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

Cape Fear Community College 12
411 North Front St
Wilmington, NC 28401-0000

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COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

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

GROUP TERM LIFE INSURANCE POLICY WITH ACCELERATED DEATH BENEFIT
NON-PARTICIPATING - DOES NOT PAY DIVIDENDS

THIS POLICY CONTAINS AN ACCELERATED DEATH BENEFIT

The life insurance benefit as specified under this policy will be reduced upon payment of an accelerated death benefit. The benefit paid under the accelerated death benefit provision may be taxable. If so, you or your beneficiary may incur a tax obligation. As with all tax matters, you should consult your personal tax advisor to assess the impact of this benefit.

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 word **you** or **your** means a named insured who is insured under this coverage. **Covered person(s)** includes the named insured, plus any covered spouse and dependent children, if applicable. **We, us, our** or **Colonial Life** means Colonial Life & Accident Insurance Company. **Named insured** refers to the person who is the member of an eligible class as described on the Policy Rate Schedule, who holds a certificate of coverage and for whom the policyholder remits premium. **Policyholder** means the organization named on the Policy Rate Schedule. It includes any division, subsidiary or affiliated company named in the Policy Rate Schedule. **Policy** is the group contract held by the policyholder and available for review by the named insured. 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 a.m. 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. Details of the benefits are shown in the certificate.

The policyholder should read this policy carefully and contact us promptly with any questions. This policy is delivered in and is governed by the laws of the governing jurisdiction and, to the extent applicable, by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments.

IMPORTANT CANCELLATION INFORMATION - PLEASE READ SECTION VI - TERMINATION.

Signed for Colonial Life & Accident Insurance Company:

Secretary

President and Chief Executive Officer

SECTION II - POLICY GUIDE

SECTION I - FACE PAGE

SECTION II - POLICY GUIDE

SECTION III - POLICY RATE SCHEDULE

SECTION IV - POLICYHOLDER PROVISIONS

SECTION V - PREMIUM PAYMENTS

SECTION VI - TERMINATION

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SECTION III - POLICY RATE SCHEDULE

Policyholder:	Cape Fear Community College 12	Policy Number:	G0033256
Policyholder Address:	411 North Front St Wilmington, NC 28401-0000	Billing Control Number:	E4886578
		Governing Jurisdiction:	North Carolina
Policy Effective Date:	01/01/2018	Policy Anniversary:	01/01

Eligible Class(es)
All employees in active employment working at least 30 hours per week.

Active Employment means you are working for the policyholder at the worksite for earnings that are paid regularly, and you are performing the material and substantial duties of your regular occupation. You 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 your job requires you to travel.

Normal vacation is considered active employment.
Temporary and seasonal workers are excluded from coverage.

Material and **substantial duties** means duties that are normally required for the performance of your regular occupation, and cannot be reasonably omitted or modified.

Regular occupation means the occupation you routinely perform on your job.

Waiting period:
For individuals in an eligible class on policy effective date: 365

For individuals entering an eligible class after policy effective date: 0 days after entering into an eligible class unless waived as described in the Certificate of Coverage.

Rehire:
If your employment with the policyholder ends and you become employed by the policyholder again within one year, your previous work in an eligible class will apply toward the waiting period. All other policy provisions apply.

Eligibility period: 30 days

Policyholder Plan Choice for Life Benefit Amount For You:
A member of an eligible class chooses from the following options:
$1,000 increments from a minimum benefit amount of $10,000 up to a maximum benefit amount of $500,000

Maximum Face Amount of Life Insurance Benefit

For your spouse

The lesser of:

- 100% of your face amount; or
- $500,000

For your children

Attained age at death:

- Live birth to 6 months of age. $1,000

Greater than 6 months of age to age 26:

The lesser of:

- 100% of your face amount; or
- $10,000

Accelerated Death Benefit Maximum The lesser of:
75% of the life coverage face amount or $150,000 for any covered person

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

Cost for Life Insurance Benefit

Life Insurance Initial Premium Rate Tables

Named insured

The named insured's attained age	Monthly premium rate per $1,000 of life insurance face amount per named insured: Nontobacco Use	Tobacco Use
0-24	$0.180	$0.180
25-29	0.180	0.180
30-34	0.180	0.180
35-39	0.180	0.180
40-44	0.180	0.180
45-49	0.180	0.180
50-54	0.180	0.180
55-59	0.180	0.180
60-64	0.180	0.180
65-69	0.180	0.180
70-74	0.180	0.180
75+	0.180	0.180

Spouse

The spouse's attained age	Monthly premium rate per $1,000 of life insurance face amount per spouse
0-24	$0.180
25-29	0.180
30-34	0.180
35-39	0.180
40-44	0.180
45-49	0.180
50-54	0.180
55-59	0.180
60-64	0.180
65-69	0.180
70-74	0.180
75+	0.180

Dependent Children: monthly rate of $0.314 per $1,000 of life insurance face amount

The total face amount of life insurance for which a dependent child is insured under this policy is subject to the maximum benefit available at certain ages.

Rate Guarantee Period: A change in the premium rate table(s) will not take effect before two years after the policy effective date.

Divisions, subsidiaries or affiliated companies include:

Name/location (city and state)		
Cape Fear Community College 12	Wilmington	NC
Cape Fear Community College 9	Wilmington	NC

SECTION IV - 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 covered persons or their assignees.

Entire Contract
This entire contract consists of:
- all policy provisions and any amendments or endorsements issued;
- the policyholder's master application attached to this policy;
- each named insured's enrollment form or evidence of insurability form, if applicable; and
- the certificates issued under this policy.

Changes to the Contract
This policy may be changed in whole or in part.

