remittable, us, our or company refer to Colonial Life & Accident Insurance Company. The male pronoun includes the female whenever used.

This policy is issued in consideration of the application of the policyholder, a copy of which is attached to and made a part of this policy, and the payment of premium when due. This policy takes effect at 12:01 am Standard Time at the policyholder's address on the Policy Effective Date shown on the Policy Rate Schedule.

We agree to pay, in accordance with the terms of this policy, the benefit amounts of the policy to the insured. Details of the benefits are shown in the certificate.

IMPORTANT CANCELLATION INFORMATION – PLEASE READ THE PROVISION OF THIS POLICY ENTITLED, "TERMINATION OF THIS CONTRACT".

PREMIUM RATES SHALL BE GUARANTEED FOR THE FIRST CONTRACT YEAR. WE WILL NOT CHANGE THE PREMIUM RATES MORE THAN ONCE IN ANY SIX MONTH PERIOD BASED ON AT LEAST 12 MONTHS EXPERIENCE. ANY RATE ADJUSTMENT SHALL BE PRECEDED BY A WRITTEN 45 DAY NOTICE.

Right to Return This Policy

If, for any reason, you are not satisfied with this policy, you can return it to us at our home office within 30 days after you receive it. At that time, you should ask us in writing to cancel it. We will consider this policy as if it never existed. Any premium paid will be refunded.

Signed for Colonial Life & Accident Insurance Company:

Secretary

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President and Chief Executive Officer

PLEASE READ THIS POLICY CAREFULLY.

THE POLICY IS CANCELLABLE AT THE OPTION OF THE COMPANY. PLEASE READ THE "TERMINATION OF THIS CONTRACT" PROVISION.

THIS FORM CONTAINS A PRE-EXISTING CONDITION LIMITATION.

THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY.

IF YOU ARE ELIGIBLE FOR MEDICARE, REVIEW THE GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE, WHICH IS AVAILABLE FROM THE COMPANY.

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SECTION 2 - POLICY GUIDE

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SECTION 3 – POLICY RATE SCHEDULE

Policyholder. Lenoir County Government Policy Number: G0030715

Policyholder Address: Po Box 3289 Billing Control Number: E4794509

Kinston, NC

28502-0000

Policy Effective Date: 07/01/2017 Governing Jurisdiction: North Carolina

Description of Eligible Classes

All employees in active employment working a minimum of 20 hours per week. Temporary and seasonal workers are excluded from coverage.

Active Employment means the insured is working for the policyholder at the worksite for earnings that are paid regularly, and he is performing the material and substantial duties of his regular occupation. The insured will not be considered in active employment if employment status is being continued under a severance or termination agreement. The worksite must be:

- the policyholder's usual place of business;
- · an alternative worksite at the direction of the policyholder; or
- a location to which the insured's job requires him to travel.

Material and Substantial Duties means duties that are normally required for the performance of the insured's regular occupation, and cannot be reasonably omitted or modified.

Regular Occupation means the occupation the insured routinely performs on his job.

New Hire Waiting Period: 30 days

New Hire Eligibility Period: 30 days

This policy may include enrollment, risk management and other support services related to the policyholder's benefit program.

Disability Benefit:Total Disability –Off-Job \$400-\$4000 represented as a flat amount in \$100 increments
On-Job 50% of Off-Job coverage

Partial Disability 50% of the Total Disability amount

Plan Option(s)

Initial Monthly Rates per Unit Unit means \$100 benefit increment.

On-Job/Off-Job

Benefit Period: 3 Months

Elimination Period Accident/Sickness	0/7	0/14	7/7	7/14	14/14
Issue Ages: 17-49	4.15	3.31	3.95	3.22	2.97
50-64	4.80	3.95	4.74	3.87	3.63
65-74	7.15	5.90	6.74	5.82	5.56

On-Job/Off-Job

Benefit Period: 6 Months

Elimination Period Accident/Sickness	0/7	0/14	0/30	7/7	7/14	14/14	30/30
Issue Ages: 17-49	5.39	4.48	4.22	5.01	4.35	3.96	3.31
50-64	6.70	5.56	5.56	6.57	5.47	5.21	4.66
65-74	11.42	8.77	8.50	10.76	8.64	8.24	7.14

Rate Guarantee Period: A change in initial premium rate will not take effect before two years after the policy

effective date. Premium rates shall be guaranteed for the first contract year. We will not change the premium rates more than once in any six month period based on at least 12 months experience. Any rate adjustment shall be preceded by a written 45 day notice.

First Day Hospital

Confinement: Included for an elimination period which is 30 days

Psychiatric/Psychological

Condition: Included

Pre-existing Condition Initial Enrollment and New Hires months

Limitation Period: Late Entrants 12 months

Divisions, subsidiaries or affiliated companies include:Lenoir County Government Kinston, NC

SECTION 4 - POLICYHOLDER PROVISIONS

Ownership

The policyholder is the owner of this policy and may agree with us to change it without the consent of or notice to the insured or his assignee.

Entire Contract

The entire contract consists of:

- this policy;
- the application of the policyholder attached to this policy;
- each insured's enrollment form and evidence of insurability, if applicable;
- certificates issued under this policy; and
- riders, endorsements or amendments to the policy or certificates.

Changes to the Contract

Riders, endorsements and amendments add provisions to or change the terms of the policy.

Any changes to this policy, other than a change in the premium we charge, must be in writing and evidenced by endorsement on this policy, or by amendment to this policy signed by the policyholder and one of our executive officers at our home office. No agent or anyone else can change this policy or waive any of its provisions.

Furnishing Certificates

The company will provide a certificate for each insured. The certificates will provide a description of the insurance provided by this policy and will state:

- the benefits provided under the policy;
- to whom benefits are payable;
- the limitations, exclusions and requirements that apply to coverage under the policy; and
- how to file a claim against the coverage.

If there is any discrepancy between the provisions of any certificate and the provisions of this policy, the provisions of this policy govern.

Time Limit on Certain Defenses

After two years from the Policy Effective Date or reinstatement of this policy, no misstatements made by the policyholder in the application for such policy, will be used to void this policy or to deny a claim for loss incurred or disability commencing after the expiration of such two-year period.

Conformity with State Statutes

Any provision of this policy that is in conflict with the applicable state laws of the state in which the insured resides when he becomes insured is amended to conform to the minimum requirements of those laws.

Our Right to Change Premiums

We have the right to change the premium we charge after notifying the policyholder in writing at least 45 days in advance. A change in the initial monthly rates will not take effect before the end of the rate guarantee period shown on the Policy Rate Schedule except for reasons which affect the risk assumed, including, but not limited to those reasons shown below:

- a change occurs in this policy;
- a division, subsidiary, or affiliated company is added or deleted;
- · the number of insureds changes by 25% or more; or
- a new law or a change in any existing law is enacted which applies to this policy.

After the rate guarantee period, we will not change the premium rates more than once in any six month period based on at least 12 months experience.

