



Administrative Offices: 909 North Washington Street, Alexandria, VA 22314 • 800-776-2322 • www.afba.com

CERTIFICATE OF INSURANCE

5 Star Life Insurance Company certifies that, subject to the terms of the Group Policy issued to the Trustee, America's Five Star Multiple Employer Trust (referred to as the Policyholder), the Employee named in the Coverage Schedule (referred to as "You", "Your" and "Yours") is provided with the benefits described in this Certificate. The insurance takes effect at 12:01 A.M. Standard Time on the Effective Date shown on Your Coverage Schedule.

In this Certificate 5 Star Life Insurance Company will be called "We," "Our" or "Us." This Certificate summarizes certain provisions of the Group Policy. All coverages and provisions are subject to those in the Group Policy issued to the Policyholder.

The **Accelerated Death Benefit** offered under this Policy may or may not qualify for favorable tax treatment under the Internal Revenue Code of 1986. Whether such benefits qualify depends on factors such as Your life expectancy at the time benefits are accelerated or whether You use the benefits to pay for necessary long-term care expenses, such as nursing home care. If the Accelerated Benefit qualifies for favorable tax treatment, the benefit will be excludable from Your income and not subject to federal taxation. Tax laws relating to accelerated benefits are complex. You are advised to consult a qualified tax advisor about circumstances under which you could receive accelerated benefits excludable from income under federal law.

Receipt of accelerated benefits may affect Your, Your spouse's or Your family's eligibility for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect Your, Your spouse's and Your family's eligibility for public assistance.

PLEASE READ YOUR CERTIFICATE CAREFULLY.

Our Chairman of the Board and Our President witness this Certificate.

The policy coverage amount will be reduced if an Accelerated Death Benefit is paid. A statement specifying the effects of the Accelerated Death Benefit payment on the coverage amount will be provided to the owner of the life insurance policy.

A handwritten signature in black ink, appearing to read 'C. C. Blanton'.

Chairman of the Board

A handwritten signature in black ink, appearing to read 'Craig S. Piers'.

President

**VOLUNTARY GROUP TERM INSURANCE
EMPLOYEE CERTIFICATE**
Term Life including an Accelerated Benefit

TABLE OF CONTENTS

	PAGE
CERTIFICATE OF INSURANCE	1
DEFINITIONS.....	3
SCHEDULE.....	5
EMPLOYEE ELIGIBILITY.....	6
DEPENDENT ELIGIBILITY.....	12
MISCELLANEOUS PROVISIONS	16
LIFE INSURANCE BENEFITS	
For You.....	17
LIFE INSURANCE BENEFITS	
ACCELERATED DEATH BENEFITS OPTION	19
LIFE INSURANCE BENEFITS	
For Your Dependents.....	20
PREMIUMS.....	22
STANDARD PROVISIONS	22

DEFINITIONS

Here are some of the terms used in the Group Policy. Other terms are defined where used in the Group Policy. All defined terms are important in describing rights under the Group Policy. Please refer back to these definitions as You read. Defined terms are presented with capital letters to help identify them as such.

Administrator means the entity appointed by the Policyholder to be responsible for record keeping and the billing and collection of premiums.

Conversion Period means the thirty-one (31) day period starting at 12:01 AM on the day after insurance terminates.

Coverage means the life insurance benefits that You or Your Dependent become eligible for under the Group Policy.

Doctor means a person who is practicing within the scope of his or her license; and either

- (1) licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- (2) legally qualified as a medical practitioner and required to be recognized according to the insurance statutes or regulations of the governing jurisdiction. It does not include a claimant or spouse, daughter, son, father, mother, sister or brother.

Doctor's Care means:

- (1) on a regular basis, You personally visit an appropriate Doctor to effectively manage and treat the disabling condition(s); and
- (2) You are receiving the most appropriate treatment and care for the disabling condition.

Employee Benefits or Employee Insurance means the insurance for an Employee provided by the Group Policy.

Employer means a participating employer which has agreed to be bound by the terms of the trust agreement and the provisions of the Group Policy.

A **subsidiary** is an entity with a controlling stock ownership (51% or more) held by an Employer who is the policyholder.

An **affiliate** is a company whose business is controlled by an Employer through stock ownership, contract, common officers or otherwise.

Evidence of Insurability means written proof given to Us that You or Your Dependents are insurable. This proof must be based on medical information and must be acceptable to Us.

Family Member means an Employee who is insured by the Group Policy. The term also includes Dependents who are insured by the Group Policy if Dependent Benefits are provided.

Hospitalized means confinement for short term, intermediate or long term care on an inpatient basis in:

- (1) a hospital;
- (2) a convalescent facility;
- (3) a free standing surgical center;
- (4) a hospice;

- (5) a skilled nursing facility; or
- (6) a psychiatric, alcohol or drug treatment facility.

Injury or Accidental Injury means sudden and unexpected bodily harm that occurs while insured under the Group Policy.

Insured Person means You and/or Your dependents who are insured under the Policy.

Participating Employer means an employer unit and its branches, divisions, affiliates or subsidiaries that have been approved by Us.

Policy Month means the period of time that begins on a premium due date and runs to the next monthly premium due date.

Policy Year means a twelve (12) month period beginning on the Policy Effective Date or its anniversary.

