

**State:** District of Columbia **Filing Company:** Life Insurance Company of North America  
**TOI/Sub-TOI:** H03G Group Health - Accidental Death & Dismemberment/H03G.000 Health - Accidental Death & Dismemberment  
**Product Name:** Group Accident  
**Project Name/Number:** DC Private Exchange/14-2002-DC-GA- Rates

### Filing at a Glance

Company: Life Insurance Company of North America  
Product Name: Group Accident  
State: District of Columbia  
TOI: H03G Group Health - Accidental Death & Dismemberment  
Sub-TOI: H03G.000 Health - Accidental Death & Dismemberment  
Filing Type: Rate  
Date Submitted: 06/05/2014  
SERFF Tr Num: CCGN-129532994  
SERFF Status: Assigned  
State Tr Num:  
State Status:  
Co Tr Num: 14-2002-DC-GA- RATES  
Implementation: On Approval  
Date Requested:  
Author(s): Carolyn Caldwell  
Reviewer(s): John Morgan (primary), Alula Selassie  
Disposition Date:  
Disposition Status:  
Implementation Date:  
State Filing Description:

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**TOI/Sub-TOI:** H03G Group Health - Accidental Death & Dismemberment/H03G.000 Health - Accidental Death & Dismemberment  
**Product Name:** Group Accident  
**Project Name/Number:** DC Private Exchange/14-2002-DC-GA- Rates

## General Information

Project Name: DC Private Exchange	Status of Filing in Domicile: Not Filed
Project Number: 14-2002-DC-GA- Rates	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments: NA
Explanation for Combination/Other:	Market Type: Group
Submission Type: New Submission	Group Market Size: Small and Large
Group Market Type: Employer	Overall Rate Impact:
Filing Status Changed: 06/09/2014	
State Status Changed:	Deemer Date:
Created By: Carolyn Caldwell	Submitted By: Carolyn Caldwell
Corresponding Filing Tracking Number: 14-2002-DC-GA-Rates	

Filing Description:

Dear Commissioner White:

Please find attached the following rate material for our Group Accident Insurance Policy. Effective date for premium will share the same effective date of your approval to this submission.

Actuary Memorandum

Exhibit I

Exhibit II

Exhibit III

Excerpt from Actuary Memorandum:

For Employer Groups, the anticipated average annual premium per policy is \$50,000 and the anticipated average principal sum is \$50,000. For Other Eligible Groups, the anticipated average annual premium per covered person is in the \$75-\$90 range and the anticipated average principal sum is \$75,000.

We hope you find this material acceptable and look forward to your response. Please do not hesitate to contact me if you have any further concerns.

## Company and Contact

### Filing Contact Information

Carolyn Caldwell, Compliance Operations carolyn.caldwell@cigna.com

Analyst

1601 Chestnut Street 215-761-8529 [Phone]

Philadelphia, PA 19192 215-761-5609 [FAX]

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**State:** District of Columbia **Filing Company:** Life Insurance Company of North America  
**TOI/Sub-TOI:** H03G Group Health - Accidental Death & Dismemberment/H03G.000 Health - Accidental Death & Dismemberment  
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**Filing Company Information**

Life Insurance Company of North America 1601 Chestnut Street TL16D Philadelphia, PA 19192 (215) 761-8442 ext. [Phone]	CoCode: 65498 Group Code: 901 Group Name: FEIN Number: 23-1503749	State of Domicile: Pennsylvania Company Type: State ID Number:
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**Filing Fees**

Fee Required? No  
Retaliatory? No  
Fee Explanation:

State: District of Columbia

Filing Company: Life Insurance Company of North America

TOI/Sub-TOI: H03G Group Health - Accidental Death &amp; Dismemberment/H03G.000 Health - Accidental Death &amp; Dismemberment

Product Name: Group Accident

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## Form Schedule

Lead Form Number: GA-01-1000.DC

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Group Accident Policy	GA-01-1000.DC	POL	Initial			DC Group Accident Policy_02_14.pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages

# Life Insurance Company of North America

1601 Chestnut Street, Philadelphia, Pennsylvania 19192-2235  
A Stock Insurance Company

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## GROUP ACCIDENT POLICY

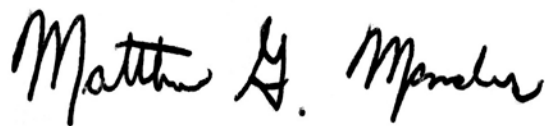
**POLICYHOLDER:** {ABC Company, Inc.}  
**POLICY NUMBER:** {Specimen}  
**POLICY EFFECTIVE DATE:** {January 1, 2001}  
**POLICY ANNIVERSARY DATE:** {January 1}  
**STATE OF ISSUE:** {Any State}

This Policy describes the terms and conditions of insurance. This Policy goes into effect subject to its applicable terms and conditions at 12:01 AM on the Policy Effective Date shown above at the Policyholder's address. The laws of the State of Issue shown above govern this Policy.

We and the Policyholder agree to all of the terms of this Policy.

**THIS IS A GROUP ACCIDENT ONLY INSURANCE POLICY.  
IT DOES NOT PAY BENEFITS FOR LOSS CAUSED BY SICKNESS.**

**THIS IS A LIMITED POLICY.  
PLEASE READ IT CAREFULLY.**



Matthew G. Manders  
President

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[SCHEDULE OF AFFILIATES

The following affiliates are covered under this Policy on the effective dates listed below.

<u>AFFILIATE NAME</u>	<u>LOCATION</u>	<u>EFFECTIVE DATE</u>
{ABC Company}	{your city, your state}	{January 1, 2001}}



## SCHEDULE OF BENEFITS

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*This Policy is intended to be read in its entirety. In order to understand all the conditions, exclusions and limitations applicable to its benefits, please read all the policy provisions carefully.*

**The Schedule of Benefits provides a brief outline of the coverage and benefits provided by this Policy. Please read the Description of Coverages and Benefits Section for full details.**

*variable;*

[Subscriber:     ]

### **Effective Date [Of Subscriber Participation]:**

#### **[Minimum {Subscriber} Participation Requirements**

Percentage           {variable; e.g., 75% to 100% of eligible Employees, Members}}

*variable; e.g., the Policyholder or Subscriber may elect to provide different plan designs based on Employee or Member classification, e.g.:*

#### **[Covered Classes**

Class 1       All active Full-time Employees of the Policyholder.

Class 2       All Members in good standing of the Subscriber.]

*variable; e.g., depending on type of group and plan specifics:*

#### **[Eligibility Waiting Period**

The Eligibility Waiting Period is the period of time {the Employee} must be in Active Service to be eligible for coverage. It will be extended by the number of days {the Employee} is not in Active Service.

For {Employees} hired [{31 days} or more] before the     {No Waiting Period}  
Policy Effective Date:

For {Employees} hired [less than {31 days} before, or]     {variable; e.g., One month; 30 days; 31  
after the Policy Effective Date:                             days}}

#### **[Portability**

Portable Period   {5 years}

Portable Amount   {50% } of the Principal Sum

Portable Coverages   {None}

Portable Benefits    {all except Bomb Scare and Waiver of  
Premium Benefits }

[Maximum Age for Portability                                 75]]

#### **[Time Period for Loss**

[Any Covered Loss must occur within:                     {variable; e.g., 90 to 365 days } of the  
Covered Accident]]

*Each of the following benefits may be included on a case by case basis, at the option of the Policyholder or Subscriber. Text will vary to accurately describe the benefits selected.*

**This Schedule of Benefits shows maximums, benefit periods and any limitations applicable to benefits provided in this Policy for each {Covered Person} unless otherwise indicated. Principal Sum, when referred to in this Schedule, means {the Employee's, Member's} Principal Sum in effect on the date of the Covered Accident causing the Covered Injury or Covered Loss unless otherwise specified.**

#### **[ACCIDENTAL DEATH BENEFIT**

[{Employee, Member} Principal Sum:                     {\$2,000,000 in increments of \$500}]

[Spouse Principal Sum:                                     {\$2,000,000 in increments of \$500}]

[Dependent Child(ren) Principal Sum:                 {\$1,000,000}]

[Variable: **Age Reductions**

A Covered Person's Principal Sum will be reduced by the percentage shown below:

<b>Age</b>	<b>Percentage of Benefit Amount</b>
{70 but less than 75}	{65%}
{75 but less than 80}	{45%}
{80 but less than 85}	{30%}
{85 or over}	{15%}

Each succeeding percentage reduction will apply to the Principal Sum in force on the day before {the Covered Person} attains the Age specified in the table above.

[A covered Spouse's Principal Sum will reduce based on the Age of {the covered Employee, Member}.]]

**[Aggregate Limit of Liability**

Each Covered {Aircraft} Accident Applies to: {\$5,000,000 for all Covered Persons} {Accidental Death and Dismemberment Benefits *or* Accidental Death Benefits *or* All coverages and benefits provided by this Policy}

If this aggregate amount does not allow all Covered Persons to be paid the amounts the specified benefits otherwise provide, the amount paid for each Covered Person is the proportion each Loss bears to the Aggregate Limit of Liability. [Covered Aircraft Accident means a Covered Accident involving a scheduled or chartered flight in an Aircraft.]]

**[ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

*Optional; e.g., each of the following Covered Losses may be included or deleted at the option of the Policyholder/Subscriber. Benefit amounts are variable.*

{[Employee, Member] Principal Sum: {\$2,000,000 in increments of \$500}}  
 {Spouse Principal Sum: {\$2,000,000 in increments of \$500}}  
 {[Dependent Child(ren) Principal Sum: {\$1,000,000}}]

**SCHEDULE OF COVERED LOSSES**

<b>Covered Loss</b>	<b>Benefit</b>
[Loss of Life	{100% of the Principal Sum}}
[Loss of Two or More Hands or Feet	{100% of the Principal Sum}}
[Loss of Sight of Both Eyes	{100% of the Principal Sum}}
[Loss of Speech and Hearing (in both ears)	{100% of the Principal Sum}}
[Quadriplegia	{200% of the Principal Sum}}
[Paraplegia	{100% of the Principal Sum}}
[Hemiplegia	{100% of the Principal Sum}}
[Uniplegia	{50% of the Principal Sum}}
[Coma	{50% of the Principal Sum}}
[Loss of One Hand or Foot	{50% of the Principal Sum}}
[Loss of Sight in One Eye	{50% of the Principal Sum}}
[Severance and Reattachment of One Hand or Foot	{50% of the Principal Sum}}
[Loss of Speech	{50% of the Principal Sum}}
[Loss of Hearing (in both ears)	{50% of the Principal Sum}}
[Loss of Thumb and Index Finger of the Same Hand	{25% of the Principal Sum}}
[Loss of all Four Fingers of the Same Hand	{25% of the Principal Sum}}
[Loss of all the Toes of the Same Foot	{20% of the Principal Sum}}

**[Age Reductions**

A Covered Person's Principal Sum will be reduced by the percentage shown below:

<b>Age</b>	<b>Percentage of Benefit Amount</b>
{70 but less than 75}	{65%}
{75 but less than 80}	{45%}
{80 but less than 85}	{30%}
{85 or over}	{15%}

Each succeeding percentage reduction will apply to the Principal Sum in force on the day before {the Covered Person} attains the Age specified in the table above.

[A covered Spouse's Principal Sum will reduce based on the Age of {the covered Employee, Member}.]]