New Hires

Members of an eligible class, as described on the Policy Rate Schedule, will become insured when they satisfy the requirements set forth in the certificate.

Late Entrants

Members of an eligible class, as described on the Policy Rate Schedule, who do not enroll during their initial eligibility period and choose to enroll at a later date.

Information to Be Furnished By the Policyholder

The policyholder must keep a record of the insureds and the particulars of the insurance on each. As changes occur, the policyholder should provide us, on forms acceptable to us, information relative to any persons:

- who are eligible to enroll;
- who are insured by the coverage;
- occupational information and any other information that may be required to manage a claim;
- · whose status changes; and/or
- whose coverage terminates pursuant to the "Termination of Insurance" provision.

The policyholder should also provide us with any other information about the coverage that may be reasonably required, such as insureds on leave of absence, including insureds who are on leave under the Family and Medical Leave Act.

Policyholder records that have a bearing, in our opinion, on this policy will be available for review by us at any reasonable time. We may inspect these at any time while this policy is in force and within one year after the termination of this policy.

All statements made in any application are considered representations and not warranties (absolute guarantees). No representation by the policyholder in applying for insurance under this policy will make it void unless the representation is contained in the application of the policyholder.

Clerical error or omission by us will not:

- prevent the insured from receiving coverage;
- affect the amount of the insured's coverage; or
- cause the insured's coverage to begin or continue when the coverage would not otherwise be effective.

SECTION 5 – PREMIUM PAYMENTS

Premium Payments

The initial premium for each type of coverage under this policy is based on the initial monthly rates shown on the Policy Rate Schedule.

Premium Amount

To ensure accurate premium calculations, the policyholder is responsible for reporting to us, the following information during the stated time periods:

- individuals who are eligible to enroll are to be reported during the month prior to or during the month the coverage becomes effective; and
- individuals whose coverage has terminated are to be reported within a month of the date coverage terminated.

When and Where to Pav Premiums

The premiums for each certificate must be paid to us at ourome office when they are due.

The premium due dates are based on:

- the coverage effective dates shown on the Certificate Schedules; and
- the premium frequency.

The premium frequency is how often the premiums are paid. The policyholder will be liable to us for all unpaid premiums for any period, including the grace period, during which coverage under the policy was in force as to any insured.

Premium increases or decreases are due on the next premium due date following the changes. Changes will not be pro-rated daily.

Grace Period (If Premiums Are Not Paid When Due)

After the first premium, if the premium is not paid when it is due, it can be paid during the next 31 days. These 31 days are called the grace period. During the grace period this coverage will stay in force. If the premium is not paid before the grace period ends, the coverage provided by this policy will terminate at the end of the grace period.

Reinstatement (How to Put This Policy Back in Force)

If the premium is not paid by the end of the grace period, this policy will no longer be in force. However, the policy may be put back in force. This is called **reinstatement**. You can ask us or one of our agents about reinstatement. If we accept the premium and do not require a reinstatement application, this policy will be reinstated on the date the premium is received.

If we do require a reinstatement application at the time we accept the premium, a conditional receipt will be given for the premium. If we approve the reinstatement application, this policy will be reinstated on the date we approve it. If we do not notify you that we have approved or disapproved the reinstatement application, this policy will be reinstated on the 45th day after the date on the conditional receipt.

We will pay benefits for accidental injuries sustained after the reinstatement date. We will pay benefits for covered sicknesses that occur more than 10 days after the reinstatement date.

We have the right to make changes in this policy before we reinstate it. Any changes will be made in a rider to be attached to the reinstated policy. In every other way, your rights and our rights will be the same.

If we agree to reinstate this policy, such reinstatement will not constitute waiver of the "Termination of This Contract" provision.

SECTION 6 – TERMINATION

Termination of This Contract

This policy can be terminated:

- by the policyholder; or
- by us.

If the premium is not paid when it is due or during the grace period, this policy will terminate automatically at the end of the grace period. The policyholder must pay all premiums due for the full period each certificate is in force.

Except for nonpayment of the required premium or the failure to meet continued underwriting standards, we may not cancel the policy prior to the first anniversary date of the policy effective date as specified on the Policy Rate Schedule. After the first anniversary date, we may cancel this policy for any reason.

If we cancel this policy for reasons other than the policyholder's failure to remit premium, a written notice will be delivered to the policyholder by certified mail at least 60 days prior to the cancellation date.

The policyholder may cancel this policy by written notice delivered to us at least 45 days prior to the cancellation date. This policy can be cancelled on an earlier date if we and the policyholder both agree. Coverage will end at 12:00 midnight Standard Time at the policyholder's address on the cancellation date.

If the policy is cancelled, the cancellation will not affect a claim for which we are liable under the terms of this policy.

Policyholder Responsibility to Insureds

If this policy terminates for any reason, the policyholder must:

- · notify each insured of the effective date of the termination; and
- refund or otherwise account to each insured all contributions received or withheld from them for premiums not actually paid to us.

Workers' Compensation

This policy is not in lieu of, and does not affect, any requirement for coverage by workers' compensation insurance.

Injury or loss covered by workers' compensation is not excluded.

1200 Colonial Life Boulevard, P. O. Box 1365, Columbia, South Carolina 29202
1.800.325.4368 coloniallife.com
A Stock Company

GROUP SHORT TERM DISABILITY INSURANCE CERTIFICATE

THIS CERTIFICATE EXPLAINS THE BENEFITS PROVIDED UNDER THE GROUP SHORT TERM DISABILITY INSURANCE POLICY.

Please Read This Certificate Carefully

This is your certificate of coverage as long as you are insured under the policy. You will want to read it carefully and keep it in a safe place.

Throughout this certificate, the wordsyou, your or insured refers to the person named on the Certificate Schedule who is a member of an eligible class as described on the Policy Rate Schedule, who holds a certificate of coverage and for whom premiums are remitted. We, us, our or company refer to Colonial Life & Accident Insurance Company of Company Policyholder refers to the organization shown on the Policy Rate Schedule. It includes any division, subsidiary or affiliated company named on the Policy Rate Schedule Policy means the group contract owned by the policyholder and available for review by you. The male pronoun includes the female whenever used. If the terms of your certificate of coverage and the policy differ, the policy will govern.

The policy and this certificate may be changed in whole or in part or cancelled as stated in the policy. Such an action may be taken without the consent of or notice to you. Only an executive officer at our home office can approve a change. The approval must be in writing and evidenced by endorsement on the policy or certificate or an amendment signed by the policyholder and one of our executive officers at our home office. No other person, including an agent, may change the policy or certificate or waive any of its provisions. Premiums are subject to periodic changes. This certificate replaces any and all certificates previously issued for the eligible classes under the Policy.

For purposes of effective dates and ending dates under the group policy, all days begin at 12:01 a.m. and end at 12:00 midnight at the policyholder's address.