Prior Policy means Your Employer's group policy in effect the day before the effective date of the Group Policy or the effective date of the subsidiary, affiliate, or new division's coverage under the Group Policy. The Group Policy replaces that policy or a portion of it.

Sickness means an illness or disease. It also includes an Injury that occurs before You are insured under the Group Policy. It includes pregnancy.

Special Care means the following care or treatment that is given to a person either as an inpatient or an outpatient:

- (1) chemotherapy;
- (2) radiation therapy; or
- (3) dialysis treatment.

Total Disability or Totally Disabled means Your continuing inability, as a result of Injury or Sickness, to perform the material and substantial duties of any job for which You are or may become qualified by reason of education, training or experience.

We, Us or Our means 5 Star Life Insurance Company.

You, Your or Yours means the Employee.

THE DEFINITIONS ARE VERY IMPORTANT PARTS OF YOUR CERTIFICATE. PLEASE READ THOSE PAGES CAREFULLY.

SCHEDULE

**Voluntary Life Insurance Benefits
For You**

Any group life insurance benefits combined under the Policy and any other group life insurance policy issued to the Policyholder will not exceed the lesser of:

- (a) \$250,000; or
- (b) seven times Your annual Earnings.

Guarantee Issue Limit:

For You: \$100,000
For Your Spouse: \$50,000
For Your Dependent Child: All Amounts (\$2,000 to \$10,000)

Subject to any reductions shown below, **Guarantee Issue Limit** means the amount of insurance applied for which does not require Evidence of Insurability.

**Voluntary Life Insurance Benefits
For You**

You can be insured for amounts of life insurance from \$10,000 to \$250,000 in \$10,000 increments. In no event shall Life Insurance Benefits exceed seven times Your annual Earnings.

Earnings means Your annual pay based on a work week of not more than forty (40) hours. Commissions and productivity incentives are included, but bonuses, overtime and other special pay are not. Commissions must be averaged over the lesser of the twenty-four (24) month period immediately prior to the effective date of Earnings changes or the entire period of employment. The Earnings amount must be verified by Us before use in calculating benefits. Earnings from sources other than an Employer are not included in determining benefits.

Life Insurance Benefits will be reduced as follows:

If You are age:	The Amount of Life Insurance will reduce to:
70	65%
75	45%
80	30%
85	20%
90	15%

This reduction will be made on the first day of the Policy Month which coincides with or follows the day You attain the specified age.

If you are age 70 or older on the day You become insured under the Policy; the Amount of Life Insurance for which You can apply will be reduced (as shown above) in accordance with Your attained age. Thereafter, benefits will continue to reduce in accordance with the reductions shown above. If You are no longer in the employ of the Employer (including retirement); any benefits that are being continued under the Portability provision will end on the date You attain age 70.

NOTE: The Amount of Life Insurance outlined above, will be reduced by the Amount of Accelerated Death Benefits paid under the Accelerated Death Benefits Option. In the event of Your death; the life insurance benefit will equal the original Amount of Life Insurance multiplied by the life reduction percentage, reduced by any Amount of Accelerated Death Benefits paid under the Policy.

Accelerated Death Benefits Option

Amount of Accelerated Death Benefits.....50% of the amount of life insurance in force on Your life, but not to exceed \$50,000.

**For Dependent Spouse
(Under Age 70)**

Your lawful spouse can be insured for amounts of life insurance from \$5,000 to \$100,000 in \$5,000 increments. In no event shall the dependent Life Insurance Benefit exceed 50% of Your Life Insurance Benefit.

**For Dependent Children
(Age 14 Days to 21 Years-
25 Years if Full-time Student)**

Your eligible dependent children can be insured for amounts of life insurance from \$2,000 to \$10,000 in \$1,000 increments. In no event shall the dependent Life Insurance Benefit exceed 50% of Your Life Insurance Benefit.

NOTE: The amount for which You and Your dependents are insured is shown on the Coverage Schedule.

Changes in the Group Policy

No agent has the power to change or waive anything in writing or verbally in the Group Policy.

**EMPLOYEE ELIGIBILITY
Life Insurance**

Definitions

Terms defined in this provision may be used in, or apply to other provisions throughout the Policy, this Certificate and any Riders. Definitions of other terms may be found in other provisions. Any singular word shall include any plural of the same word.

Actively At Work or Active Work means that You:

- (1) are present at Your Employer's place of business or another work site designated by Your Employer; and
- (2) are performing the material and substantial duties of Your job.

On any day that is not Your regularly scheduled work day (i.e., vacation, holiday or weekend), You are considered Actively At Work if You:

- (a) are not hospital confined; and
- (b) are not disabled due to Injury or Sickness; and

(c) were Actively At Work on Your last scheduled work day.

If You usually perform the regular duties of Your job at Your home You are considered Actively At Work if You meet all the above requirements and could work at Your Employer's usual place of business if required to do so.

If You were insured under the Prior Policy on the day before the effective date of the Group Policy, the Actively At Work requirement may be waived by 5 Star Life Insurance Company for an amount of coverage up to that in force with the Prior Policy.

Employee means You if You work Full-time for Your Employer. You must be paid by Your Employer for work done at Your Employer's usual place of business or some other location that is usual for Your particular duties.

The term Employee does not include You if You are performing services for Your Employer

- pursuant to a contractual relationship with Your Employer;
- subject to the terms of a leasing agreement between Your Employer and a leasing organization; or
- who receives income that is reported by Your Employer on IRS Form 1099.

