



American United Life Insurance Company
Indianapolis, Indiana 46206-0368

Certifies that it has issued and delivered a Policy numbered AULtimate VL5F to:

Fifth Third Bank, Indiana, Trustee For
The American United Life Group Insurance Trust
For The Finance Industry
(Hereinafter called the Group Policyholder)

First United Bank & Trust

shall participate in the coverage as a Participating Unit.

Participating Unit Number: G **00607748-0000-000**
Change Effective Date: **01/01/2009**

Class: **001**

This certificate replaces any and all certificates previously issued to You under the Policy indicated above.

American United Life Insurance Company ® (AUL) certifies that the Employee whose enrollment form is on file with the Participating Unit as being eligible for insurance and who has paid the required premium is insured under the Policy named above. Benefits are subject to change as described on the Schedule of Benefits page.

This certificate describes the coverage provided in the Policy. The Policy determines all rights and benefits in this certificate and may be amended, cancelled, or discontinued at any time by agreement between AUL and the Participating Unit without notice to You. The Policy may be examined at the main office of AUL during regular office hours.

If an Employee is not Actively At Work on the date insurance would otherwise become effective, the Individual Effective Date is the date the Employee returns to full-time Active Work.

Secretary

President and Chief Executive Officer

**CERTIFICATE OF INSURANCE
GROUP VOLUNTARY TERM LIFE INSURANCE CERTIFICATE
WITH AN ACCELERATED LIFE BENEFIT**

**NOTE: RECEIPT OF THE ACCELERATED LIFE BENEFIT MAY BE TAXABLE.
PLEASE SEEK ASSISTANCE FROM A PERSONAL TAX ADVISOR.**

**THE GROUP INSURANCE POLICY PROVIDING COVERAGE UNDER THIS CERTIFICATE WAS ISSUED
IN A JURISDICTION OTHER THAN MARYLAND AND MAY NOT PROVIDE ALL OF THE BENEFITS
REQUIRED BY MARYLAND LAW.**

GC 2525(T)(21)A

GC 2525ANN(T)
(ALB)
(Dep Cov: Included)

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SECTION 1 - SCHEDULE OF BENEFITS

This benefit applies to You only if premiums are paid and if:

- 1) *the benefit was agreed to on the subscription agreement by the Participating Unit and AUL;*
- 2) *You elected the benefit on an enrollment form approved by AUL; or*
- 3) *the benefit was included in the information reported, in a format acceptable to AUL, by You or the Participating Unit and agreed to by AUL.*

CLASS: 001

CLASSIFICATION:

All Eligible Full-Time Employees

LIFE AMOUNT:

The Life Amount is a flat dollar amount purchased in \$1,000 increments, as elected on Your enrollment form and approved by AUL. The minimum Life Amount is \$20,000. The maximum Life Amount is \$500,000, or five times Your Annual Base Salary rounded by the method elected by the Employer on the Subscription Agreement, whichever is less.

ANNUAL BASE SALARY: W-2 with Plan Contributions

GUARANTEED ISSUE AMOUNT: The Guaranteed Issue Amount is \$100,000.

REDUCTIONS: The Life Amount will begin reducing to a percentage of the amounts shown in the Schedule of Benefits when the Person reaches age 70. The percentage of coverage remaining at the Person’s attained age will be as shown below.

Standard Age Discrimination in Employment (ADEA) reductions beginning at age 70.

<u>PERSON’S AGE</u>	<u>PERCENTAGE OF BENEFIT AMOUNT</u>
70 - 74	45%
75 - 79	30%
80 - 84	20%
85 - 89	15%
90 +	10%

Reductions will be based upon the Life Amount prior to the payment of any Accelerated Life Benefit.

TERMINATIONS: Terminations are governed by the Individual Terminations Section of the policy. See Section 9, Individual Terminations.

SECTION 1 - SCHEDULE OF BENEFITS

Continued

CLASS: 001

ACCELERATED LIFE BENEFIT

The Person may request payment of either 25% or 50% of the Life Amount. This benefit is available on Life Amounts of \$10,000 or more. The maximum lump sum payment is limited to either 25% or 50% of the Life Amount shown; however, AUL will not issue an amount which is less than \$2,500. See Section 13, Accelerated Life Benefit.

CONTRIBUTIONS: Employee premium contributions are required.

ELIGIBILITY: Scheduled Enrollment. See Section 3.

FULL-TIME EMPLOYEE REQUIREMENT: 20 hours or more per week. See Section 2.

INDIVIDUAL EFFECTIVE DATE: Scheduled Enrollment. See Section 3.

INDIVIDUAL TERMINATIONS: Immediate. See Section 9.

SUICIDE LIMITATION: This certificate contains a Suicide Limitation. See Section 14.

WAITING PERIOD:

Present Employees:	0 days
New Employees:	Next Scheduled Enrollment Period after 30 days

WAIVER OF PREMIUM FOR TOTAL DISABILITY: This benefit is included. See Section 8.

**SECTION 1 - SCHEDULE OF BENEFITS
DEPENDENT INSURANCE**

This benefit applies to Your Dependent only if premiums are paid and if:

- 1) the benefit was agreed to on the subscription agreement by the Participating Unit and AUL;*
- 2) You elected the benefit on an enrollment form approved by AUL; or*
- 3) the benefit was included in the information reported, in a format acceptable to AUL, by You or the Participating Unit and agreed to by AUL.*

Class 001, Plan 02

SPOUSE under age 99:

LIFE AMOUNT: The Life Amount is a flat dollar amount purchased in \$500 increments. The minimum Life Amount is \$5,000. The maximum Life Amount is \$250,000. The Life Amount is limited to 50% of the Employee's Life Amount.

GUARANTEED ISSUE AMOUNT FOR DEPENDENT INSURANCE: The Guaranteed Issue Amount for Dependent Insurance is \$50,000.

CHILD, live birth to under six months:

LIFE AMOUNT: \$1,000

GUARANTEED ISSUE AMOUNT FOR DEPENDENT INSURANCE: The Guaranteed Issue Amount for Dependent Insurance is \$1,000.

CHILD, six months to under 19 years or if a full-time student:

LIFE AMOUNT: \$10,000

GUARANTEED ISSUE AMOUNT FOR DEPENDENT INSURANCE: The Guaranteed Issue Amount for Dependent Insurance is \$10,000.

SECTION 1 - SCHEDULE OF BENEFITS
DEPENDENT INSURANCE
Continued

Class 001, Plan 02

DEPENDENT SPOUSE ACCELERATED LIFE BENEFIT

The Person may request payment of 50% of the Life Amount. This benefit is available on a Dependent spouse Life Amount of \$5,000 or more. The maximum payment is limited to 50% of the Dependent spouse Life Amount shown; however, AUL will not issue an amount which is less than \$2,500. See Section 20I, Accelerated Life Benefit for Dependent spouse.

REDUCTIONS: The Dependent Life Amount will begin reducing to a percentage of the amounts shown in the Schedule of Benefits when the Person reaches age 70. The percentage of coverage remaining at the Person's attained age will be as shown below.

Standard Age Discrimination in Employment (ADEA) reductions beginning at age 70.

<u>PERSON'S AGE</u>	<u>PERCENTAGE OF BENEFIT AMOUNT</u>
70 - 74	45%
75 - 79	30%
80 - 84	20%
85 - 89	15%
90 +	10%

TERMINATIONS: Terminations are governed by the Dependent Individual Terminations Section of the policy. See Section 20F, Dependent Individual Terminations.

SECTION 2 - DEFINITIONS

ACCIDENTAL BODILY INJURY means an injury occurring as a result of an accident, either directly or indirectly, along with all other related conditions, sustained by a Person while insured under the policy.

ACTIVE WORK and **ACTIVELY AT WORK** mean the use of time and energy in the services of the Participating Unit at the regular place of business by a Person who is physically and mentally capable of performing each of the material and substantial duties of his regular job at least the minimum number of hours as stated in the Subscription Agreement. This includes time off for vacation, jury duty, and funeral leave, where the Person otherwise could have been Actively at Work. This does not include time off as a result of an injury, Accidental Bodily Injury, Sickness, strike, or lock-out.

SECTION 2 - DEFINITIONS

Continued

ANNUAL BASE SALARY means the Person's yearly earnings, before taxes, received from the Participating Unit. Earnings are based on the Person's last reported W-2 form shown as wages, tips, and other compensation last reported to AUL in writing by the Participating Unit and approved by AUL before the date of death, or dismemberment if AD&D is included. It includes pre-tax contributions to a 401(k) plan and a Cafeteria plan, if any. If the Person has not worked long enough to receive a W-2 form from the Participating Unit, earnings will be the monthly average of the last amount of earnings reported to AUL in writing by the Participating Unit multiplied by twelve, and approved by AUL. It does not include income received from expense accounts.