Right to Return This Certificate

If, for any reason, you are not satisfied with this certificate, you can return it to us at our home office within 30 days after you receive it. At that time, you should ask us in writing to cancel it. We will consider this certificate as if it never existed. Any premium paid will be refunded.

THE POLICY IS CANCELLABLE AT THE OPTION OF THE COMPANY. IMPORTANT CANCELLATION INFORMATION – PLEASE READ THE TERMINATION OF INSURANCE SECTION

PREMIUM RATES SHALL BE GUARANTEED FOR THE FIRST CONTRACT YEAR. WE WILL NOT CHANGE THE PREMIUM RATES MORE THAN ONCE IN ANY SIX MONTH PERIOD BASED ON AT LEAST 12 MONTHS EXPERIENCE. ANY RATE ADJUSTMENT SHALL BE PRECEDED BY A WRITTEN 45 DAY NOTICE.

THIS CERTIFICATE CONTAINS A PRE-EXISTING CONDITION LIMITATION.

Signed for Colonial Life & Accident Insurance Company:

Secretary President and Chief Executive Officer

PLEASE READ THIS CERTIFICATE CAREFULLY.

THIS CERTIFICATE IS NOT A MEDICARE SUPPLEMENT CERTIFICATE.

IF YOU ARE ELIGIBLE FOR MEDICARE, REVIEW THE GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE, WHICH IS AVAILABLE FROM THE COMPANY.

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SECTION 3 - CERTIFICATE SCHEDULE

Policyholder: Lenoir County Government Policy Number: G0030715

Insured: John A. Doe Certificate Number: 9999999999

Coverage Effective Date: July 1, 2017 Governing Jurisdiction: North Carolina

Coverage Type: On & Off Job Billing Control Number: E4794509

Issue Age: ** Monthly Premium at *

Issue Age

Pre-Existing Condition

Limitation Period: months

This certificate provides the coverage shown on the Certificate Schedule below subject to the terms of the policy and certificate.

Coverage Type	On-Job	Off-Job
Accident		
Total Disability Benefit		
Benefit Period:**		
Elimination Period:**		
Monthly Benefit Amount	**	**
*Partial Disability Benefit		
Benefit Period: 3 months		
Monthly Benefit Amount	**	**
Sickness, not due to psychiatric or psychological conditions Total Disability Benefit		
Benefit Period:**		
Elimination Period:**		
Monthly Benefit Amount	**	**
*Partial Disability Benefit, not due to psychiatric or psychological conditions Benefit Period: 3 months		
Monthly Benefit Amount	**	**
Sickness, due to psychiatric or psychological conditions Total Disability Benefit		
Benefit Period:**		
Elimination Period:**	**	**
Monthly Benefit Amount	• •	**
*Partial Disability Benefit, due to psychiatric or psychological conditions Benefit Period: 3 months		
Monthly Benefit Amount	**	**

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We will pay a lifetime cumulative maximum benefit period of 24 months of total disability and partial disability combined for any disabilities due to psychiatric or psychological conditions, even if the disabilities:

- · are not continuous; and/or
- are not related.

*The total disability benefit must have been paid for at least 14 days immediately prior to your being partially disabled to receive the partial disability benefit. For a given period of disability, you may receive either the partial disability benefit or the total disability benefit, but not both.

** See individual certificate schedule

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SECTION 4 – GENERAL DEFINITIONS

Additional definitions may be contained in other certificate benefit provisions or any endorsement, amendment or rider.

Activities of Daily Living means the following:

- Dressing means putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
- Toileting means getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- Transferring means the ability to move in or out of a chair, bed or wheelchair.
- Eating means feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table).
- · Preparing meals.

Benefit Period means the longest period of time we will make payments to you for any one period of disability.

Certificate Anniversary Dateoccurs once a year on the same day and month as the Premium Effective Date.

Complications of Pregnancymeans those conditions, requiring treatment, whose diagnoses are distinct from pregnancy but are adversely affected by pregnancy or caused by pregnancy. These include, but are not limited to, acute nephritis, nephrosis, cardiac decompensation, missed abortion, miscarriage, non-elective Cesarean, non-elective abortion and similar medical and surgical conditions of comparable severity.

Complications of pregnancy do not include false labor, morning sickness, hyperemesis gravadarum and similar conditions associated with the management of a difficult pregnancy.

Concurrent Disability means you are disabled due to more than one condition during the same period of time, whether the conditions are related or unrelated.

Confinement means you are admitted to a hospital and confined as a resident inpatient (including intensive care) on the advice of a doctor.

Coverage Effective Date means the date coverage begins as shown on the Certificate Schedule. The coverage effective date of this certificate is not the date you signed the application for coverage.

Covered Accident means an accident which:

- occurs on or after the coverage effective date shown on the Certificate Schedule;
- occurs while this certificate is in force;
- · is of the coverage type listed on the Certificate Schedule; and
- is not excluded by name or specific description in this certificate.

Covered Sickness means an illness, infection, disease or any other abnormal physical condition, not caused by an injury, which:

- · occurs on or after the coverage effective date shown on the Certificate Schedule;
- occurs while this certificate is in force:
- is of the coverage type listed on the Certificate Schedule; and
- is not excluded by name or specific description in this certificate.

Covered sickness also includes complications of pregnancy that occur while this certificate is in force.

Doctor or Physician means a person who:

- is licensed by the state to practice a healing art; and
- performs services for you which are allowed by his license.

For purposes of this definition, Doctor or Physician does not include you, or anyone related to you by blood or marriage, a business or professional partner of yours, or any person who has a financial affiliation or a business interest with you.

Elimination Period means a period of total disability during which no benefits are payable, as shown on your Certificate Schedule.

Enrollment Period means a period of time determined by us and the policyholder during which you are eligible to enroll for or change your coverage. This period of time may be limited.

Evidence of Insurability means a statement of medical history which we will use to determine if you are approved for coverage.

Injury means a condition sustained by you which is a direct result of an accident, independent of disease or bodily infirmity or any other cause and occurs while this certificate is in force.

Leave of Absence means you are temporarily absent from active employment for a period of time that has been agreed to in advance in writing by your employer. Normal vacation time or any period of disability is not considered a leave of absence.

Material and Substantial Duties of Your Jobmeans duties that:

- are normally required to perform your regular job; and
- cannot be reasonably omitted or modified.

Performing your job at a particular worksite or in a particular building is not a material and substantial duty of your job, provided that your employer will allow you to perform your job at a different worksite or in a different building.

Off-Job Accident means an accident that occurs while you are not working at any job for pay or benefits.

Off-Job Sickness means a sickness that was not caused by or contributed to by your working at any job for pay or benefits.

On-Job Accident means an accident that occurs while you are working at any job for pay or benefits.

On-Job Sickness means a sickness that was caused by or contributed to by your working at any job for pay or benefits.

