



Voluntary Benefits

So Important.

*Your Guide to Understanding
Voluntary Term Life Insurance*

RELIANCE STANDARD



“That will never happen to me.”

Having a family changes everything. First and foremost, it forces us to plan for the future...and even for events that may be inconceivable to us. While no one enjoys dwelling on harsh realities, purchasing life insurance may help to decrease anxiety you may feel about your family's financial protection.

What would happen if you weren't here?

How would your family's life change if something happened to you?

If you're married, could your spouse pay all the bills with just one paycheck? What would happen to your family's future plans?

If you are a single parent, how would your children be provided for?

Even if you're single and have no children, how will your credit card, car payment and mortgage obligations be settled?

Should I be concerned?

What are your odds of dying?

The one-year odds of death in the United States in 2003 were:¹

- All external causes: 1 in 1,743
- Accidental injuries: 1 in 2,662
- Transport accidents: 1 in 6,050
- Non-transport accidental injuries: 1 in 4,752
- Assault: 1 in 16,154

The number of deaths in the United States resulting from heart disease alone in 2003 was 685,089.²

How can I protect my family?

The answer is life insurance. Your employer is offering you the opportunity to participate in a Voluntary Term Life insurance program as part of a comprehensive employee benefits package.

What is Voluntary Term Life insurance?

It's term life insurance that your employer has made it possible for you to obtain with:

- Lower cost group rates
- Guaranteed issue amounts available
- The convenience of payroll deduction

¹ National Safety Council, 2007

² National Vital Statistics Report March 15, 2007

Voluntary Benefits. *So Important.*

RELIANCE STANDARD

www.RelianceStandard.com

“Voluntary” means that it’s your choice. You choose the amount of coverage you and your family need and can afford.

Reliance Standard Life Insurance Company provides this insurance. Reliance Standard has been in business for over 100 years, and it specializes in employee group benefits.

Who is eligible?

Your plan highlights sheet describes employee eligibility requirements. You’re eligible to participate in this insurance plan if you meet the description of an eligible employee.

Depending upon the life insurance plan offered by your employer, your plan highlights sheet may show your plan having Dependent coverage. If this coverage is available to you, your plan highlights sheet describes dependent eligibility.

What are the features of this insurance?

This insurance plan may take the form of a group policy or an individual policy issued directly to you. The plan highlights sheet shows whether your coverage will be Group or Individual.

The plan highlights sheet also lists what features are in the Voluntary Term Life insurance being offered to you. Please read it carefully — your plan does not include any feature for which the plan highlights sheet shows “No.”

Depending upon the life insurance plan offered by your employer, your plan highlights sheet may or may not show your plan having the features briefly described below.

Summary of Features

Guaranteed Issue Amount. You may be eligible for an amount of insurance without submitting evidence of insurability.

Waiver of Premium. Premiums may be waived if you should become totally disabled.

Portability of Coverage. You may be able to keep your insurance if you later become ineligible.

Conversion of Coverage. You may be able to convert your coverage to an individual insurance policy, without having to furnish proof of good health.

Accidental Death and Dismemberment Benefit. This benefit serves to double your life insurance benefit for death due to a covered accident, and pays a percentage of your life insurance benefit for a listed dismemberment due to a covered accident.

Some plan features may be applicable only to the employee and not to dependents.

How much coverage can I buy?

You can choose a benefit amount from the choices shown on your plan highlights sheet.

If your plan includes Dependent coverage, the choices available are also shown on the plan highlights sheet.

Will coverage reduce over time?

Yes, if your insurance is Group insurance. The following age reduction formula is applicable to your benefit, including if you are at a reduction age when you first apply:

| Ages | Reduction to % of Your Pre-Age 75 Amount of Insurance |
|-------------|---|
| 75 - 79 | 60.0% |
| 80 - 84 | 35.0% |
| 85 - 89 | 27.5% |
| 90 - 94 | 20.0% |
| 95 - 99 | 7.5% |
| 100 or more | 5.0% |

Spouse benefits don’t reduce, but spouse coverage will terminate for age (see the plan highlights sheet)

Voluntary Benefits. *So Important.*

Individual insurance only: Benefits don't reduce, but your coverage will terminate at age 75 (your insured spouse's coverage also terminates at age 75).

Is there an accelerated benefit feature?

Yes. If you are under age 75 and, while insured, are diagnosed as terminally ill with a life expectancy of less than 12 months (24 months in some states), you can apply for early payment of 50% of your life insurance benefit. This benefit may have a requirement that coverage be in force for a specified number of days prior to being diagnosed as terminally ill. The early payment amount: a) will reduce any death benefit that may be later paid to your beneficiary; b) will reduce any amount that is available for other plan features (such as conversion); and c) does not reduce your premiums. You may accelerate benefits only once.

In many states, the accelerated benefit feature is applicable to insured dependents as well.

What happens if I become ill or injured?