Full-time means, for You, a work week of at least thirty (20) hours. For Employees whose work weeks vary above and below this number, We will determine eligibility by averaging the hours worked in the ninety (90) day period immediately prior to the claim event benefit.

Becoming Eligible For Employee Insurance

You are eligible for insurance if You are a member of an eligible class listed in the Coverage Schedule and are not excluded in the list shown below. You are not eligible if:

- (1) You are scheduled to work less than six (6) months in any twelve (12) month period; or
- (2) You work less than the required number of hours as defined in the definition of "Full-time."

If You are not a citizen of the United States You must be a permanent resident of the United States or a U.S. Territory in order to be an eligible Employee.

Service Requirement

The service requirement is a period of active Full-time employment You must complete before becoming eligible for insurance. The Entry Date is the day of the month on which new coverage is effective. An Employer chooses the Entry Date in relation to the service time period.

You are eligible for insurance on the later of the Effective Date of the Group Policy or the date You begin active Full-time service for Your Employer, and satisfy Your Employer's waiting period.

Re-Hired Employees

If You are a re-hired Employee You will be treated as a new Employee and must satisfy a new service waiting period. However, if You are re-hired within one (1) year of the ineligibility date, all periods of Full-time work for Your Employer will count toward satisfaction of the waiting period. If You are re-hired after one (1) year, any past periods of work will not count when determining the date You satisfy the waiting period. You cannot become eligible for insurance before the last date re-hired.

When Insurance Begins

An eligible Employee must request insurance by:

- (a) properly completing and signing an enrollment form acceptable to Us; and
- (b) submitting the form to the Policyholder.

For Amounts of Insurance NOT In Excess of the Guarantee Issue Limit

When We receive an Employee's properly completed and signed enrollment form, the Employee will become insured effective on the earlier of the following dates, provided You are Actively At Work on that date:

- (1) the date You become eligible for insurance, provided enrollment occurs on or before that date;
- (2) the date You enroll for insurance, provided such date is within thirty-one (31) days after Your eligibility date for insurance.

If You enroll for life insurance more than thirty-one (31) days after Your eligibility date, Evidence of Insurability must be provided.

If You were eligible but not covered under a Prior Policy for comparable benefits, life insurance amounts greater than the benefit under the Prior Policy will be subject to Evidence of Insurability.

For Amounts of Insurance In Excess of the Guarantee Issue Limit

The Employee will become insured after We approve Evidence of Insurability for the amount of life insurance applied for which is in excess of the Guarantee Issue Limit, provided the Employee is Actively at Work on that day.

The amount of insurance which is in excess of the Guarantee Issue Limit will become effective as described in the Evidence of Insurability provision.

Start Date Deferral

You must be Actively At Work on the date Your insurance goes into effect. If You are not Actively At Work, insurance does not become effective until return to Full-time work.

If You were insured under a Prior Policy on the day before the effective date of the Group Policy, the Actively At Work requirement may be waived for up to the amount of coverage in force under the Prior Policy.

Evidence of Insurability

Individual Evidence of Insurability satisfactory to Us must be given to Us if:

- You apply for insurance more than thirty-one (31) days after becoming eligible; or
- You apply to reinstate coverage after voluntarily ending insurance; or
- You were eligible but not covered under the Prior Policy; or
- You did not return to Active Work within thirty-one (31) days of the coverage effective date; or
- Your life insurance amounts exceed the Guarantee Issue Limit.

Evidence of Insurability will be in the form of a self-completed insurability statement. We may require additional evidence. We may require that You be examined by a Doctor of Our choice, at Your expense.

Whenever Evidence of Insurability is required, the coverage in question will not be effective until the later of:

- (a) the Entry Date on or after Our approval; or
- (b) the eligibility date; or
- (c) the enrollment date.

Reinstatement

If You request reinstatement of insurance that terminated while You were still eligible to be insured by the Group Policy, You must first provide Evidence of Insurability satisfactory to Us.

When Your Amount of Insurance Changes

Any change in amounts of insurance due to a change in earnings shall take effect on the July 1st which coincides with or next follows the date of such change. But, an increase in the amounts of insurance shall take effect on that date only if You are then actively at work with the Participating Employer; otherwise, the increase shall take effect on the first day of the month following the date on which You return to active work.

If You become eligible for an amount of Employee Life Insurance which is in excess of the Guarantee Issue Limit, such excess amount shall become effective only under the following conditions.

You must apply separately for such amount. 5 Star Life Insurance Company will require You to furnish it evidence which satisfies it that You are insurable. Such excess amount shall become effective on a date determined in the Group Policy.

Evidence required under this provision must be provided at no cost to 5 Star Life Insurance Company.

Termination of Insurance of Employee

Insurance will terminate on the earliest of:

- (1) the date the Employer fails to pay premium;
- (2) the date the Policy terminates;
- (3) the date You terminate Your employment;
- (4) the date You retire;
- (5) the date You convert Your insurance;
- (6) the end of the period covered by Your last contribution to the premium for such coverage.

Continuation of Life Insurance Benefits

Upon uninterrupted payment of premium to Us, You may continue insurance in accordance with this provision after insurance would otherwise end. You should contact the Employer to determine the amount of contribution You are required to make in order to continue insurance.