*Section Titles and header sentences will not apply if issued policy does not include Accidental Death and Dismemberment coverage.*

**[ADDITIONAL ACCIDENTAL DEATH [AND DISMEMBERMENT] COVERAGES]**

[{Accidental Death and Dismemberment} benefits are provided under the following coverages. Any benefits payable under them are as shown in the *Schedule of Covered Losses* and are not paid in addition to any other Accidental Death and Dismemberment benefits.]

**[ARMED FORCES COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

**[EXPOSURE AND DISAPPEARANCE COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

**[HIJACKING AND AIR PIRACY COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

**[NATIONAL GUARD AND ARMED FORCES RESERVE COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

**[OWNED AIRCRAFT COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

**[PILOT COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

**[TERRORISM COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

**[WAR RISK COVERAGE]** Principal Sum multiplied by the percentage applicable to the Covered Loss, as shown in the *Schedule of Covered Losses*.]

*Section Titles and header sentences will not apply if issued policy does not include Accidental Death and Dismemberment coverage.*

**[ADDITIONAL ACCIDENT BENEFITS {each benefit is optional and variable}]**

[Any benefits payable under these *Additional Accident Benefits* shown below are paid in addition to any other {Accidental Death and Dismemberment benefits} payable.]

**[ACCIDENTAL BURN AND DISFIGUREMENT BENEFIT**

75-100% Body Disfigurement	{100% of the Principal Sum}
50-74% Body Disfigurement	{75% of the Principal Sum}
25-49% Body Disfigurement	{50% of the Principal Sum}

Burn Classification	{second} degree]														
<b>[ADDITIONAL OCCUPATIONAL BENEFIT</b>	{10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i> ]														
<b>[ALTERNATIVE COMMUTING BENEFIT</b>	{10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i> ]														
<b>[AMBULANCE BENEFIT</b>	[\$500 per calendar year}]														
<b>[ASSOCIATION MEMBERS' BENEFIT</b>															
[Benefits for Accidental Loss of Life	{\$5,000}]														
[Benefits for Accidental Loss of Limb or Sight]															
[Loss of Two or More Hands or Feet	{100% of the Principal Sum}]														
[Loss of Sight of Both Eyes	{100% of the Principal Sum}]														
[Loss of One Hand and Sight in One Eye	{100% of the Principal Sum}]														
[Loss of One Foot and Sight in One Eye	{100% of the Principal Sum}]														
[Loss of One Hand or Foot	{50% of the Principal Sum}]														
[Loss of Sight in One Eye	{50% of the Principal Sum}]]														
<b>[BEREAVEMENT AND TRAUMA COUNSELING BENEFIT</b>															
Benefit Amount	{\$75 per session}														
Maximum Number of Sessions	{10 sessions}														
Maximum Benefit Per Covered Accident	{\$750}]														
<b>[BOMB SCARE, BOMB SEARCH, OR BOMB EXPLOSION BENEFIT</b>	{10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i> ]														
<b>[BONUS BENEFIT</b>	{ \$1,000}														
[For stand alone coverage]															
	<table border="0"> <tr> <td style="text-align: center;"><b>Covered Loss</b></td> <td style="text-align: center;"><b>Benefit</b></td> </tr> <tr> <td>[Loss of Life</td> <td>{ \$10,000}]</td> </tr> <tr> <td>[Loss of Two or More Hands or Feet</td> <td>{ \$10,000}]</td> </tr> <tr> <td>[Quadriplegia</td> <td>{ \$10,000}]</td> </tr> <tr> <td>[Hemiplegia</td> <td>{ \$5,000}]</td> </tr> <tr> <td>[Uniplegia</td> <td>{ \$5,000}]</td> </tr> <tr> <td>[Coma</td> <td>{ \$5,000}]]</td> </tr> </table>	<b>Covered Loss</b>	<b>Benefit</b>	[Loss of Life	{ \$10,000}]	[Loss of Two or More Hands or Feet	{ \$10,000}]	[Quadriplegia	{ \$10,000}]	[Hemiplegia	{ \$5,000}]	[Uniplegia	{ \$5,000}]	[Coma	{ \$5,000}]]
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[Hemiplegia	{ \$5,000}]														
[Uniplegia	{ \$5,000}]														
[Coma	{ \$5,000}]]														
<b>[BRAIN DAMAGE BENEFIT</b>	{50% } of the Principal Sum [subject to a Maximum Benefit of { \$100,000}]]														
<b>[BULLETPROOF VEST BENEFIT</b>	{10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i> ]														
<b>[BURIAL AND CREMATION BENEFIT</b>	{ \$5,000}]														
<b>[BUSINESS TRAVEL BENEFIT</b>	{10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i> ]														

<b>[CARJACKING BENEFIT]</b>	{ 10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i> ]														
<b>[CHILD CARE CENTER BENEFIT]</b>															
Benefit Amount	{ \$3,000 per year }														
Maximum Benefit Period	{ to Age { 13 } for each surviving Dependent Child }														
<b>[CHILD SURVIVOR BENEFIT]</b>															
At death of covered { variable; e.g., Employee, Member }	{ \$5,000 per child }														
[At death of covered Spouse	{ \$5,000 per child }														
[Default Benefit	{ \$1,000 }														
<b>[COMMON ACCIDENT BENEFIT]</b>															
Covered Spouse Benefit	{ up to 100% } of { the Employee's, Member's } Principal Sum [subject to a maximum of { \$1,000,000 }]														
<b>[COMMON CARRIER BENEFIT]</b>	{ 50% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses</i>														
<i>[For stand alone coverage]</i>															
	<table border="0"> <thead> <tr> <th style="text-align: left;"><b>Covered Loss</b></th> <th style="text-align: left;"><b>Benefit</b></th> </tr> </thead> <tbody> <tr> <td>[Loss of Life</td> <td>{ \$10,000 }</td> </tr> <tr> <td>[Loss of Two or More Hands or Feet</td> <td>{ \$10,000 }</td> </tr> <tr> <td>[Quadriplegia</td> <td>{ \$10,000 }</td> </tr> <tr> <td>[Hemiplegia</td> <td>{ \$5,000 }</td> </tr> <tr> <td>[Uniplegia</td> <td>{ \$5,000 }</td> </tr> <tr> <td>[Coma</td> <td>{ \$5,000 }</td> </tr> </tbody> </table>	<b>Covered Loss</b>	<b>Benefit</b>	[Loss of Life	{ \$10,000 }	[Loss of Two or More Hands or Feet	{ \$10,000 }	[Quadriplegia	{ \$10,000 }	[Hemiplegia	{ \$5,000 }	[Uniplegia	{ \$5,000 }	[Coma	{ \$5,000 }
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[Hemiplegia	{ \$5,000 }														
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[Coma	{ \$5,000 }														
<b>[COMMUTING BENEFIT]</b>	{ 10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i> ]														
<b>[DIAGNOSTIC X-RAY AND LABORATORY BENEFIT]</b>															
Maximum Benefit Amount	{ The lesser of the Diagnostic X-Ray and Laboratory Examinations Schedule Amount or \$50 per procedure }														
Maximum Benefit Per Covered Accident	{ \$500 }														
<b>[ELDER SURVIVOR BENEFIT]</b>															
<i>Option 1- Lump Sum Benefit</i>															
[Lump Sum Benefit	{ 10% of the Principal Sum }														
<i>Option 2 – lump sum with monthly benefits for fixed period</i>															
[Total Benefit Amount	{ 10% of the Principal Sum }														
Lump Sum Benefit	{ 5% of the Principal Sum }														
Benefit Period	{ 24 months }														
<i>Option 3 – Monthly Benefits</i>															
[Total Benefit Amount	{ 10% of the Principal Sum }														
Benefit Period	{ 24 monthly }														
[Default Benefit	{ \$1,000 }														
<b>[EMERGENCY DISASTER TEAM BENEFIT]</b>	{ 10% of the Principal Sum }														
<b>[EMERGENCY MEDICAL EVACUATION BENEFIT]</b>															
Maximum Benefit Per Covered Accident	{ \$5,000 }														

<b>[EMERGENCY ROOM BENEFIT</b>	
Benefit Amount	{ \$200 }
Maximum Payable Visits per Calendar Year	{ 5 }
Maximum Benefit Per Covered Accident	{ \$1,000 }
<b>[ESCALATOR BENEFIT</b>	
Periodic Increase	{ 10% of the Principal Sum }
Frequency of Increases	{ Annually }
Maximum Total Increase	{ 50% of the Principal Sum }
<b>[EXPOSURE AND DISAPPEARANCE BENEFIT</b>	{ 10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i>
<b>[FELONIOUS ASSAULT AND VIOLENT CRIME BENEFIT</b>	
Accidental Death and Dismemberment Benefit	{ 10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i>
Hospital Stay Benefit	{ \$100 per day }
Maximum Benefit Period	{ 730 days per Hospital Stay per Covered Accident }
<b>[HIV OCCUPATIONAL ACCIDENT BENEFIT</b>	{ 25% } of the Principal Sum [subject to a maximum of { \$100,000 }]
<b>[HOME ALTERATION AND VEHICLE MODIFICATION BENEFIT</b>	
Benefit	{ 10% of the Principal Sum subject to a maximum of \$25,000 }
<b>[HOSPITAL STAY BENEFIT</b>	
Benefit Amount	{ \$200 per day }
Maximum Benefit Period	{ 730 days per Hospital Stay per Covered Accident }
Benefit Waiting Period	{ 7 days }
<b>[HUNTING ACCIDENT BENEFIT</b>	
[Accidental Death Benefit	{ \$25,000 }
[Hospital Stay Benefit	{ \$100 per day }
[Maximum Benefit Period	{ 730 days per Hospital Stay per Covered Accident }
<b>[INCREASED DEPENDENT CHILD DISMEMBERMENT BENEFIT</b>	
	{ 100% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the <i>Schedule of Covered Losses.</i>
<b>[INSURANCE CONTINUATION EXPENSE BENEFIT</b>	
Maximum Benefit	{ 2% } of { the Employee's } Principal Sum up to { \$25,000 per year }
Maximum Benefit Period	{ 3 years }
<b>[LAW ENFORCEMENT OFFICERS' BENEFIT</b>	
[For stand-alone benefit]	{ \$50,000 } <i>not applicable if stand-alone benefit</i>
	<b>Covered Loss</b>
	<b>Benefit</b>
	[Loss of Life { \$10,000 }
	[Loss of Two or More Hands or Feet { \$10,000 }
	[Quadriplegia { \$10,000 }
	[Hemiplegia { \$5,000 }
	[Uniplegia { \$5,000 }
	[Coma { \$5,000 }]

**[NATURAL DISASTER BENEFIT]** {10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the *Schedule of Covered Losses.*

**[OUTPATIENT SURGERY BENEFIT]** {\$600 per Covered Accident}}

**[PERMANENT TOTAL DISABILITY BENEFIT]**

[Benefit Waiting Period {6 months}]

*Option 1- single lump sum*  
 [Lump Sum Benefit {100% of the Principal Sum}]

*Option 2- monthly benefits*  
 [Total of Monthly Benefits {25% } of Principal Sum]  
 [Monthly Benefit Payment {1% of the Principal Sum}]

*Option 3- single lump sum and monthly benefits*  
 [Initial Lump Sum Payment {40% of the Principal Sum}]  
 Additional Monthly Benefit Payment {1% of the Principal Sum}]

