



**LIFETIME BENEFIT TERM INSURANCE GROUP POLICY
("The Policy")**

Combined Insurance Company of America (herein called "We", "Our" or "Us") agrees to pay the benefits in accordance with all the terms and conditions of The Policy. The Policy is issued in consideration of the Group Policyholder Application and the payment of premiums when due.

The Policy is effective as of the date shown below. It will remain in effect for 12 consecutive months. After the first 12 months, The Policy will automatically renew from year to year, subject to the Termination Of The Policy provision.

Policyholder: Employer Name
Policy Number: XYZ-LBT
Policy Effective Date: October 1, 2021
State of Issue: California
Eligible Classes: Eligible Employees; Eligible Spouses; Eligible Dependents

The Policy is issued in the State of Issue shown above and will be governed by its laws.

The Policy provides:

- An Initial Guaranteed Death Benefit until the later of 25 years after the Coverage Date or age 70, but not beyond age 100. After this initial period, a Reduced Guaranteed Death Benefit of 50% of the Initial Guaranteed Death Benefit is provided until age 121.
- Guaranteed Paid-Up Term Benefits upon termination of premium payments after premiums have been paid for 10 full Coverage Years.
- Non-guaranteed Paid-Up Term Benefits that increase the Guaranteed Paid-Up Term Benefit upon termination of premium payments after premiums have been paid for 10 full Coverage years
- After the Initial Guaranteed Death Benefit Period, non-guaranteed One Year Term Insurance which may increase the Reduced Guaranteed Death Benefit up to the Initial Guaranteed Death Benefit.
- Level Guaranteed Premiums payable to Age 100.
- The Policy is non-participating and provides no cash surrender values or loan values.

The Policy replaces any prior one given to The Policyholder by Us for Lifetime Benefit Term Insurance.

READ THE POLICY CAREFULLY

RIGHT TO EXAMINE POLICY: WE WANT THE POLICYHOLDER TO BE SATISFIED WITH THE COVERAGE UNDER THE POLICY. POLICYHOLDER MAY, WITHIN 30 DAYS AFTER THE POLICY IS DELIVERED, RETURN THE POLICY TO OUR ADMINISTRATIVE OFFICE, BY REGULAR MAIL OR OTHER DELIVERY METHODS AND WILL RECEIVE A FULL REFUND OF ANY PREMIUMS THAT HAVE BEEN PAID. ONCE RETURNED, THE POLICY WILL BE VOID FROM ITS BEGINNING AND ALL PARTIES SHALL BE IN THE SAME POSITION AS IF A POLICY WAS NOT ISSUED,

COMBINED INSURANCE COMPANY OF AMERICA

Richard L. Williams, Jr., President

Juliet Schweidel, Secretary

Home Office

Combined Insurance Company of America
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1-800-544-9382

Administrative Office

Combined Insurance Company of America
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THE POLICY SCHEDULE

Eligibility to Participate in Coverage

In order for the Eligible Employee or his/her Eligible Dependents to participate in the Coverage, the Eligible Employee must meet the following requirements:

- ⇒ Must reside in the U.S.
- ⇒ Must be an Active Employee.

▲ Restrictions on Spouse / Domestic Partner & Dependent Child coverage: CA state law limits the amount of coverage an employee can purchase on a Spouse / Domestic Partner or Dependent Child.

- Employee must participate in order to apply for Spouse / Domestic Partner or Dependent Child coverage.
- Spouse / Domestic Partner or Dependent Child coverage amount can not exceed the amount the employee purchases.
 - Example: if employee purchases \$10,000, the Spouse / Domestic Partner or Dependent Child is limited to \$10,000.
- Spouse / Domestic Partner or Dependent Child dependent coverage can not exceed published maximum simplified issue limit indicated, regardless of state rules.

Eligibility Requirements continued next page.

SAMPLE

Chubb LifeTime Benefit Term

Permanent Life Insurance

Plan 1

Issue Limits & Underwriting

LBT Rate Table: Risk Class 4

Employee Coverage		
Issue Type	Issue Age	Maximum Benefit Amount
Guaranteed Issue	19 through 70	\$100,000
Increases and Late Entrants Guaranteed Issue	19 through 70	Up to \$100,000, at the scheduled annual enrollment only

Spouse Coverage		
Issue Type	Issue Age	Maximum Benefit Amount
Modified Guaranteed Issue	19 through 70	Maximum benefit: The lesser of the employee amount or \$30,000
Conditional Guaranteed Issue	19 through 70	Maximum benefit: The lesser of the employee amount or \$50,000
Increases and Late Entrants Modified Guaranteed Issue	19 through 70	Maximum benefit: The lesser of the employee amount or \$30,000, at the scheduled annual enrollment only
Increases and Late Entrants Conditional Guaranteed Issue	19 through 70	Maximum benefit: The lesser of the employee amount or \$50,000, at the scheduled annual enrollment only