Amendments and endorsements add provisions to or change the terms of the policy. Any changes made 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, broker or anyone else can change this policy or waive any of its provisions.

Furnishing Certificates
We will provide a certificate for each named insured. The certificate 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.

Contestability
After two years from the Policy Effective Date, no misstatements made by the policyholder in the application will be used to void this policy or to deny a claim for loss incurred or disability commencing after the expiration of the 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 named insured resides when he becomes insured is amended to conform to the minimum requirements of those laws.

New Entrants
Any member of an eligible class, as described in the Policy Rate Schedule, and the eligible dependents of those members will become insured when they satisfy the requirements set forth in the "Enrollment and Coverage Effective Dates" provision of the named insured's certificate of coverage.

Information to be Furnished by the Policyholder
The policyholder must keep a record of the named insureds and the particulars of the insurance on each and on the covered spouse and dependent children, if applicable. 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 named insureds on leave of absence, including named 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 records 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 master application.

Clerical error or omission by us will not:
- prevent a covered person from receiving coverage;
- affect the amount of a covered person's coverage; or
- cause a covered person's coverage to begin or continue when the coverage would not otherwise be effective.

Electronic Transactions
Any transaction relating to this policy may be conducted by electronic means if performance of the transaction is consistent with applicable state and federal law. Any notice required by the provisions of this policy given by written, electronic and telephonic, as applicable, means will have the same force and effect as notice given in writing.

SECTION V - PREMIUM PAYMENTS

Premium Payments
The initial premium for each type of coverage under this policy is based on the initial premium rate table(s) 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;
- covered persons whose coverage has terminated are to be reported within a month of the date coverage terminated; and
- changes in named insureds' class are to be reported within a month of the date that the change in insurance class took place.

When and Where to Pay Premium
The premiums for each certificate must be remitted to us at our home office when they are due.

If premiums are not paid when they are due or within the grace period, the coverage provided by this policy will terminate at the end of the grace period. The premium due dates are based on:
- the Policy Effective Date shown on the Policy Rate Schedule; and
- the premium frequency.

Premium frequency is how often premiums are paid. The premium must be paid in U.S. dollars.

The policyholder is liable for premium for coverage during the grace period. The policyholder must pay all premium due for the full period each certificate is in force.

Increases or Decreases in Premium
We have the right to change the premium we charge after notifying the policyholder in writing at least 60 days in advance. A change in premium rate table(s) 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.

Premium increases or decreases which take effect during an insurance month are due on the next premium due date following the change. Changes will not be pro-rated daily.

If premiums are paid on other than a monthly basis, premiums for increases and decreases will result in a monthly pro-rated adjustment on the next premium due date.

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.

SECTION VI - TERMINATION

Termination
This policy can be cancelled:
- by us; or
- by the policyholder.

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

The policyholder may cancel this policy by written notice delivered to us at least 31 days prior to the cancellation date. When both the policyholder and we agree, this policy can be cancelled on an earlier date. If we or the policyholder cancels this policy, coverage will end at 12:00 midnight at the policyholder's address on the last day of coverage.

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

Policyholder Responsibility to Named Insureds
If this policy terminates for any reason, the policyholder must:
- notify each named insured of the effective date of the termination; and
- refund or otherwise account to each named insured all contributions received or withheld from them for premiums not actually paid to us.

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COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

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A Stock Company

GROUP TERM LIFE INSURANCE
CERTIFICATE OF COVERAGE WITH ACCELERATED DEATH BENEFIT
NON-PARTICIPATING - DOES NOT PAY DIVIDENDS

THIS CERTIFICATE CONTAINS AN ACCELERATED DEATH BENEFIT
The life insurance benefit as specified under this certificate will be reduced upon payment of an accelerated death benefit. The benefit paid under the accelerated death benefit provision may be taxable. If so, you or your beneficiary may incur a tax obligation. As with all tax matters, you should consult your personal tax advisor to assess the impact of this benefit.

Please Read This Certificate Carefully
This is your certificate of coverage. You will want to read it carefully and keep it in a safe place.

Throughout this certificate, the word **you** or **your** means the named insured who is insured under this coverage. **Covered person(s)** includes the named insured, plus any covered spouse and dependent children, if applicable. **We, us, our** or **Colonial Life** means Colonial Life & Accident Insurance Company. **Named insured** refers to the person who is the member of an eligible class as described on the Policy Rate Schedule, who holds a certificate of coverage and for whom the policyholder remits premium. **Policyholder** means the organization named on the Policy Rate Schedule. It includes any division, subsidiary or affiliated company named in the Policy Rate Schedule. **Policy** is the group contract held by the policyholder and available for review by you. The male pronoun includes the female whenever used.

If the terms and provisions of this certificate of coverage (issued to you) are different from the policy (issued to the policyholder), the policy will govern. The policy and this certificate may be changed in whole or in part. Only an authorized officer at our home office can approve a change. The approval must be in writing and endorsed on or attached to the policy. No other person, including an agent, broker or anyone else may change the policy or waive any part of it.

The policy is delivered in and is governed by the laws of the governing jurisdiction (and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments). When making a benefit determination under the policy, we have discretionary authority to determine your eligibility for benefits and to interpret the terms and provisions of the policy.