*Option 4- monthly benefits with limited benefit period when disability begins after Age 62*  
 [Total of Monthly Benefits {25% } of Principal Sum]  
 [Monthly Benefit Payment {0.5% of the Principal Sum}]

<u>Benefit Period</u>	
<u>Age When Permanent Total Disability Begins</u>	<u>Benefit Period (Months)</u>
Less than 62	Lifetime
62	42
63	36
64	30
65	24
66	21
67	18
68	15
69 and older	12

[For stand-alone benefit]

<b>Covered Loss</b>	<b>Benefit</b>
[Loss of Life	{\$10,000}}
[Loss of Two or More Hands or Feet	{\$10,000}}
[Quadriplegia	{\$10,000}}
[Hemiplegia	{\$5,000}}
[Uniplegia	{\$5,000}}
[Coma	{\$5,000}]]

**[PHYSICAL THERAPY BENEFIT]**

Benefit {\$100 per visit}  
 Maximum Number of Visits per Covered Accident {10}}

**[PRIVATE PASSENGER BENEFIT]**

{30% of the Principal Sum} *not applicable if stand-alone benefit*

[For stand-alone benefit]

<b>Covered Loss</b>	<b>Benefit</b>
[Loss of Life	{\$10,000}}
[Loss of Two or More Hands or Feet	{\$10,000}}
[Quadriplegia	{\$10,000}}
[Hemiplegia	{\$5,000}}
[Uniplegia	{\$5,000}}
[Coma	{\$5,000}]]





[At death of covered Spouse	{25% of the Principal Sum [or covered Spouse Principal Sum]]}
Benefit Period	{24 months}}

**[TELECOMMUTERS BENEFIT]** {10% } multiplied by the portion of the Principal Sum applicable to the Covered Loss, as shown in the *Schedule of Covered Losses.*]

**[TOTAL DISABILITY WEEKLY INCOME BENEFIT]**

Weekly Benefit Amount	{\$500}
Benefit Waiting Period	{7 days}
Maximum Benefit Period per Covered Accident	{26 weeks}}

**[WAIVER OF PREMIUM BENEFIT]**

Benefit Waiting Period	{9 months}
Benefit Period	

<u>Age when Total Disability Begins</u>	<u>Benefit Period</u>
Less than 60	{to 65 <sup>th</sup> birthday}
60 and later	{60 months}}

**[INITIAL PREMIUM RATES**

Premium Rate:	{variable; e.g., Premium amounts will vary based on the plan of benefits: \$123.45} per {covered Employee, covered Employee and covered Spouse, per month}
Mode of Premium Payment:	{variable; e.g., Monthly; Quarterly; Semi-Annually; Annually}
Contributions:	The cost of coverage is paid by the {Policyholder; Subscriber; Policyholder and Covered Person; Covered Person; Member}
Premium Due Dates:	The Policy Effective Date and the first day of each succeeding {interval}.

Premium rates are subject to change in accordance with the *Changes in Premium Rates* section contained in the *Administrative Provisions* section of this Policy. [{Each covered Employee's} premiums are based on his Age and will increase on the next premium due date after {the covered Employee} enters a new Age bracket.]]

## **GENERAL DEFINITIONS**

Please note that certain words used in this Policy have specific meanings. The words defined below and capitalized within the text of this Policy have the meanings set forth below.

*Each definition is optional and variable, depending on the type of group and benefits and options elected.*

### **[Active Service**

*Include when eligibility is based on employment status, for employer, trade or professional association or multiple employer groups.*

[{An Employee} will be considered in Active Service with his employer on any day that is either of the following:

1. one of {the Employer's} scheduled work days on which {the Employee} is performing his regular duties on a full-time basis, either at one of the Employer's usual places of business or at some other location to which the Employer's business requires {the Employee} to travel;
2. a scheduled holiday, vacation day or period of Employer-approved paid leave of absence, other than sick leave, only if {the Employee} was in Active Service on the Preceding scheduled workday.]

*Include when eligibility is not based on employment status or if dependents must be in Active Service.*

[{A Member, Covered Person} is considered in Active Service if he is none of the following:

1. an Inpatient in a Hospital or receiving Outpatient care for chemotherapy or radiation therapy.
2. Confined at home under the care of Physician for Sickness or Injury;
3. Totally Disabled.]]

### **[Age**

{A Covered Person's} Age, for purposes of initial premium calculations, is his Age attained on the date coverage becomes effective for him under this Policy. {Thereafter, it is his Age attained on [the last Policy anniversary] or [his last birthday.]}

### **[Aircraft**

A vehicle which:

1. has a valid certificate of airworthiness; and
2. is being flown by a pilot with a valid license to operate the Aircraft.]

### **[Core Plan**

The noncontributory plan of benefits provided under this Policy.]

### **Covered Accident**

A sudden, unforeseeable, external event that results, directly and independently of all other causes, in a Covered Injury or Covered Loss and meets all of the following conditions:

1. occurs while {the Covered Person} is insured under this Policy;
2. is not contributed to by disease, Sickness, mental or bodily infirmity;
3. [occurs while {the Covered Person} is {variable; e.g., any of the following may be included: attending, participating in, or traveling to and from any event sponsored by {the Policyholder, Subscriber}}];
4. is not otherwise excluded under the terms of this Policy.

### **[Covered Injury**

Any bodily harm that results directly and independently of all other causes from a Covered Accident.]

### **[Covered Loss**

A loss that is all of the following:

1. the result, directly and independently of all other causes, of a Covered Accident;
2. one of the Covered Losses specified in the Schedule of Covered Losses;
3. suffered by the Covered Person within the applicable time period specified in the *Schedule of Benefits*.]

**Covered Person**

An eligible person, as defined in the Schedule of Benefits, for whom [an enrollment form has been accepted by Us and] required premium has been paid when due and for whom coverage under this Policy remains in force. [The term Covered Person shall include, where this Policy provides coverage, an eligible Spouse and eligible Dependent Children.]

**[Dependent Child**

{An Employee's, Member's} [unmarried] child who meets the following requirements:

1. A child {from live birth to 19} years old;
2. A child who is {19} or more years old but less than {26} years old, [enrolled in a school [as a full-time student][ and primarily supported by {the Employee, Member}];
3. [A child who is {19} or more years old,[ primarily supported by the Employee, Member}]and incapable of self-sustaining employment by reason of mental or physical handicap. [Proof of the child's condition and dependence must be submitted to Us within {31 days} after the date the child ceases to qualify as a Dependent Child for the reasons listed above.][ During the next two years, We may, from time to time, require proof of the continuation of such condition and dependence. After that, We may require proof no more than once a year.]

A child, for purposes of this provision, includes {an Employee's, Member's}:

1. {natural child};
2. {adopted child, beginning with any waiting period pending finalization of the child's adoption.} It also means the legally adopted child of {the Employee's, Member's} Spouse [or Domestic Partner/Partner to a Civil Union] provided the child is [living with, and is] financially dependent upon {the Employee, Member};
3. stepchild who [resides with {the Employee, Member}] [and] [is financially dependent upon {the Employee, Member}];
4. [{child, grandchild} for whom {the Employee, Member} is the court-appointed legal guardian[, as long as the child resides with {the Employee, Member}[and depends on {the Employee, Member} for financial support. Financial support means that {the Employee, Member} is eligible to claim the dependent for purposes of Federal and State income tax returns].]

[If {an Employee, Member} who is the legal guardian of a child is not a step-parent, grandparent, aunt or uncle, then the child must have resided with {the Employee, Member} for at least [six consecutive months] and intend to reside with {the Employee, Member} for an indefinite period of time.]

5. [a child of the Employee's Domestic Partner [/Partner to a Civil Union,] [provided the child is living with, and is financially dependent upon {the Employee, Member}];]
6. [legally placed ward who permanently resides with {the Employee, Member}].

## **[Domestic Partners**

Domestic Partner means a person who is an unmarried same or opposite sex adult who resides with the covered person and has registered in a state or local domestic partner registry with a [Covered Person], or;

1. [A person with whom the Employee has a registered domestic partnership under {state} law which imposes legal obligations on the parties substantially similar to marriage. Such person will continue to be recognized as a Domestic Partner unless and until: (1) the domestic partnership is dissolved under applicable law; or (2) either the Employee or the Domestic Partner/ marries another person.
2. [A person who was legally married to the {Employee} under the laws of a state permitting marriage of partners of the same sex, where the {Employee} and Domestic Partner currently reside in a state that does not recognize a valid marriage. This shall not apply if:
  - a. the marriage has been terminated by legal process, or;
  - b. either the Employee or the Domestic Partner has entered into a valid marriage, or domestic partnership under state law.]
3. A person meeting all of the following requirements, with respect to a/an [unmarried] Employee:
  - a. Shares a permanent residence with the {Employee};
  - b. [Has resided with the {Employee} for at least {6 months} and is expected to continue to reside with the Employee indefinitely.]
  - c. [Has not been legally married to any other person {within the previous six months}, and has no Domestic Partner other than the {Employee} during the previous six months, and is the Employee's sole Domestic Partner/]
  - d. [Has signed a Domestic Partner declaration with the Employee, if the Employee resides in a jurisdiction which provides for Domestic Partner/ declarations];
  - e. [Has not signed a Domestic Partner declaration with any other person within the last {6 months}];
  - f. Is interdependent with the {Employee} in {three or more} of the following ways:
    1. Both partners are registered under any municipal ordinance as domestic partners.
    2. [Both partners are jointly parties to a lease, mortgage or deed.]
    3. Both partners jointly own one or more motor vehicles.
    4. [Both partners jointly own one or more bank or credit

- accounts.]
5. [The {Employee} has named the Domestic Partner as attorney-in-fact under a durable power of attorney with authority over health care decisions.]
  6. [The {Employee} has designated the Domestic Partner as beneficiary under a retirement plan or a life insurance policy.]
  7. The {Employee} has designated the Domestic Partner as beneficiary of the Employee's will.
  8. [Each partner has agreed in writing to assume the financial responsibility for the welfare of the other.]

*(Other conditions may be inserted which demonstrate financial interdependence by alternate means.)*

**[Emergency Room Treatment**

Emergency medical services and care given in a Hospital as an out or inpatient, for a sudden, unexpected onset of a medical condition of such nature that failure to render immediate care could reasonably result in deterioration to the point of placing {a Covered Person's} life in jeopardy or cause serious impairment to bodily functions.]

**[Employee**

For eligibility purposes, an Employee of {the Employer} who is in one of the Covered Classes. [The term does not include {Employees} who work less than {variable; e.g., 20 to 30 hours per week} for {the Employer}.]

**[Employer**

{The Policyholder, Subscriber} and any affiliates, subsidiaries or divisions shown in the *Schedule of Covered Affiliates* and which are covered under this Policy on the date of issue or subsequently agreed to by Us.]

**[He, His, Him**

Refers to any individual, male or female.]

**[Hospital**

An institution that meets all of the following:

1. it is licensed as a Hospital pursuant to applicable law;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it is managed under the supervision of a staff of medical doctors;
4. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
5. it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
6. it charges for its services.

[variable; e.g., Hospital shall include a Veteran's Administration Hospital or Federal Government Hospital and the requirement that a patient must incur an expense as an Inpatient shall be waived.]