SECTION 2 - DEFINITIONS

Continued

CONTINUATION UNIT means any Person who has elected Continuation of Insurance. See Section 7, Continuation of Insurance.

COVERAGE MONTH means that period of time beginning on the first day that the Participating Unit's coverage is in force, as shown in the Participating Unit's Subscription Agreement, and ending on the day before that date of the next month.

DATE OF DISABILITY means the first day the Person is not Actively at Work due to an Accidental Bodily Injury or Sickness that causes a Total Disability.

DEPENDENT see Section 20A, Dependent Definitions.

EMPLOYEE means an individual:

- 1) whose employment with the Participating Unit constitutes his principal occupation; and
- 2) who regularly works at that occupation at the Participating Unit's regular place of business a minimum number of hours per week, as stated in SECTION 1 - SCHEDULE OF BENEFITS; and
- 3) who is not temporarily or seasonally employed by the Participating Unit.

EMPLOYEE also means an individual designated by the Participating Unit in the Subscription Agreement.

EMPLOYER see PARTICIPATING UNIT.

EVIDENCE OF INSURABILITY means a signed statement of proof of an Employee's or Dependent's health, without expense to AUL, and acceptable to AUL; and, if required by AUL, medical history and appropriate medical tests, without expense to AUL, upon which acceptance for insurance will be determined by AUL.

GUARANTEED ISSUE AMOUNT means the amount of coverage that does not require Evidence of Insurability. This amount is elected by the Participating Unit on the Subscription Agreement and approved by AUL.

PARTICIPATING UNIT means the sole proprietorship, partnership, corporation, firm, limited liability company, limited liability partnership, individual school, school district, or other instrumentality of a state or political subdivision thereof that employs Persons and that has been approved by AUL and who has been added by amendment to the policy. Any references to Participating Unit used in the policy shall include Insured Units.

A Participating Unit is eligible for coverage under the policy as determined by AUL. In order for the Participating Unit to remain eligible for continued coverage under the policy, participation must be not less than 10 insureds in each Participating Unit.

PARTICIPATING UNIT'S ANNIVERSARY DATE means an annual date chosen by the Participating Unit.

PERSON means an Employee who meets the requirements of the Enrollment, Eligibility, and Individual Effective Date section of the policy.

PERSONAL INSURANCE means the insurance provided under the policy for a Person.

SECTION 2 - DEFINITIONS

Continued

POLICY MONTH means that period of time the policy is in force beginning on the first day of a calendar month and ending on the last day of that calendar month.

SICKNESS means illness, bodily disorder or disease, pregnancy, and any condition classified as a mental disorder in *American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders*, as published from time to time, excluding mental retardation.

SUBSCRIPTION AGREEMENT means the specific subscription agreement as executed by the Participating Unit and approved by AUL.

TOTAL DISABILITY and TOTALLY DISABLED mean that because of Accidental Bodily Injury or Sickness the Person cannot engage in any occupation for which he is reasonably fitted by training, education, or experience. A Person who accepts any type of gainful employment, other than in a state-approved rehabilitation program or sheltered workshop, will be considered fitted to that occupation.

WAITING PERIOD means the amount of continuous, Active Work to be performed by the Employee, while in an eligible class, to become eligible for Personal Insurance. The Waiting Period is stated in the Subscription Agreement.

WE, OUR, US, and AUL mean American United Life Insurance Company ®.

YOU and YOUR, when used in the policy's certificate of insurance, has the same meaning as Person.

SECTION 2 - DEFINITIONS

Continued

ELIGIBLE UNIT means any sole proprietorship, partnership, corporation, firm, limited liability company, limited liability partnership, individual school, school district, or other instrumentality of a state or political subdivision thereof that is subsidiary to or affiliated with the Participating Unit.

INSURED UNIT means any Eligible Unit stated as a subsidiary or affiliate in the Subscription Agreement. See Section 23, Insured Units.

**SECTION 3 - ELIGIBILITY, ENROLLMENT, and
INDIVIDUAL EFFECTIVE DATE**

DEFINITIONS

NEW EMPLOYEE means an Employee who is employed by the Participating Unit before the Participating Unit's Effective Date but did not complete the Waiting Period for Present Employees prior to that date. It also means an Employee who was employed by the Participating Unit after the Participating Unit's Effective Date and has completed the Waiting Period for New Employees as elected on the Subscription Agreement.

PRESENT EMPLOYEE means an Employee who is employed by the Participating Unit and has completed the Waiting Period for Present Employees as elected on the Subscription Agreement on or before the Participating Unit's Effective Date.

INITIAL ENROLLMENT PERIOD means either of the following periods during which an Employee may first make written application for coverage under the policy:

- 1) For a Present Employee, the Initial Enrollment Period is the period of time agreed to by AUL and the Participating Unit, and stated in the Subscription Agreement.
- 2) For a New Employee, the Initial Enrollment Period is the next Scheduled Enrollment Period after the date the Employee becomes eligible for coverage under the Policy.

LATE ENROLLEE means a Present or New Employee who did not request coverage during his Initial Enrollment Period.

SCHEDULED ENROLLMENT PERIOD means a recurring period of days, as stated in the Subscription Agreement, after the Participating Unit's Effective Date, during which period an Employee may make written application on an AUL approved enrollment form to become covered under the policy, or during which a Person may request a change in coverage amounts. This time period must be approved by AUL.

**SECTION 3 - ELIGIBILITY, ENROLLMENT, and
INDIVIDUAL EFFECTIVE DATE
Continued**

ELIGIBILITY OF EMPLOYEE

A Present Employee becomes eligible for Personal Insurance on the Participating Unit's Effective Date of coverage under the policy if the Employee is Actively at Work and has completed the Waiting Period for Present Employees on, or prior to, that date.

A New Employee becomes eligible for Personal Insurance on the first day the Employee is Actively at Work following the date of completion of the Waiting Period for New Employees.

ENROLLMENT

An eligible Present or New Employee, as a condition to becoming insured, must make written request for coverage under the policy to the Participating Unit on a form approved by AUL and must agree to contribute the required premium amount. An eligible Present or New Employee may request coverage only during an Initial or Scheduled Enrollment Period as follows:

- 1) During a Present or New Employee's Initial Enrollment Period, a Present or New Employee may waive coverage or request coverage under any Plan offered by the Participating Unit as shown on the Subscription Agreement;
- 2) During a Present or New Employee's Scheduled Enrollment Period:
 - a) If a Present or New Employee did not request coverage during his Initial Enrollment Period, he will be considered a Late Enrollee. Enrollment at a later date can only be conducted during a Scheduled Enrollment Period. Satisfactory Evidence of Insurability will be required.
 - b) An insured Person may change his coverage with Evidence of Insurability. See Section 6, Changes in Insurance Coverage.

**SECTION 3 - ELIGIBILITY, ENROLLMENT, and
INDIVIDUAL EFFECTIVE DATE
Continued**

INDIVIDUAL EFFECTIVE DATE OF INSURANCE

Present Employee

For coverage requested during the Initial Enrollment Period, the Individual Effective Date for an eligible Present Employee is the Participating Unit's Effective Date.

New Employee

For coverage requested during the Initial Enrollment Period, the Individual Effective Date for an eligible New Employee is the first of the month following his Initial Enrollment Period.

If an Employee is not Actively At Work on the date insurance would otherwise become effective, the Individual Effective Date is the date the Employee returns to full-time Active Work.

LATE ENROLLEES

FOR COVERAGE REQUESTED BY A LATE ENROLLEE DURING A SCHEDULED ENROLLMENT PERIOD, SATISFACTORY EVIDENCE OF INSURABILITY WITHOUT EXPENSE TO AUL IS REQUIRED AND THE INDIVIDUAL EFFECTIVE DATE OF INSURANCE WILL BE NAMED BY AUL.

EVIDENCE OF INSURABILITY

Evidence of Insurability is required if:

- 1) request is made by a Late Enrollee;
- 2) request is made after a termination of insurance due to failure to make contributions;
- 3) the amount requested during the Initial Enrollment Period exceeds the Guaranteed Issue Amount shown in the Schedule of Benefits; or
- 4) the Person requests an increase in coverage except as allowed under the Guaranteed Increase in Benefit.

Any portion of the requested Personal Insurance benefit that exceeds the Guaranteed Issue Amount will be effective on the date named by AUL and subject to satisfactory Evidence of Insurability. If the excess portion is not approved by AUL, the Personal Insurance benefit will be an amount equal to the Guaranteed Issue Amount and will be effective as set forth above.