Dependent Child Coverage		
Type of Coverage	Issue Age	Maximum Benefit Amount
Child Term Rider	15 days through 25 years	\$10,000
Late Entrants Child Term Rider	15 days through 25 years	\$10,000, at the scheduled annual enrollment only

Chubb LifeTime Benefit Term

Permanent Life Insurance

Plan 1

Employee Eligibility

- **Minimum Coverage Limit** – The greater of \$10,000 or the amount of coverage \$3.00/week will purchase
- **Issue Types:**
 - **Guaranteed Issue (GI) Eligibility:** Eligible employees may apply for coverage on a GI basis if actively at work as of their enrollment date and enrolling within 30 days of first becoming eligible. The offer of Guaranteed Issue is subject to participation requirements.
 - Required Participation for Guaranteed Issue(GI): 15% employee participation waived
 - Coverage is available in \$10,000 increments
 - An enrollment process equivalent to 70% of employees actively engaged in a response is required.
 - GI is for the initial open enrollment period of up to 30 days. GI for new hires in the first year following open enrollment is subject to the ongoing new hire enrollment guidelines.
 - Ongoing New Hire Enrollment
 1. Newly hired employees are eligible to enroll for LifeTime Benefit Term on a GI basis within 30 days of being actively at work.
 2. Eligible employees who choose not to enroll during their initial open enrollment will not be eligible to enroll until the next scheduled enrollment is approved by Chubb Workplace Benefits.
 3. Late enrollment is not allowed.
 - **Increases and Late Entrants:** Employees increase coverage and late entrants may enroll on a GI basis at the scheduled annual enrollment only. Late enrollment is not allowed.

Interim coverage is not available. The insurance being applied for will be effective as of the Date of Issue, provided the person to be insured is found acceptable for such insurance as applied for.

Enrollments that are delayed or postponed will need to be reviewed prior to enrollment.

Spouse Eligibility

- **Minimum Coverage Limit** – The greater of \$10,000 or the amount of coverage \$3.00/week will purchase
- **Issue Types:**
 - **Spouse Modified Guaranteed Issue (MGI) Eligibility:**
 - Eligible employees must participate in order to apply for Spouse coverage on an MGI basis when initially eligible
 - Maximum benefit: The lesser of the employee amount or \$30,000
 - Issue ages 19 - 70
 - Spouse MGI is available to newly eligible spouses and to spouses of newly hired employees, at the time of the employee's initial eligibility
 - Spouse MGI is subject to one qualifying question: Has any proposed Insured been treated in a medical facility, hospitalized, or disabled in the past 6 months, excluding flu or cold? Hospitalized means in-patient or outpatient, whether or not confined. Treated in a medical facility does NOT include a regular physician's office visit.
 - **Spouse Conditional Guaranteed Issue (CGI) Eligibility:**
 - Eligible employees, actively at work, may apply for spouse coverage on a CGI basis within 30 days of initial eligibility.
 - Eligible employees must participate in order to apply for Spouse coverage.
 - Maximum benefit: The lesser of the employee amount or up to \$50,000.
 - Issue ages 19 - 70
 - The spouse must answer four qualifying questions.
 - **Increases and Late Entrants:** Spouses increasing coverage and late entrants may enroll on an MGI or CGI basis, subject to the amount applied for, at the scheduled annual enrollment only.
- **Restrictions on Spouse Coverage** - State law limits the amount of coverage an employee can purchase on a spouse.
- **Spouse Restriction States:** premium less than \$3.00 per week will be allowed to meet coverage restrictions
 - A participating employee can purchase spouse coverage up to the amount the employee purchases, not to exceed the spouse coverage limits for the case.

Chubb LifeTime Benefit Term

Permanent Life Insurance

Plan 1

Dependent Child Eligibility

- **Dependent Child Coverage and Eligibility:**
 - Child coverage is available on a Guarantee Issue (GI) basis during the employee's initial eligibility period.
 - Child coverage is available on a GI basis for a newborn child, new stepchild, or newly adopted child after the employee's initial eligibility period.
 - After the employee's initial eligibility period, employees may apply for dependent child coverage on a GI basis at the scheduled annual enrollment.
 - Children may be covered with a \$10,000 Child Term Rider only.
 - The Child Term Rider covers all dependent children of the employee at the same rates regardless of the number of children.
 - All eligible dependent children must be insured.
- **Minimum Coverage Limit** - \$10,000 Child Term Rider
- **Restrictions on Dependent Child Coverage** - State law limit the amount of coverage an employee can purchase on a dependent child.
 - **Dependent Child States:**
 - A participating employee can purchase dependent child coverage up to the amount the employee purchases, not to exceed the dependent child coverage limits for the case.