The term Hospital does not include a clinic, facility, or unit of a Hospital for:

1. rehabilitation, convalescent, custodial, educational or nursing care;
2. the aged, drug addicts or alcoholics;
3. a Veteran's Administration Hospital or Federal Government Hospitals unless the {Covered Person} incurs an expense.]]

**[Hospital Stay**

A confinement in a Hospital, ordered by a Physician, over a period of time when room and board and general nursing care are provided at a per diem charge made by the Hospital. The Hospital Stay must result directly and independently of all other causes from a Covered Accident. Separate Hospital Stays due to the same Covered Accident will be treated as one Hospital Stay unless separated by at least {variable; e.g., 90 days to 180 days}.]

<b>[Inpatient</b>	{A Covered Person} who is confined for at least one full day’s Hospital room and board. The requirement that a person be charged for room and board does not apply to confinement in a Veteran’s Administration Hospital or Federal Government Hospital and in such case, the term “Inpatient” shall mean {a Covered Person} who is required to be confined for a period of at least a full day as determined by the Hospital.]
<b>[Member</b>	For eligibility purposes, a Member is any one of the following: <ol style="list-style-type: none"> <li>[1. an Employee of the Subscriber, not including a temporary or seasonal Employee;]</li> <li>[2. an Employee of a Member in good standing of a Subscriber [, not including a temporary or seasonal employee];]</li> <li>[3. a person who meets all of the conditions of membership of a Subscriber];</li> <li>[4. a person who is eligible to participate in the Trust;]</li> </ol> who is [ <i>Optional</i> , a United States citizen or has a permanent alien registration card and who is] in one of the Covered Classes.]]
<b>[Nurse</b>	A licensed graduate Registered Nurse (R.N.), a licensed practical Nurse (L.P.N.) or a licensed vocational Nurse (L.V.N.) and who is not: <ol style="list-style-type: none"> <li>1. employed or retained by the {Policyholder, Subscriber};</li> <li>2. living in the Covered Person’s household; or</li> <li>3. a parent, sibling, spouse or child of {the Covered Person}.]</li> </ol>
<b>[Outpatient</b>	{A Covered Person} who receives treatment, services and supplies while not an Inpatient in a Hospital.]
<b>[Permanently Totally Disabled</b>	{An Employee, Member or covered Spouse} who is Totally Disabled and is expected to remain Totally Disabled, as certified by a Physician, for the rest of his life.]
<b>[Physical Therapist</b>	Any practitioner of physical therapy who is duly licensed in the state where he is practicing and who is practicing within the scope and limitations of that license.]
<b>[Physician</b>	A licensed health care provider practicing within the scope of his license and rendering care and treatment to {a Covered Person} that is appropriate for the condition and locality and who is not: <ol style="list-style-type: none"> <li>1. employed or retained by {the Policyholder, Subscriber};</li> <li>2. living in the Covered Person’s household;</li> <li>3. a parent, sibling, spouse or child of {the Covered Person}.]</li> </ol>
<b>[Prior Plan</b>	The plan of insurance, {variable; e.g., former plan number, former insurance company name} providing similar benefits, sponsored by {variable; e.g., the Employer, Subscriber} in effect immediately prior to this Policy’s Effective Date.]
<b>[Rehabilitation Facility</b>	A legally operating institution or part of an institution which has a transfer agreement with one or more Hospitals and which: <ol style="list-style-type: none"> <li>1. is primarily engaged in providing comprehensive multi-disciplinary physical rehabilitative services or rehabilitation Inpatient care;</li> <li>2. is duly licensed by the appropriate government agency to provide such services; and</li> <li>3. is required to be accredited by the Joint Commission on Accreditation of Health Care Organizations or the Commission of Accreditation of Rehabilitation Facilities.</li> </ol> <p>A Rehabilitation Facility does not include institutions which provide only</p>

minimal care, custodial care, care for the terminally ill, part-time care, or services or facilities for drug abuse or alcoholism.]

**[Related Stays**

Successive stays in a Hospital unless:

1. any stay after the first is necessitated by causes entirely unrelated to the causes of the earlier stay; or
2. the stays are separated by at least {variable; e.g., 180 days}.]

**[Sickness**

A physical or mental illness [*optional*, including pregnancy].]

**[Spouse**

{The Employee's, Member's} lawful spouse [who is aged {variable; e.g., any Age between 18 years and under Age 70.} [*Optional*: who is a United States citizen or has a permanent Alien Registration Card.] [Except for purposes of determining initial eligibility, the term includes a Spouse who is widowed by {variable; e.g., or divorced or legally separated from} {an Employee, Member}.]]

**[Subscriber**

Any participating organization that subscribes to the trust to which this Policy is issued.]

**[Terrorism or Terrorist Act**

[Any hostile or violent act carried out by a group of persons having political or military goals but not operating on behalf of a foreign state and whose purpose is to compel an act or omission by any other person or governmental entity.]

*or*

**[Domestic Terrorism** means the unlawful use, or threatened use, of force or violence, by a group or individual based and operating entirely within the United States or Puerto Rico without foreign direction, committed against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof in furtherance of political or social objectives.

**International Terrorism** means violent acts or acts dangerous to human life occurring inside or outside of the United States that are a violation of the criminal laws of the United States or any state, or that would be a criminal violation if committed within the jurisdiction of the United States or any state. The acts are committed to intimidate or coerce a civilian population, influence the policy of a government by intimidation or coercion, or affect the conduct of a government by assassination or kidnapping.

**International Terrorist Group** means any group practicing, or that has significant subgroups that practice, international terrorism that has been designated as a foreign terrorist organization by the United States Department of State.]]

**[Totally Disabled or Total Disability**

Totally Disabled or Total Disability means [either]:

1. inability of {the Covered Person} who is currently employed to do any type of work for which he is or may become qualified by reason of education, training or experience; [or]
2. inability of {the Covered Person} who is not currently employed to perform all of the activities of daily living including eating, transferring, dressing, toileting, bathing, and continence, without human supervision or assistance.]

**[We, Us, Our**

Life Insurance Company of North America.]

*For use with Certificate*

**You, Your**

The person to whom the certificate is issued.

## **ELIGIBILITY AND EFFECTIVE DATE PROVISIONS**

### **[Policy Effective Date**

The Insurance Company agrees to provide Accident Insurance Benefits described in this Policy in consideration of the Policyholder's application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown on this Policy's first page [as long as the Minimum Participation requirement shown in the *Schedule of Benefits* has been satisfied].]

### **[Subscriber Effective Date**

Accident Insurance Benefits become effective for each Subscriber in consideration of the Subscriber's application, Subscription Agreement and payment of the initial premium when due. Insurance coverage for the Subscriber becomes effective on the Effective date of Subscriber Participation [as long as the Minimum Participation Requirement shown in the *Schedule of Benefits* has been satisfied].]

### **Eligibility**

{An Employee, Member} becomes eligible for insurance under this Policy on the date he meets all of the requirements of one of the Covered Classes and completes any Eligibility Waiting Period, as shown in the *Schedule of Benefits* [and is insured under the Core Plan]. [A Spouse and Dependent Children of an eligible {Employee, Member} become eligible for any dependent insurance provided by this Policy on the later of the date {the Employee, Member} becomes eligible and the date the Spouse or Dependent Child meets the applicable definition shown in the *Definitions* section of this Policy.] [No person may be eligible for insurance under this Policy as both {an Employee, a Member} and a Spouse or Dependent Child at the same time.]

*Included for a policy for which Employees or Members are not required to contribute to the cost of coverage or coverage is mandatory:*

### **[Effective Date for Individuals**

Insurance becomes effective for an eligible {Employee, Member} [who applies within {31 days} of the date he becomes eligible [and, subject to the *Deferred Effective Date* provision below,] on the latest of the following dates:

1. the effective date of {the Subscriber's participation under} this Policy;
2. {the date} {the Employee, Member} becomes eligible;
3. {the date} We receive {the Employee's, Member's} completed enrollment form during his lifetime.]

*[Optional: We may, from time to time, require {the Employee, Member} to re-enroll using forms supplied by Us to keep his insurance in force.]]*

*Included, for a policy (a) that provides dependent coverage and (b) for which {Employees, Members} are not required to contribute to the cost of coverage for their dependents or coverage is mandatory:*

[Insurance becomes effective for {an Employee's, Member's} eligible dependents [if the {Employee, Member} applies within {31 days} of the date his dependents become eligible] [and, subject to the *Deferred Effective Date* provision below,] on the latest of the following dates:

1. the effective date of {the Subscriber's participation under} this Policy;
- [2. {the date} {the Employee, Member} becomes eligible;]
- [3. {the date} {the Employee's, Member's} insurance becomes effective;]
- [4. {the date} the dependent meets the definition of Spouse or Dependent Child, as applicable;]
- [5. {the date} We receive {the Employee's, Member's} completed enrollment form for Spouse and Dependent Child coverage, during each dependent's lifetime.]

*Include for a policy for which {Employees, Members} are required to contribute to the cost of coverage:*

Insurance becomes effective for {an eligible Employee, Member} who applies and agrees to make required contributions within {31 days} of eligibility] [, and subject to the *Deferred Effective Date* provision below,] on the latest of the following dates:

1. the effective date of {the Subscriber's participation under} this Policy;
2. {the date} {the Employee, Member} becomes eligible;
3. {the date} We receive {the Employee's, Member's} completed enrollment form and the required first premium, during his lifetime.]



*Include for a policy (a) that provides Spouse and/or Dependent Child coverage and (b) for which {Employees, Members} are required to contribute to the cost of coverage for their Spouse and/or Dependent Child.*

[Insurance becomes effective for {an Employee's, Member's} eligible dependents [if the {Employee, Member} applies and agrees to make required contributions within {31 days} of the date his dependents become eligible [and, subject to the *Deferred Effective Date* provision below], on the latest of the following dates:

1. the effective date of {the Subscriber's participation under} this Policy;
- [2. {the date} {the Employee, Member} becomes eligible;]
3. {the date} {the Employee's, Member's} insurance becomes effective;]
- [4.] {the date} the dependent meets the definition of Spouse or Dependent Child, as applicable;
- [5.] {the date} We receive a completed enrollment form for Spouse and Dependent Child coverage and the required first premium, during each dependent's lifetime.]

Insurance becomes effective for a newborn Dependent Child automatically from the moment of the child's live birth. Insurance for that Dependent Child automatically ends {31 days} later unless {the Employee, Member} has {a Spouse or other Dependent Children} insured under this Policy or makes a request to cover the child and pays the required initial premium, during the child's lifetime.]

### **[DEFERRED EFFECTIVE DATE**

#### **[Active Service**

The effective date of insurance will be deferred for any {Employee, Member} [or any eligible Spouse or Dependent Child] who is not in Active Service on the date coverage would otherwise become effective. Coverage will become effective on the later of the date he returns to Active Service and the date coverage would otherwise have become effective.]

*Optional; i.e., included when evidence of insurability may be required for late entrants:*

#### **[Late Enrollment**

If application for insurance is not made within {31 days} of the date a person is first eligible for coverage [or a Life Status Change] [or during an Annual Re-Enrollment], {the Covered Person} will be considered a late enrollee. Coverage for any late enrollee will become effective on the later of the date We approve the required evidence of insurability and receive required premium and the date coverage would otherwise have become effective.]