IMPORTANT CANCELLATION INFORMATION - PLEASE READ SECTION VI - TERMINATION OF INSURANCE

Signed for Colonial Life & Accident Insurance Company:

Secretary

President and Chief Executive Officer

SECTION II - CERTIFICATE GUIDE

SECTION I - FACE PAGE

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SECTION IX - ACCELERATED DEATH BENEFIT

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SECTION XI - WAIVER OF PREMIUM

SECTION XII - PORTABILITY

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COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

SECTION III - CERTIFICATE SCHEDULE

Named Insured: John A. Doe

Certificate Number: 9999999999

Issue Age: 35

Governing Jurisdiction: North Carolina

Coverage Effective Date: 01/01/2018

Monthly Premium at Issue Age:* $3.00

Policyholder: Cape Fear Community College 12

Group Policy Number: G0033256

Policy Effective Date: 01/01/2018

Billing Control Number: E4886578

*Subsequent premiums based on attained age on each policy anniversary.

LIFE COVERAGE:

	Face Amount
You:	$50,000
Your Spouse:	$25,000
Your Dependent Children:	
Live birth to six months of age	$1,000
Greater than six months of age to age 26	$10,000

This contract reduces benefits for a covered person at ages 70 and 75. See the Benefit Reduction Due To Age Schedule in "Life Insurance Benefit" provision of this certificate. The above coverage amounts reflect benefit reductions based on the covered person's issue age.

For spouse and dependent child coverage, see the "If Your Spouse or Dependent Child Is Disabled" provision in the Enrollment and Coverage Effective Dates provision of this Certificate.

Maximum Guaranteed Issue Amount:	
For You:	$50,000
For Your Spouse:	$25,000
For Your Dependent Children:	$10,000

Evidence of insurability is not required for amounts you had in force with the policyholder's prior carrier on the termination date of the prior carrier's plan.

Some losses may not be covered. See "Losses Not Covered" in this certificate.

Waiver of Premium:
Waiver of Premium Elimination Period: 270 days
Waiver of Premium Duration: to age 65

Definition of Annual Earnings
Annual earnings means your gross annual income from your employer in effect just prior to the date of loss. It includes your total income before taxes, but does not include deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. It does not include income received from commissions, bonuses, overtime pay, any other extra compensation from this employer, or income received from sources other than your employer.

WHO PAYS FOR THIS COVERAGE:

For you:
You pay 100% of the cost of your coverage.

For your spouse and dependent children:

You pay 100% of the cost of the coverage.

SECTION IV - YOUR CERTIFICATE WITH US

Certificate
Certificate means a document that provides a description of the coverage provided by the policy and states:
- 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 this certificate and the provisions of the policy, the provisions of the policy govern.

SECTION V - ENROLLMENT AND COVERAGE EFFECTIVE DATES

Enrollment
An individual who is a member of an eligible class may enroll in coverage provided under the policy during the eligibility period, as shown on the Policy Rate Schedule that follows the latest of:
- the policy effective date as shown on the Policy Rate Schedule;
- the date he first becomes a member of an eligible class;
- the date he completes the waiting period shown on the Policy Rate Schedule; or
- the date he meets evidence of insurability requirements, if any.

An individual who fails to enroll during the eligibility period may enroll only during an enrollment period. The policyholder and we will determine when an enrollment period begins and ends.

Waiting Period
If you have been continuously employed by the policyholder for a period of time equal to your waiting period, we will waive your waiting period when you enter an eligible class.

We will apply any prior period of employment with the policyholder toward the waiting period to determine your eligibility date.

Amount of Coverage
The amount of coverage is shown on the Certificate Schedule. Evidence of insurability is required for any amount of life insurance over the maximum guaranteed issue amount, if any, shown on the Certificate Schedule.

Evidence of Insurability means a statement of medical history which we will use to determine if an applicant is approved for coverage. Blood profiles and medical examinations, if applicable, will be provided at our expense.

Continuation of Coverage
In order to prevent loss of coverage for a member of an eligible class under the prior carrier's plan when this policy replaces a group life policy the policyholder had in force with us or another insurer immediately prior to the effective date of this policy, we will provide the following coverage.
- For a member of an eligible class, evidence of insurability will not be required for amounts in force with the policyholder's prior carrier on the termination date of the prior carrier's plan. The amounts in force may not exceed the maximum face amount of life insurance shown on the Policy Rate Schedule. Also, the amounts of insurance are subject to the provisions of the prior carrier's plan, and any and all exclusions, reductions, limitations, and/or specific termination dates or provisions of that plan will apply.
- An individual who was not actively at work on the termination date of the prior carrier's plan may become insured under this policy as of the effective date, subject to all of the following conditions:
  - he was insured under the prior carrier's plan immediately prior to termination of the plan;
  - premiums for the individual are paid up to date under the prior carrier's plan; and
  - he is not receiving or eligible to receive benefits under the prior carrier's plan.

  We will also provide coverage for your spouse or dependent child if:
  - your spouse or dependent child is totally disabled; and
  - your spouse or dependent child was covered by the prior carrier's plan on its termination date.

Premium payments are required for you and your spouse and dependent children during the period this coverage continues in force. We will not waive premiums during the period continuation of coverage continues.

The amounts of insurance will be the lesser of:

- the benefit payable under this policy; or
- the benefit payable under the prior carrier's plan had it remained in force.

Coverage provided under this "Continuation of Coverage" provision will automatically end on the earliest of the date you return to active employment, the date you or your spouse or dependent child recovers and no longer are disabled or the date this policy is cancelled.

The "Portability" provision under this policy will not apply.

All other provisions of our policy will apply.

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.

Delayed Coverage Effective Date
The effective date of your coverage will be delayed for you 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. If this certificate covers your spouse and/or your dependent children, coverage on your spouse or dependent children will be effective on the date that you return to status as a member of an eligible class. However, see the "If Your Spouse or Dependent Child Is Disabled" provision for requirements applying to your spouse or dependent child who is totally disabled.