Pre-Existing Conditionmeans those conditions, whether diagnosed or not, for which medical advice, diagnosis, care or treatment was received or recommended within the one year period immediately preceding your effective date. If you are 65 or older when this certificate is issued, pre-existing conditions will include only conditions specifically eliminated by rider.

Premium Effective Date is the first premium due date for which premium is received.

Psychiatric or Psychological Conditionsmean conditions including but not limited to affective disorders, neuroses, anxiety, stress and adjustment reactions. Alzheimer's Disease and other organic senile dementias are not considered psychiatric or psychological conditions.

Recurrent Disability means your becoming disabled, ceasing to be disabled, then becoming disabled again for the same or related condition. The latter disability will be considered a recurrent disability.

Sickness means an illness, infection, disease or any other abnormal physical condition not caused by an accident. Sickness includes complications of pregnancy.

Subsequent Disability means a separate period of disability resulting from a condition unrelated to the previous period of disability.

Totally Disabled or Total Disabilitymeans you are:

- unable to perform the material and substantial duties of your job;
- not, in fact, working at any job; and
- under the regular and appropriate care of a doctor.

Under the Regular and Appropriate Care of a Doctormeans you are being cared for on a regular basis by a doctor and the care you are receiving is appropriate for the condition(s) which disable(s) you; unless you have reached your maximum point of recovery and the doctor states that continued treatment would be of no benefit to you.

SECTION 5 – ELIGIBILITY AND EFFECTIVE DATE

Coverage Effective Date

Your coverage under the policy will start at 12:01 a.m. Standard Time in the time zone where you live on the coverage effective date shown on your Certificate Schedule.

Enrollment

An individual who is a member of an eligible class may enroll in coverage during the eligibility period, as shown on the Policy Rate Schedule, that follows the later of:

the policy effective date as shown on the Policy Rate Schedule;

- the date the individual first becomes a member of an eligible class:
- the date the individual completes the policyholder waiting period shown on the application of the policyholder, if applicable;
- the date the individual meets evidence of insurability requirements, if any.

An individual who fails to enroll during the eligibility period may enroll no later than 90 days after the first day of employment and only during an enrollment period. Evidence of insurability may be required. The policyholder and the company will determine when an enrollment period begins and ends.

After the coverage effective date, you cannot make any changes to the coverage under this certificate until an enrollment period.

Delayed Coverage Effective Date

The effective date of your coverage will be delayed if you are not a member of an eligible class on the coverage effective date shown on the Certificate Schedule. The coverage will be effective on the date that you return to status as a member of an eligible class.

SECTION 6 - BENEFITS

Totally Disabled or Total Disability

We will pay the amount shown on the Certificate Schedule if you become totally disabled by a covered accident or by a covered sickness.

If you are totally disabled longer than the elimination period shown on the Certificate Schedule, we will pay the total disability benefit for as long as this coverage is in force and you remain totally disabled up to the benefit period and in the amount shown on the Certificate Schedule, except for the Geographical Limitations provision in this certificate.

If benefits are payable for less than a full month, we will pay benefits in a daily amount. The daily amount is 1/30th of the monthly amount shown on the Certificate Schedule.

If the elimination period for total disability due to the covered accident or covered sickness is 30 days or less, the monthly benefit for disability will begin the earlier of:

- the first day of hospital confinement; or
- the first day after the elimination period.

If you do not have a job when you become totally disabled, we will pay the total disability benefit only as long as you cannot perform two of five Activities of Daily Living and are under the regular and appropriate care of a doctor.

If you become disabled because of a pre-existing condition, we will not pay for any disability if it begins during the pre-existing condition limitation period shown on the Certificate Schedule.

The disability benefit provided by this certificate terminates on the certificate anniversary date on or after you reach age 75. When the disability benefit ends, it will not have a bearing on an injury or sickness occurring before then. Coverage ending at age 75 will not affect any disability that began while this certificate was in force. The disability benefit will be limited to the payment of the applicable monthly benefit amount for the length of the applicable benefit period shown on the Certificate Schedule.

Partially Disabled or Partial Disability

We will pay the partial disability benefit up to the benefit period and in the amount shown for a partial disability on the Certificate Schedule if you become partially disabled as a result of a covered accident or a covered sickness, except for the Geographical Limitations provision in this certificate.

This benefit is subject to the following conditions:

- coverage must be in force;
- you must remain partially disabled;
- · the total disability benefit must have been paid for at least 14 days immediately prior to your being partially disabled; and
- for a given period of disability, you may receive either a partial disability benefit or a total disability benefit, but not both.

The disability benefit provided by this certificate terminates on the certificate anniversary date on or after you reach age 75. When the disability benefit ends, it will not have a bearing on an injury or sickness occurring before then. Coverage ending at age 75 will not affect any disability that began while this certificate was in force. The disability benefit will be limited to the payment of the applicable monthly benefit amount for the length of the applicable benefit period shown on the Certificate Schedule.

Recurrent Disability

A recurrent disability will be treated as:

- a continuation of the previous disability, not a new disability, if you have returned to work for less than 6 months.
- a new disability, if you have returned to work for 6 months or more, working at least the same number of hours you were
 working before the previous disability began.
- a continuation of the previous disability, not a new disability, if you do not have a job and you have ceased to be disabled for less than 6 months.
- a new disability, if you do not have a job and you have ceased to be disabled for 6 months or more.
- a continuation of the previous disability for any circumstances not specifically listed above.

A new disability is subject to a new elimination period, and a new benefit period applies. A disability that is considered a continuation of a previous disability is not subject to a new elimination period, and a new benefit period does not apply. Any recurrent disability caused by a pre-existing condition will not be covered if it is treated as a continuation of the previous disability.

Concurrent Disability

During any period in which you are disabled due to more than one condition, whether the conditions are related or unrelated, benefits will be paid as if you are disabled due to only one condition. In no event will your being disabled due to more than one condition extend the benefit period beyond the benefit period shown on the Certificate Schedule.

Subsequent Disability

Separate periods of disability resulting from unrelated conditions are considered a continuation of the previous disability, not a new disability, unless the following requirements are met:

- If you were employed when the previous period of disability ended:
 - The disability periods are separated by a minimum 10 calendar days;
 - During such time, you returned to work performing the material and substantial duties of your job; and
 - During such time, you were no longer qualified to receive total or partial disability benefits.
- If you were not employed, or did not return to work, when the previous period of disability ended:
 - The disability periods are separated by a minimum of 6 months;
 - · During such time, you were released from the care of a doctor with no medical restrictions or limitations; and
 - During such time, you were no longer qualified to receive total or partial disability benefits.

Geographical Limitations

If you become totally disabled as the result of a covered accident or a covered sickness while you are outside the covered geographical areas and you are totally disabled longer than the elimination period shown on the Certificate Schedule, your maximum benefit period for total disability and partial disability combined while outside the covered geographical areas will be limited to 60 days. Covered geographical areas are less than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahama Islands, the Virgin Islands, Bermuda, or Jamaica.

After the 60 day period, benefits will not be paid until you return to the covered geographical areas.