Disability Elimination Period

Your insurance will continue during the Disability Elimination Period as long as You remain Totally Disabled. The Disability Elimination Period is the six consecutive months of Total Disability beginning on the date You first become Totally Disabled.

If Your employment or membership in a class ends, or if the Policy or a class terminates during Your

Disability Elimination Period, You may apply for an individual life insurance conversion policy according to the terms of the **Conversion Privilege** provision in the Policy. If Your proof of Total Disability is accepted by Us in accordance with the **Continuation of Life Insurance Benefits Due to Total Disability** provision, You may surrender Your conversion policy and premiums paid for such policy will be refunded.

If You die during the Disability Elimination Period, and We determine that You were Totally Disabled on the day before the date of Your death, benefits under the Policy will be paid to Your beneficiary. If a conversion policy has been issued to You, We will pay benefits under the **Continuation of Life Insurance Benefits Due to Total Disability** provision:

- (a) upon Our acceptance of Your proof of Total Disability in accordance with the **Continuation of Life Insurance Benefits Due to Total Disability** provision; and
- (b) upon Your death during the Disability Elimination Period,

only if the conversion policy is surrendered or terminated without claim. We will refund all paid conversion policy premiums if Your conversion policy is surrendered or terminated for this reason.

After completing the Disability Elimination Period, You may continue Your insurance in accordance with the **Continuation of Life Insurance Benefits due to Total Disability** provision.

Continuation of Life Insurance Benefits Due to Total Disability

If You are Totally Disabled, Your Life Insurance Benefits will not end in accordance with the Termination of Insurance of Employee provision but will be continued without payment of premium provided;

- (a) the Total Disability began while You were insured under the Policy;
- (b) the Total Disability began before You reached age 60;
- (c) You have completed Your Disability Elimination Period; and
- (d) Proof of the Total Disability is given to Us as described in the following paragraphs.

You must notify Us in writing of Your Total Disability during the Disability Application Period. The Disability Application Period is the nine consecutive months of Total Disability beginning on the date You first become Totally Disabled. After receiving Your notification, We will send You an initial Proof of Total Disability form for You and Your Doctor to complete. You must return this form to Us within 90 days after receipt. Upon Our satisfactory acceptance of Your initial proof of Total Disability, Your Life Insurance benefits will continue without payment of premium for at least one year as long as You continue to be Totally Disabled.

After You have completed Your Disability Elimination Period, We will periodically send You (but not more often than every 3 months) a Subsequent Proof of Disability form for You and Your Doctor to complete. If Your Subsequent Proof of Disability is not acceptable to Us, You will be notified in writing, otherwise Your Life Insurance Benefits will be continued without payment of premium for at least one year, as long as You continue to be Totally Disabled.

In order to confirm that You are Totally Disabled, We have the right to have You examined by a Doctor of Our choice at Our expense. We may have You examined any time during the first two years of disability and once a year thereafter.

Your continued Life Insurance Benefits is the amount of insurance in force on the day insurance would

have otherwise ended. However, continued Life Insurance Benefits provided under this **Continuation of Life Insurance Benefits Due to Total Disability** provision shall be reduced or terminated in accordance with the terms of the **Schedule**.

If You are eligible to continue Your insurance under this provision, You will not be eligible for the **Portability** provision.

When Continuation of Life Insurance Ends

Total Disability

Your continued insurance will end at midnight at the main office of the Policyholder on the earliest of:

- (a) the day You are no longer Totally Disabled;
- (b) 90 days after an Initial or Subsequent Proof of Total Disability form is sent to You, but not returned to Us;
- (c) the day You fail to attend an examination or cooperate with an examiner in accordance with the **Continuation of Life Insurance Benefits Due to Total Disability** provision; or
- (d) the day You reach age 65.

When Your Total Disability ends, You have 31 days to convert Your insurance to an individual life insurance conversion policy; but Your conversion insurance will end if You again become insured under the Policy. A conversion policy may only be obtained in accordance with the Conversion Privilege provision in the Policy.

Portability

If Your insurance ends because:

- (a) Your employment ends; or
- (b) in accordance with (2), (3) or (4) of the **Termination of Insurance of Employee** provision;

You may continue insurance under the Policy without giving information about Your health, subject to the following conditions:

- (a) You must make written request to continue the life insurance benefits then in effect;
- (b) You must submit Your written request and Your first premium to Us within 31 days after Your insurance ends; and
- (c) You cannot increase the amount of insurance while coverage is being continued under the Policy.

If You are eligible to continue Your insurance under this provision, You will not be eligible for the **Continuation of Life Insurance Benefits Due to Total Disability** provision.

In the event the Employer withdraws participation under the Policy and within 31 days obtains a similar group plan for its Employees with another carrier, existing certificate holders will NOT be eligible to elect portability under this provision.

This **Portability** provision applies to Voluntary Life Insurance Benefits.

When Portability Ends

Your insurance will end under the Portability provision at midnight at the main office of the Policyholder on the earliest of:

- (a) the day You become 70 years of age; or
- (b) the day any premium contribution for Your insurance is due and unpaid.

DEPENDENT ELIGIBILITY

Life Insurance

Definitions

Terms defined in this provision may be used in or apply to other provisions throughout the Policy, this Certificate and any Riders. Definitions of other terms may be found in other provisions. Any singular word shall include any plural of the same word.