When You Can Change Your Coverage
You can change coverage for you or your covered spouse or dependent children, if applicable, by applying for additional benefits only during an enrollment period or following certain family status changes. You must be in active employment in order to change your coverage. A family status change that qualifies for an increase in coverage includes marriage, birth, adoption or placement for adoption. You can increase coverage up to the maximum benefit available under the policy. You may not increase coverage for your spouse and dependent children. Evidence of insurability may be required for any increase in coverage after the initial eligibility period under the policy.

In addition, you can decrease your coverage during an enrollment period or following certain family status changes. You must be in active employment in order to change your coverage. A family status change that qualifies for a decrease in coverage includes divorce, legal separation, annulment or death of a spouse or dependent. Any decrease in coverage will not affect a payable claim that occurs prior to the decrease.

Payable Claim means a claim for which we are liable under the terms of the policy.

When Changes to Your Coverage Take Effect
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. A change in coverage that is made following a family status change will begin at 12:01 a.m. Standard Time in the time zone where you live on the next premium due date after the request for the change is made.

Once your coverage begins, any increased or additional coverage due to a change in your annual earnings or due to a plan change requested by the policyholder will take effect at 12:01 a.m. Standard Time in the time zone where you live on the next premium due date after the change is made. You must be in active employment.

If you are not in active employment due to injury or sickness or a temporary layoff or leave of absence, any increased, additional or decreased coverage due to a change in your annual earnings or due to a plan change will begin on the next premium due date after the date you return to active employment. Any decrease in coverage will not affect a payable claim that occurs prior to the decrease.

Temporary layoff or **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.

Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

When You Are Eligible for Dependent Coverage
If you elect coverage for yourself or are insured under the policy, you are eligible to elect coverage for your spouse only, your dependent children only or both.

The date your spouse or dependent children are eligible for coverage is the later of:
- the date your coverage begins; or
- the date you first acquire a spouse or dependent child.

Spouse includes your lawful spouse, including a legally separated spouse. You may not cover your spouse if your spouse is enrolled for coverage as a named insured.

After your coverage begins, you may apply for spouse or dependent children coverage within 31 days of a family status change.

In order to be considered a dependent child, the child must be your or your spouse's natural child; stepchild; adopted child, including a child placed with you or your spouse for the purpose of adoption; or any other child related to you or your spouse by blood or marriage (unless either of the child's parents also resides with you or your spouse). On the day we issue coverage, the child must be:
- living with you or your spouse in a regular parent-child relationship;
- under age 26; and
- unmarried.

After we issue dependent child coverage, a new parent-child relationship is established:
- by the birth of a living child;
- by the legal adoption, including a child placed with you for the purpose of adoption, of a child under age 26; and
- when you marry and acquire a stepchild who is less than 26 years of age.

We consider a dependent child to be age 26 on the policy anniversary on or after his 26th birthday.

No dependent child may be covered by more than one named insured under the policy. No dependent child may be covered as both a named insured and a dependent child.

If Your Spouse or Dependent Child is Disabled
If your eligible spouse or dependent child is totally disabled, your spouse or dependent child's coverage will begin on the earlier of:
- the first premium due date after he is no longer totally disabled; or
- two years after the date that coverage would have otherwise become effective for the spouse or dependent child.

This provision does not apply to a newborn child who is born while dependent child coverage is in effect.

For purposes of this provision, **Totally Disabled** means that, as a result of an injury or a sickness, your spouse or dependent child:
- is confined in a hospital or similar institution;
- is unable to perform two or more activities of daily living (ADLs) because of a physical or mental incapacity resulting from an injury or a sickness;
- is unable to attend school outside of the home, provided your dependent child is of school age (ages 5-26 years of age); or
- is at a developmental age which is less than half his chronological age by milestones or other pediatric developmental testing (e.g., Denver Developmental Test or similar test) provided your dependent child is of pre-school age (up to six years of age).

Activities of Daily Living means:
- **Bathing** means washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- **Continence** means the ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).

- **Dressing** means putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
- **Eating** means feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by a feeding tube or intravenously.
- **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.

A person is considered unable to perform an activity of daily living if the task cannot be performed safely without another person's stand-by assistance or verbal cueing.

SECTION VI - TERMINATION OF INSURANCE

When Your Coverage Ends

Your coverage under the Policy ends on the earliest of:

- the date the policy is terminated;
- the date you are no longer in an eligible class;
- the end of the grace period following the premium due date we fail to receive the required premium for you; or
- the last day you are in active employment; or
- the date the next premium is due after you ask us to end your coverage.

We will provide coverage for a payable claim which occurs while you are covered under the policy.

When Spouse or Dependent Child Coverage Ends

Your spouse's coverage will end on the earliest of:

- the date your coverage terminates;
- the date of legal divorce or annulment; or
- the date you ask us to end your spouse's coverage.

Coverage for any one dependent child will end on the earliest of:

- the date your coverage under the policy terminates;
- the date your dependent child ceases to be an eligible dependent child; or
- the date you ask us to end your dependent children's coverage.

We will provide coverage for a payable claim which occurs while your spouse or dependent children are covered under the policy.

If Your Dependent Child Becomes Disabled While Covered Under the Policy

Coverage will continue for a dependent child age 26 or over who became physically or mentally disabled while covered under the policy, provided:

- the child is unmarried;
- the disability was acquired before the child's coverage would be terminated;
- the child is incapable of self-support and remains so incapable;
- you are the main source of support and maintenance.

We must receive proof within 31 days of the date the dependent child attains age 26 and as required during the first two years thereafter. After the first two years, we will ask for proof when needed, but not more than once a year.

Coverage for the disabled dependent child will end when your coverage ends.