If you are still totally or partially disabled as defined in this certificate when you return from outside the covered geographical areas, we will determine your remaining applicable benefit period by subtracting the time period for which we have already paid you benefits from the benefit period shown on the Certificate Schedule. We will pay the monthly benefit amount shown on the Certificate Schedule for up to the remaining applicable benefit period.

Waiver of Premium

After you have been totally disabled or qualify for partial disability benefits as the result of a covered accident or a covered sickness for more than 90 consecutive days while this certificate is in force, or after the elimination period shown on the Certificate Schedule, whichever is greater, we will waive the premium for this certificate and any attached riders(s) for as long as you remain disabled, up to the benefit period shown on the Certificate Schedule. You must pay all premiums to keep this certificate and any attached rider(s) in force until you have been totally disabled or qualify for partial disability benefits for 90 consecutive days while this certificate is in force, or for the elimination period shown on the Certificate Schedule, whichever is greater.

You must send us written notice as soon as you are no longer disabled. We will assume that you are no longer disabled if:

- · you do not send us satisfactory proof of loss when we request it; or
- you notify us that you are no longer disabled.

You must pay all premiums to keep this certificate and any attached rider(s) in force beginning with the first premium due after you are no longer disabled.

The Waiver of Premium Benefit does not apply to any period that you are totally or partially disabled due to an accident or sickness which is excluded by specific name or specific description in this certificate.

There is no limit to the number of times you can receive the Waiver of Premium benefit.

SECTION 7 – GENERAL EXCLUSIONS AND LIMITATIONS

Exclusions

We will not pay benefits for losses that are caused by, contributed to by or occur as a result of your:

Alcoholism or Drug Addiction

Addiction to alcohol or drugs, except for drugs taken as prescribed by your doctor.

Felonies or Illegal Occupations

Committing or attempting to commit a felony or engaging in an illegal occupation.

Flying

Operating, learning to operate, serving as a crew member of or jumping or falling from any aircraft or hot air balloon, including those which are not motor-driven. This does not include flying as a fare paying passenger.

Hazardous Avocations

Engaging in hang-gliding, bungee jumping, parachuting, sailgliding, parasailing, or parakiting, or any similar activities.

Intoxicants and Narcotics

Being intoxicated or under the influence of any narcotics unless administered on the advice of your doctor.

Racing

Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.

Semi-professional or Professional Sports

Practicing for or participating in any semi-professional or professional competitive athletic contest for which any type of compensation or remuneration is received.

Suicide or Injuries Which You Intentionally Do to Yourself

Committing or trying to commit suicide or your injuring yourself intentionally, whether you are sane or not.

War or Armed Conflict

Being exposed to war or any act of war, declared or undeclared, or serving in the armed forces of any country or authority.

Limitations

Birth Limitation

We will not pay benefits due to being pregnant before the coverage effective date of this certificate. Disability due to complications of pregnancy will be covered to the same extent as a covered sickness.

Pre-existing Condition Limitation

We will not pay for loss when the disability is a pre-existing condition as defined in this certificate, unless you have satisfied the pre-existing condition limitation period shown on the Certificate Schedule on the date you suffer a loss due to a covered accident or covered sickness.

If you are 65 or older when this certificate is issued, the pre-existing conditions will include only conditions specifically eliminated by rider.

SECTION 8 - TERMINATION OF INSURANCE

Termination

Your insurance under the policy will terminate on the earliest of the following dates:

- the date the policy is terminated by either the policyholder or us; or
- the end of the grace period following the premium due date we fail to receive the required premium for you; or
- the date you are no longer in an eligible class; or
- the date your class is no longer included for insurance; or

- · the certificate anniversary date on or after your 75th birthday; or
- the date the next premium is due after you ask us to end your coverage.

Termination of insurance for any reason described above will not affect your rights to benefits, if any, for a disability that begins while your insurance is in force under the group policy. You are considered to be continuously disabled if you are disabled from one condition and, while still disabled from that condition, incur another condition that causes disability.

Leave of Absence Under the Family and Medical Leave Act

You may continue your coverage during absences for family or medical leave. If you are on a family or medical leave of absence, coverage will continue under this certificate as if you were in active employment, if the following conditions are met:

- · the premiums are paid in accordance with the policy's provisions; and
- the policyholder has approved your leave in writing.

Coverage will be continued for up to the greater of:

- the leave period required by the federal Family and Medical Leave Act of 1993, and any amendments; or
- the leave period required by applicable state law.

If coverage is not continued during a family or medical leave of absence, upon your return to active employment, no new pre-existing condition limitation will be applied, and no new evidence of insurability will be required to reinstate the coverage which was in effect before the leave began.

In order for these conditions to apply, the policyholder must notify us and commence paying premiums for your coverage within 31 days following your return to active employment following a leave of absence for family or medical leave.

SECTION 9 – PORTABILITY

Portability Privilege

We will provide portability coverage, subject to these provisions.

Such coverage will not be available for you, unless:

- your coverage under the policy terminates under the provision Termination of Insurance for one of the following reasons:
 - · you are no longer in an eligible class; or
 - your class is no longer included for insurance.
- we receive a written request from you and payment of all premiums due for the portability coverage not later than 63 days after such termination; and
- the request is made on a form we furnish or approve for that purpose.

Coverage

The benefits, terms and conditions of the portability coverage will be the same as those provided under the policy when your insurance terminated. We will allow you to decrease the benefit amount at the time portability is requested; provided that the benefit amount cannot be decreased below the minimum benefit amount. Any change made to the policy after you are insured under the portability privilege will not apply to you unless it is required by law.

Portability coverage will be effective on the day after coverage under the policy terminates.

Premiums

Premiums are due and payable in advance to us at our home office. The premium rates are based on the portability rates in effect on any premium due date. We have the right to change the portability premium we charge. The portability premium will be guaranteed for the first year. After the first year, we will not change the premium rates more than once in any six month period based on at least 12 months experience. Written notice will be given at least 45 days before the change is to take effect.

Grace Period

After the first premium, if the premium is not paid when it is due, it can be paid during the next 31 days. These 31 days are called the grace period. During the grace period this portability coverage will stay in force. If the premium is not paid before the grace period ends, the portability coverage will terminate at the end of the grace period.

Termination of Insurance

Insurance under this portability privilege will automatically end on the earliest of the following dates:

- the last day for which premiums have been paid, if you fail to pay premiums when due, subject to the Grace Period provision; or
- the certificate anniversary date on or after your 75th birthday; or
- the date insurance under this portability provision is cancelled by us for any reason upon 45-days written notice.

Once insurance under this portability provision is cancelled, it cannot be reinstated.

Termination of the Policy

Portability coverage may continue beyond the termination date of the policy, subject to the timely payment of premiums. Benefits, terms and conditions for portability coverage will be determined as if the policy had remained in full force and effect.