Under the plan's waiver of premium feature, if you should become totally disabled (as defined) your insurance (and that of any insured dependents) will remain in force and you will not have to make any further premium payments. The disability must occur prior to age 60 and premium waiver will not take effect until the disability has continued for at least 6 consecutive months, during which time premiums must be paid (they will be refunded upon approval of waiver claim). Premium waiver continues until you: are no longer disabled; retire; reach age 70 (applicable to Group insurance only); refuse examination; or fail to furnish required proof (whichever occurs first).

What if my employment terminates?

If premiums are not being waived due to total disability, there are options that may allow you to still have life insurance protection after your employment ends.

Group insurance only:

If you leave your employer, you can keep your Voluntary Term Life insurance (and that of your insured dependents) under the plan's portability of coverage feature by electing to pay premiums directly to Reliance Standard. Portability is available in other instances, too, but is not available if you are on waiver of premium, or if your coverage ends because of cancellation or termination of your employer's participation or because the Group Policy terminates. Premiums are based on the prevailing rate charged to all insureds who continue coverage under the portability feature. The certificate of insurance contains complete details of this feature.

Conversion allows you to continue life insurance protection by converting your group term life insurance to an individual permanent life insurance policy without submitting proof of good health. Your insured spouse under age 70 and your insured child(ren) can also convert. Conversion is also available to you and insured dependents in other situations, but is not available if you are on waiver of premium, or if coverage ends because you stopped paying premiums. Conversion rights are fully explained in the certificate of insurance.

Individual insurance only:

If you leave your employer, you can keep your Voluntary Term Life insurance (and that of your insured dependents) by electing to pay premiums directly to Reliance Standard. Since your insurance is Individual, it doesn't stop because your employment terminates (it can stop for other reasons — non-payment of premium, maximum age, and exercising conversion).

If you are under age 75, conversion allows you to continue life insurance protection by converting your individual term life insurance policy to an individual permanent life insurance policy without submitting proof of good health. Your insured spouse under age 75 and your insured child(ren) can also convert.

Voluntary Benefits. *So Important.*

Conversion is available to you at any time while you are covered under the policy, but is not available at age 75 and after, or if you are on waiver of premium, or if any premium is in default. Conversion rights for you and any insured dependents are fully explained in the policy.

Are there any limitations?

Yes there are. Death by suicide is not covered during the first two years insurance is in force (one year in North Dakota). Reliance Standard will return the premiums paid for the coverage.

Waiver of premium feature. Waiver of premium is not provided if total disability (as defined) is from intentionally self-inflicted injury or if it results from an act of war, declared or undeclared (Individual coverage: while in the military of any country).

Accidental Death and Dismemberment benefit. Benefits are not paid for loss resulting from certain events, including an intentionally self-inflicted injury, war (declared or undeclared), sickness or disease. All exclusions are listed in the Certificate of Insurance or Policy.

Insurance coverage is incontestable after it has been in force for two years during the insured's lifetime, except for non-payment of premium.

Neither you nor your spouse may hold more than a total of \$500,000 of term life insurance with Reliance Standard. Insurance over that amount will be void and premiums refunded.

The Certificate of Insurance or Policy that is issued after you make application will contain complete details of the life insurance plan offered by your employer, including any requirements necessary to receive a benefit or exercise an option, and any exclusions. Please read the Certificate of Insurance or Individual Policy carefully.

Why should I buy this coverage now?

If you are under age 60, and your plan includes guaranteed issue, you are given the best guaranteed issue opportunity when you enroll during your initial eligibility period (within 31 days of first becoming eligible for this insurance). And because the guaranteed issue amount is higher during your initial eligibility period than it will be for any future approved enrollments, there are fewer amounts subject to proof of good health requirements.

How much does this insurance cost?

Voluntary Term Life insurance is offered at group rates through convenient payroll deduction (your employer will tell you the date your first payroll deduction will be taken*). Please see the premium table sheets for your rates for this coverage.

The cost for insurance for employee and spouse is based on age and the benefit amount selected. Children are covered for one composite rate, the amount of which depends on the children benefit amount you select.

If your premium table sheets show a Tobacco User Table and a Non-Tobacco User Table, then the cost for insurance is based on tobacco use status. Tobacco user/Non-tobacco user rates require you to answer a tobacco use question for you (and your spouse if you are applying for insurance for him/her) on the application.

You will see from the premium table sheets that rates increase as an insured moves from one age bracket to the next. Age brackets are in five-year increments.

Reliance Standard reserves the right to change the rates for this insurance plan, but you can never be singled out for a rate increase.

*If payroll deduction of premiums should begin prior to Reliance Standard's approval of your application, it does not mean that coverage is in effect. Premium(s) paid for coverage not issued will be returned.

Voluntary Benefits. *So Important.*

How do I enroll?

During your initial enrollment period and any subsequent insurer approved enrollment, you must be an eligible employee who is actively performing all the regular duties of your occupation to enroll. You must complete, sign and return the application to your employer during the enrollment period. Employees are not eligible and cannot enroll until their date of hire (if your employer has a service waiting period requirement, you may still enroll, but are not eligible to receive benefits until you have completed that waiting period).