#### **[Replacement Coverage**

{An Employee, Member} [and any Spouse and Dependent Children] who were insured under a Prior Plan and who are not in Active Service on the effective date of {the Subscriber's participation under} this Policy will be insured on that date for the lesser of:

1. the amount of coverage in effect under the Prior Plan on the date it terminated; and
2. the amount of coverage provided under this Policy.

If the amount of coverage otherwise provided by this Policy is greater than the amount provided under the Prior Plan, the greater amount will become effective on the {first day of the month on or after, *or* first day of the Policy year on or after *or* date} {the Employee, Member}, [Spouse or Dependent Child] returns to Active Service.]

*Include this paragraph if contributions are required toward the cost of coverage:*

[If {an Employee, Member} is required to contribute to the cost of any portion of his [or his dependents'] insurance and is not in Active Service on the effective date of {the Subscriber's participation under} this Policy, coverage will terminate {31 days} after {the Employee, Member} returns to Active Service unless he submits an enrollment form and the required initial premium. If {the Employee, Member} selects the amount of benefit for which he is required to pay premium for himself [or any dependents], the amount in effect under this provision will be the lesser of the amount provided under the Prior Plan and the smallest amount he may select under this Policy.]

#### **[Annual Re-Enrollment**

{An Employee, Member} currently insured under {the voluntary Accident portion of} this Policy, and a person who is eligible but has not previously enrolled, may increase or become insured for coverage under this Policy during an annual re-enrollment period as agreed to by Us and {the Policyholder, Subscriber}. {An Employee, Member} who is insured under this Policy may also elect or increase coverage for his eligible dependents.] Coverage elected during an Annual Re-Enrollment Period will be come effective [, subject to the *Active Service* section of the *Deferred Effective Date* provision,] on [the Policy Anniversary following, or first day of the month following the] date We receive a request and any required premium payment.]

### **[Life Status Change**

A Life Status Change is an event that the Employer determines qualifies {an Employee, Member} to [elect,] or increase accident insurance benefits [for himself and his Spouse and Dependent Children]. [Any change in benefit elections must be made within {31 days} of a Life Status Change.]

*Include specific life status changes only upon Policyholder request:*

[Life Status Changes that qualify {an Employee, Member} to [elect or] increase his accident insurance include:

- [1. marriage];
- [2. loss of a spouse, whether by death, divorce, annulment or legal separation];
- [3. birth or adoption of a child, or acquiring a child through marriage]; and
- [4. an increase in cost or a significant reduction or loss of group accident benefits provided by a Spouse's Plan].]

[Life Status Changes that qualify {an Employee, Member} to [elect or] increase accident insurance for his Spouse and eligible Dependent Children include:

- [1. marriage];
- [2. birth or adoption of a child, or acquiring a child through marriage]; and
- [3. a significant reduction, increase in cost or loss of group accident benefits provided by a Spouse's Plan].]

Any increases in benefits or added benefits elected under this Life Status Change provision will become effective on the [{{first of the month following the} Life Status Change [or the {first day of the month following the} date the {Employee, Member} applies and agrees to make required contributions]].

*Include when policy is issued to an employer/employee group:*

[{{The Policyholder, Subscriber} should seek advice of its tax advisors if Employees may contribute to the cost of any insurance provided by this Policy with earnings not subject to Federal Income Tax. We cannot provide such advice nor offer any opinions on taxation or tax status of any contributions toward cost of insurance.}]

### **Effective Date of Changes**

Any increase or decrease in the amount of insurance for {the Covered Person} resulting from:

1. a change in benefits provided by this Policy; or
2. a change in {the Employee's, Member's} Covered Class will take effect on the date of such change.

Increases will take effect subject to any Active Service requirement.

### **TERMINATION OF INSURANCE**

The insurance on {a Covered Person} will end on the earliest date below:

1. the date this Policy or insurance for a Covered Class is terminated;
- [2. the date the Subscriber's participation under this Policy ends;]
3. the next premium due date after the date {the Covered Person} is no longer in a Covered Class or satisfies eligibility requirements under this Policy;
4. the last day of the last period for which premium is paid;
- [5. the next premium due date after {the Covered Person} attains the maximum Age for insurance under this Policy, as shown in the *Schedule of Benefits*;]
- [6. the next premium due date after the Member ceases to be a Member in good standing of {the Policyholder, Subscriber};]
- [7. with respect to a Spouse {or Dependent Child}, the date of the death of the {covered Employee, Member} [or the date of divorce from the {covered Employee, Member}, unless the Spouse elects to continue insurance, including insurance on Dependent Children.] See *Continuation of Insurance* section;]
- [8. the date that the plan of benefits under which {the Covered Person} is covered is terminated.]

Termination will not affect a claim for a Covered Loss or Covered Injury that is the result, directly and independently of all other causes, of a Covered Accident that occurs while coverage was in effect.

*Optional and variable, depending on type of group; will not be included if policy includes portability:*

**[CONTINUATION OF INSURANCE**

Insurance for the covered Spouse [and Dependent Children] may be continued if a covered Spouse's [and Dependent Children's] insurance would otherwise end because of death of or divorce from {the covered Employee, Member}. The Covered Spouse must:

1. submit a written request for continued insurance to Us within {variable; e.g., 31, 60, 90 days} of the event; and
2. pay the required premium [variable; e.g., to the Policyholder/Subscriber, directly to Us.]

[Insurance continued under this provision may not exceed the amount of insurance in force on the day before insurance as a covered Spouse ended, nor may a Spouse add any dependents for insurance.]

Premiums for insurance continued under this provision will start with the Premium Due Date on or next following the date of the event. If a Spouse does not elect to continue insurance under this provision or does not provide notification within the required time period, insurance will not be continued and any premium paid from the date of the event will be refunded. [However, if notification is not given to Us within the time period required in (1.) above, any return of premium will be limited to any excess paid in the last {variable; e.g., six, 12 months}]

Any Continuation of Insurance is subject to Our continuing to offer insurance under this Policy to new applicants.]

*Optional and variable, depending on type of group:*

**[CONTINUATION OF INSURANCE**

We will continue insurance under this Policy for a Spouse [and Dependent Children] of a covered [Employee, Member] who dies, without payment of premium for {12 to 24 months}. The Spouse [and Dependent Children]: (a) must have been insured under this Policy on the date {the Employee, Member} died; and (b) must continue to meet all other requirements for eligibility. Coverage continued under this provision will terminate on the earlier of the end of {the 12<sup>th</sup> month} and the date the Spouse [or any Dependent Child] ceases to meet all other requirements for eligibility.

*Optional for employer groups:*

**[Continuation for {Layoff, Leave of Absence or Family Medical Leave}**

Insurance for an Employee {and covered Dependents} may be continued until the earliest of the following dates if: (a) an {Employee} is on a temporary {layoff, an Employer-approved leave of absence or an Employer-approved family medical leave}; and (b) required premium contributions are paid when due.

1. [for a layoff, [{six months} after] the end of the month in which the layoff begins;]
2. [for an Employer-approved leave of absence: [{six months after] the end of the month after the month in which the leave begins;]
3. [for an Employer-approved family medical leave {12 weeks in a consecutive 12-month period.}]

[Such continuation will {run concurrently with, precede} a continuation during any other leave.]]

**[Continuation for Military Service**

If {an Employee} begins a leave of absence to serve in the armed forces, insurance for {the Employee} {and his Covered Dependents} will continue until the earliest of the following dates, if the required premium is paid:

1. 18 months;
2. the day {the Employee} fails to return to work as outlined in the Uniform Services Employment and Reemployment Rights Act of 1994.

All of the following will apply when coverage is continued under this provision:

1. [any change in benefits that occurs during the period of continuation will apply on the effective date of the change;]
2. [any Active Service requirement will be waived; ]
3. [The Employee} will be given credit for the time he was covered under this Policy prior to the leave.

If {an Employee} does not continue coverage for himself [and his Dependents] during such leave and returns to work:

1. {the Employee} [and his Dependents] will be covered on the date {the Employee} returns to work from the leave. {The Employee} must return to work as outlined in the Uniform Services Employment and Reemployment Rights Act of 1994;
2. any portion of an eligibility waiting period that has not been completed will not be credited during {the Employee's} leave.]]

*Optional and variable:*

## **[PORTABILITY]**

Insurance provided by this Policy is portable, as shown in the *Schedule of Benefits*, for {a Covered Person} who would otherwise cease to be {a member of one of the Covered Classes shown in the *Schedule of Benefits*} {eligible under the terms of this Policy} and satisfies all of the conditions below.

### **Whose Insurance is Portable**

1. A covered {Employee, Member} who:

- [a. has been insured under this Policy for at least {two years}];
- [b. has not attained the Maximum Age for Portability shown in the *Schedule of Benefits*];
- c. applies and agrees to pay required premiums, may elect to remain insured under this Policy [while it remains in force] [for the Portable Period shown in the *Schedule of Benefits*].

[Any Spouse or Dependent Child insurance provided under {the covered Employee's, Member's} certificate is portable when {the Employee, Member} ports his coverage.]

2. A covered Spouse who:

- [a. has been insured under this Policy for at least {two years}];
- [b. has not attained the Maximum Age for Portability shown in the *Schedule of Benefits*];
- c. applies and agrees to pay required premiums, may elect to remain insured under a certificate issued to him [while this Policy remains in force] [for the Portable Period shown in the *Schedule of Benefits*].

[Any Dependent Child insurance provided under {the Spouse's} certificate is portable when {the Spouse} ports his coverage.]

3. An Insured {Dependent Child} who:

- [a. has been insured under this Policy for at least {two years}];
- [b. has been insured under {the Employee's}[ or {Spouse's}] certificate that remains in force];
- c. applies and agrees to pay required premiums, may elect to remain insured under a certificate issued to him [while this Policy remains in force] [for the Portable Period shown in the *Schedule of Benefits*].

### **Effective Date of Ported Insurance**

Portable insurance will become effective under this provision on the date {the Covered Person's} coverage under this Policy would otherwise have terminated, as described above, if {the Covered Person} has applied and agreed to pay required premiums within {31 days} of the date he would otherwise have ceased to be eligible.

### **Amount of Portable Coverage**

[The amount of portable [Accidental Death and Dismemberment, Accidental Death] insurance is shown in the *Schedule of Benefits*. [Portable Coverage will be reduced by any amount for which {the Covered Person} becomes eligible, under a group policy providing similar accident insurance benefits, within {31 days} of the date his insurance under this Policy becomes portable]. [Any additional coverages and benefits for which {the Covered Person} was insured are portable only if shown in the *Schedule of Benefits*.]]

### **Termination of Ported Coverage**

Coverage will end on the earliest of the following dates:

- a. the date [this Policy] *or* [the Subscriber's participation under this Policy] or coverage for a Covered Class is terminated;
- b. the day after the end of the last period for which premiums are paid;
- [c. the end of the Portable Period;]
- [d. {three years} after the date [this Policy] *or* [ the Subscriber's participation under this Policy] *or* [coverage for a Covered Class is terminated];]
- [e. the date {the Covered Person} becomes eligible for similar accident coverage under a group policy;]
- [f. the date {the Covered Person} reaches the Maximum Age for Portability shown in the *Schedule of Benefits*.]]