SECTION 10 – GENERAL PROVISIONS

Misstatement of Age

If your age has been misstated, we will make any equitable adjustment of premiums. We will refund any excess premium payment over the amount due based on your correct age. We will request payment for any overdue premium based on your correct age. If you are not eligible because of age we will refund all premiums paid.

Contestability

After two years from the Coverage Effective Date or reinstatement of this certificate, no misstatements made by you in the application for such certificate will be used to void this certificate or deny a claim for loss incurred commencing after the expiration of such two-year period.

Contest means that we question the validity of coverage under the policy through a letter to the policyholder or you. This contest is effective on the date we mail the letter and refund premiums.

Changes in Coverage

Changes in coverage may require evidence of insurability. You may choose to:

- increase your coverage up to the maximum monthly benefit available;
- decrease your coverage provided it is not less than the minimum amount shown on the Certificate Schedule; or
- not participate.

Effective Date for Changes in Coverage

A change in coverage that is made during an enrollment period will begin at 12:01 a.m. Standard Time in the time zone where you live on the next premium due date after an enrollment period.

If you are not in active employment on the date your change in coverage would be effective, any increased or additional coverage will begin on the date you return to active employment.

SECTION 11 – CLAIM PROVISIONS

Notice of Claim

If you have a covered sickness or covered accident that may result in a claim for benefits under the policy, written notice must be given to us at our home office or to any authorized agent of the insurer. This must be done within 90 days after a covered loss begins. If notice cannot be given within that time, it must be given as soon as is reasonably possible. The notice must contain enough information to identify you.

Claim Forms

When we receive written or verbal notice of a claim, claim forms will be sent with which to file Proof of Loss. If these forms are not given to you within 15 days, you will be excused from filing the forms as long as you send us Proof of Loss as described below.

Proof of Loss

You must give us written proof of loss within 180 days after the covered loss begins. Written proof of loss, provided at your expense, and in English or Spanish, means a completed claim form or other documentation that includes:

- the date and description of an accident, if applicable;
- your employer's statement verifying your last day of work, job title, job duties, your normal work schedule, and the return to work date, if any; and
- your attending doctor's statement verifying dates of treatment, diagnosis, dates you were restricted from performing your job, and the applicable restrictions and limitations.

Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of your legal capacity later than one year from the time proof is otherwise required.

Any additional proof that we require, such as medical records, will be at our expense.

If you are self-employed when you become totally disabled, we will require that you provide a valid business license and filed federal tax returns as proof you are self-employed. We also reserve the right to require verification of any such information that you provide.

We also reserve the right to have you examined by an authorized company representative.

Evidence of Continuing Disability

Once we approve your claim, you will be asked to provide evidence of continuing disability at reasonable intervals based on your condition. Evidence of continuing disability means documentation of your condition that is sufficient to allow us to determine if you are still disabled. If you do not submit evidence of continuing disability when requested, your payments will end.

You must give us proof of continuing disability no later than 90 days after the end of a period for which we may owe you benefits.

Upon receipt of evidence of continuing disability, benefit payments will resume subject to the terms of this certificate. If this certificate provides benefits for up to 24 months, we will be responsible only for the 6-month period for which you give us written proof of loss. We will send you a payment for any period for which we are liable.

Payment of Claim

Benefits will be paid to you unless we receive your written authorization to pay them elsewhere, such as to a hospital or a doctor's office. This is called assignment.

If we still owe benefits at your death, benefits due will be paid in this order to your:

- spouse; or
- children; or
- · parents; or
- brothers and sisters; or
- estate.

If benefits are payable to your estate, we can pay benefits up to \$1,000 to someone related to you by blood or marriage who we feel is fairly entitled to them. If we do this, we will have no responsibility for this payment because we made it in good faith.

Time of Payment of Claim

After we receive written proof of loss and process your claim, we will immediately pay any benefits due.

Unpaid Premium

When a claim is paid under the policy, any premium then due and unpaid may be deducted by us from the claim payment.

Overpaid Claim

We have the right to recover any overpayments due to:

- fraud; and
- any error made in processing a claim.

You must reimburse us in full. We will work with you to develop a reasonable method of repayment if you are financially unable to repay us in a lump sum.

We will not recover more money than the amount we overpaid.

Questions Concerning Your Claim

If you have questions concerning your claim, you can call us at our home office. We are open Monday through Friday from 8:30 a.m. until 5:00 p.m. Eastern Time.

Physical Examinations and Autopsy

We can require that you be examined by a doctor of our choice as often as it is reasonably necessary while your claim is pending. We can also require an autopsy in the event of your death in those states where this is allowed. Both of these will be done at our expense.

Legal Action

No action, at law or in equity, shall be brought to recover on this certificate prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this certificate. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

Claim Review

If a claim is denied, we will give written notice of:

- the reason for denial;
- the policy provision that relates to the denial;
- · the right to ask for a review of the claims; and
- the right to submit any additional information that might allow us to change our decision.

You may, upon written request, read any reports that are not confidential. For a small fee, we will make copies of those reports.

Change of Beneficiary

Unless you make an irrevocable designation of beneficiary, the right to change beneficiary is reserved to you and the consent of the beneficiary or beneficiaries shall not be requisite to assignment of this certificate or to change of beneficiary or beneficiaries, or to any changes in this certificate. A change of beneficiary will not have a bearing on any payment we make before we receive it.

Appeals Procedure

Prior to filing any lawsuit and within 180 days after denial of a claim, you or your estate must appeal any denial of benefits under the policy by making a written request for review of the denial.

Workers' Compensation Not Affected

The policy does not replace or change any requirement for coverage under Workers' Compensation insurance. Injury or loss covered by workers' compensation is not excluded.

1200 Colonial Life Boulevard, P. O. Box 1365, Columbia, South Carolina 29202 1.800.325.4368 coloniallife.com

GROUP SHORT TERM DISABILITY INSURANCE CERTIFICATE

Outline of Coverage (Applicable to policy form GDIS-P-NC and certificate form GDIS-C-NC)

THE CERTIFICATE IS NOT A MEDICARE SUPPLEMENT CERTIFICATE.

IF YOU ARE ELIGIBLE FOR MEDICARE, REVIEW THE GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE, WHICH IS AVAILABLE FROM THE COMPANY.

Please Read Your Certificate Carefully. This outline provides a very brief description of the important features of the Group Policy. This is not an insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of the policyholder, you and us. The certificate describes the features of the coverage, lists any limitations or exclusions on coverage and explains how to file a claim against the coverage. It is, therefore, important that you READ YOUR CERTIFICATE CAREFULLY.

THE CERTIFICATE CONTAINS A PRE-EXISTING CONDITION LIMITATION.