Family and Medical Leave Act

If you are on a Family and Medical Leave of Absence, we will continue your coverage in accordance with the employer's human resource policy on family and medical leaves of absence if premium payments continue and the employer approved the employee's leave in writing.

Coverage will be continued until the end of the latest of:

- the leave period required by the federal Family and Medical Leave Act of 1993, and any amendments;
- the leave period required by applicable state law; or
- the leave period provided to the employee for an injury or sickness, up to your retirement date.

If the employer's human resource policy does not provide for continuation of coverage for an employee during a family and medical leave of absence, the employee's coverage will be reinstated when he or she returns to active employment.

We will not:
- apply a new waiting period; or
- require evidence of insurability.

SECTION VII - OTHER IMPORTANT PROVISIONS

Proof of Loss
If claim is based on death or other covered loss, proof of loss for death or covered loss, provided at your or your authorized representative's expense, must show:
- the cause of death or covered loss;
- the extent of the covered loss;
- the date of covered loss;
- the name and address of any hospital or institution where treatment was received, including all attending physicians; and
- any other documentation required by provisions of this certificate in order to receive a benefit.

In some cases, you or your representative will be required to give us authorization to obtain additional medical and non-medical information as part of your proof of loss. We can deny your claim if the appropriate information is not submitted.

When to Notify Us of a Claim
We encourage you or your authorized representative to notify us as soon as possible, so that a claim decision can be made in a timely manner.

Written, electronic or telephonic notice and proof of loss must be sent no later than 180 days after the date of death.

If it is not possible to give proof within these time limits, it must be given no later than one year after the proof is required as specified above. These time limits will not apply during any period you or your authorized representative lacks the legal capacity to give us proof of loss.

You or your authorized representative can request a claim form from us. If you or your authorized representative does not receive the form from us within 15 days of the request, send us written, electronic or telephonic proof of loss without waiting for the form.

Claim Overpayment
We have the right to recover any overpayments due to:
- fraud; and
- any error we make in processing a claim.

We must be reimbursed in full. We will determine the method by which the repayment is to be made.

We will not recover more money than the amount we paid you.

Physical Examinations and Autopsy
We can require that any covered person be examined by a physician of our choice at our expense while his claim is pending. In case of death, we will have the right and opportunity to request an autopsy at our expense where not forbidden by law.

Legal Action
We cannot be sued for benefits under the policy:
- until 60 days after we are sent written proof of loss; or
- more than three years after the time has passed in which we require written proof of loss.

Statements in Application
We consider any statements you or the policyholder make in a signed application for coverage or an evidence of insurability form, if applicable, a representation and not a warranty. If any of the statements you or the policyholder make are not complete and true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the Coverage Effective Date.

We cannot take this action after your coverage has been in effect during the lifetime of the covered person for two years from the Coverage Effective Date.

If the policyholder gives us information about you that is incorrect, we will:
- use the facts to decide whether you have coverage under this certificate and in what amounts; and
- make a fair adjustment of the premium.

Misstatement of Age
If there is an error in any covered person's age, we will adjust the benefits to the amount of benefits which the total premiums paid would have bought at the correct issue age.

Misstatement of Tobacco Status
If there is a misstatement in the application of the named insured's tobacco status, we will adjust the benefits payable to the amounts which would have been purchased at the correct tobacco status in consideration of the most recent premium. We will not make such an adjustment after this policy has been in force for two years from the coverage effective date.

Insurance Fraud
We want to ensure that you and the policyholder do not incur additional insurance costs as a result of the undermining effects of insurance fraud. We will support fraud detection, investigation and prosecution. We will pursue all appropriate legal remedies in the event of insurance fraud.

The Policyholder
For purposes of the policy, the policyholder acts on its own behalf or as your agent. Under no circumstances will the policyholder be deemed the agent of Colonial Life.

How to Designate or Change a Beneficiary
At the time you become insured, you should name a beneficiary for your death benefits on your enrollment form. You may change your beneficiary at any time by filing a form approved by us at our home office. The new beneficiary designation will be effective as of the date you sign that form. However, if we have taken any action or made any payment before we receive that form, that change will not go into effect.

It is important that you name a beneficiary and keep your designation current. If more than one beneficiary is named and you do not designate their order or share of payments, the beneficiaries will share equally. The share of a beneficiary who dies before you, or the share of a beneficiary who is disqualified, will pass to any surviving beneficiaries in the order you designated.

If you do not name a beneficiary, or if all named beneficiaries do not survive you or are disqualified, we may pay at our option a part of the death benefit not exceeding $250 to any person appearing to us to be equitably entitled to it because he incurred funeral or other expenses from your last illness or death. Any remaining portion of your death benefit will be paid to the first surviving family members in the order listed below:
- spouse or, if applicable, your domestic partner who is covered under this certificate as a spouse;
- children;
- parents;
- sisters and brothers; or
- to your estate.

If you do not survive your spouse, and spouse or dependent child life coverage is continued, then your surviving spouse should name a beneficiary according to the requirements specified above for you.

Your Right to Assign this Policy
You may assign (transfer) all or some of your rights under this certificate by sending us a properly completed assignment form. If we receive the form properly completed, the change will go into effect the day you sign the request. The change will not affect any payments made or action we took before we received the change. Both your rights and those of your beneficiary are subject to the terms of the assignment. We are not responsible for the validity or sufficiency of any assignment or the tax effects thereof.

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.

SECTION VIII - LIFE INSURANCE BENEFIT

Our Obligation - Life Insurance
Upon receiving proof satisfactory to us that the covered person died while this certificate was in force, we will pay the death benefit of this certificate, subject to the provisions of this certificate. The beneficiary designated by the named insured will receive payment of the death benefit when we approve the death claim on the named insured. All benefits payable upon the death of any covered spouse or dependent child will be paid to you, if living, otherwise to the beneficiary of the spouse or dependent child life coverage if one was named by your surviving spouse after your death; otherwise to the estate of the covered spouse or dependent child.