SECTION 6 - CHANGES IN INSURANCE COVERAGE

GUARANTEED INCREASE IN BENEFIT (GIB)

The Person may request an additional amount of coverage at each AUL approved Scheduled Enrollment Period without Evidence of Insurability, under the following conditions:

- 1) The Person must be under age 70;
- 2) The Person must be Actively at Work on the effective date of the increase;
- 3) The amount of each increase will be the GREATER of:
 - a) 10% of the Person's coverage rounded to the next \$1,000; or
 - b) \$10,000.After the increase the amount in force cannot exceed the maximum benefit; and
- 4) A claim cannot have been paid under the Accelerated Life Benefit.

The Dependent Insurance coverage, if elected, will increase with the Person's GIB increases in coverage if the Dependent coverage is a percentage of the Person's coverage. These Dependent GIB increases will not require Evidence of Insurability.

If an Employee declines coverage at the Initial Enrollment Period, in order to enroll at a later Scheduled Enrollment date, he must furnish satisfactory Evidence of Insurability. If the Employee is accepted for coverage at the Scheduled Enrollment, he will be eligible for the GIB at the next Scheduled Enrollment Period.

Once coverage based on unsatisfactory Evidence of Insurability is declined for a Person on any increase request, no additional offers will be allowed under the GIB until satisfactory Evidence of Insurability is furnished.

AMOUNTS REQUESTED IN EXCESS OF THE GUARANTEED INCREASE IN BENEFIT

During Scheduled Enrollment Periods a Person may request an increase greater than the GIB, but he must furnish satisfactory Evidence of Insurability in order to obtain the coverage.

If the Evidence of Insurability is not acceptable for the Person, no further GIB increases are allowed for the Person until satisfactory Evidence of Insurability is again submitted by the Person. Coverage will remain at the amount that was in effect prior to the request for GIB increase.

SECTION 6 - CHANGES IN INSURANCE COVERAGE

Continued

EFFECTIVE DATE OF CHANGE

The amount of insurance for which a Person is eligible is shown in the Subscription Agreement.

A change in insurance that does not result in an increase in benefits takes effect on:

- 1) the first day of the Coverage Month following any scheduled reduction; or
- 2) the first day of the Coverage Month following AUL's approval of a request for change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's approval of a request for change, if the date is after the first day of the Coverage Month.

A change in insurance that results in an increase in benefits that does not exceed the Person's GIB offer takes effect on:

- 1) the first day of the Coverage Month, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the date the Person becomes eligible for the change in insurance, if the date is after the first day of the Coverage Month.

A change in insurance that results in an increase in benefits that does exceed the Person's GIB offer is subject to satisfactory Evidence of Insurability. Upon AUL's approval, the increase takes effect on the date named by AUL.

If the Person is not Actively at Work on the approved change date, any change in the amount of insurance takes effect on:

- 1) the date of the Person's return to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.

SECTION 7 - CONTINUATION OF INSURANCE

CONTINUATION OF INSURANCE

If a Person's coverage ceases due to:

- 1) termination of employment for any reason; or
- 2) termination of the Participating Unit's coverage under the policy and coverage is not replaced by a similar group coverage within 31 days,

the Person may continue Personal Insurance and Dependent Insurance in force under the policy without interruption as a Continuation Unit until the earlier of:

- 1) the date premium payments are discontinued; or
- 2) the attainment of age 70.

To continue coverage the Person must submit written notice and the required premium to AUL within 31 days of the date of termination of coverage under the policy. Payment of the required premium must be made directly to AUL by the Person. Failure to pay such premium will terminate the coverage under the group policy at the end of the period for which the premium has been paid. AUL reserves the right to charge an administrative fee per billing.

LIMITATIONS

- 1) If Personal Insurance is based on a multiple of the Person's Annual Base Salary, no changes in coverage due to salary increases will be allowed under the Continuation of Insurance.
- 2) Dependent Life coverage may be continued only if the Person's life coverage is continued.
- 3) The Person's AD&D coverage may be continued, subject to the provisions of the policy.
- 4) Dependent AD&D coverage may be continued only with the Person's continuation of AD&D coverage.
- 5) The Waiver of Premium benefit will not be included with Continuation of Insurance.
- 6) Continuation of Insurance is not available if the Person has established permanent residence outside the United States.

If Continuation of Insurance terminates, the Person may convert his life coverage and any Dependent life coverage to an individual policy in accordance with Section 10, Conversion Privilege.

AUL may terminate Continuation of Insurance on the last day of any Policy Month by giving the Group Policyholder and each Continuation Unit at least 31 days prior written notice.

See Section 26, Termination of a Continuation Unit.

SECTION 8 - WAIVER OF PREMIUM

DEFINITION

ELIMINATION PERIOD means a period of consecutive days beginning on a Person's Date of Disability and ending on the date that the period specified in the Waiver of Premium benefit expires. This period may include up to three (3) days of Active Work.

BENEFIT

AUL will waive further premium payments for a Person's Life Insurance, and AD&D coverage if applicable, if he:

- 1) becomes Totally Disabled before age 60, or other age as stated in the Subscription Agreement, and while insured under the Participating Unit's coverage under the policy;
- 2) remains continuously Totally Disabled during the nine (9) month Elimination Period, or as stated in the Subscription Agreement;
- 3) submits proof of Total Disability during the three (3) month period prior to the end of the Elimination Period; and
- 4) submits acceptable proof of continuous Total Disability one (1) month prior to the end of each following year of disability.

The Total Disability must be certified by a legally qualified physician other than the Person or a member of the Person's family.

AUL also may require that the Person be examined:

- 1) at AUL's expense;
- 2) by AUL's choice of physician; and
- 3) once a year after being Totally Disabled for two (2) years.

No premium payment is due during the Elimination Period. If AUL does not approve the Waiver of Premium benefit request, Continuation of Insurance or Conversion Privilege will be offered within 31 days of the disapproval date.

As long as the Person meets the conditions set forth above, he will retain a Life Insurance benefit, and AD&D coverage if applicable, without further premium payment until the first of the following occurs:

- 1) unsatisfactory proof of Total Disability is submitted;
- 2) the Person accepts employment, or is found able to accept employment for which he is reasonably fitted by training, education, or experience;
- 3) the Person refuses to submit to medical examination;
- 4) proof of continuous Total Disability is not submitted by the twelfth month of any benefit period unless it was not reasonably possible to do so;
- 5) the Person attains the Social Security Normal Retirement Age as figured by the 1983 amendment or any later amendment to the Social Security Act; or
- 6) if the Person retires from employment with the Participating Unit.

When the Person is approved for coverage under this Waiver of Premium benefit, the benefits in force under the policy for that Person will reduce based on the reduction schedule on the Schedule of Benefits page.

SECTION 8 - WAIVER OF PREMIUM

WAIVER OF PREMIUM FOR TOTAL DISABILITY

If the Waiver of Premium benefit request is not approved, or if the Waiver of Premium benefit coverage ceases and the Person does not return to Active Work, the Person may, within 31 days from notice of the non-approval or the cessation of coverage, elect to:

- 1) continue his group coverage, as described in Section 7, Continuation of Insurance; or
- 2) convert his coverage to an individual policy, as described in Section 10, Conversion Privilege.

If coverage under the Waiver of Premium benefit ceases because the Person returns to Active Work with the Participating Unit, and the Participating Unit's coverage under the policy is still in force, the Person is immediately eligible for all coverage available to his class.

If the Person dies during the Elimination Period, death benefits are payable.

If the Person is approved for the Waiver of Premium benefit and the death claim is payable under the Waiver of Premium benefit section, any conversion policy issued to the Person must be returned for cancellation and premium refund. **IN NO EVENT WILL A DEATH BENEFIT BE PAYABLE UNDER BOTH THE CONVERSION AND WAIVER OF PREMIUM SECTIONS OF THE POLICY.**

SECTION 9 - INDIVIDUAL TERMINATIONS

Personal Insurance terminates on the earliest of the following dates:

- 1) the date the Person requests termination but not prior to the date of the request;
- 2) the last date for which any required premium was paid;
- 3) the date the Person ceases to be eligible, see Section 3, Eligibility;
- 4) the date the Person enters active military service for any country except for temporary duty of 30 days or less;
- 5) the date the Person ceases Active Work, except during the Waiver of Premium elimination period - see Section 8, Waiver of Premium; or unless Continuation of Insurance is elected - see Section 7, Continuation of Insurance; or
- 6) the date of disapproval of the Person's request for coverage under the Waiver of Premium benefit.

SECTION 10 - CONVERSION PRIVILEGE

If a Person's Life Insurance or Continuation Insurance or a portion of it ceases due to:

- 1) termination of employment;
- 2) termination of membership in a class eligible for insurance;
- 3) a reduction in the benefit amount; or
- 4) disapproval of a Waiver of Premium benefit request,

the Person is entitled to apply for and receive an individual conversion policy without submission of Evidence of Insurability. The amount of such individual conversion policy shall be equal to or less than the amount of the Person's Life Insurance or Continuation Insurance which has ceased.