THE POLICY IS CANCELLABLE AT THE OPTION OF THE COMPANY. IMPORTANT CANCELLATION INFORMATION – PLEASE READ THE TERMINATION OF INSURANCE IN THE CERTIFICATE

PREMIUM RATES SHALL BE GUARANTEED FOR THE FIRST CONTRACT YEAR. WE WILL NOT CHANGE THE PREMIUM RATES MORE THAN ONCE IN ANY SIX MONTH PERIOD BASED ON AT LEAST 12 MONTHS EXPERIENCE. ANY RATE ADJUSTMENT SHALL BE PRECEDED BY A WRITTEN 45 DAY NOTICE.

Disability Income Coverage. The certificate is designed to provide coverage for disabilities that result from covered accidents or covered sicknesses, subject to any limitations or exclusions. It does not provide coverage for basic hospital, basic medical-surgical or major medical expenses.

BENEFITS

Totally Disabled or Total Disability

We will pay the total disability benefit shown on the Certificate Schedule if you become totally disabled as the result of a covered accident or covered sickness while the certificate is in force.

If you are totally disabled longer than the elimination period shown on the Certificate Schedule, we will pay the total disability benefit for as long as this coverage is in force and you remain totally disabled up to the benefit period and in the amount shown on the Certificate Schedule, except for the Geographical Limitations provision in the certificate.

If benefits are payable for less than a full month, we will pay benefits in a daily amount. The daily amount is 1/30th of the monthly amount shown on the Certificate Schedule.

If the elimination period for total disability due to the covered accident or covered sickness is 30 days or less, the monthly benefit for disability will begin the earlier of:

- the first day of hospital confinement; or
- the first day after the elimination period.

If you do not have a job when you become totally disabled, we will pay the total disability benefit only as long as you cannot perform two of five Activities of Daily Living and you are under the regular and appropriate care of a doctor.

If you become disabled because of a pre-existing condition, we will not pay for any disability if it begins during the pre-existing condition limitation period shown on the Certificate Schedule.

The disability benefit provided by the certificate terminates on the certificate anniversary date on or after you reach age 75. When the disability benefit ends, it will not have a bearing on an injury or sickness occurring before then. Coverage ending at age 75 will not affect any disability that began while the certificate was in force. The disability benefit will be limited to the payment of the applicable monthly benefit amount for the length of the applicable benefit period shown on the Certificate Schedule.

Partially Disabled or Partial Disability

We will pay the partial disability benefit up to the benefit period and in the amount shown for a partial disability on the Certificate Schedule if you become partially disabled as a result of a covered accident or a covered sickness, except for the Geographical Limitations provision in the certificate.

This benefit is subject to the following conditions:

- coverage must be in force;
- you must remain partially disabled;
- the total disability benefit must have been paid for at least 14 days immediately prior to your being partially disabled; and
- for a given period of disability, you may receive either a partial disability benefit or a total disability benefit, but not both.

The disability benefit provided by the certificate terminates on the certificate anniversary date on or after you reach age 75. When the disability benefit ends, it will not have a bearing on an injury or sickness occurring before then. Coverage ending at age 75 will not affect any disability that began while the certificate was in force. The disability benefit will be limited to the payment of the applicable monthly benefit amount for the length of the applicable benefit period shown on the Certificate Schedule.

Recurrent Disability

A recurrent disability will be treated as:

- a continuation of the previous disability, not a new disability, if you have returned to work for less than 6 months.
- a new disability, if you have returned to work for 6 months or more, working at least the same number of hours you were working before the previous disability began.
- a continuation of the previous disability, not a new disability, if you do not have a job and you have ceased to be disabled for less than 6 months.
- a new disability, if you do not have a job and you have ceased to be disabled for 6 months or more.
- a continuation of the previous disability for any circumstances not specifically listed above.

A new disability is subject to a new elimination period, and a new benefit period applies. A disability that is considered a continuation of a previous disability is not subject to a new elimination period, and a new benefit period does not apply. Any recurrent disability caused by a pre-existing condition will not be covered if it is treated as a continuation of the previous disability.

Concurrent Disability

During any period in which you are disabled due to more than one condition, whether the conditions are related or unrelated, benefits will be paid as if you are disabled due to only one condition. In no event will your being disabled due to more than one condition extend the benefit period beyond the benefit period shown on the Certificate Schedule.

Subsequent Disability

Separate periods of disability resulting from unrelated conditions are considered a continuation of the previous disability, not a new disability, unless the following requirements are met:

- If you were employed when the previous period of disability ended:
 - The disability periods are separated by a minimum 10 calendar days;
 - During such time, you returned to work performing the material and substantial duties of your job; and
 - During such time, you were no longer qualified to receive total or partial disability benefits.
- If you were not employed, or did not return to work, when the previous period of disability ended:
 - The disability periods are separated by a minimum of 6 months;
 - During such time, you were released from the care of a doctor with no medical restrictions or limitations; and
 - During such time, you were no longer qualified to receive total or partial disability benefits.

Geographical Limitations

If you become totally disabled as the result of a covered accident or a covered sickness while you are outside the covered geographical areas and you are totally disabled longer than the elimination period shown on the Certificate Schedule, your maximum benefit period for total disability and partial disability combined while outside the covered geographical areas will be limited to 60 days. Covered geographical areas are less than 40 miles outside the territorial limits of the United States, Canada, Mexico, Puerto Rico, the Bahama Islands, the Virgin Islands, Bermuda, or Jamaica.

After the 60 day period, benefits will not be paid until you return to the covered geographical areas.

If you are still totally or partially disabled as defined in the certificate when you return from outside the covered geographical areas, we will determine your remaining applicable benefit period by subtracting the time period for which we have already paid you benefits from the benefit period shown on the Certificate Schedule. We will pay the monthly benefit amount shown on the Certificate Schedule for up to the remaining applicable benefit period.

Waiver of Premium

After you have been totally disabled or qualify for partial disability benefits as the result of a covered accident or a covered sickness for more than 90 consecutive days while the certificate is in effect, or after the elimination period shown on the Certificate Schedule, whichever is greater, we will waive the premium for the certificate and any attached riders(s) for as long as you remain disabled, up to the benefit period shown on the Certificate Schedule. You must pay all premiums to keep the certificate and any attached rider(s) in force until you have been totally disabled or qualify for partial disability benefits for 90 consecutive days while the certificate is in effect, or for the elimination period shown on the Certificate Schedule, whichever is greater.

You must send us written notice as soon as you are no longer disabled. We will assume that you are no longer disabled if:

- · you do not send us satisfactory proof of loss when we request it; or
- you notify us that you are no longer disabled.

You must pay all premiums to keep the certificate and any attached rider(s) in force beginning with the first premium due after you are no longer disabled.

The Waiver of Premium Benefit does not apply to any period that you are totally or partially disabled due to an accident or sickness which is excluded by specific name or specific description in the certificate.

There is no limit to the number of times you can receive the Waiver of Premium benefit.

GENERAL EXCLUSIONS AND LIMITATIONS

Exclusions

We will not pay benefits for losses that are caused by, contributed to by or occur as result of your:

Alcoholism or Drug Addiction

Addiction to alcohol or drugs, except for drugs taken as prescribed by your doctor.