## **COMMON EXCLUSIONS**

In addition to any benefit-specific exclusions, benefits will not be paid for any Covered Injury or Covered Loss which, directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the *Description of Benefits* Section:

*Optional, i.e., each of the following Exclusions will be included, or will be deleted at the option of the Policyholder/Subscriber and numbers will be adjusted accordingly:*

- [1. intentionally self-inflicted Injury, suicide or any attempt thereof while sane or insane];
  - [2. commission or attempt to commit a felony or an assault];
  - [3. commission of or active participation in a riot, insurrection or Terrorist Act];
  - [4. {variable; e.g., bungee jumping; parachuting; skydiving; parasailing; hang-gliding}];
  - [5. declared or undeclared war or act of war];
  - [6. Terrorism];
  - [7. flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface, except as:
    - a. a fare-paying passenger on a regularly scheduled commercial or charter airline;
    - b. a passenger in a non-scheduled, private Aircraft used for pleasure purposes with no commercial intent during the flight;
    - c. a passenger in a military Aircraft flown by the Air Mobility Command or its foreign equivalent;] *or*
  - [8. flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface: [*Optional*:
    - [a. except as a fare-paying passenger on a regularly scheduled commercial airline];
    - [b. being flown by {the Covered Person} or in which {the Covered Person} is a member of the crew];
    - [c. being used for:
      - [i. crop dusting, spraying or seeding, giving and receiving flying instruction, fire fighting, sky writing, sky diving or hang-gliding, pipeline or power line inspection, aerial photography or exploration, racing, endurance tests, stunt or acrobatic flying]; or
      - [ii. any operation that requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on);]
    - [d. designed for flight above or beyond the earth's atmosphere];
    - [e. an ultra-light or glider];
    - [f. being used for the purpose of parachuting or skydiving];
    - [g. being used by any military authority, except an Aircraft used by the Air Mobility Command or its foreign equivalent;]
- [9. travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle];
- [10. participation in any motorized race or contest of speed];
- [11. an accident if {the Covered Person} is the operator of a motor vehicle and does not possess a valid motor vehicle operator's license; except while participating in Driver's Education Program];
- [12. Sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food];
- [13. medical or surgical treatment, diagnostic procedure, administration of anesthesia, or medical mishap or negligence, including malpractice];
- [14. travel or activity outside the United States or Canada];
- [15. travel in any Aircraft owned, leased or controlled by {the Policyholder, Subscriber}, or any of its subsidiaries or affiliates. An Aircraft will be deemed to be "controlled" by {the Policyholder, Subscriber} if the Aircraft may be used as {the Policyholder, Subscriber} wishes for more than 10 straight days, or more than 15 days in any year];
- [16. {the Covered Person's} intoxication as determined according to the laws of the jurisdiction in which the Covered Accident occurred];
- [17. voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage];
- [18. injuries compensable under Workers' Compensation law or any similar law];
- [19. occupational injuries for which benefits are not paid under the Workers' Compensation Law or any similar law];
- Variable; e.g., *for occupational coverage only*:
- [20. injuries that result from a non-occupational accident];
  - [21. a Covered Accident that occurs while on active duty service in the military, naval or air force of any country or international organization. Upon Our receipt of proof of service, We will refund any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days];

In addition, benefits will not be paid for:

- [22. services or treatment rendered by a Physician, Nurse or any other person who is:
  - a. employed or retained by {the Policyholder, Subscriber};
  - b. providing homeopathic, aroma-therapeutic or herbal therapeutic services;
  - c. living in {the Covered Person's} household;
  - d. who is a parent, sibling, spouse or child of {the Covered Person}}];
- [23. any Hospital Stay or days of a Hospital Stay that are not appropriate for the condition and locality.]

## **[CONVERSION PRIVILEGE]**

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- [1.] If {the Covered Person's} insurance or any portion of it ends for a reason other than non-payment of premium, {the Covered Person's} Age or those reasons described in Paragraph 2 below, {the Covered Person} may have Us issue converted accident insurance on an individual policy or an individual certificate under a designated group policy. {The Covered Person} may not apply for an amount greater than his coverage under this Group Policy [less the amount of any other group accident insurance for which he becomes eligible within {31 days} after the date coverage under this Group Policy terminated.] The policy or certificate will not contain disability or other additional benefits. {The Covered Person} need not show Us that he is insurable.

{The Covered Person} must apply for the individual policy within {31 days} after his coverage under this Group Policy ends and pay the required premium, based on Our table of rates for such policies, his Age and class of risk.

[The individual policy or certificate will take effect on the day following the date coverage under the Group Policy ended. If {the Covered Person} dies during this {31-day} period as the result of an accident that would have been covered under this Group Policy, We will pay as a claim under this Group Policy the amount of insurance that {the Covered Person} was entitled to convert. It does not matter whether {the Covered Person} applied for the individual policy or certificate. If such policy or certificate is issued, it will be in exchange for any other benefits under this Group Policy.]

- [2.] If {the Covered Person's} insurance ends because this Group Policy is terminated or is amended to terminate insurance for {the Covered Person's} class, and he has been covered under this Group Policy for at least {five years}, {the Covered Person} may have Us issue an individual policy or certificate of accident insurance subject to the same terms, conditions and limitations listed above. However, the amount he may apply for will be limited to the lesser of the following:
- a. coverage under this Group Policy less any amount of group accident insurance for which he is eligible on the date this Group Policy is terminated or for which he became eligible within {31 days} of such termination, or
  - b. {\$10,000}]

## **CLAIM PROVISIONS**

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### **Notice of Claim**

Written {or authorized electronic/telephonic} notice of claim must be given to Us within {31 days} after a Covered Loss occurs or begins or as soon as reasonably possible. If written {or authorized electronic/telephonic} notice is not given in that time, the claim will not be invalidated or reduced if it is shown that written {or authorized electronic/telephonic} notice was given as soon as was reasonably possible. Notice can be given to Us at Our Home Office in Philadelphia, Pennsylvania, such other place as We may designate for the purpose, or to Our authorized agent. Notice should include {the Policyholder's, Subscriber's} name and policy number and {the Covered Person's} name, address, policy and certificate number.

### **Claim Forms**

We will send claim forms with written instructions for filing proof of loss when We receive notice of a claim. If such forms are not sent within 15 days after We receive notice, the proof requirements will be met by submitting, within the time fixed in this Policy for filing proof of loss, written {or authorized electronic} proof of the nature and extent of the loss for which the claim is made.

### **[Claimant Cooperation Provision**

Failure of a claimant to cooperate with Us in the administration of the claim may result in termination of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.]

### **Proof of Loss**

Written {or authorized electronic} proof of loss satisfactory to Us must be given to Us at Our office, within 90 days of the loss for which claim is made. If (a) benefits are payable as periodic payments and (b) each payment is contingent upon continuing loss, then proof of loss must be submitted within {90 days} after the termination of each period for which We are liable. If written {or authorized electronic} notice is not given within that time, no claim will be invalidated or reduced if it is shown that such notice was given as soon as reasonably possible. In any case, written {or authorized electronic} proof must be given not more than one year after the time it is otherwise required, except if proof is not given solely due to the lack of legal capacity.

### **Time of Payment of Claims**

We will pay benefits due under this Policy for any loss other than a loss for which this Policy provides any periodic payment immediately upon receipt of due written {or authorized electronic} proof of such loss. Subject to due written {or authorized electronic} proof of loss, all accrued benefits for loss for which this Policy provides periodic payment will be paid monthly unless otherwise specified in the benefits descriptions and any balance remaining unpaid at the termination of liability will be paid immediately upon receipt of proof satisfactory to Us.

### **Payment of Claims**

All benefits will be paid in United States currency. Benefits for loss of life will be payable [to the {Employee's, Member's} beneficiary named under this Policy, if any.] *or* [in accordance with the Beneficiary provision and these Claim Provisions.] All other proceeds payable under this Policy, unless otherwise stated, will be payable to {the covered Employee, Member} or to his estate.

If We are to pay benefits to the estate or to a person who is incapable of giving a valid release, We may pay {variable; e.g., \$1,000 to \$5,000} to a relative by blood or marriage whom We believe is equitably entitled. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment and release Us from all liability.

### **[Payment of Claims to Foreign Employees**

{The Policyholder, Subscriber} may, in a fiduciary capacity, receive and hold any benefits payable to covered {Employees} whose place of employment is other than:

- {1. the United States of America;}
- {2. Puerto Rico; or}
- {3. the Dominion of Canada}.

We will not be responsible for the application or disposition by {the Policyholder, Subscriber} of any such benefits paid. Our payments to {the Policyholder, Subscriber} will constitute a full discharge of Our liability for those payments under this Policy.]



**Physical Examination [and Autopsy]**

We, at Our own expense, have the right and opportunity to examine {the Covered Person} when and as often as We may reasonably require while a claim is pending [and to make an autopsy in case of death where it is not forbidden by law].

**Legal Actions**

No action at law or in equity may be brought to recover under this Policy less than 60 days after written {or authorized electronic} proof of loss has been furnished as required by this Policy. No such action will be brought more than three years after the time such written proof of loss must be furnished.

**Beneficiary**

[Any beneficiary designations made under a Prior Plan which was not provided by Us and which is replaced through coverage under this Policy shall be null and void.]

[The {Policyholder, Insurance Company} shall solicit and maintain all beneficiary designations made under the Policy.]

[If the {Policyholder, Subscriber} elects, after the Effective Date of the Policy, to have Us solicit and maintain beneficiary designations under the Policy, then all beneficiary designations made under the Policy prior to the date of the start of the Solicitation Period by Us shall be null and void as of the day immediately following the last date of that Solicitation Period.

If the {Policyholder, Subscriber} elects, after the Effective Date of the Policy, to discontinue having Us maintain beneficiary designations under the Policy, then all beneficiary designations made under the Policy prior to the date of the start of the Solicitation Period by the {Policyholder, Subscriber} shall be null and void as of the day immediately following the last date of that Solicitation Period.

**Solicitation Period** shall mean that {30/60/90} day period of time immediately preceding the effective date of the {Policyholder's, Subscriber's} election that is provided to {Employees, Members} insured under the Policy to designate a beneficiary.]

[All beneficiaries designated as to any coverages under this Policy shall be null and void as of the effective date of cancellation of the Policy, except as to those {Employees, Members} for whom coverage remains in effect after Policy cancellation.]

The beneficiary is the person or persons {the Employee, Member} names or changes on a form executed by him and satisfactory to Us. This form may be in writing or by any electronic means agreed upon between Us and {the Policyholder, Subscriber}. Consent of the beneficiary is not required to affect any changes, unless the beneficiary has been designated as an irrevocable beneficiary [, or to make any assignment of rights or benefits permitted by this Policy.] [A separate beneficiary may be designated to receive any Accidental Death Benefit payable at the death of {the Employee's, Member's} Spouse or Dependent Child.] [Any Accidental Death Benefit payable at the death of {the Employee's, Member's} Spouse or Dependent Child will be paid to {the Employee's, Member's} estate.]

[The {Employee, Member} may change the beneficiary at any time by giving written notice to the {Policyholder, Subscriber, or the Insurance Company}.] A beneficiary designation or change will become effective on the date {the Covered Person} executes it. However, We will not be liable for any action taken or payment made before We record notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless {the Employee, Member} has specified otherwise. The share of any beneficiary who does not survive {the Covered Person} will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary, or if {the Employee, Member} dies while benefits are payable to him, We may make direct payment to [the first surviving class of the following classes of persons:

1. Spouse, legal partner including domestic partner and civil union partner;
2. Child or Children;
3. mother or father;
4. sisters or brothers;
5. estate of {the Covered Person}.]