If a Person's Life Insurance or Continuation Insurance or a portion of it ceases due to:

- 1) termination of the policy;
- 2) termination of the class of insurance under which the Person is covered; or
- 3) termination of the Participating Unit's coverage under the policy,

the Person is entitled to apply for and receive an individual conversion policy without submission of Evidence of Insurability if his Personal Insurance has been in force with AUL for five (5) continuous years. The amount of the individual conversion policy shall not exceed the lesser of:

- 1) the coverage terminated minus any new group coverage for which the Person becomes eligible within 31 days; or
- 2) \$10,000.

In the event that the Person's employment and the Participating Unit's coverage under the policy terminate at the same time, the Person will be entitled to convert his coverage no matter how long his coverage has been in force.

The individual conversion policy is subject to the following:

- 1) Written application must be made and the first premium paid within 31 days after the later of the date of:
 - a) termination of insurance;
 - b) conversion notification by the Participating Unit. If the Person is not notified in writing by the Participating Unit of his conversion rights within 15 days after the date of termination of insurance, an additional application period will begin. This additional conversion application period will end on the earlier of:
 - i) 15 days after notice is received, or
 - ii) 60 days from the end of the original 31 day conversion period; or
 - c) notification from AUL of disapproval of the Waiver of Premium benefit request.
- 2) Any plan of insurance other than term insurance currently offered by AUL may be elected. The Person's Life Insurance is available for conversion. The Person's Waiver of Premium benefit is not available for conversion.
- 3) The premium will be based on the Person's age on the effective date of the conversion policy, the class of risk to which he belongs, and the premium rate in effect on the date of conversion.
- 4) The individual conversion policy takes effect at the end of the application period and is in lieu of all benefits under the Participating Unit's coverage under the policy, unless the Person remains insured under the policy as a member of a different class.

SECTION 10 - CONVERSION PRIVILEGE

Continued

If death occurs during the application period, AUL will pay the maximum amount available for conversion whether or not the application has been made or the premium paid. After the application period, no application will be accepted unless the Person proves that it was not possible for him to apply in a timely fashion.

Premium must be paid for the number of days of coverage provided during the application period.

IN NO EVENT WILL A DEATH BENEFIT BE PAYABLE UNDER BOTH THE CONVERSION SECTION AND WAIVER OF PREMIUM FOR TOTAL DISABILITY SECTION OF THE POLICY.

SECTION 11 - INDIVIDUAL REINSTATEMENTS

If Personal Insurance, and Dependent Insurance if any, terminate due to termination of employment, that insurance may be reinstated upon return to employment as an Actively at Work Employee. The following conditions apply:

- 1) When an Employee's return to active employment occurs within 30 days of his termination and termination was for any reason not applicable under the Family Medical Leave Act, insurance coverage becomes effective upon the first day of the next Coverage Month following the date of return to Active Work. Evidence of Insurability is not required.
- 2) When an Employee's return to active employment occurs within 90 days of his becoming an inactive Employee for any reason applicable under the Family Medical Leave Act, insurance coverage becomes effective upon the first day of the next Coverage Month following the date of return to Active Work. Evidence of Insurability is not required.
- 3) The maximum benefits reinstated will not exceed the maximum benefits for which the Employee would have been covered had he been continuously insured.
- 4) When return to employment occurs after the period specified in 1 or 2 above, the Person will be considered a New Employee and must satisfy all New Employee Eligibility, Enrollment, and Effective Date requirements. See Section 3, Eligibility, Enrollment, and Individual Effective Date.
- 5) When insurance has been changed to a conversion policy, according to the terms of Section 10, Conversion Privilege, the conversion policy must be terminated or satisfactory Evidence of Insurability, will be required prior to reinstatement. The effective date of reinstatement will be named by AUL.
- 6) Reinstatement is subject to the payment of any required premium.

If reinstatement is requested for any reason other than a return to employment as an Actively at Work Employee, satisfactory Evidence of Insurability, will be required. The terms and effective date of any reinstatement will be specified by AUL.

Dependent Insurance cannot be reinstated without reinstatement of Personal Insurance.

IN NO EVENT WILL AUL ALLOW A PERSON TO HAVE A TOTAL COVERAGE AMOUNT FROM ALL IN FORCE GROUP VOLUNTARY TERM LIFE INSURANCE CONTRACTS THAT IS IN EXCESS OF THE MAXIMUM AMOUNT SHOWN IN THE SCHEDULE OF BENEFITS.

SECTION 13 - ACCELERATED LIFE BENEFIT

The following definition applies ONLY to this section:

DEFINITION

TERMINAL CONDITION means an injury or sickness that, despite appropriate medical care, is reasonably expected to result in the Person's death within 12 months from the date of payment of the Accelerated Life Benefit, as determined by AUL. AUL may require that the Person be examined at AUL's expense by AUL's choice of physician.

BENEFIT

If a Person is diagnosed with a Terminal Condition while covered under this provision, the Person may request payment of the Accelerated Life Benefit. The available amount of Accelerated Life Benefit is shown in the Person's Schedule of Benefits. Benefits will be paid in one lump sum to the Person.

CONDITIONS

To be eligible to request payment of the Accelerated Life Benefit:

- 1) the Person must have Personal Insurance;
- 2) the Person must be diagnosed with a Terminal Condition, while covered under this provision;
- 3) AUL will require, in a community property state, the spouse's written consent before the Accelerated Life Benefit is paid; and
- 4) the Person can receive an Accelerated Life Benefit only once.

PROOF REQUIRED FOR THE ACCELERATED LIFE BENEFIT

Proof is a completed claim form and any other information AUL requires in order to determine liability. AUL may require that the Person be examined at AUL's expense by AUL's choice of physician.

SECTION 13 - ACCELERATED LIFE BENEFIT

Continued

EFFECT OF PAYMENT OF ACCELERATED LIFE BENEFIT

After payment of an Accelerated Life Benefit, the Person's Life Insurance amount payable at death to the Person's Beneficiary equals:

- 1) the amount of the Person's Life Insurance as if an Accelerated Life Benefit payment had not been made, minus
- 2) the Accelerated Life Benefit payment, minus
- 3) the interest charge.

The interest charge equals the Accelerated Life Benefit amount, times the number of days from the date of payment to the Person's date of death divided by 365, times the interest rate. The interest rate will be based on the current 90 day treasury bill rate at the time of payment of the Accelerated Life Benefit.

The Accidental Death and Dismemberment Insurance, if any, will not reduce due to payment of the Accelerated Life Benefit.

The following information is used for illustrative purposes only:

Example: Life insurance in force = \$50,000*
Date of receipt of proof of terminal condition = 10/31/94
Date of payment of Accelerated Life Benefit = 11/1/94
Date of death = 2/15/95
Interest rate** = 3.5%

1. Amount of Accelerated Life Benefit = $.50 \times \$50,000 = \$25,000$
2. Interest Charge = $\$25,000 \times (106 \text{ days} / 365 \text{ days}) \times .035 = \254.11
3. Death Benefit Payable = $\$50,000 - \$25,000 - \$254.11 = \$24,745.89$

*The Person's Life Insurance amount is shown on the Title Page or the Schedule of Benefits in the Person's insurance certificate.

**The interest rate is equal to the 90 day treasury bill rate on the date of the Accelerated Life Benefit payment.

LIMITATIONS

An Accelerated Life Benefit will not be paid if:

- 1) the Person has named an irrevocable Beneficiary or made an assignment of his Life Insurance benefits;
- 2) all or a portion of the Person's Life Insurance benefits are to be paid to a former spouse or trustee as part of a divorce decree or property settlement, or child support order;
- 3) the Person's Life Insurance terminates;
- 4) the Participating Unit's coverage under the policy terminates, unless Continuation of Insurance is elected;
- 5) the Continuation Unit terminates; or
- 6) the policy terminates.

NOTE: The payment of the Accelerated Life Benefit may be taxable. Please seek assistance from a personal tax advisor.

SECTION 14 - SUICIDE LIMITATION

LIMITATION: If the Person commits suicide, while sane or insane:

- 1) within two (2) years from the effective date of Personal Insurance, the benefits payable will be limited to the premiums paid; or
- 2) two (2) or more years after the effective date of Personal Insurance, but within two (2) years of the effective date of an increase in the amount of coverage previously obtained, the benefits payable will be limited to the coverage obtained prior to the effective date of the increase, if any, plus the premiums paid for the increased coverage.

SECTION 15 - PAYMENT OF DEATH BENEFITS

BENEFICIARY means the individual, individuals or entity named by the Person to receive his death benefit.

If a Person dies while insured under the policy, AUL will pay the benefits due to the Beneficiary:

- 1) upon timely receipt of acceptable proof of death; and
- 2) subject to all other provisions of the policy and to the Person's instructions.

The Annual Base Salary on which the amount of premium due is based will be used to determine the amount of the death claim.