Felonies or Illegal Occupations

Committing or attempting to commit a felony or engaging in an illegal occupation.

Flying

Operating, learning to operate, serving as a crew member of or jumping or falling from any aircraft or hot air balloon, including those which are not motor-driven. This does not include flying as a fare paying passenger.

Hazardous Avocations

Engaging in hang-gliding, bungee jumping, parachuting, sailgliding, parasailing, or parakiting, or any similar activities.

Intoxicants and Narcotics

Being intoxicated or under the influence of any narcotics unless administered on the advice of your doctor.

Racing

Riding in or driving any motor-driven vehicle in a race, stunt show or speed test.

Semi-professional or Professional Sports

Practicing for or participating in any semi-professional or professional competitive athletic contest for which any type of compensation or remuneration is received.

Suicide or Injuries Which You Intentionally Do to Yourself

Committing or trying to commit suicide or your injuring yourself intentionally, whether you are sane or not.

War or Armed Conflict

Being exposed to war or any act of war, declared or undeclared, or serving in the armed forces of any country or authority.

Limitations

Birth Limitation

We will not pay benefits due to being pregnant before the coverage effective date of the certificate. Disability due to complications of pregnancy will be covered to the same extent as a covered sickness.

Pre-existing Condition Limitation

We will not pay for loss when the disability is a pre-existing condition as defined in the certificate, unless you have satisfied the pre-existing condition limitation period shown on the Certificate Schedule on the date you suffer a loss due to a covered accident or covered sickness.

If you are 65 or older when the certificate is issued, pre-existing conditions will include only conditions specifically eliminated by rider.

TERMINATION

Your coverage will terminate on the earliest of the following dates:

- the date the policy is terminated by the policyholder or us; or
- the end of the grace period following the premium due date we fail to receive the required premium for you; or
- the date you are no longer in an eligible class; or
- the date your class is no longer included for insurance; or
- the certificate anniversary date on or after your 75th birthday; or
- the date the next premium is due after you ask us to end your coverage.

Termination of insurance for any reason described above will not affect your rights to benefits, if any, for a disability that begins while your insurance is in force under the group policy. You are considered to be continuously disabled if you are disabled from one condition and, while still disabled from that condition, incur another condition that causes disability.



NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS UNDER THE NORTH CAROLINA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

Residents of this state who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the North Carolina Life and Health Insurance Guaranty Association. The purpose of this association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the guaranty association will assess its other member insurance companies for the money to pay the claims of the insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the guaranty association is not unlimited, however. And, as noted *in the box* below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

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

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

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

The North Carolina Life and Health Insurance Guaranty Association Post Office Box 10218 Raleigh, North Carolina 27605

North Carolina Department of Insurance, Consumer Services Division 1201 Mail Service Center Raleigh, North Carolina 27699-1201

The state law that provides for this safety-net coverage is called the North Carolina Life and Health Insurance Guaranty Association Act. *On the back of this page* is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the guaranty association.

COVERAGE

Generally, individuals will be protected by the life and health insurance guaranty association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

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

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual
 assessment company or similar plan in which the policyholder is subject to future assessments, or by
 an insurance exchange.

The association also does not provide coverage for.

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed the average rate specified in the law;
- dividends;
- experience or other credits given in connection with the administration of a policy by a group contractholder:
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even
 if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contractholders, not individuals), unless they
 fund a government lottery or a benefit plan of an employer, association or union, except that unallocated
 annuities issued to employee benefit plans protected by the Federal Pension Benefit Guaranty
 Corporation are not covered.
- a policy or contract commonly known as Medicare Part C or Part D or any regulations issued pursuant thereto.

LIMITS ON AMOUNT OF COVERAGE

- (1) The guaranty association cannot pay out more than what the insurance company would owe under the policy or contract.
- (2) Except as provided in (3) (4) and (5) below, the guaranty association will pay a maximum of \$300,000 per individual, per insolvency, no matter how many policies or types of policies issued by the insolvent company.
- (3) The guaranty association will pay a maximum of \$500,000 with respect to basic hospital, medical and surgical insurance and major medical insurance.
- (4) The guaranty association will pay a maximum of \$1,000,000 with respect to the payee of a structured settlement annuity.
- (5) The guaranty association will pay a maximum of \$5,000,000 to any one unallocated annuity contract holder.



1200 Colonial Life Boulevard, P.O. Box 1365, Columbia, South Carolina 29202 1-800-325-4368 www.coloniallife.com A Stock Company

ENDORSEMENT

This endorsement is added to and made a part of the policy/certificate to which it is attached.

From time to time, Colonial Life & Accident Insurance Company ("Company") may offer or provide to persons who apply for coverage with the Company or become insureds/enrollees with the Company, or to their employers or membership organizations, certain consultative or administrative services incident to a comprehensive employee benefits program, including but not limited to, flexible spending account (Flex) administration services; Internal Revenue Code Section 125 cafeteria plan premium conversion services; benefits statements; access to human resources advisory websites; or other services or goods incident to a comprehensive employee benefits program. Such services or goods may be offered by the Company directly or through third-party vendors.

In addition, the Company may arrange for third-party health care providers, including but not limited to physicians, pharmacies, dentists, and optometrists, to furnish discounted goods or services to persons who apply for coverage with the Company or who become insureds/enrollees with the Company, or to their employers or membership organizations, as part of a comprehensive employee benefits program.

The Company may discontinue the furnishing of any or all of the above-referenced services, goods, or discounts at any time. In addition, any of said services, goods or discounts furnished through a third-party vendor or provider shall be the sole responsibility of such third-party vendor or provider. The Company shall not be liable for the furnishing of, or the failure to furnish, services, goods, or discounts arranged through a third-party vendor or provider.

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

Secretary

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NOTICE REQUIRED BY NORTH CAROLINA INSURANCE LAW

WILLFUL FAILURE BY FIDUCIARY TO PAY GROUP INSURANCE PREMIUM

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, PRINCIPAL, AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP HEALTH OR LIFE INSURANCE OR GROUP HEALTH PLAN PREMIUMS, SHALL:

- 1. CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP HEALTH OR LIFE INSURANCE, HOSPITAL, MEDICAL OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSONS INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT, AND
- 2. WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY A WRITTEN NOTICE OF THAT PERON'S INTENTION TO STOP PAYMENT OF PREMIU MS. THIS WRITTEN NOTICE MUST ALSO CONTAIN A NOTICE TO ALL PERSONS COVERED BY THE GROUP POLICY OF THEIR RIGHTS TO HEALTH INSURANCE CONVERSION POLICIES UNDER ARTICLE 53 OF CHAPTER 58 OF THE GENERAL STATUTES AND THEIR RIGHTS TO PURCHASE INDIVIDUAL POLICIES UNDER THE FEDERAL HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT AND UNDER ARTICLE 68 OF CHAPTER 58 OF THE GENERAL STATUTES.

VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS A LSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

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