*Or*

[the estate of {the Covered Person}.]

**Recovery of Overpayment**

If benefits are overpaid, We have the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under this Policy.

If there is an overpayment due when {the Covered Person} dies, We may recover the overpayment from {the Covered Person's} estate.

## ADMINISTRATIVE PROVISIONS

### Premiums

All premium rates are expressed in, and all premiums are payable in, United States currency. The premiums for this Policy will be based on the rates set forth in the *Schedule of Benefits*, the plan and amounts of insurance in effect. [Variable; e.g., If {a Covered Person's} insurance amounts are reduced due to age, premium will be based on the amounts of insurance in force on the day {after, before} the reduction took place.]

### Changes in Premium Rates

We may change the premium rates from time to time with at least {31 days} advance written notice to {variable; e.g., the Policyholder, Subscriber}. No change in rates will be made until {12 months} after the Policy Effective Date. An increase in rates will not be made more often than once in {a 12-month period}. However, We reserve the right to change rates at any time if any of the following events take place:

1. the terms of this Policy change;
- [2. the terms of the Subscriber's participation change;]
- [3.] a division, subsidiary, affiliated company or eligible class is added or deleted from this Policy;
- [4.] there is a change in the factors bearing on the risk assumed;
- [5.] any federal or state law or regulation is amended to the extent it affects Our benefit obligation.

### Payment of Premium

- [1.] Policyholder

The first premium is due on the Policy Effective Date. Thereafter, premiums are due on the Premium Due Dates agreed upon between Us and the Policyholder.

If any premium is not paid on the Premium Due Date when due, this Policy will be cancelled as of such Premium Due Date, except as provided in the Policy Grace Period section.

- [2. [Optional: Subscriber]

The first premium is due on the Subscriber's effective date of participation under this Policy. Thereafter, premiums are due on the Premium Due Dates agreed upon between Us and the Subscriber. If any premium is not paid when due, the Subscriber's participation under this Policy will be terminated as of the Premium Due Date on which premium was not paid.]

*Include when premiums payable directly to Insurance Company by the Employee/Member*

- [3. {Covered Person}

The {Employee / Member/Covered Person} {shall / may} be responsible for the payment of premium directly to Us, as determined by the {Employer / Policyholder/Subscriber} from the Policy Effective Date, or following the expiration of {60 / 90 / 120 / X} days from the date insurance is continued for an {Employee / Member/Covered Person} under the Continuation of Insurance provisions of the Policy. Premium shall be due {monthly / quarterly / semi-annually / annually}, unless the {Employee / Member/Covered Person} and the Insurance Company agree on some other period for premium payment. If premium is not paid when due, insurance will end as of the premium due date, except as provided in the Grace Period section. [In addition to premium, We may assess a Monthly Administrative Charge, as appropriate to the Covered Class. In no event will the Monthly Administrative Charge exceed an amount equal to the sum of {\$ 10.00 / X dollars} and {2.5% / X %} of the monthly premium due].]

### Grace Period

- [1.] {Policy}

A Policy Grace Period of {31 days} will be granted for payment of required premiums under this Policy. This Policy will be in force during the Policy Grace Period. The Policyholder is liable to Us for any unpaid premium for the time this Policy was in force.

[2. Subscriber

A Grace Period of {31 days} will be granted to each Subscriber for payment of its required premiums under this Policy. A Subscriber's participation under this Policy will remain in effect during the Grace Period. The Subscriber is liable to Us for any unpaid premium for the time its participation under this Policy was in force.]

*Include when premiums payable directly by Employee or Member*

[3. {Covered Person}

A Grace Period of {31 days} will be granted for payment of required premiums under this Policy. {A Covered Person's} insurance under this Policy will remain in force during the Grace Period. We will reduce any benefits payable for any claims incurred during the grace period by the amount of premium due. If no such claims are incurred and premium is not paid during the grace period, insurance will end on the last day of the period for which premiums were paid.]

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## **GENERAL PROVISIONS**

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### **Entire Contract; Changes**

This Policy, including the endorsements, amendments and any attached papers constitutes the entire contract of insurance. No change in this Policy will be valid until approved by one of Our executive officers and endorsed on or attached to this Policy. No agent has authority to change this Policy or to waive any of its provisions.

### **[Subscriber Participation Under This Policy**

An organization may elect to participate under this Policy by submitting a signed Subscriber participation agreement to the Policyholder. No participation by an organization is in effect until approved by Us.]

### **Misstatement of Fact**

If {the Covered Person} has misstated any fact, all amounts payable under this Policy will be such as the premium paid would have purchased had such fact been correctly stated.

### **Certificates**

Where required by law, We will provide a certificate of insurance for delivery to {the Covered Person}. Each certificate will list the benefits, conditions and limits of this Policy. It will state to whom benefits will be paid.

### **[{30 Day} Right To Examine Certificate**

If {a Covered Person} does not like the Certificate for any reason, it may be returned to Us within {30 days} after receipt. We will return any premium that has been paid and the Certificate will be void as if it had never been issued.]

### **[Multiple Certificates**

[{The Covered Person} may have in force only one certificate at a time under this Policy. If at any time {the Covered Person} has been issued more than one certificate, then only the largest shall be in effect. We will refund premiums paid for the others for any period of time that more than one certificate was issued.]

[{A Covered Person} is not eligible for insurance under more than one certificate providing benefits for accident insurance under group policies issued by Us. If premium is being paid for more than one such certificate, insurance will be in effect under the certificate with the earliest effective date and premiums paid for certificates which are not in effect will be refunded.]]

### **Assignment**

*Option 1: Include if no rights and benefits are assignable:*

[The rights and benefits under this Policy may not be assigned and any attempt to assign will be void.]

*Option 2: Include when no assignment other than benefits that have become payable is permitted:*

[The rights and benefits provided by this Policy, except as provided herein, may not be assigned. The payee may, after a benefit or series of benefits has become payable, assign only those benefits. Such assignment will be valid only if We receive it before any of those benefits have been paid and only for benefits payable for claims arising from the same Covered Accident. Any other attempt to assign will be void.]

*Option 3: Include if assignment is permissible:*

[We will be bound by an assignment of {a Covered Person's} insurance under this Policy only when the original assignment or a certified copy of the assignment, signed by {the Covered Person} and any irrevocable beneficiary, is filed with Us. The assignee may exercise all rights and receive all benefits assigned only while the assignment remains in effect and insurance under this Policy and {the Covered Person's} certificate remains in force.]

**Incontestability****1. Of This Policy or Participation Under This Policy**

All statements made by {the Policyholder, Subscriber} to obtain this Policy or to participate under this Policy are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of this Policy or of participation under this Policy unless a copy of the instrument containing the statement is, or has been, furnished to {the Policyholder, Subscriber.}

After two years from the Policy Effective Date, no such statement will cause this Policy to be contested except for fraud.

After two years from {the Covered Person's} effective date of insurance, or from the effective date of increased benefits, no such statement will cause insurance or the increased benefits to be contested except for fraud or lack of eligibility for insurance.

In the event of death or incapacity, the beneficiary or representative shall be given a copy.

**[Reporting Requirements**

The {variable; e.g., Policyholder, Subscriber} or its authorized agent must report all of the following to Us by the premium due date:

1. the names of all persons insured on the Policy Effective Date;
2. the names of all persons who are insured after the Policy Effective Date;
3. the names of those persons whose insurance has terminated;
4. additional information required by Us.]

**Policy Termination**

We may terminate coverage on or after the first anniversary of the policy effective date. {The Policyholder, Subscriber} may terminate coverage on any premium due date. Written {or authorized electronic} notice by certified mail must be given at least {31 days} prior to such premium due date. [Failure by {the Policyholder, Subscriber} to pay premiums when due or within the grace period shall be deemed notice to Us to terminate coverage at the end of the period for which premium was paid.]

Termination will not affect a claim for a Covered Loss that is the result, directly and independently of all other causes, of a Covered Accident that occurs while coverage was in effect.

**Reinstatement**

This Policy may be reinstated if it lapsed for nonpayment of premium. Requirements for reinstatement are written application of {the Policyholder, Subscriber} satisfactory to Us and payment of all overdue premiums. Any premium accepted in connection with a reinstatement will be applied to a period for which premium was not previously paid, but not to any period more than {60 days} prior to the date of reinstatement.

**Clerical Error**

{A Covered Person's} insurance will not be affected by error or delay in keeping records of insurance under this Policy. If such error or delay is found, We will adjust the premium fairly.

**Conformity with Statutes**

Any provisions in conflict with the requirements of any state or federal law that apply to this Policy are automatically changed to satisfy the minimum requirements of such laws.

**Policy Changes**

We may agree with {the Policyholder, Subscriber} to modify a plan of benefits without {the Covered Person's} consent.

**Workers' Compensation Insurance**

This Policy is not in place of and does not affect any requirements for coverage under any Workers' Compensation law.

**Examination of the Policy**

This Group Policy will be available for inspection at {the Policyholder's, Subscriber's} office during regular business hours.

**Examination of Records**

We will be permitted to examine all of {the Policyholder's, Subscriber's} records relating to this Group Policy.

Examination may occur at any reasonable time while the Group Policy is in force; or it may occur:

1. at any time for two years after the expiration of this Group Policy; or, if later,
2. upon the final adjustment and settlement of all Group Policy claims.

{The Policyholder, Subscriber} is acting as an agent of {the Covered Person} for transactions relating to this insurance.

The actions of {the Policyholder, Subscriber} will not be considered Our actions.

**[Ownership of Records**

All records maintained by the Insurance Company are, and shall remain, the property of the Insurance Company.]

## **DESCRIPTION OF [COVERAGES] AND BENEFITS**

*Each of the following coverages and benefits apply on a case-by-case basis at the option of the Policyholder/Subscriber. They may be included as shown, modified or deleted.*

**This Description of [Coverages and] Benefits Section describes the Accident [Coverages and] Benefits provided by this Policy. Benefit amounts, benefit periods and any applicable aggregate and benefit maximums are shown in the Schedule of Benefits. Certain words capitalized in the text of these descriptions have special meanings within this Policy and are defined in the General Definitions section. Please read these and the Common Exclusions sections in order to understand all of the terms, conditions and limitations applicable to these [coverages and] benefits.**

### **[ACCIDENTAL DEATH BENEFIT**

**Covered Loss** We will pay the benefit shown in the *Schedule of Benefits* if {a Covered Person} dies from a Covered Injury resulting directly and independently of all other causes from a Covered Accident [within the applicable time period specified in the *Schedule of Benefits*].

**Exclusions** Exclusions that apply to this Benefit are specified in *Common Exclusions* Section.]  
GA-01-2000.00

### **[ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

**Covered Loss** We will pay the benefit for any one of the Covered Losses listed in the *Schedule of Benefits*, if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident [within the applicable time period specified in the *Schedule of Benefits*].

[If {the Covered Person} sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable.] If the loss results in death, benefits will only be paid under the Loss of Life benefit provision. Any Loss of Life benefit will be reduced by any paid or payable Accidental Dismemberment benefit. However, if such Accidental Dismemberment benefit equals or exceeds the Loss of Life benefit, no additional benefit will be paid.

**Definitions** *The following definitions are optional and will be included as required by the selected benefits.*

[**Loss of a Hand or Foot** means complete Severance through or above the wrist or ankle joint.]