The following sections describe the manner in which death benefits are paid.

SECTION 16 - NAMING OF BENEFICIARY

AUL will pay the death benefit according to the Person's designation of Beneficiary.

When a Person applies for coverage he may, on an AUL-approved form:

- 1) designate the name of one or more Beneficiaries;
- 2) classify the Beneficiaries by order of preference, either first or second;
- 3) indicate distribution of the proceeds among members of the class of Beneficiaries.

If more than one Beneficiary is listed within the same class of Beneficiaries and no distributive share is indicated, then all Beneficiaries will share equally with all Beneficiaries within the same class.

If the Participating Unit's coverage under the policy replaces insurance coverage of another carrier, AUL may, upon request of the Participating Unit, recognize Beneficiary designations in effect under the prior coverage as effective until a new designation is made with AUL, provided that prior designations are in a form acceptable to AUL.

CHANGING A BENEFICIARY

The Person may change a Beneficiary at any time by written request. The request must be signed, dated, and filed through the Participating Unit.

AUL will make the change effective as of the date the form was signed, even if the Person is not alive when AUL receives it. However, AUL is not liable if benefits are paid to the previous Beneficiary before AUL receives the form. If the Person applies for an individual policy under Section 10, Conversion Privilege of the policy and names a new Beneficiary, AUL will treat the application as a Beneficiary change when determining payment.

AUL reserves the right to require that any Beneficiary designation be acceptable to it.

SECTION 17 - THE DEATH CLAIM

If the Person dies while insured under the policy, proof of death should be furnished as soon as possible. The claim must be submitted within three (3) years of the date of death. However, if a claim is filed under Section 8, Waiver of Premium, proof must be furnished within 12 months of death. The claim may still be considered if it can be shown that timely submission of the claim was not possible.

Proof of death must include:

- 1) a certified death certificate; and
- 2) a completed claim form.

AUL, at its option, may also require:

- 1) return of the Person's insurance certificate;
- 2) submission of pertinent medical records, including an autopsy report;
- 3) police reports; or
- 4) any other documents AUL may deem reasonably necessary.

If the cause of death cannot be clearly established by other means, AUL reserves the right to have an autopsy performed on a deceased Person, if permitted by the laws of the state. The autopsy will be performed:

- 1) at AUL's expense; and
- 2) by a physician of AUL's choice.

If the Participating Unit's coverage under the policy is no longer in force, proof furnished more than two (2) years from the date of loss must also include:

- 1) proof of employment at death; and
- 2) proof of coverage under the policy at death.

SECTION 18 - DETERMINATION OF DEATH BENEFIT PAYEE

Once acceptable proof of death is received, AUL will determine the Beneficiaries or payees in the following order:

- 1) First Beneficiaries who outlive the Person. If more than one Beneficiary is listed within the same class of Beneficiaries and no distributive share is indicated, then all Beneficiaries will share equally with all Beneficiaries within the same class.
- 2) Second Beneficiaries who outlive the Person. If more than one Beneficiary is listed within the same class of Beneficiaries and no distributive share is indicated, then all Beneficiaries will share equally with all Beneficiaries within the same class.
- 3) If no named Beneficiaries outlive the Person or none were named, then, at AUL's option, a surviving relative if the Person's estate is not substantial and there are no statutory requirements to the contrary. Relatives will be considered in descending order of preference as follows:
 - a) spouse;
 - b) child(ren);
 - c) parent(s); or
 - d) brother(s) and sister(s); or
- 4) the Person's estate.

AUL may pay the proceeds in an amount up to \$2,500 to any individual appearing to AUL to be equitably entitled to payment by reason of having incurred funeral or other expenses incident to the last illness or death of the Person.

In the event that the Person and his Dependents should die simultaneously or if there is no clear evidence as to which parties died first, it shall be presumed that the Dependents shall have predeceased the Person.

If any Beneficiary dies within 15 days after the date the Person died, the amount that would have been paid to the Beneficiary will be treated as though that Beneficiary had died before the Person. This does not apply to any payment that is made to such Beneficiary during the 15 days following the Person's death. Any payment made in good faith shall fully discharge AUL to the extent of such payment.

SECTION 19 - SELECTION OF PAYMENT METHOD

The proceeds will be paid in a lump sum unless another payment method is selected or changed by giving written notice to AUL prior to the Person's death. If no payment method is in effect at death, the payee may select a payment method. For information concerning payment method options, the Person or payee should contact AUL.

The amounts payable under a method, including any excess interest, will be as declared by AUL. The minimum interest rate used in computing payments under all methods will be 3% per year. Other than lump sum payment, AUL reserves the right to specify the minimum periodic payment when a method is to become effective.

SECTION 20 - DEPENDENT INSURANCE
SECTION 20A - DEPENDENT DEFINITIONS

DEFINITIONS

CHILD means:

- 1) any child born of the Person;
- 2) any legally adopted child of the Person from the time of placement in the Person's home with the intent to adopt;
- 3) any stepchild who lives with the Person;
- 4) any child for whom the Person has legal guardianship; or
- 5) any child for whom coverage must be provided in accordance with state law or court order.

DEPENDENT means:

- 1) a Person's legal spouse under age 99;
- 2) a Person's unmarried Child from live birth and under the age of 19 years, if the Child:
 - a) is not eligible under the Participating Unit's coverage under the policy for Personal Insurance;
 - b) is not in the armed forces of any country; and
 - c) is dependent upon the Person for principal support or is claimed as a dependent on the Person's federal income tax return;
- 3) a Person's unmarried Child, if the Child:
 - a) is registered in and attending an educational institution on a fulltime basis as defined in the regulations of the institution; and
 - b) is dependent upon the Person for principal support or is claimed as a dependent on the Person's federal income tax return.

School vacation periods are considered a part of school attendance on a fulltime basis;

- 1) a Person's unmarried Child who is incapable of self-sustaining employment as a result of mental retardation or physical handicap. The Child must have been incapacitated prior to the age at which insurance would otherwise have terminated due to age. If the Child is at least 19 on the Person's effective date, coverage is subject to AUL's receiving written proof of the incapacity on that date. If the Child is not at least age 19, extension of coverage is subject to AUL's receiving written proof of the incapacity not later than 120 days after the Child attains age 19. Proof of continued incapacity shall be required not more than once each year thereafter.

DEPENDENT INSURANCE means the insurance provided under the policy covering a Dependent of a Person.

GUARANTEED ISSUE AMOUNT FOR DEPENDENT INSURANCE means the amount of coverage that does not require Evidence of Insurability. This amount is elected on the Schedule of Benefits and approved by AUL.

SECTION 20B - DEPENDENT ELIGIBILITY

ELIGIBILITY

An individual who is a Dependent of an Employee on or before the effective date of the Participating Unit's coverage under the policy becomes eligible for Dependent Insurance on the later of the following dates:

- 1) the effective date of the Participating Unit's coverage under the policy;
- 2) the date the Employee becomes eligible for Personal Insurance; or
- 3) the effective date that Dependent coverage under Section 20, Dependent Insurance is added to the Participating Unit's coverage.

An individual who becomes a Dependent of an Employee or Person after the effective date of the Participating Unit's coverage under the policy becomes eligible for Dependent Insurance on the later of the following dates:

- 1) the date the Employee becomes eligible for Personal Insurance;
- 2) the date the individual becomes a Dependent of the Employee/Person; or
- 3) the effective date that Dependent coverage under Section 20, Dependent Insurance is added to the Participating Unit's coverage.

The Employee or Person, as a condition of insuring his Dependent(s) must make written request to the Participating Unit on a form approved by AUL and must agree to contribute the required premium amount.

SECTION 20C - DEPENDENT INDIVIDUAL EFFECTIVE DATE

During the Employee's Initial Enrollment Period

If the Employee requests Dependent Insurance during the Initial Enrollment Period, the Dependent's Individual Effective Date of Insurance will be:

- 1) for requested amounts within the Guaranteed Issue Amount, the Employee's Individual Effective Date of Insurance; and
- 2) for requested amounts in excess of the Guaranteed Issue Amount, the date named by AUL.

Satisfactory Evidence of Insurability will be required on all amounts in excess of the Guaranteed Issue Amount.

After the Employee's Initial Enrollment Period

If the Employee requests Dependent Insurance after the Employee's Initial Enrollment Period but within 31 days of acquiring his dependents, the Dependents Individual Effective Date of Insurance will be:

- 1) for requested amounts within the Guaranteed Issue Amount, the Employee's Individual Effective Date of Insurance; and
- 2) for requested amounts in excess of the Guaranteed Issue Amount, the date named by AUL.

Satisfactory Evidence of Insurability will be required on all amounts in excess of the Guaranteed Issue Amount.