The death benefit is the amount payable under the life insurance coverage when a covered person dies and is equal to the life coverage face amount shown on the Certificate Schedule, minus any due and unpaid premium and any amount advanced to you in an earlier payment.

How We Pay the Proceeds
While the covered person is living, you have the right to choose how we will pay the death benefit. If you do not make a choice before the covered person dies, the beneficiary may choose how the death benefit is to be paid.

We will pay the death benefit in a lump sum or in any other way on which we and you, or the beneficiary, if applicable, agree. If you or the beneficiary chooses to leave the death benefit on deposit with us, we will pay interest at a rate not less than that required by law in the governing jurisdiction.

Benefit Reduction Due to Age Schedule
If a covered person has reached age 70 but not 75, the life coverage face amount for the covered person will be:
- 65% of the life coverage face amount prior to age 70; or
- 65% of the life coverage face amount applied for if the covered person becomes insured on or after age 70 but before age 75.

If a covered person has reached age 75 or more, the life coverage face amount for the covered person will be:
- 50% of the life coverage face amount prior to the first reduction; or
- 50% of the life coverage face amount applied for if the covered person becomes insured on or after age 75.

Once reduction begins, there will be no further increases in the covered person's life coverage face amount.

Earnings If Disabled or On Leave
If you die while you are disabled or on a covered temporary layoff or leave of absence, and your death benefit is based on your annual earnings, we will use your annual earnings from your employer in effect just prior to the date your absence began to determine your benefit.

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.

SECTION IX - ACCELERATED DEATH BENEFIT

Accelerated Death Benefit
The accelerated death benefit is a benefit which allows you to be advanced a portion of the death benefit if any covered person is diagnosed with a terminal illness after the coverage effective date. **Terminal illness** means an injury or sickness which results in any covered person having a life expectancy of 12 months or less and from which there is no reasonable prospect for recovery.

Accelerated Death Benefit Amount
You may request an amount of up to 75% of the life coverage face amount payable for the covered person who has the terminal illness up to a maximum shown on the Policy Rate Schedule. The minimum accelerated death benefit payment is $5,000. This certificate must be in force on the date of payment and must have a life coverage face amount of at least $10,000.

The accelerated death benefit amount payable to you is reduced:
- first by any due and unpaid premium; then
- by the administrative fee charged by us for accelerated death benefit payments, in the amount in effect at the time of payment, not to exceed $200; then
- the remaining sum is discounted for a time period of one year using an interest rate no greater than the greater of: (a) the current yield on 90 day treasury bills; or (b) the current maximum statutory adjustable policy loan interest rate.

The remaining life coverage face amount will be paid according to the terms of the policy subject to any benefit reduction due to age schedule and termination provisions.

We will pay this benefit to you during the covered person's lifetime while the certificate is in force, upon receipt of all of the following:
- a completed accelerated death benefit request form; and
- proof that the covered person has been diagnosed with a terminal illness. Such proof will include a statement from the covered person's licensed physician, and any other medical information we deem necessary to confirm the health status; and
- written consent of any irrevocable beneficiary or any assignee, if applicable, agreeing that you may elect the death benefit advance.

Payment of this benefit will be made only once per covered person.

A **Physician** means a person who:
- is licensed by the state to practice a healing art; and
- performs services for a covered person which are allowed by his license.

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

We reserve the right to require confirmation of the terminal illness with a second opinion by an additional examination by a licensed and qualified physician of our choice. Any second opinion shall be done at our expense and shall be conclusive as to whether any covered person suffers from a terminal illness.

Premium payments must continue to be paid on the full life coverage face amount unless you qualify to have your premium waived.

How We Pay this Benefit
We will pay the accelerated death benefit in a lump sum. Upon payment of the accelerated death benefit, the life coverage face amount of the certificate for the covered person will be reduced by the amount of accelerated death benefit requested by you.

Taxability of Benefits
The amount paid under this benefit may be taxable. We are not responsible for any tax on or other effects of any benefit paid. As with all tax matters, consult your personal tax advisor to assess the impact of this benefit.

SECTION X - LOSSES NOT COVERED

Losses Not Covered under Your Life Insurance Benefit
Your life insurance benefit does not cover any losses where death is caused by, contributed to by, or results from:
- suicide occurring within 24 months after a covered person's initial effective date of insurance, whether sane or insane; and
- suicide occurring within 24 months after the date any increases or additional insurance becomes effective, whether sane or insane.

SECTION XI - WAIVER OF PREMIUM

Waiver of Premium
Your insurance coverage on yourself, your covered spouse and dependent children, if applicable, may be continued for a specific time and your insurance premium will be waived if you are disabled for longer than the elimination period shown on the Certificate Schedule.

Elimination Period means a period of continuous disability shown on the Certificate Schedule which must be satisfied before you are eligible to have your premium waived by us.

When Waiver Begins
Your premium waiver will begin if the elimination period has ended and you meet the following conditions. The policyholder may continue premium payments until we notify them of the date your premium waiver begins.

Your premium will be waived if you meet these conditions:
- you are less than 65 and covered under this certificate when you become disabled;
- you become disabled and remain disabled during the elimination period;
- premiums are paid during the elimination period;
- you meet the notice and proof of loss requirements for disability while your coverage is in effect or within three months after it ends; and
- your claim is approved by us.