- Fill out the enrollment application form. Be sure to provide all required information.
- Answer the medical questions if applicable (these questions may be on a separate form).
- Read the back of the form(s) and make sure the form(s) is signed and dated as required (even if you are declining the offer of Voluntary Term Life insurance).
- Return the form(s) to your employer.

Do I have to answer medical questions or have a physical?

If you apply for only an eligible guaranteed issue amount, you usually do not have to answer the medical questions. But, there are certain situations where even "guaranteed issue" amounts require evidence of insurability. The form(s) you will be given to enroll in this life insurance plan explain when you have to answer the medical questions.

It's not often that a physical examination is required. However, it can be necessary if Reliance Standard is unable to obtain enough information to permit proper consideration of your application. Reliance Standard bears the cost of tests and exams that it requires.

Can I get more coverage later?

Yes. Reliance Standard recognizes that your insurance needs may change at a time that does not coincide with an annual enrollment—like at marriage or divorce, or the birth or adoption of the first dependent child. These are called "life event changes" and allow you to apply, or change your amount of insurance outside of the formal enrollment period. You must make the election within 31 days after life event change, and cannot increase coverage for an amount that will exceed the guaranteed issue amount.

When will this plan become effective?

A minimum number of employees must sign up in order for this insurance to go into effect. Your employer has been notified of the minimum number of insured employees required.

Your employer had several effective date options to choose from. You will be given either a Certificate of Insurance (Group coverage) or a Policy (Individual coverage) that will describe your Voluntary Term Life insurance coverage in detail, including effective date information.

For coverage to become effective on the date presented in the Certificate of Insurance or Policy: you must be eligible for the coverage on that date; any service waiting period required by your employer must be satisfied; and the first premium for the coverage must be paid when due. If you are not actively at work on the date coverage would otherwise go into effect, the effective date may be deferred until the date you return to active work.

Regarding enrolled dependents, the dependent must be eligible on the date coverage on him or her is scheduled to go into effect. Further, if a dependent is confined in a hospital or at home on the date coverage would otherwise go into effect, the effective date for that dependent is deferred until the date hospital or home confinement ends.

Voluntary Benefits. *So Important.*

If payroll deduction of premiums should begin prior to Reliance Standard processing your application, it does not mean that coverage is in effect. Premium(s) paid for coverage not issued will be returned.

When will coverage end?

Your coverage will end when the earliest of the following occurs:

- Premium is not paid as required
- You exercise the conversion privilege

Group insurance only:

- You no longer meet the eligibility requirements for this insurance (except for insurance continued in accordance with Group policy provisions)
- You enter military service, not including the Reserves or National Guard (except for insurance continued in accordance with Group policy provisions)
- Your employer's participation in the plan ends
- The master Group policy terminates

Individual insurance only:

- You reach age 75

Dependent coverage will end when the earliest of the following occurs:

- Your insurance ends
- Premium is not paid as required
- The dependent no longer meets the definition of an eligible dependent
- The dependent exercises the conversion privilege
- Your spouse reaches the maximum age (see plan highlights sheet)

Are there other benefits I should know about?

Yes, if your coverage is Group insurance then your plan includes the additional benefits described below:

Your Voluntary Term Life insurance (and that of your insured dependents) can continue for up to 12 weeks in a 12 month period:

- If you are on a leave of absence approved by your employer under the Family and Medical Leave Act of 1993
- You are on an approved leave of absence due to entering military service of the United States

You must continue to pay your premiums while on either of these leaves. All coverage provisions apply during the leave period, except that for military service leave there is no coverage for any loss which occurs while you are on active duty if such loss is caused by or arises out of such military service, including but not limited to war or act of war (declared or undeclared).

Individual insurance only:

Since your insurance is Individual, it doesn't stop because you are on a leave of absence from your employer (it can stop for other reasons — non-payment of premium, maximum age, and exercising the Conversion option). But you must make arrangements to continue to pay your premiums while on any leave of absence.

Complete details of these benefits are contained in the Certificate of Insurance or Individual Policy.

Voluntary Benefits. *So Important.*

Please read this important information.

This brochure does not describe the whole plan. It is not an insurance policy. This brochure provides an overview and answers some of the most common questions. There is a detailed description of the plan's provisions, limitations, and exclusions in the Certificate of Insurance or Individual Policy, which is issued to you after your application is processed. Applications may be subject to medical underwriting.

There is also a detailed description of all provisions of the Group plan in the master Group policy, which is the legal contract. If there are discrepancies between this brochure and the master Group policy or between this brochure and Individual policy, the Group policy or Individual policy takes precedence.

Reliance Standard Life Insurance Company provides insurance products and services in all states (except New York), the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

Benefits are provided by one of the following policy form series:

- Group insurance: LRS-8349, et al or LRS-8800, et al
- Individual insurance: LRS-8522, et al or LRS-8851, et al

Not every plan provision is available in every state. Some states require modifications to the benefits.

Voluntary Benefits. *So Important.*