Dependent means a person who is:

- (1) a lawful spouse; or
- (2) an unmarried Child at least fourteen (14) days old but less than twenty-one (21) years of age. An unmarried Child who is at least twenty-one (21) years of age but less than twenty-five (25) years of age is also a Dependent if enrolled in a school as a full-time student and continues to receive at least 50% support from You.

Dependent Benefits or Dependent Insurance means the insurance for an Employee's Dependents provided by the Group Policy.

Total Disability, Totally Disabled or Disabled, for the purposes of Dependent Benefits, means a Dependent's inability to engage in substantially all the normal activities of a healthy person of the same age and sex in good health.

Becoming Eligible for Dependent Insurance

You may be eligible for Optional Dependent Benefits only if Your Employer has chosen to offer optional dependent life insurance.

Employees who have one or more Dependents are eligible for Dependent Insurance on the date Employees become eligible for optional insurance unless they were eligible under the Prior Policy and declined such coverage or the Dependent failed to pass Evidence of Insurability requirements. In that situation, the Dependents will be considered late entrants for coverage under the Group Policy.

If You do not have any Dependents, You do not qualify for Dependent Insurance. In this case, You become eligible for Dependent Insurance on the date You acquire a Dependent.

A person may not be insured under both Employee and Dependent insurance. A Dependent Child may not be insured under Dependent insurance as a Dependent of more than one Employee.

When Dependent Insurance Begins

If an Employee wants to insure a current or newly acquired Dependent, the Employee must request Dependent insurance by:

- (a) properly completing and signing an enrollment form acceptable to Us that includes information regarding each Dependent for whom insurance is requested; and
- (b) submitting the form to the Employer.

In order to insure an eligible Dependent child, You must insure all eligible Dependent children. Employee must apply for the same amount of insurance for each eligible Dependent child. Dependent insurance begins on the date shown on Your Coverage Schedule.

We will require Evidence of Insurability if coverage applied for is in excess of Our Guarantee Issue Limit, which is shown on the Schedule.

For Amounts of Insurance NOT In Excess of the Guarantee Issue Limit

If We receive an Employee's properly completed and signed enrollment form for Dependent insurance Your Dependent Insurance will become effective on the earlier of the following dates, provided You are Actively At Work on that date:

- (1) the date You become eligible for Dependent Insurance, provided enrollment occurs on or before that date;
- (2) the date You enroll for Dependent Insurance, provided such date is within thirty-one (31) days after becoming eligible for insurance.

If You enroll for Dependent Life Insurance more than thirty-one (31) days after the date Your Dependents become eligible for such insurance, Evidence of Insurability is required.

For Amounts of Insurance In Excess of the Guarantee Issue Limit

The Dependent will become insured after We approve Evidence of Insurability for the amount of life insurance applied for which is in excess of the Guarantee Issue Limit, provided the Dependent is not Totally Disabled or confined at home, in a hospital or elsewhere.

The amount of Dependent insurance which is in excess of the Guarantee Issue Limit will become effective as described in the Evidence of Insurability provision.

Dependent Start Date Deferral

The effective dates of coverage may be delayed if, in the ninety (90) day time period prior to the date insurance is to become effective, Dependents:

- (1) had been Hospitalized; or
- (2) had, or been advised to have, Special Care.

If either 1 or 2 above apply to Dependents, their insurance will not become effective until the earlier of these dates:

- (1) the Entry Date on or after they have gone ninety (90) days without being hospitalized and without having Special Care; or
- (2) if they choose to give Us Evidence of Insurability, the Entry Date on or after We approve their insurance based upon that Evidence.

Insurance does not begin until the Dependent is not Totally Disabled or confined at home, in a hospital or elsewhere. For the amount of benefit provided under the Prior Policy on the day before the Effective Date of the Group Policy, this provision does not apply.

Eligible Employees with Dependents who refuse Dependent Life Insurance when they are first eligible to enroll for such insurance may subsequently enroll for Dependent Insurance during an Employer's Open Enrollment Period. Evidence of Insurability will be required for Dependents enrolled late.

Evidence of Insurability for Dependents

Individual Evidence of Insurability satisfactory to Us must be given to Us if:

- You apply for insurance more than thirty-one (31) days after becoming eligible; or
- You apply to reinstate coverage after voluntarily ending insurance; or
- You were eligible but not covered under the Prior Policy for Dependent Spouse and/or Child benefits; or
- participation in the optional portion is less than sixty percent (60%); or
- You apply to increase their Dependent benefit; or
- A Spouse life insurance amounts exceed the Guarantee Issue Limit.

Evidence of Insurability will be in the form of a self-completed health statement for Spouses and abbreviated questions for Dependent Children. We may require that Dependents be examined by a Doctor of Our choice, at Your expense, except for exams required for amounts over the Guarantee Issue Limit.

Whenever Evidence of Insurability is required, the coverage in question will not be effective until the later of:

- (1) the date We approve the evidence; or
- (2) the Dependent's eligibility date.

Adding Dependents

Spouse coverage and Child coverage may be chosen separately. If Employees are initially enrolled for one coverage but not the other, a written request for insurance on a form approved by Us must be made to add the new category. Insurance for the new Dependent category becomes effective as described for initial Dependent coverage.

If You have enrolled for Dependent Child(ren) coverage, any additional Children automatically become insured on the date they become Dependents.