You are disabled when we determine that:
- during the elimination period, you are not working in any occupation due to your injury or sickness and you are under the regular care of a physician; and
- after the elimination period, due to the same injury or sickness, you are unable to perform the material and substantial duties of any gainful occupation for which you are reasonably qualified by reason of training, education or experience, and you are under the regular care of a physician.

Material and substantial duties means duties that normally are required for the performance of the gainful occupation; and cannot be reasonably omitted or modified.

Gainful occupation means an occupation that within 12 months of your return to work is or can be expected to provide you with an income that is at least equal to 60% of your annual earnings in effect just prior to the date your disability began.

Injury means a bodily injury that is the direct result of an accident and not related to any other cause. Disability must begin while you are covered under this certificate.

Sickness means an illness or disease. Disability must begin while you are covered under this certificate.

Regular Care means:
- you personally visit a physician as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition; and
- you are receiving appropriate treatment and care which conforms with generally accepted medical standards, for your disabling condition by a physician whose specialty or experience is the most appropriate for your disabling condition, according to generally accepted medical standards.

The loss of a professional or occupational license or certification does not, in itself, constitute disability.

We do not require premium payments for you, your spouse and dependent children coverage when we approve your claim for premium waiver, or for the period premium is waived.

You may not apply for an increase in coverage while on waiver of premium.

Your insurance amount will reduce or cease at any time it would reduce or cease if you had not been disabled.

Proof of Loss - Waiver of Premium
If a claim is based on your disability, written notice and proof of loss must be sent no later than 180 days after the end of the elimination period. If you have a disability, you must notify us immediately when you return to work at any occupation.

If your claim is based on your disability, your proof of loss, provided at your expense, must show:
- that you are under the regular care of a physician;
- the date your disability began;
- the cause of your disability;
- the extent of your disability, including restrictions and limitations preventing you from performing the material and substantial duties of any gainful occupation; and
- the name and address of any hospital or institution where you received treatment, including all attending physicians.

We may request that you send proof of continuing disability indicating that you are under the regular care of a physician. This proof, provided at your expense, must be received within 30 days of a request by us.

During the first two years after proof of loss for waiver of premium is received, we may require satisfactory proof of continued disability at reasonable intervals unless your doctor states that continued treatment would be of no benefit to you. After two years, we may require proof not more than once a year.

We may require you to be examined by a physician, other medical practitioner or vocational expert of our choice. We will pay for this examination. We can require an examination as often as it is reasonable to do so. We may also require you to be interviewed by an authorized Colonial Life representative.

In some cases, you or your authorized representative will be required to give us authorization to obtain additional medical and non-medical information as part of your proof of continuing disability. We will deny your claim if the appropriate information is not submitted.

Waiver of Premium Claims
Your employer must complete a notification form which covers questions on waiver. You or your authorized representative must fill out your sections of the claim form and then give it to your attending physician. Your physician should fill out his section of the form and send it directly to us.

When Waiver Ends
The waiver of premium will automatically end if:
- you recover and are no longer disabled;
- you fail to give us proper proof that you remain disabled;
- you refuse to have an examination by a physician chosen by us; or
- you reach the end of the waiver duration period shown on the Certificate Schedule or your retirement date, whichever occurs first.

You will not be considered retired or reaching your retirement date if you are receiving disability payments under:
- the United States Social Security Act; or
- any similar law, plan or act; or
- your employer's retirement plan.

However, you will be considered retired if you are receiving retirement benefits.

Law, Plan or **Act** means the original enactments of the law, plan or act and all amendments.

Retirement plan means a defined contribution plan or defined benefit plan. These are plans which provide retirement benefits to employees and are not funded entirely by post tax or employee contributions, as that term is used in the Internal Revenue Code of 1986, as amended.

Waiver Application
Contact us for a life insurance premium waiver claim form.

The form has instructions on how to complete and where to send the claim.

SECTION XII - PORTABILITY

Portable Coverage
If you cease to be a member of an eligible class as defined in the Policy Rate Schedule, you may apply for portable coverage for yourself and your covered spouse and dependent children, if applicable. Portable coverage becomes effective the date following the date you cease to be a member of an eligible class.

In case of your death, your covered spouse and dependent children, if applicable, also may apply for portable coverage for themselves. However, dependent children cannot become insured for portable coverage unless your covered spouse also becomes insured for portable coverage. If there is no spouse insured under this certificate, dependent children cannot become insured for portable coverage.

Portable Insurance Amounts
The portable insurance coverage will be the current coverage and amounts in force for each covered person under the policy when you apply for portable coverage.

However, the amount of portable coverage for you will not be more than the lesser of:
- the highest amount of Life Insurance Benefit available for named insureds under the policy; or
- $750,000 from all Colonial Life's group life policies combined.

The amount of portable coverage for your spouse will not be more than the lesser of:
- the highest amount of Life Insurance Benefit available for spouses under the policy; or
- $750,000 from all Colonial Life's group life policies combined.

The amount of portable coverage for a dependent child will not be more than the lesser of:
- the highest amount of Life Insurance Benefit available for dependent children under the policy; or
- $20,000.

In force amounts of insurance will reduce or cease at any time they would reduce or cease if you had remained a member of an eligible class.

Applying for Portable Coverage
You must apply for portable coverage and pay the first premium within 31 days after the date you are no longer a member of an eligible class.

Your covered spouse and dependent children, if applicable, must apply for portable coverage and pay the first premium within 31 days after the date you die.

You are not eligible to apply for portable coverage if:
- you have received benefits under the "Accelerated Death Benefit" provision;
- the policy is cancelled; or
- you failed to pay the required premium under the terms of this certificate.

In addition, you are not eligible to apply for portable coverage for a covered spouse or dependent children if you do not apply for portable coverage for yourself.