SAMPLE

Chubb LifeTime Benefit Term

Proposed Benefits

Chubb Lifetime Benefit Term			
PLAN 1	Benefit Issue Age		
	Employee	Spouse	Child
Built-in Benefits			
LifeTime Benefit Term	19 - 70	19 - 70	Not Available
Accelerated Death Benefit Rider for Terminal Illness After coverage has been in force for two years, employees can receive 50% of their death benefit immediately, up to \$100,000, if they are diagnosed as terminally ill.	19 - 70	19 - 70	15 days – 25 years
Accelerated Death Benefit for Long Term Care When employees need LTC, death benefits can be paid early for home health care, assisted living, adult day care and nursing home care. Benefit is equal to the greater of 4% of your death benefit per month or \$50 per day while you are living for up to 25 months. Premiums are waived while this benefit is being paid.	19 - 70	19 - 70	Not Available
Extension of Benefits (EOB2) Once the full death benefit has been paid in advance for LTC, payments can be extended. Extension of Benefits may extend the same monthly LTC benefit for up to an additional 50 months, tripling the value.	19 - 70	19 - 70	Not Available
Employee Optional Benefits			
Child Term Rider Death Benefits available up to \$25,000. Guaranteed conversion to individual coverage at age 26 – up to 5 times the benefit amount.	Base Insured 19 - 70	Base Insured 19 - 70	15 days – 25 years

SAMPLE

THE POLICY SCHEDULE, continued:

Policy and Riders

The Policy provides for Group Lifetime Benefit Term Insurance and Riders:

1. Accelerated Death Benefit for Terminal Illness
2. Accelerated Death Benefit for Long Term Care Rider
3. Extension of Benefits
4. Dependent Child

The Policy provides Certificateholders with a choice of Riders:

1. Accelerated Death Benefit for Long Term Care Rider
2. Extension of Benefits
3. Dependent Child

Any or all of the Riders may be declined by The Certificateholder.

Minimum Participation Requirement: 10 Eligible Employees

SAMPLE



**Combined Insurance Company of America
("The Company")**

Group Policyholder Application

Home Office: 111 East Wacker Drive, Suite 700, Chicago, IL 60601
Administrative Office: 17 Church St., Keene, NH 03431

Name of Entity/Policyholder:	Policy Number:
Address (No., Street, City, State & ZIP Code):	Policy Effective Date:
Contact Name, Phone # and Fax #:	

The Entity/Policyholder requests to participate in the Lifetime Benefit Term Group Policy offered by The Company and authorizes The Company, its authorized agents or enrollers, to offer Eligible Classes the opportunity to purchase The Company's products. The Entity/Policyholder must:

- Allow agents or enrollers to conduct an annual enrollment of all Eligible Classes, as shown in the Policy Schedule. Eligible Classes are:
 - Eligible Employees, who must be actively at work, as determined by The Company's underwriting rules, on the date the enrollment form is signed.
 - their Eligible Spouses; and
 - their Eligible Dependents.
- Provide The Company with employment census data in order that The Company may, under its rules, determine proper enrollment eligibility.
- Provide The Company's authorized agents or enrollers direct access to its Eligible Classes to solicit enrollment forms through means mutually agreed upon by both the Policyholder and The Company. The Company reserves the right to withdraw from the enrollment and withdraw any applications already solicited should these conditions not be satisfied.
- Honor all Deduction Authorization forms signed by its employees, if any, for payment of the premium to The Company when due. Bills will normally be sent once each month for any premiums due and the Policyholder shall forward all deductions to the Insurer within 15 days of the receipt of the monthly billing. The Policyholder shall maintain records of all premiums withheld on behalf of its employees. The Policyholder will communicate any deduction or billing changes to The Company. These records shall always remain open to inspection and audit by The Company during normal business hours and for one year after The Policy has been terminated. In the event of any misappropriation by the Policyholder, its employees or agents, of funds owed to The Company, the Policyholder shall reimburse The Company for The Company's entire loss including attorney fees and expenses incurred in collection.
- Indicate selection of Policy and Riders that may be made available to Eligible Classes, subject to state and/or underwriting approvals:

	Accept	Decline
Group Lifetime Benefit Term Insurance Policy	<input type="checkbox"/>	<input type="checkbox"/>
Accidental Death Benefit Rider	<input type="checkbox"/>	<input type="checkbox"/>
Waiver of Premium Rider	<input type="checkbox"/>	<input type="checkbox"/>
Payor Waiver of Premium Rider	<input type="checkbox"/>	<input type="checkbox"/>
Dependent Child Rider	<input type="checkbox"/>	<input type="checkbox"/>
Level Term Rider	<input type="checkbox"/>	<input type="checkbox"/>
Accelerated Death Benefit for Terminal Illness Rider	<input type="checkbox"/>	<input type="checkbox"/>
Guaranteed Insurance Option Benefit Rider	<input type="checkbox"/>	<input type="checkbox"/>
Accelerated Death Benefit for Long Term Care Rider	<input type="checkbox"/>	<input type="checkbox"/>
Extension of Benefits Rider - <input type="checkbox"/> 1 <input type="checkbox"/> 2 - <input type="checkbox"/> Paid Up <input type="checkbox"/> Without Paid Up	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>

- Election of Nonforfeiture Option to be provided to Eligible Classes:
 Paid Up Benefit Return of Premium None

The insurance being applied for will be effective as of the Date of Issue, provided the person(s) to be insured is (are) found acceptable for Coverage as applied for.

Will the Policyholder pay for any of the premium for the coverage elected? Yes No
 Will the Policyholder pay for the entire premium for the coverage elected? Yes No

Enrollment Period: from _____ to _____.

Executed on this _____ day of _____, _____.

Print Name and Title of Officer/Representative

Signature of Officer/Representative

Print Name of Licensed Resident Agent

Signature of Licensed Agent, if required by State

For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Please complete, sign, date and return this document to The Company at the Administrative Office above. Keep a photocopy for your records.

DEFINITIONS

Active Employee means an employee who is actively at work for twenty (20) hours or more per week, performing the regular duties of their job in the usual manner and at the usual place of employment at the time of enrollment.

Age is equal to the Issue Age of the Insured on the Date of Issue. The Age increases by one year on each Coverage anniversary date.

Beneficiary is the person, persons or entity designated by the Certificateholder to receive the Death Benefit provided under The Policy.

Certificate or Certificate of Coverage means a document that describes the terms of the insurance made available under The Policy to Eligible Classes.

Certificateholder refers to the person who is allowed to exercise the rights given by The Policy and allowed by Us. The Certificateholder may be someone other than the Insured. The Certificateholder is shown in the Certificate Schedule.

Certificate Year is the period from the Date of Issue to the first Date of Issue anniversary or from one Date of Issue anniversary to the next. A Certificate Year does not include the Date of Issue anniversary at the end of the Certificate Year.

Coverage means the insurance provided to the Insured under The Policy.

Coverage Date is the date on which an Insured's Coverage under The Policy begins. The Coverage Date is shown in the Certificate Schedule.

Date of Issue of a Certificate is used to determine the suicide and Contestability periods. Date of Issue is also the date from which anniversaries, years, months and premium due dates are determined. The Date of Issue is shown in the Certificate Schedule.

Death Benefit is the amount payable to the Beneficiary. The Death Benefit calculations are explained in the Death Benefit provision.

Deferred Paid-Up Term Death Benefit is paid-up term insurance purchased with Non-Guaranteed Credits that are payable upon termination of premium payments after premium payments have been paid through the Vesting Period.

Eligible Classes means the class(es) of people eligible to apply for Coverage under The Policy. Eligible Classes are shown on Page 1 of The Policy.

Eligible Employee means a person who is an Active Employee of The Policyholder.

Eligible Dependent means a person who is:

1. The Insured's Spouse;
2. The Insured's newborn child;
3. The Insured's unmarried natural child, legally adopted child, child in the waiting period prior to finalization of adoption by the Insured, or stepchild or Child of Domestic Partner, under age 26; or
4. The Insured's unmarried grandchild under age 26.

Evidence of Insurability is statement of history that, when applicable, We may use to determine if a person is approved for Coverage.

Expiry Date is the date when Coverage and benefits expire without value. The Expiry Date is shown in the Certificate Schedule.

Face Amount is the amount of insurance on which premium calculations are made. The Face Amount is shown in the Certificate Schedule.

Initial Guaranteed Death Benefit means the Guaranteed Death Benefit provided during the Initial Guaranteed Death Benefit Period. It is shown on the Certificate Schedule.

Initial Guaranteed Death Benefit Period is the initial period where a level guaranteed death benefit equal to the Face Amount is provided so long as premiums are paid when due. The Initial Guaranteed Death Benefit Period for the Insured is shown in the Certificate Schedule.