After the Employee's Initial Enrollment Period and after 31 days of acquiring his dependents

If the Employee requests Dependent Insurance, after the Employee's Initial Enrollment Period and after 31 days of acquiring his Dependents, the Guaranteed Issue Amount will not apply and satisfactory Evidence of Insurability will be required on all Dependents. The Dependent's Individual Effective Date of Insurance will be the date named by AUL.

After the Person's Individual Effective Date of Insurance

If the Person requests Dependent Insurance after the Person's Individual Effective Date of Insurance but within 31 days of acquiring his Dependents, the Dependent's Individual Effective Date of Insurance will be:

- 1) for requested amounts within the Guaranteed Issue Amount, the first of the Coverage Month following the application;
- 2) for requested amounts in excess of the Guaranteed Issue Amount, the date named by AUL.

Satisfactory Evidence of Insurability will be required on all amounts in excess of the Guaranteed Issue Amounts.

After the Person's Individual Effective Date of Insurance and after 31 days of acquiring his Dependents

If the Person requests Dependent Insurance after the Person's Individual Effective Date of Insurance and after 31 days of acquiring his dependents, the Guaranteed Issue Amount will not apply and satisfactory Evidence of Insurability will be required on all Dependents. The Dependent's Individual Effective Date of Insurance will be the date named by AUL.

SECTION 20C - DEPENDENT INDIVIDUAL EFFECTIVE DATE

Continued

ADDITIONAL PROVISIONS

Any Dependent who converted insurance coverage under the policy to an individual policy which remains in force is required, as a condition of becoming insured again under the policy, to submit satisfactory Evidence of Insurability. The Individual Effective Date of Insurance shall be a date named by AUL.

If a Person has at least one Dependent Child insured under the Participating Unit's coverage under the policy, insurance amounts for any newly acquired Dependent Child will become effective on the date the Dependent Child is acquired. No Evidence of Insurability will be required.

If a Person has only Dependent Child(ren) insured under the Participating Unit's coverage under the policy, insurance amounts for a newly acquired Dependent spouse requested within 31 days of acquiring the Dependent spouse will become effective:

- 1) for amounts within the Guaranteed Issue Amount, the date the Dependent spouse is acquired;
- 2) for amounts in excess of the Guaranteed Issue Amount, the date named by AUL.

Satisfactory Evidence of Insurability will be required on amounts in excess of the Guaranteed Issue Amount.

If a Person has only Dependent Child(ren) insured under the Participating Unit's coverage under the policy, insurance amounts for a newly acquired Dependent spouse requested after 31 days of acquiring the Dependent spouse will require Evidence of Insurability. The spouse's Individual Effective Date of Insurance will be the date named by AUL.

If a Dependent is confined in a hospital, convalescent care facility, or nursing home on the date Dependent Insurance would otherwise become effective for that Dependent, the Individual Effective Date of Insurance for that Dependent is the date following the Dependent's final discharge from the hospital, convalescent care facility, or nursing home and the resumption of the usual and customary duties or activities of an individual in good health and of the same age and sex. For the purposes of the policy, a Dependent will not cease to be confined if one confinement is followed by another confinement, within 72 hours, for the same or a related injury or sickness. AUL may request satisfactory evidence of good health.

Also see Section 5, Continuity of Coverage.

SECTION 20D - DEPENDENT CHANGES IN INSURANCE COVERAGE

Continued

This page applies if the Spouse Life Amount is a specific dollar amount. Refer to the Schedule of Benefits for Dependent Insurance for the plan selected by the insured to determine if this page applies.

OTHER INCREASES REQUESTS

During Scheduled Enrollment Periods, the Person may request an increase to the next higher Dependent plan. Satisfactory Evidence of Insurability will be required on all Dependents in order to obtain the increase.

EFFECTIVE DATE OF CHANGE

The amount of insurance for which a Dependent is eligible is shown in the Schedule of Benefits.

A change in insurance that results in an increase in benefits is subject to satisfactory Evidence of Insurability. Upon AUL's approval, the increase takes effect on the date named by AUL.

If a Dependent is confined in a hospital, convalescent care facility, or nursing home on the approved change date, any increase in the amount of insurance for that Dependent takes effect on:

- 1) the date of the Dependent's final discharge from the hospital, convalescent care facility or nursing home and the resumption of the usual and customary duties or activities of an individual in good health and of the same age and sex, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Dependent's final discharge from the hospital, convalescent care facility or nursing home and the resumption of the usual and customary duties or activities of an individual in good health and of the same age and sex, if the date is after the first day of the Coverage Month.

AUL may request satisfactory evidence of good health.

For the purposes of this policy, a Dependent will not cease to be confined if one confinement is followed by another confinement, within 72 hours, for the same or a related injury or sickness.

SECTION 20E - DEPENDENT WAIVER OF PREMIUM

The following definition applies ONLY to this section.

DEFINITION

ELIMINATION PERIOD means a period of consecutive days beginning on a Person's Date of Disability and ending on the date that the period specified in the Waiver of Premium benefit expires. This period may include up to three (3) days of Active Work.

BENEFIT

No Dependent premium payment is due during the Elimination Period. If AUL does not approve the Waiver of Premium benefit request, Continuation of Insurance or Conversion Privilege will be offered to the Person's Dependents within 31 days of the disapproval date.

If the Person has been approved for Waiver of Premium benefit under the policy and remains Totally Disabled, AUL will continue to waive further premium payments for a Person's Dependent Life Insurance, and AD&D if applicable, until the first of the following occurs:

- 1) the Person's coverage under Waiver of Premium benefit terminates for any reason;
- 2) the Dependent Child attains the limiting age; or
- 3) in the case of a Dependent legal spouse, divorce.

SECTION 20F - DEPENDENT INDIVIDUAL TERMINATIONS

A Dependent's insurance terminates on the earliest of the following dates:

- 1) the date the Participating Unit's coverage under the policy or this section is terminated;
- 2) the date the Person requests termination, but not prior to the date of the request;
- 3) the last date for which any required premium has been paid;
- 4) the date the Dependent ceases to be eligible;
- 5) the date the Person's Personal Insurance terminates;
- 6) the date the Waiver of Premium benefit request for the Person is approved, unless the Dependent Waiver of Premium benefit is elected; or
- 7) the date the Waiver of Premium benefit is denied.

SECTION 20G - DEPENDENT CONVERSION PRIVILEGE

If a Dependent's Life Insurance or Continuation Insurance terminates due to:

- 1) termination of the Person's employment;
- 2) termination of membership in a class eligible for insurance;
- 3) the Person's death or disability;
- 4) the Dependent Child attaining the limiting age;
- 5) divorce;
- 6) the Person's coverage, and Dependent's coverage if applicable, under the Waiver of Premium benefit ceasing; or
- 7) the disapproval of the Person's Waiver of Premium benefit request,

the Dependent is entitled to apply for and receive an individual conversion policy without submission of Evidence of Insurability. The amount of such individual conversion policy shall be equal to or less than the amount of Dependent Life Insurance or Continuation Insurance which has ceased.

If a Dependent's Life Insurance or Continuation Insurance ceases due to:

- 1) termination of the policy;
- 2) termination of the class of insurance under which the Person or Dependent is covered; or
- 3) termination of the Participating Unit's coverage under the policy,

the Dependent is entitled to apply and receive an individual conversion policy without submission of Evidence of Insurability if his Dependent Insurance has been in force with AUL for five (5) continuous years. The amount of the individual conversion policy shall not exceed the smaller of:

- 1) the amount in force minus any new group coverage for which the Dependent is or becomes eligible within 31 days,
or
- 2) \$10,000.

The conversion policy is subject to the following:

- 1) Written application must be made and the first premium paid within 31 days after the later of the date of:
 - a) termination of insurance;
 - b) conversion notification by the Participating Unit. If the Person or Dependent is not notified in writing by the Participating Unit of his conversion rights within 15 days after the date of termination of insurance, an additional application period will begin. This additional conversion application period will end on the earlier of:
 - i) 15 days after notice is received, or
 - ii) 60 days from the end of the original 31 day conversion period; or
 - c) notification from AUL of disapproval of a Person's Waiver of Premium benefit request.
- 2) Any plan of insurance other than term insurance currently offered by AUL may be elected. The Dependent's Life Insurance, if any, is available for conversion. The Dependent's Accidental Death and Dismemberment Insurance and Waiver of Premium benefit, if any, are not available for conversion.
- 3) The premium will be based on the Dependent's age on the effective date of the conversion policy, the class of risk to which he belongs, and the premium rate in effect on the date of conversion.
- 4) The conversion policy takes effect at the end of the application period and is in lieu of all benefits under the Participating Unit's coverage under the policy, unless the Dependent remains insured under the policy as a member of a different class.

SECTION 20G - DEPENDENT CONVERSION PRIVILEGE

Continued

If death occurs during the application period, AUL will pay the maximum amount available for conversion whether or not the application has been made or the premium paid. After the application period, no application will be accepted unless the Person or Dependent proves that it was not possible for him to apply in a timely fashion.