In case of your death, your spouse and your dependent children are not eligible to apply for portable coverage if:
- your surviving spouse is not insured under this certificate;
- the policy is cancelled; or
- the required premium under the terms of the policy for your covered spouse or your dependent children is not paid.

Increases or Decreases in Portable Coverage
We will allow certain increases or decreases in the amount of coverage. The maximum benefit amounts are shown on the Policy Rate Schedule. However, the amount of coverage cannot be decreased below $5,000 for you and your covered spouse and $1,000 for your dependent children. You may not increase coverage for your spouse and dependent children. Increases may be subject to evidence of insurability. Portable coverage will reduce at the ages and amounts shown in the benefit reduction due to age schedule in the "Life Insurance Benefit" provision.

Adding Portable Coverage for Spouse and Dependent Children
If you chose not to enroll your covered spouse or dependent children when they were first eligible for portable coverage, you may apply for coverage for them at any time for the amounts allowed under the policy.

You may apply for portable coverage for a newly acquired spouse or dependent child within 31 days of a family status change for the amounts allowed under the policy without evidence of insurability. Any amount over the guaranteed issue amount will be subject to evidence of insurability.

When Portable Coverage Ends
Portable coverage will end on the date any required premium is not paid by the end of the grace period.

In addition, portable coverage for your spouse or dependent children will end on:
- the date your surviving spouse fails to pay any required premium by the end of the grace period;
- the date your dependent child no longer qualifies as a dependent; or
- the date the surviving spouse dies.

If portable coverage ends due to failure to pay required premium, portable coverage cannot be reinstated.

Premiums for Portable Coverage
Premiums are due and payable in advance to us at our home office. Premium due dates are the first day of each calendar month. The premiums are based on the rates in effect on any premium due date.

Grace Period (If Premiums Are Not Paid When Due) for Portable Coverage
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 certificate will terminate at the end of the grace period.

Premium Rate Changes for Portable Coverage
We may change premium rates for portable coverage at any time for reasons which affect the risk assumed, including those reasons shown below:
- changes occur in the coverage levels;
- changes occur in the overall use of benefits by all covered persons;
- changes occur in other risk factors; or
- a new law or a change in any existing law is enacted which applies to portable coverage.

The change in premium rates will be made on a class basis according to our underwriting risk studies. We will notify you at least 60 days before a premium rate is changed.

If Portable Coverage Ends or Is Not Available
If a covered person is not eligible to apply for portable coverage or portable coverage ends, then a covered person may qualify for conversion coverage. Refer to "Conversion Privilege for Life Insurance" under this certificate.

SECTION XIII - CONVERSION PRIVILEGE FOR LIFE INSURANCE

Conversion When Your Coverage Ends
Provided you have not reached the policy anniversary date on or following your attaining age 85, when coverage ends under this certificate, you can convert to individual life coverage. Evidence of insurability will not be required. The maximum amount you can convert is the amount of life insurance in force under the certificate. You may convert a lower amount of life insurance.

If your spouse is covered under the "Life Insurance Benefit" of this certificate, provided your spouse has not reached the policy anniversary date on or following his attaining age 85, when coverage ends, he may convert to individual life coverage. Evidence of insurability will not be required. If your dependent children are covered under the "Life Insurance Benefit" of this certificate, when coverage ends, they may convert to individual life coverage without evidence of insurability. If the dependent child who converts has not reached the age of majority, the owner of the converted policy shall be the surviving parent or legal guardian of the child.

A covered person must apply for individual life insurance under this life conversion privilege and pay the first premium within 31 days after the earlier of the following dates:

- the date you cease to be a member of an eligible class; or
- the date a covered person is no longer eligible to participate in the coverage of the policy.

If you convert to an individual life policy, then again become a member of an eligible class and again become insured under the policy, you are not eligible to convert to an individual life policy again. However, you do not need to surrender that individual life policy when you again become a member of an eligible class.

Converted insurance shall be a level premium whole life policy then in use by us. The individual policy will not contain waiver of premium, AD&D or other extra benefits.

Policyholder Notice

The policyholder must notify you of your conversion privileges within 15 days from the date your life insurance terminates.

If the policyholder does not notify you within those 15 days, but does notify you within 90 days from the date your life insurance terminates, the time allowed for you to exercise your life conversion privilege will be extended 15 days from the date you are notified.

If the policyholder does not notify you within those 90 days, the time allowed for you to exercise your life conversion privilege will expire at the end of those 90 days.

Conversion If Plan Is Cancelled

A covered person may convert a limited amount of life insurance if you have been insured under the policy with us for at least five years and the policy:

- is cancelled with us; or
- changes so that you no longer are eligible.

The individual life policy maximum for each covered person will be the lesser of:

- $10,000; or
- the coverage amounts under the policy less any amounts that become available under any other group life policy offered by the policyholder within 31 days after the date the policy is cancelled.

Premiums for Converted Insurance

Premiums for the converted insurance will be based on:

- the covered person's then attained age on the effective date of the individual life policy;
- the amount of insurance to be converted;
- our customary rates in use at that time; and
- the class of risk to which the covered person belongs.

If the covered person applies for the individual life insurance policy and pays the first premium within 31 days, as provided above, the individual life insurance policy will be effective at the end of the 31-day conversion application period.

If Death Occurs During the Conversion Application Period

If a covered person dies within the 31-day conversion application period, we will pay the beneficiary the amount of insurance that could have been converted. This coverage is available whether or not a covered person has applied for an individual life policy under the conversion privilege.

Applying for Conversion
Ask the policyholder or us for a conversion application form. When you complete the application, send it with the first premium amount to:

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

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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.

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY
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.