Insured is the person whose life is insured under The Policy. The Insured is shown in the Certificate Schedule.

Irrevocable Beneficiary is a Beneficiary whose consent is needed to change that Beneficiary. Also, an Irrevocable Beneficiary must consent to the exercise of certain rights under The Policy. See Certificateholder's Rights for exceptions. Any Beneficiary may be named an Irrevocable Beneficiary.

Issue Age means the Insured's age last birthday on the Date of Issue. The Insured's Issue Age is shown on the Certificate Schedule.

Lapse means the Coverage has terminated or been placed on paid-up term insurance because a premium was not paid when due.

Non-guaranteed Credits may be credited on each Certificate Anniversary based upon current interest and mortality rates, declared in advance by Us that are more favorable than the guaranteed rates. Credits are used to purchase additional Deferred Paid-Up Term Insurance.

The Policy means the group contract whose provisions govern the insurance being provided to Eligible Classes.

Policyholder is the entity through which We make this insurance available to Eligible Classes. The Policyholder is shown on page 1.

Reduced Guaranteed Death Benefit means the Guaranteed Death Benefit provided after the Initial Guaranteed Death Benefit Period. It is shown on the Certificate Schedule.

Rider means an additional benefit that is made available under The Policy. All Riders elected by The Policyholder are attached to The Policy. No Coverage is available under a Rider unless also attached as a Rider to the Certificate.

Spouse means the person to whom the Eligible Employee is legally married or the Eligible Employee's Domestic Partner or Civil Union Partner, as defined in the individual Certificates. He/she does not qualify as a Spouse, if he/she is individually eligible as an Eligible Employee under The Policy.

Vesting Period is the number of years that premiums must be paid by the Certificateholder, before paid-up term insurance becomes available in the event of discontinuation of premium payments. The Vesting Period is shown in the Certificate Schedule.

We, Our, or Us refers to Combined Insurance Company of America.

PREMIUMS

Payment of Premiums

Policyholder must remit to Us the sum of all premiums collected and due for each Insured covered under The Policy. Premiums are payable in advance to our Administrative Office. The first premium is due on the Date of Issue shown on the Certificate Schedule. Each subsequent premium is due when the period covered by the preceding premium ends.

Grace Period

Policyholder has a grace period of 31- days from each premium due date, except the first, in which to pay the premium then due. Coverage will continue during the Grace Period. Policyholder is liable for the premium due during the Grace Period.

Reinstatement

Coverage under The Policy may be reinstated, while the Insured is alive, at any time within five years after the date of Lapse subject to Our acceptance of a Certificateholder's application for reinstatement. However, the Coverage cannot be reinstated on or after the Expiry Date.

If the premium due is paid within 60 days of the due date (within 29 days after the end of the Grace Period) and during the Insured's lifetime, the Coverage will be reinstated without Evidence Of Insurability.

If the premium due is not paid within 60 days of the due date (within 29 days after the end of the Grace Period) Reinstatement will be subject to proof that the Insured is still insurable based on current company underwriting guidelines. All overdue premiums must be paid with interest compounded annually at 6% from their due dates to the date of reinstatement.

THE DEATH BENEFIT

Death Benefits available to an Insured are determined in accordance with the Death Benefit provision of The Policy. The Guaranteed Death Benefit, Deferred Paid-Up Term Death Benefits and One Year Term Insurance for a given Insured vary according to Issue Age, Mortality Table, Rate Class, Premium and Non-Guaranteed Credits described in The Policy. Given the variability of these factors, the Guaranteed Death Benefit, Deferred Paid-Up Term Death Benefits and One Year Term Insurance for a given Insured are only illustrated in the Certificate Schedule and Illustration issued to the Certificateholder. The following provisions govern the calculation of the Death Benefit:

Guaranteed Death Benefit

While premiums are being paid, the Policy provides for an initial level Guaranteed Death Benefit during the Initial Guaranteed Death Benefit Period. After the Initial Guaranteed Death Benefit Period, the Guaranteed Death Benefit equals the Reduced Guaranteed Death Benefit. The guaranteed death benefits and death benefit periods are shown on the Certificate Schedule.

The Guaranteed Death Benefit is equal to the sum of the Guaranteed Paid-Up Term Death Benefit and the Decreasing Term Death Benefit. The Guaranteed Death Benefit Coverage terminates without value at the Expiry Date shown in the Certificate Schedule.

Guaranteed Paid-Up Term Death Benefit

The Guaranteed Paid-Up Term Death Benefit is equal to the accumulated amount of paid-up term insurance purchased by a level portion of the Coverage annual premium. This premium is shown on the Certificate Schedule. During the Vesting Period, the premium loads shown in the Certificate Schedule reduce this level portion of the premium. The table of Guaranteed Paid-Up Term Death Benefits is shown in the Certificate Schedule.