Premium must be paid for the number of days of coverage provided during the application period.

IN NO EVENT WILL A DEATH BENEFIT BE PAYABLE UNDER BOTH THE CONVERSION SECTION AND WAIVER OF PREMIUM SECTION OF THE POLICY.

SECTION 20I - DEPENDENT ACCELERATED LIFE BENEFIT

The following definition applies only to this section:

DEFINITION

TERMINAL CONDITION means an injury or sickness that, despite appropriate medical care, is reasonably expected to result in the Dependent spouse's death within 12 months from the date of payment of the Accelerated Life Benefit, as determined by AUL. AUL may require that the Dependent spouse be examined at AUL's expense by AUL's choice of physician.

BENEFIT

If a Dependent Spouse is diagnosed with a Terminal Condition while covered under this provision, the Person may request payment of the Accelerated Life Benefit. The available amount of Accelerated Life Benefit is shown in the Person's Schedule of Benefits.

CONDITIONS

To be eligible to request payment of the Accelerated Life Benefit:

- 1) the Person must have Dependent Insurance that includes this Accelerated Life Benefit provision;
- 2) the Dependent spouse must be diagnosed with a Terminal Condition while covered under this provision;
- 3) AUL will require, in a community property state, the Dependent spouse's written consent before the Accelerated Life Benefit is paid; and
- 4) the Person can receive an Accelerated Life Benefit for Dependent spouse only once.

PROOF REQUIRED FOR THE ACCELERATED BENEFIT

Proof is a completed claim form and any other information AUL requires in order to determine liability. AUL may require that the Dependent spouse be examined at AUL's expense by AUL's choice of physician.

SECTION 20I - DEPENDENT ACCELERATED LIFE BENEFIT

Continued

EFFECT OF PAYMENT OF ACCELERATED LIFE BENEFIT

After payment of an Accelerated Life Benefit for Dependent spouse, the Dependent spouse's Life Insurance amount payable at death to the Person equals:

- 1) the amount of the Dependent spouse's Life Insurance as if an Accelerated Life Benefit payment had not been made, minus
- 2) the Accelerated Life Benefit payment, minus
- 3) the interest charge.

The interest charge equals the Accelerated Life Benefit amount times the number of days from the date of payment to the Dependent spouse's date of death, divided by 365, times the interest rate. The interest rate will be based on the current 90 day treasury bill rate at the time of payment of the Accelerated Life Benefit.

Dependent Insurance premiums continue to be due and payable on the original Dependent Insurance amount, unless premiums have ceased due to the Dependent spouse's coverage under the Dependent Life Insurance Waiver of Premium provision, if any, of the policy.

The Dependent spouse's Accidental Death and Dismemberment Insurance, if any, will not reduce due to payment of the Accelerated Life Benefit for Dependent spouse.

The following information is used for illustrative purposes only:

Example: Dependent spouse Life insurance coverage in force = \$50,000*
 Date of receipt of proof of terminal condition = 10/31/94
 Date of payment of Accelerated Life Benefit = 11/1/94
 Date of death = 2/15/95
 Interest rate** = 3.5%

1. Amount of Accelerated Life Benefit = $.50 \times \$50,000 = \$25,000$
2. Interest Charge = $\$25,000 \times (106 \text{ days} / 365 \text{ days}) \times .035 = \254.11
3. Death Benefit Payable = $\$50,000 - \$25,000 - \$254.11 = \$24,745.89$

*The Dependent spouse's Life Insurance amount is shown on the Title Page or the Schedule of Benefits in the Person's insurance certificate.

**The interest rate is equal to the 90 day treasury bill rate on the date of the Accelerated Life Benefit payment.

LIMITATIONS

An Accelerated Life Benefit will not be paid if:

- 1) the Dependent spouse's Life Insurance coverage terminates;
- 2) the Participating Unit's coverage under the policy terminates, unless Continuation of Insurance is elected by the Person;
- 3) the Continuation Unit terminates; or
- 4) the policy or provision terminates.

NOTE: The payment of the Accelerated Life Benefit may be taxable. Please seek assistance from a personal tax advisor.

SECTION 20J - DEPENDENT SUICIDE LIMITATION

SUICIDE LIMITATION: If the Dependent commits suicide, while sane or insane:

- 1) within two (2) years from the Dependent's effective date of Dependent Life Insurance, the benefits payable will be limited to the premiums paid for the Dependent Life coverage; or
- 2) two (2) or more years after the effective date of the Dependent's Life Insurance, but within two (2) years of the effective date of an increase in the amount of the Dependent's Life coverage previously obtained, the benefits payable will be limited to the Dependent's Life coverage obtained prior to the effective date of the increase in the Dependent's Life Insurance, if any, plus the premiums paid for the increased Dependent Life coverage.

SECTION 20K - DEPENDENT PAYMENT OF DEATH BENEFITS

PAYMENT OF DEATH BENEFITS

Upon the death of an insured Dependent, benefits will be paid in the same manner as in Section 15, Payment of Death Benefits. Benefits will be paid in a lump sum:

- 1) to the Person; or
- 2) to the Person's Beneficiary, if the Person is not living; or
- 3) as provided in Section 18, Determination of Beneficiary.

SECTION 20L - DEPENDENT TERMINATION

TERMINATION OF THIS SECTION

The Participating Unit may terminate this section at the end of any Coverage Month by giving AUL 31 days prior written notice.

AUL may terminate the insurance provided under this section at the end of any Coverage Month by giving at least 31 days prior notice to the Participating Unit.

AUL WILL STILL BE LIABLE FOR PAYMENT OF VALID CLAIMS INCURRED BEFORE THE TERMINATION DATE.

SECTION 21 - GENERAL POLICY PROVISIONS

ENTIRE CONTRACT: The policy, the enrollment forms of the individuals, the application of the Group Policyholder, the Subscription Agreement of the Participating Unit, and any amendments made from time to time constitute the entire contract.

AMENDMENT and CHANGES: A Participating Unit's coverage under the policy may be amended by mutual agreement between the Participating Unit and AUL but without prejudice to any valid claim incurred prior to the effective date of the amendment. No change in the Participating Unit's coverage under the policy is valid until approved by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to change the Participating Unit's coverage under the policy or waive any of its provisions.

APPLICATION: A copy of the application of the Group Policyholder will be attached to the policy when issued. All statements made by the Group Policyholder or by Persons or Dependents are deemed representations and not warranties. No statement made by a Person or a Dependent may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or Dependent or, in the event of death or incapacity of the Person or Dependent, to the Person's or Dependent's Beneficiary or personal representative.

SUBSCRIPTION AGREEMENT: A copy of the Subscription Agreement of the Participating Unit will be given to the Participating Unit when coverage is issued. All statements made by the Participating Unit or by Persons or Dependents are deemed representations and not warranties. No statement made by a Person or a Dependent may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or Dependent or, in the event of death or incapacity of the Person or Dependent, to the Person's or Dependent's Beneficiary or personal representative.

INCONTESTABILITY: The validity of the policy shall not be contested after two years from the issue date. The validity of the Participating Unit's coverage under the policy shall not be contested after two years from the effective date of the Participating Unit's coverage under the policy except for non-payment of premiums. No statement made by a Person or Dependent on his signed enrollment form will be used to contest a claim or the validity of insurance after his coverage has been in force for two years prior to his death.

GRACE PERIOD: If the Participating Unit or AUL does not give notice in writing that coverage under the policy is to be terminated, a grace period of 31 days will be granted for the payment of any premium falling due after the first premium. During the grace period, the Participating Unit's coverage continues in force but automatically terminates on the last day of the grace period. However, AUL is not obligated to pay claims incurred during the grace period until the premium due is received. The Participating Unit is liable to AUL for payment of premium for the days the coverage remains in force during the grace period.

LEGAL ACTION: No legal action may be brought to obtain benefits under the policy:

- 1) for at least 60 days after proof of loss has been furnished; or
- 2) after three years from the time written proof of loss is required to have been furnished to AUL

CONFORMITY WITH STATE LAWS: Any provision of the policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Participating Unit must furnish information that AUL reasonably requires. The Participating Unit's documents which may have a bearing on the insurance shall be open for inspection by AUL at all reasonable times.

SECTION 21 - GENERAL POLICY PROVISIONS

Continued

DIVIDENDS: The policy may receive a dividend as determined each year by AUL. If payable, this will be paid to the Participating Unit in cash or, upon request, used to reduce the next premium due. If Persons contribute toward the payment of premiums and if the dividend exceeds the Participating Unit's share of the aggregate cost of the insurance, any excess shall be used by the Participating Unit for the benefit of those Persons. Payment of any dividend directly to the Participating Unit discharges AUL from all liability for the payment of dividends.