If a Dependent is Disabled

Insurance, or any increase in insurance after the effective date of the Group Policy does not begin for Dependents until the Dependent is not Totally Disabled or confined at home, in a hospital or elsewhere.

Reinstatement

If You request reinstatement of Dependent Insurance terminated while they were eligible to be insured by the Group Policy, You must first provide Evidence of Insurability satisfactory to Us.

Increases in Amounts of Life Benefit

Evidence will be required for all amounts requested after the initial thirty-one (31) day period of eligibility.

Termination of Dependent Insurance

Dependent Insurance terminates on the earliest of:

- (1) the date the Policy terminates; or
- (2) the date the Dependent Life Insurance Benefit terminates; or
- (3) the date on which You no longer are insured under the Policy; or
- (4) the first day for which You fail or refuse to make any required premium payment; or
- (5) the date You no longer have Dependents; or
- (6) the date the dependent no longer meets the definition of Dependent; or
- (7) the date the Dependent becomes insured as an Employee under the Policy.

Premium payment beyond the Employee or Dependent's termination date does not extend coverage. Termination of insurance will not affect any claim incurred before the date of termination.

Dependent children are insured until they reach the maximum age shown in the Policy. If a Dependent Child meets the conditions shown below, We extend this Dependent Life Insurance Benefit for as long as You are insured for Dependent Insurance.

- (1) Due to mental incapacity or physical handicap, the Child is incapable of self-support; and
- (2) You provide support for the Child.

If a claim is denied for the stated reason that the Child has attained the limiting age for Dependent children, the burden will be on You to establish that the Child is and has continued to be handicapped according to the conditions stated earlier in this provision.

Portability

If You elect to continue insurance under the Policy, You may also continue insurance for Your Dependents without giving Us information about their health, subject to the following:

- (a) Your spouse must be less than age 70,
- (b) You must make written request and the first premium to Us within 31 days after You elect to continue Your Dependent Insurance;
- (c) You cannot increase the amount of Your Dependent's insurance while insurance is being continued under the Portability provision of the Policy; and
- (d) the continuance of Your Dependent insurance is subject to the Termination of Dependent Insurance provision.

In addition, a Dependent spouse who is no longer eligible under the Policy may elect to continue insurance for themselves and their eligible Dependent children, subject to the following:

- (a) Your spouse must be less than age 70;
- (b) the spouse must make written request and pay the first premium to Us within 31 days following the day they are no longer eligible under the Policy;
- (c) the spouse cannot increase the amount of their insurance while insurance is being continued under the Portability provision of the Policy; and
- (d) the continuance of insurance is subject to the Termination of Dependent Insurance provision.

NOTE: A Dependent child may be eligible for continued insurance (Portability) with either parent, but not both.

When Portability Ends

Your insurance will end under the **Portability** provision at midnight at the main office of the Policyholder on the earliest of:

- (a) the day Your Dependent spouse becomes 70 years of age; or
- (b) the day any premium contribution for insurance is due and unpaid.

MISCELLANEOUS PROVISIONS

The Beneficiary

The **Beneficiary** is the person named by You to receive the death benefit. You must name Your Beneficiaries in writing on a form approved by Us. You must sign and date the designation. In no event may You name Your Employer entity as Beneficiary. This Beneficiary designation is kept by the Administrator as part of Your insurance records.

After We make payment, We have no further liability.

Change of Beneficiary

Unless You irrevocably name a Beneficiary, You have the right to change Your Beneficiary at any time. You must do this in writing on a form satisfactory to Us, stating the date the change is to take effect. The form must be delivered to Us or to an Administrator during Your lifetime. No change may take effect if We receive it after We pay the death benefit. It is Your Employer's responsibility to be sure You are given the opportunity to change Your Beneficiary whenever desired.

Payment to Beneficiary

More than one name Beneficiary will share equally unless You clearly designate the order of rights. The share of a Beneficiary who dies before You will pass to any surviving beneficiaries in the order You designated.

We may rely on a affidavit or other written evidence deemed satisfactory to Us to determine the identity or the nonexistence of Beneficiaries not identified by name. Any payment made by Us in good faith reliance on such evidence will fully discharge Us to the extent of such payment.

If You have no surviving Beneficiary, We have the right to make the payment to the estate or to any one of the classes listed below:

- (1) Your spouse.
- (2) Your children.
- (3) Your parents.
- (4) Your brothers and sisters.

Facility of Payment

If the Beneficiary is a minor or otherwise incapable of giving a valid release, at Our option and until claim is made by the duly appointed guardian of the Beneficiary, We may make payment to:

- (1) any relative of the Beneficiary by blood or marriage; or
- (2) any other person or institution that appears to Us to have assumed custody and principal support of the Beneficiary.

Payment under these circumstances may not exceed \$100 per month. They will be made for the sole benefit of the Beneficiary.

At Our judgment, a part of Your death benefit may be paid to any person who has incurred expenses in connection:

- (1) with Your burial; or
- (2) with the Injury or Sickness that caused Your death.

However, the maximum amount payable to that person is two hundred and fifty dollars (\$250).

Claims of Creditors

The proceeds and any income payments from this insurance will be exempt from the claims of creditors to the extent permitted by law. Before becoming payable the proceeds and payments may not be assigned or withdrawn without 5 Star Life Insurance Company's agreement.