If the Coverage lapses because of unpaid premiums due during the Vesting Period, the Coverage will terminate with no value. If the Coverage lapses because of unpaid premiums due after the Vesting Period accumulated paid-up term insurance Coverage will remain in force until the Expiry Date.

Decreasing Term Death Benefit

The Decreasing Term Death Benefit is equal to the Guaranteed Death Benefit minus the Guaranteed Paid-Up Term Death Benefit. The Decreasing Term Death Benefit terminates when premiums are no longer being paid.

Deferred Paid-Up Term Death Benefit

We may purchase a non-guaranteed Deferred Paid-Up Term Death Benefit on each Date of Issue Anniversary while the Coverage is premium paying. A Deferred Paid-Up Term Death Benefit will not provide an increase in the death benefit while the Coverage is premium paying except as noted in the One Year Term Death Benefit provision. It will increase the paid-up death benefit available upon termination of premium payments, provided that premium payments are paid through the Vesting Period shown in the Certificate Schedule. The company will declare Non-guaranteed Credits in advance of each Certificate Year that will be used to purchase the Deferred Paid-Up Term Death Benefit.

Non-guaranteed Credits

Credits are based upon interest and mortality more favorable than that guaranteed by The Policy. The total credit on each anniversary is equal to the sum of the Mortality, Survivor and the Excess Interest Credits. These Credits may not be less than zero.

The Mortality Credit is equal to i times ii times iii divided by iv:

- i. The Guaranteed Death Benefit.
- ii. The guaranteed mortality rate minus the current mortality rate.
- iii. One plus the current interest rate raised to the one half power.
- iv. One minus the current mortality rate.

The Survivor Credit is equal to i times ii times iii divided by iv:

- i. The Deferred Paid-Up Term Death Benefit on the prior anniversary.
- ii. The current mortality rate.
- iii. One plus the current interest rate raised to the one half power.
- iv. One minus the current mortality rate.

The Excess Interest Credit is equal to i times ii times iii:

- i. The sum of the Guaranteed and non-guaranteed Deferred Paid-Up Term Death Benefit on the prior anniversary.
- ii. The current interest rate minus the guaranteed interest rate.
- iii. The net single premium rate for Paid-Up term insurance.

The Guaranteed Death Benefit, current mortality rate, net single premium rate and interest rate for calculating the above Credits are determined as of the prior anniversary and are based upon rates declared in advance of the Coverage Year. Current rates are based upon Our future expectations of mortality and interest and are not calculated to recover past losses or distribute past profits. If We change current rates on in force Coverage under The Policy, the changes will be made uniformly for all insureds for a given age, Mortality Table and Rate Class as shown in the Certificate Schedule. If we change the current rates under The Policy, We will send the Certificateholder a Notice on the Coverage Anniversary Date on or following the date of the change in rates.

The additional Deferred Paid-Up Term Death Benefit as of the current anniversary is equal to the amount of Deferred Paid-Up Term Death Benefit on the prior anniversary plus the sum of the total Credits divided by the net single premium rate for paid-up term insurance on the current anniversary.

Once earned, the Deferred Paid-Up Term Death Benefit is guaranteed and will not decrease except in years where it is used to purchase One Year Term insurance.

One Year Term Insurance

After the Initial Guaranteed Death Benefit Period, a portion of the value of the non-guaranteed Deferred Paid-Up Term Death Benefit will be used on each anniversary to purchase One Year Term Insurance equal to the reduction in the Guaranteed Death Benefit. If there is not enough value to purchase One Year Term Insurance equal to the reduction in the Guaranteed Death Benefit then as much One Year Term Insurance as the value will allow will be purchased.

The One Year Term Insurance premium is equal to i divided by ii:

- i. Current mortality rate
- ii. One plus the current interest rate raised to the one half power,

Where the current mortality rate and interest rate is determined as of the current anniversary.

The amount of Deferred Paid-Up Term Death Benefit will be reduced by the amount needed to pay the One Year Term Insurance Premium based upon the net single premium rate for paid-up term insurance.

Early Fully Paid-Up Coverage

If the sum of the Guaranteed and Deferred Paid-Up Term Death Benefit is greater than or equal to the Initial Guaranteed Death Benefit prior to age 100, the Coverage will become paid-up for an amount equal to the sum. No further premium payments will be due.