GENDER PRONOUNS: Whenever the male pronoun is used, it shall also mean the female.

CERTIFICATES: AUL will issue certificates to the Participating Unit for delivery to the insured Person. The certificate will summarize the Participating Unit's coverage under the policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

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

ASSIGNMENT: A Person may make an absolute assignment of all benefits and rights of his Life Insurance. A Person's certificate of Life Insurance is assignable to the extent permitted by law except that no collateral assignment is permitted. No assignment is binding unless filed with AUL in a form acceptable to it. AUL assumes no responsibility for the validity or effect of any assignment.

CLAIMS OF CREDITORS: The benefits paid under the policy will be exempt from the claims of creditors to the maximum extent permitted by law.

CLERICAL ERROR: Clerical error on the part of the Participating Unit or AUL will not invalidate insurance otherwise in force or continue insurance otherwise terminated. Upon discovery of an error, an equitable adjustment will be made in the premiums and/or benefits, if appropriate.

MISSTATEMENT OF AGE: If the age of a Person or Dependent has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts. Any adjustment of benefits due to the correction of age will also be made.

VALUATION: The reserve held on the policy will be computed on the 1960 Commissioner's Standard Group Table of Mortality with interest at the rate of 2 1/2% per year.

SECTION 22 - PREMIUM PAYMENT

Each premium is remitted in United States dollars by the Participating Unit or Continuation Unit to AUL on or before its due date. Upon the request of the Participating Unit and the consent of AUL, the interval of payment may be changed. Payment of any premium does not maintain the insurance in force beyond the end of the period for which the premium has been paid except as provided under the Grace Period provision. Premium shall be paid by the Person or by the Continuation Unit. The Person's premiums may be paid by payroll deduction administered by the Participating Unit. Payment of premium for Dependent Insurance is required from the Person.

AUL reserves the right to change premium rates, once a year, on:

- 1) any date after the Participating Unit's coverage has been in effect for 3 years, or the number of years stated in the Subscription Agreement, by giving written notice to the Participating Unit at least 31 days before the date the change is to become effective;
- 2) any date the benefit or eligibility provisions of the Participating Unit are changed;
- 3) any date the number of Persons insured through the Participating Unit changes by 25% or more; or
- 4) any date an Insured Unit is added to the policy.

Increases in premium due to age bracket changes will be effective on the Participating Unit's Anniversary Date following the date of change.

SECTION 23 - INSURED UNITS

PROVISIONS APPLICABLE TO ELIGIBLE UNITS

The Participating Unit is liable for all premiums due for an Insured Unit during any period of time it is an Insured Unit under the policy.

EFFECTIVE DATE

Insurance for an Eligible Unit becomes effective on:

- 1) the effective date of the Participating Unit's coverage under the policy if the Eligible Unit is listed in the Subscription Agreement; or
- 2) the effective date of an amendment which adds the Eligible Unit to the Participating Unit's coverage under the policy.

TERMINATION

Insurance for an Insured Unit ceases on the earliest of the following dates:

- 1) the date the Insured Unit no longer meets the definition of an Eligible Unit;
- 2) the date the Insured Unit ceases active business operations or is placed in bankruptcy or receivership;
- 3) the date the Insured Unit loses its entity by means of dissolution, merger, or otherwise;
- 4) the date the Insured Unit is eliminated as an Insured Unit by an amendment to or change in the policy; or
- 5) the date ending the Coverage Month for which any required premium payment is made for the Insured Unit's insurance.

Any rights of a Person whose insurance is terminated due to the termination of an Insured Unit are determined the same as if the Participating Unit's coverage under the policy had terminated on that date.

Any references to Participating Unit or Employer used in the policy shall include Insured Units.

SECTION 24 - TERMINATION OF THE POLICY

AUL may terminate the policy at the end of any Policy Month by giving at least 31 days prior notice to the Participating Unit. Termination of the policy, or termination of coverage for a Participating Unit or Continuation Unit, under any conditions will be without prejudice to any claim incurred prior to termination. AUL will still be liable for payment of valid claims incurred before the termination date.

SECTION 25 - TERMINATION OF A PARTICIPATING UNIT

Insurance for a Participating Unit ceases on the earliest of:

- 1) the date the Participating Unit no longer meets the definition of the Participating Unit;
- 2) the date the Participating Unit ceases active business operations or is placed in bankruptcy or receivership;
- 3) the date the Participating Unit loses its entity by means of dissolution, merger, or otherwise;
- 4) the date the Participating Unit is eliminated as a Participating Unit by an amendment to or change in the policy;
- 5) the date ending the Coverage Month for which the last premium payment is made for the Participating Unit's insurance;
- 6) the last day of a Coverage Month, provided that AUL has given at least 31 days prior written notice to the Participating Unit;
- 7) the last day of a Coverage Month, if the Participating Unit has given AUL at least 31 days prior written notice;
- 8) the date, as determined by AUL, that the Participating Unit fails to promptly furnish any information which AUL may reasonably require; or
- 9) the date, as determined by AUL, that the Participating Unit, without good and sufficient cause, fails to perform in good faith its duties pertaining to the policy.

If a Person's insurance is terminated due to the termination of a Participating Unit, the Person's rights under the policy are determined as if the policy had terminated on the date that the Participating Unit's coverage terminated.

If coverage for a Participating Unit terminates, the Participating Unit will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.

Coverage for a Participating Unit can only be reinstated upon approval by AUL.

SECTION 26 - TERMINATION OF A CONTINUATION UNIT

Insurance for a Continuation Unit terminates on the earliest of:

- 1) the last day of the Coverage Month for which the last premium has been paid;
- 2) the last day of the Coverage Month in which the Continuation Unit requests termination, but not prior to the request;
- 3) the last day of the Coverage Month during which the Continuation Unit attains age 70;
- 4) the date the Continuation Unit becomes insured for AUL Group Voluntary Term Life Insurance through an Employer; or
- 5) the last day of a Coverage Month, provided that AUL has given at least 31 days prior written notice to the Continuation Unit.

Coverage for a Continuation Unit can only be reinstated upon approval by AUL.

Upon termination of the Continuation Unit, the Person may elect coverage under a life insurance conversion policy.

NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS UNDER THE LIFE AND HEALTH GUARANTY CORPORATION SUBTITLE

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 Maryland Life and Health Insurance Guaranty Corporation. The purpose of this 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 corporation will assess its other member insurance companies for the money to pay the claims of 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 corporation is not unlimited, however. And as noted below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

The Maryland Life and Health Insurance Guaranty Corporation 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 Maryland. You should not rely on coverage by the Maryland Life and Health Insurance Guaranty Corporation 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 insurance producers are required by law to give or send you this notice. However, insurance companies and their insurance producers are prohibited by law from using the existence of the guaranty corporation to induce you to purchase any kind of insurance policy.

The Maryland Life and Health Insurance Guaranty Corporation
9199 Reisterstown Rd.
P.O. Box 671 - Suite 216C
Owings Mills, Maryland 21117
(410) 998-3907

The state law that provides for this safety-net coverage is called the Maryland Life and Health Insurance Guaranty Corporation.

The Corporation is not a department or unit of the State of Maryland and the liabilities or debts of the Life and Health Insurance Guaranty Corporation are not liabilities or debts of the State of Maryland.

Following 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 corporation.

COVERAGE

Generally, individuals will be protected by the Life and Health Insurance Guaranty Corporation 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 corporation if:

- 1) 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 corporation protects insureds who live outside of that state);
- 2) the insurer was not authorized to do business in this State;
- 3) their policy was issued by a Health Maintenance Organization, a fraternal benefit society, a mandatory State pooling plan, a mutual assessment company or a similar plan in which the policyholder is subject to future assessments, or by an insurance exchange.

The corporation also does not provide coverage for:

- 1) 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;
- 2) any policy of reinsurance, unless assumption certificates have been issued;
- 3) interest rate yields that exceed an average rate;
- 4) any portion of a policy or contract to the extent that it provides dividends;
- 5) credits given in connection with the administration of a policy by a group contractholder;
- 6) employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- 7) unallocated annuity contracts (which give rights to group contractholders, not individuals).

LIMITS ON AMOUNT OF COVERAGE

The statute also limits the amount the corporation is obligated to pay. The corporation cannot pay more than the amount the insurance company would owe under a policy or contract. Also, with respect to any one life, regardless of the number of policies or contracts with the member insurer, the corporation will pay a maximum of:

- 1) \$300,000 in life insurance death benefits, but not more than \$100,000 in net cash surrender and net cash withdrawal values for life insurance;
- 2) \$300,000 in health insurance benefits, including net cash surrender and net cash withdrawal values; and
- 3) \$250,000 in the present value of annuity benefits, including any net cash surrender and net cash withdrawal values.

These amounts are the maximum, no matter how many policies and contracts the insured has with the member company.