Assignment

You may assign Your interest and ownership in this insurance without the consent of any revocable beneficiary, by filing written notice with the Administrator. Such notice shall be on a form furnished by the Administrator for that purpose and when received, whether or not the Assignee or You are then alive, the change will take effect on the date the notice was signed.

A change shall be subject to the rights of any assignee of record with the Administrator, and subject to any payment made or other action taken by the Administrator or 5 Star Life Insurance Company before the notice is received.

5 Star Life Insurance Company and the Administrator shall not be bound by an assignment unless it is in writing and a duplicate copy of the original assignment has been filed with 5 Star Life Insurance Company. Nor shall they be responsible for determining the validity or sufficiency of an assignment.

The interest of the assignee, any interest of You and any revocable beneficiary, shall be subject to the terms of the assignment.

LIFE INSURANCE BENEFITS

For You

Death Benefit

5 Star Life Insurance Company will pay a benefit to Your beneficiary upon receipt at its Administrative Office of due proof of Your death while insured under this coverage. This benefit is equal to the amount of life insurance in force under this coverage at Your death, as determined from the Coverage Schedule.

Your beneficiary can be determined from the beneficiary provisions.

The death benefit will be paid in one sum unless a settlement option is elected, which is described in the Group Policy. If no such option is in effect at Your death, the beneficiary may elect one. In either case, 5 Star Life must agree to and acknowledge the option selected.

Simultaneous Death Provision

If a Beneficiary dies:

- (1) on the same day You die; or
- (2) within fifteen (15) days thereafter;

benefits will be paid as if that Beneficiary had died before You. If proof of loss with respect to Your death was delivered to Us before the date of the Beneficiary's death, this provision will not apply.

How the Life Insurance Benefit is Paid

The life insurance benefit is usually paid in a single sum. However, there are other payment plans available. You or Your Beneficiary may obtain information from Us prior to making a choice for the payment method. You or Your Beneficiaries must make a choice in writing and file it with Us. We must agree to it.

Conversion Privileges

When Employees May Convert

You may convert Your group life insurance to an individual life policy without Evidence of Insurability if any or all of Your life insurance ends because

- (1) You:
 - (a) no longer work for Your Employer;
 - (b) have retired; or
 - (c) are no longer eligible for the life insurance amount under the Group Policy.

You may convert a life amount equal to or less than the amount that terminated.

- (2) the Group Policy:
 - (a) terminates; or
 - (b) is amended to exclude the class in which You belong; or
 - (c) is amended to terminate the Employee Life Insurance Benefit.

In these events, if You are converting You must have been insured by Us under the Group Policy for at least five (5) consecutive years just before termination. The maximum life amount that may be converted is the lesser of:

- (a) the terminated life amount less the life amount for which You become eligible under any other group policy within thirty-one (31) days of the termination; or
- (b) \$2,000.

Conditions Applicable to Any Life Conversion

The following provisions apply to any individual life policy issued under these conversion privileges.

- (1) You may convert to any one of the policy forms We normally issue except term insurance.
- (2) An individual policy will be issued only if application is made within thirty-one (31) days of the date Your Life Insurance ends. Payment of the first premium must be paid within that time also.
- (3) The cost of the converted policy is based on Our standard rates for the form of the converted policy.
- (4) The converted policy will take effect at the end of the Conversion Period.

Conversion Policy Replaces Group Amount

The converted amount of life insurance will replace the group life insurance amount that You were eligible to convert.

If You Die Before Converting Your Insurance

If You die during the thirty-one (31) day period allowed for conversion, We pay the amount of group life insurance You were eligible to convert, whether or not You had applied for a converted policy.

LIFE INSURANCE BENEFITS

For You

ACCELERATED DEATH BENEFITS OPTION

DISCLOSURE: The acceleration of life insurance benefits offered under the policy may or may not qualify for favorable tax treatment under the Internal Revenue Code of 1986. Whether such benefits qualify depends on factors such as Your life expectancy at the time benefits are accelerated or whether You use the benefits to pay for necessary long-term care expenses, such as nursing home care. If the accelerated life insurance benefits qualify for favorable tax treatment, the benefits will be excludable from Your income and not subject to federal taxation. Tax laws relating to accelerated life insurance benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which You could receive accelerated life insurance benefits excludable from income under federal law.

Receipt of Accelerated Death Benefits may affect eligibility for public assistance programs, such as Medicaid, Aid to Families with Dependent Children, Supplemental Social Security Income and drug assistance programs for You or Your family. You should consult with Your personal tax advisor and social service agencies as to how this benefit will affect You, Your spouse and Your family's eligibility for public assistance.

Benefits

If We receive a satisfactory medical opinion; based on standard and accepted medical practices as determined by Our Doctors, that You have incurred a Terminal Illness, You or Your legal representative, while You are living, may request Accelerated Death Benefits.

The Amount of Accelerated Death Benefits is shown in the Schedule, and will be payable provided You are living at the time payment is made. Benefits will be paid in one lump sum.

Conditions

- (a) **DEATH BENEFITS WILL BE REDUCED IF AN ACCELERATED LIFE INSURANCE BENEFIT IS PAID.**

A statement will be sent to You specifying the effect of the benefit payment on the death benefit and future premiums. Any portion of the death benefit remaining after a reduction of the death benefit due to payment of an Accelerated Death Benefit will be paid upon the death of the Employee.