Death Benefit Calculations

In any Certificate Year, while premiums continue to be paid, the amount payable upon death of the Insured will be:

- a. Guaranteed Death Benefit in effect, in that year; plus
- b. After the Initial Guaranteed Death Benefit Period, One Year Term Insurance, if any; plus
- c. the premium paid beyond the date of death; plus
- d. interest, not less than required by law, from the date proof of death is received by Us to the date the claim is paid; minus
- e. any unpaid premium due and unpaid at the date of death.

In any Certificate Year after premiums have been paid thru the Vesting Period and the Coverage has Lapsed due to nonpayment of premiums, the amount payable upon death of the Insured will be:

- a. the Guaranteed Paid Up Term Death Benefit; plus
- b. the Deferred Paid Up Term Benefit, if any; plus
- c. interest, not less than required by law, from the date proof of death is received by Us to the date the claim is paid.

No Death Benefit is payable in the event that death occurs after Coverage has Lapsed, and the Lapse occurred prior to the end of the Vesting Period.

Payment of Proceeds – Settlement of the death benefit shall be made by payment in one sum.

The proceeds are subject to any adjustments provided in the Misstatement of Age or Tobacco Usage, Contestability and Suicide provisions.

Death of Beneficiary

If any Beneficiary predeceases the Insured, the portion of the proceeds that would have gone to that Beneficiary shall be paid to the Insured's Estate.

Multiple Beneficiaries

If there is more than one Beneficiary, proceeds shall be divided equally among the Beneficiaries unless the Beneficiary designation specifies the amount to be paid to each Beneficiary.

Facility of Payment

We may pay all or part of the death benefit to any person who paid any expense in connection with the Insured's last illness or death. That person must give us a copy of the receipt describing the expense and the amount paid for such expense. Reimbursement will not exceed \$1,000. The death benefit will be reduced by any payment made under this provision.

COVERAGE VALUES**Basis of Values**

All paid-up term insurance amounts, present values and net single premiums for The Policy are based on the Mortality Table and interest rate shown on the Certificate Schedule. Calculations take into account that premiums are paid annually and that death benefits are payable uniformly throughout the Certificate Year. Any additional benefits provided by Riders shall be excluded from these calculations.

Certificate Schedule of Guaranteed Values

The Certificate Schedule of Guaranteed Values shows the guaranteed values at the beginning of the Certificate Year on the assumption that premiums have been fully paid in cash for the completed years stated.

If premiums for this Coverage are paid other than annually, adjustments will be made in calculating guaranteed Paid-Up term insurance values for that portion of the Certificate Year for which premiums were actually paid.

Guaranteed paid-up term insurance values for the end of any Certificate Year not shown in the table will be furnished upon written request to Our Administrative Office.

POLICYHOLDER PROVISIONS**Group Policyholder Application**

Policyholder must submit to us an executed Group Policyholder Application electing to participate in the Group Lifetime Benefit Term Insurance Policy.

Duties

Policyholder's duties include, but are not limited to, the following:

1. Providing Us any and all information We determine is necessary for the enrollment of Eligible Classes and for the determination of their eligibility. Policyholder must provide us with all information necessary to underwrite the Coverage, to calculate premiums and to maintain necessary administrative records.
2. Maintaining records pertaining to the insurance of Eligible Classes, which We may reasonably require information on while The Policy is in force and for 2 years after The Policy terminates. Policyholder must also allow us to examine these records at any reasonable time during normal business hours.
3. Cooperating fully with Us in preparing and/or delivering any required notices regarding this insurance to Eligible Classes.

Inspection of The Policy

Policyholder must make The Policy available for inspection by Eligible Employees at all reasonable times during normal business hours.

POLICY CHANGES, TERMINATIONS AND PORTABILITY PRIVILEGES**Change in The Policy**

No change in The Policy will be made unless Our officer approves it in writing. Any approved change will be added to The Policy in writing.

The Policy will automatically comply with any State or Federal law as of the mandated effective date of the law, even if We have not notified The Policyholder of the change or The Policy has not been amended.

Effective Date of Changes

Unless We and The Policyholder agree otherwise in writing, the effective date of any change in benefits will be the first day of the Coverage month that next follows the date We send notice to the Certificateholder of the change in benefits and corresponding change in premiums.

Termination of The Policy

The Policy, together with all Riders, will terminate at the earliest of the following events:

1. If any premium payable by The Policyholder is not paid within the Grace Period. The Policy will terminate the day after the 31 day Grace Period.
2. If The Policyholder submits a 60 day advance notice to Us to terminate The Policy, The Policy, together with all Riders, will terminate on the date specified in such request.
3. If We give The Policyholder a 60 day advance written notice that We intend to terminate The Policy, The Policy will terminate on the day specified in such notice.
4. If The Policyholder fails to comply with any of the terms of The Policy, or fails to fulfill any obligations under or pertaining to this insurance, or fails to comply with or cooperate with Us in satisfying the requirements of any applicable law or regulation pertaining to this insurance, The Policy, together with all Riders, will terminate on the 32nd day after We have given The Policyholder notice of Our intent to terminate.
5. If the number of Eligible Employees who become insured under The Policy during any 12 month period does not meet the Minimum Participation Requirement shown in The Policy Schedule, The Policy, together with all Rider(s), will terminate on the 32nd day after We have given The Policyholder written notice of Our intent to terminate.

Termination of Coverage Under The Policy

The Insured's coverage will terminate at the earliest of:

1. The end of the period for which premium is paid, subject to the Grace Period;
2. The premium due date following the date We receive the Certificateholder's written request to have the insurance terminated;
3. The date of the Insured's death; or
4. The date The Policy is cancelled, subject to the Portability Privilege.

Dependent coverage will terminate at the earliest of:

1. The end of the period for which premium is paid, subject to the Grace Period;
2. The monthly anniversary of the Date of Issue following the date a Dependent ceases to be a Dependent as defined;
3. The date the Insured's Coverage terminates, except as provided in a Dependent Conversion Provision;
4. The date of the Dependent's death; or
5. The monthly anniversary of the Date of Issue following the date we receive the Certificateholder's written request to terminate Dependent Coverage.

Portability Privilege

If the Insured's Coverage under The Policy terminated because The Policy was cancelled or the Insured was no longer eligible for payroll deduction, the Insured has the option to continue the Insurance. To continue coverage:

1. We must receive a written request and payment of the first premium for the portability coverage no later than 60 days after such termination; and
2. The written request is made on a form we furnish or approve for that purpose.

POLICY PROVISIONS

Entire Policy

The Entire Policy between the parties consists of:

1. The Policy;
2. The Certificates of the Insured;
3. Any Riders or endorsements;
4. Any Policy Schedules;
5. The Policyholder's Application; and
6. Enrollment data and any individual enrollment form for each Insured.

The Policyholder is an agent of the Insured. For all purposes related to the insurance issued under The Policy, Policyholder acts as an agent of the Insured. Policyholder does not, therefore, act as our agent for any purposes related to insurance provided under The Policy.

Statements Are Not Warranties

Any statement made by The Policyholder will be deemed to be a representation and not a warranty. No statement will be used in any contest unless a copy of the statement has been furnished to Policyholder.

Contestability

Except for failure to pay premiums, We will not contest the validity of Coverage under The Policy after two years from The Policy Effective Date.

Except for failure to pay premiums, We will not contest the validity of Coverage under any Certificate after two years:

- a. from the Date of Issue; or
- b. from the effective date of the last reinstatement, if any.

Clerical Errors

Any clerical error on:

- a. Our part;
- b. The Policyholder's part;
- c. Insured's part; or
- d. Certificateholder's part;

will not void The Policy or an Insured's Coverage validly in force, nor will it continue The Policy or an Insured's Coverage otherwise validly terminated.

Money Payable

All monies payable by or to Us will be paid in the lawful currency of the United States of America.

Time Periods

For all periods used in The Policy, the effective time will be 12:01 a.m. at Policyholder's address.

For all periods that affect the Insured's Coverage, the effective time will be 12:01 a.m. at the Insured's address.

CERTIFICATE PROVISIONS MADE PART OF THE POLICY

The remainder of The Policy consists of the provisions that will appear in the Certificate. This will include Riders, Endorsements or Amendments that may be added to the Certificate. The Certificate describes the insurance that is being made available under The Policy to Eligible Classes.

IMPORTANT INFORMATION TO POLICYHOLDERS – CALIFORNIA

In the event you need to contact someone about this Policy for any reason please contact your agent.

If you have additional questions, you may contact the insurance company issuing this Policy at the following address and telephone number:

Combined Insurance Company of America
P. O. Box 1160
Glenview, Illinois 60025-8160
1-800-544-9382

If you have a problem with your insurance company, its agent or representative that has not been resolved to your satisfaction, please call or write to the Department of Insurance.

California Department of Insurance
Consumer Communications Bureau
300 South Spring Street, South Tower
Los Angeles, CA 90013
1-800-927-4357
213-897-8921 (if calling from within the Los Angeles area)
1-800-482-4833 (TDD Number)

Written correspondence is preferable so that a record of your inquiry can be maintained. When contacting your agent, company or the Bureau of Insurance, have your Policy Number available.

SAMPLE