- (b) To be insured for Accelerated Death Benefits, You must be insured for Voluntary Life Insurance Benefits.

- (c) Prior to the payment of Accelerated Death Benefits, You must provide written consent from any irrevocable beneficiary, assignee, and in community property states, from a spouse acknowledging such payment.
- (d) The accelerated benefit and the balance of the death benefit will constitute the full settlement on maturity of the face amount of the benefit.
- (e) An Insured Person may receive Accelerated Death Benefits only once.

Definition

Terminal Illness means an illness or physical condition, including a physical Injury that can be expected to result in death in 24 months or less.

Exceptions

This Accelerated Death Benefits provision will not apply:

- (a) when You have irrevocably assigned Your Life Insurance Benefits;
- (b) when all or a portion of Your Life Insurance Benefits are to be paid to Your former spouse as part of a divorce agreement;
- (c) to any intentionally self-inflicted Injury or suicide attempt;
- (d) if Your Life Insurance ends;
- (e) if the required premium is due and unpaid;
- (f) to any basic life insurance benefits to which You may be entitled; or
- (g) if the Policy ends.

LIFE INSURANCE BENEFITS

For Your Dependents

What We Pay

At the time of a Dependent's death, We pay the amount of insurance in force for Your Dependent as selected on the enrollment application and, if appropriate, approved by Us. When We receive proof of the Dependent's death, We pay the amount to You. If You are no longer living, the amount is paid to the Dependent's estate unless the Simultaneous Death provision applies.

Facility of Payment

If the Beneficiary is a minor or otherwise incapable of giving a valid release, at Our option and until claim is made by the duly appointed guardian of the Beneficiary, We may make payment to:

- (1) any relative of the Beneficiary by blood or marriage; or
- (2) any other person or institution that appears to Us to have assumed custody and principal support of the Beneficiary.

Payment under these circumstances may not exceed \$100 per month. They will be made for the sole benefit of the Beneficiary.

At Our judgment, a part of the Employee's death benefit may be paid to any person who has incurred expenses in connection:

- (1) with the Employee's burial; or
- (2) with the Injury or Sickness that caused the Employee's death.

However, the maximum amount payable to that person is two hundred and fifty dollars (\$250).

Conversion Privileges

If Dependent Life Insurance Ends

Dependents have the right to convert their group life insurance to an individual policy if any or all of their life insurance ends because:

- (1) You no longer work for an Employer; or
- (2) You transfer into an ineligible class; or
- (3) You die; or
- (4) the dependent no longer meets the definition of Dependent.

No medical exam is required to obtain an individual policy.

To convert, We must receive two things within thirty-one (31) days of the date the Dependent's insurance ends:

- (1) A completed application for conversion.
- (2) Payment of the first premium.

Dependents may convert to any one of the policy forms We normally issue except term insurance. Dependents may convert the amount for which they were insured under the Group Policy or, at their option, a lower amount.

The cost of the converted policy is based on Our standard rates for the form of the converted policy.

The converted policy takes effect at the end of the thirty-one (31) day period after the Dependent's group life insurance has ended.

If The Group Policy or This Benefit Terminates

Dependents also have the right to convert if their group life insurance ends because the Group Policy:

- (1) terminates; or
- (2) is amended to exclude the class in which You belong;
- (3) is amended to terminate the Dependent Life Insurance Benefit.

For Dependents to be eligible for conversion under these circumstances, You must have been insured by the Group Policy for at least five (5) consecutive years. The Dependent must apply for conversion and pay the first premium within thirty-one (31) days of the date insurance ends. We apply the conditions and limitations for conversion described in the provision entitled If a Dependent's Life Insurance Ends, except that the maximum conversion amount is two thousand dollars (\$2,000).

If Dependents Die Before Converting Insurance

If Dependents die during the thirty-one (31) day period allowed for conversion, We pay the amount of group life insurance Dependents were eligible to convert, whether or not they had applied for a converted policy.

PREMIUMS

Grace Period

Any premium not paid on or before its due date shall be in default; but a grace period of thirty-one (31) days, without interest, shall be allowed for payment of every premium after the first, during which period the insurance shall continue in force.

STANDARD PROVISIONS

Misstatement of Age

If Your age has been misstated, there shall be a fair adjustment of premiums. If Your amount of insurance depends on age, Your amount of insurance shall be adjusted to an amount determined by Your correct age.

Incontestability

The policy and/or this certificate shall not be contested, except for nonpayment of premium, after it has been in force during Your life for 2 years from the date of issue of this certificate.

No statement by You shall be used in contesting the validity of

- (a) Your insurance, or
- (b) that coverage or portion of Your insurance with respect to which the statement was made

after such insurance, coverage, or portion, as the case may be, has been in force during Your life, except when premium contribution payments are insufficient to keep the insurance in force.

Nor shall such statement be used at all unless:

- (1) contained in a written application signed by You; and
- (2) a copy of that instrument is or was provided to You or Your beneficiary or personal representative.

Suicide

If You commit suicide, while sane or insane, within two years, unless the laws of a state differ, from the Effective Date of Insurance, no benefits will be paid; or, if You commit suicide, while sane or insane, within two years from the Effective Date of any approved increase in insurance, no benefits arising from such increase will be paid. However, in each such instance aforesaid, premium contributions received will be remitted to the beneficiary.