[**Loss of Sight** means the total, permanent loss of all vision in one eye which is irrecoverable by natural, surgical or artificial means.]

[**Loss of Speech** means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.]

[**Loss of Hearing** means total and permanent loss of ability to hear any sound {in both ears} which is irrecoverable by natural, surgical or artificial means.]

[**Loss of a Thumb and Index Finger of the Same Hand or Four Fingers of the Same Hand** means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand).]

[**Loss of Toes** means complete Severance through the metatarsalphalangeal joint.]

[**Paralysis or Paralyzed** means total loss of use of a limb. A Physician must determine the loss of use to be complete and irreversible.]



[**Quadriplegia** means total Paralysis of both upper and both lower limbs.]

[**Hemiplegia** means total Paralysis of the upper and lower limbs on one side of the body.]

[**Paraplegia** means total Paralysis of both lower limbs or both upper limbs.]

[**Uniplegia** means total Paralysis of one upper or one lower limb.]

[**Coma** means a profound state of unconsciousness which resulted directly and independently from all other causes from a Covered Accident, and from which {the Covered Person} is not likely to be aroused through powerful stimulation. This condition must be diagnosed and treated regularly by a Physician. Coma does not mean any state of unconsciousness intentionally induced during the course of treatment of a Covered Injury unless the state of unconsciousness results from the administration of anesthesia in preparation for surgical treatment of that Covered Accident.]

[**Severance** means the complete and permanent separation and dismemberment of the part from the body.]

**Exclusions**      The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2100.00

Heading title and the following introductory sentence will not be included if AD or AD&D benefits are not included in a policy.

**[ADDITIONAL [ACCIDENTAL DEATH AND DISMEMBERMENT] COVERAGES]**

[{Accidental Death and Dismemberment} benefits are provided under the following coverages. Any benefits payable under them are shown in the *Schedule of Covered Losses* and will not be paid in addition to any other {Accidental Death and Dismemberment} benefits payable.]

**[ARMED FORCES COVERAGE]**

Benefits for {Accidental Death and Dismemberment}, as shown in the *Schedule of Covered Losses*, will be payable if {the Covered Person} suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs while he is on active duty in any Armed Forces.

**Exclusions** The exclusions that apply to this coverage are in the *Common Exclusions* Section.]

GA-01-2201.00

**[EXPOSURE AND DISAPPEARANCE COVERAGE]**

Benefits for {Accidental Death and Dismemberment}, as shown in the *Schedule of Covered Losses*, will be payable if {a Covered Person} suffers a Covered Loss which results directly and independently of all other causes from unavoidable exposure to the elements following a Covered Accident.

If {the Covered Person} disappears and is not found within {variable; e.g., one year} from the date of the wrecking, sinking or disappearance of the conveyance in which {the Covered Person} was riding in the course of a trip which would otherwise be covered under this Policy, it will be presumed that {the Covered Person's} death resulted directly and independently of all other causes from a Covered Accident.

**Exclusions** The exclusions that apply to this coverage are in the *Common Exclusions* Section.]

GA-01-2202.00

**[HIJACKING AND AIR PIRACY COVERAGE]**

Benefits for {Accidental Death and Dismemberment}, as shown in the *Schedule of Covered Losses*, will be payable if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during the hijacking, air piracy, or unlawful seizure or attempted seizure of an Aircraft.

**Exclusions** The exclusions that apply to this coverage are in the *Common Exclusions* Section.]

GA-01-2203.00

**[NATIONAL GUARD AND ARMED FORCES RESERVE COVERAGE]**

Benefits for {Accidental Death and Dismemberment}, as shown in the *Schedule of Covered Losses*, will be payable subject to the following conditions if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while {the Covered Person} is a member of the U.S. Military Reserve or National Guard.

While {the Covered Person} is a member of the U.S. Military Reserve or National Guard, coverage under this Policy will remain in force beyond the 31-day active duty training period and continue:

1. during {the Covered Person's} initial training period;
2. if {the Covered Person} is called to active duty [for a domestic emergency].

**Exclusions** The exclusions that apply to this coverage are in the *Common Exclusions* Section.]

GA-01-2204.00

### **[OWNED AIRCRAFT COVERAGE**

Benefits for {Accidental Death and Dismemberment}, as shown in the *Schedule of Covered Losses*, will be payable if {the Covered Person} suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs during travel or flight in, including getting in or out of, any Aircraft that is owned, leased, operated or controlled by {the Policyholder, Subscriber or any of its subsidiaries or affiliates}. A record of eligible Aircraft will be maintained by {the Policyholder, Subscriber} and available for review by Us at any time during normal business hours. An Aircraft substituted for an eligible Aircraft will also be eligible if it has no greater seating capacity and the original Aircraft is withdrawn from normal use due to breakdown, repair, servicing, loss or destruction.

**Exclusions** The exclusions that apply to this coverage are in the *Common Exclusions* Section.]  
GA-01-2205.00

### **[PILOT COVERAGE**

Benefits for {Accidental Death and Dismemberment}, as shown in the *Schedule of Covered Losses*, will be payable if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while {the Covered Person} is flying as a licensed pilot [or member of the crew] of an Aircraft and meets all of the following requirements:

- [1. has submitted a completed Pilot Data History form and been accepted for Pilot Coverage by Us;]
- [2. maintains the same level of qualification stated on the Pilot Data History form submitted to and approved by Us;]
- [3. completes and maintains a combined minimum of {200 hours} of military, private or professional logged flight hours;]
- [4. is flying as a pilot [or member of the crew] of an Aircraft traveling on or transacting business for {the Policyholder or Subscriber}. All trips must have been authorized in advance by {the Policyholder, Subscriber};]
- [5. is flying as a pilot [or member of the crew] of an Aircraft [described below] *or* [on a list of eligible Aircraft maintained by {the Policyholder, Subscriber}, including a substitute Aircraft with no greater seating capacity while a [specified] *or* [listed] Aircraft is withdrawn from normal use due to breakdown, repair, servicing, loss or destruction;]
- [6. is flying as a pilot [or member of the crew] of an Aircraft that is [not] owned, leased, operated or controlled by {the Policyholder, Subscriber};]
- [7. is not giving or receiving flight instruction.]

### **[Description of Aircraft Covered**

{variable; e.g., will list type of Aircraft, license number and passenger seating capacity: Boeing 727, License # PA12345, passenger seating capacity: 45}]

**Exclusions** The exclusions that apply to this coverage are in the *Common Exclusions* Section.]  
GA-01-2206.00

### **[TERRORISM COVERAGE**

Benefits for {Accidental Death and Dismemberment}, as shown in the *Schedule of Covered Losses*, will be payable if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during an act of Terrorism.

{The Policyholder, Subscriber} may cancel coverage at any time by written notice to Us at Our home office address. We may cancel coverage at any time by giving {the Policyholder, Subscriber} advance written notice of at least {10 days} prior to cancellation. Any unearned premium paid by {the Policyholder, Subscriber} will be promptly returned.

**[Exclusions** Benefits will not be paid for Covered Losses caused by or resulting from nuclear radiation or the release of nuclear energy.]

[{Other} exclusions that apply to this coverage are in the *Common Exclusions* Section.]

GA-01-2207.00

**[WAR RISK COVERAGE]**

Benefits for {Accidental Death and Dismemberment} as shown in the *Schedule of Covered Losses*, will be payable, subject to the following conditions and exclusions, if {a Covered Person} suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs during war or acts of war that occur in:

- {1. variable; e.g., a specifically described geographic area such as Saudi Arabia, Iran, Serbia}; or
- {2. variable; e.g., a generally described geographic area such as worldwide, excluding the United States and its territories and possessions.}

{The Policyholder, Subscriber} may cancel this war risk coverage at any time by sending written notice to Us at Our home office address. Coverage will be canceled upon receipt of notice or a date specified by {the Policyholder, Subscriber}.

We may cancel this coverage at any time by providing written notice to {the Policyholder, Subscriber} at least {10 days} prior to termination of this coverage. Any unearned premium will be promptly returned to {the Policyholder, Subscriber}.

**Exclusions** This benefit does not provide coverage when a Covered Loss occurs:

- [1. in the United States and its territories and possessions; or]
- [2. in any nation of which {the Covered Person} is a citizen.]

[[{Other} exclusions that apply to this coverage are in the *Common Exclusions* Section.]]

GA-01-2208.00

*Each of the following benefits apply on a case-by-case basis at the option of the Policyholder or Subscriber. They may be included as shown, modified or deleted. The section title and introductory sentence will not appear if Accidental Death or Accidental Death and Dismemberment benefits are not included in a Policy.*

**[ADDITIONAL ACCIDENT BENEFITS]**

[[{Accidental Death and Dismemberment benefits} are provided under the following Additional Benefits. Any benefits payable under them will be paid in addition to any other {Accidental Death and Dismemberment benefit} payable.]

**[ACCIDENTAL BURN AND DISFIGUREMENT BENEFIT]**

We will pay the benefit shown in the *Schedule of Benefits* if {a Covered Person} suffers a Covered Injury that leaves him Disfigured, and that Covered Injury resulted directly and independently of all other causes from a Covered Accident. The Disfigurement must satisfy all of the conditions below.

- 1. reconstructive or cosmetic surgery is required to restore {the Covered Person’s} physical abilities or correct Disfigurement, and must be {commenced, performed}{ within twelve months of the Covered Accident.};

*Include if occupational coverage is provided to Employees only:*

- [2. the Covered Accident must occur while {the covered Employee}:
  - a. is on {the Policyholder’s, Subscriber’s} premises; and
  - b. engaged in the course of his job.]
- {3.} a Physician must determine that the burn satisfies all of the following:
  - 1. involves the minimum percentage shown in the *Schedule of Benefits*;
  - 2. be classified as shown in the *Schedule of Benefits*; and
  - 3. results in Disfigurement or loss of physical abilities.

**Definitions** For purposes of this benefit:  
**Disfigurement or Disfigured** means spoiled or deformed appearance that can be corrected by means of reconstructive or cosmetic surgery.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2209.00

### [ADDITIONAL OCCUPATIONAL BENEFIT

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the covered Employee} suffers a Covered Loss which results directly and independently of all other causes from a Covered Accident that occurs while {the covered Employee} is on {the Employer's, Policyholder's, Subscriber's} premises and engaged in the course of his job [or on business travel pre-authorized by {the Employer, Subscriber}].

*Optional: if business travel coverage is included*

[Business travel begins at the actual start of a business trip that has been pre-authorized by {the Employer, Policyholder, Subscriber}, whether the trip starts at {the covered Employee's} home, place of work, or another place. Business travel coverage:

1. ends when {the covered Employee} arrives at his home or place of work, whichever happens first; and
2. is not in effect during {the covered Employee's} Personal Deviation.]

*Aircraft restrictions. Optional with business travel coverage.*

[Business travel includes riding in, or getting on or off of, an Aircraft, but only if:

1. {the covered Employee} is riding as a passenger only, and not as a pilot or member of the crew; and
2. the Aircraft is not being used for any of the following:
  - a. crop dusting, spraying or seeding;
  - b. fire fighting;
  - c. sky writing;
  - d. sky diving or hang gliding;
  - e. pipeline or power line inspection;
  - f. aerial photography or exploration;
  - g. racing;
  - h. endurance tests, stunt or acrobatic flying;
  - i. any operation which requires a special permit from the FAA, even if it is granted unless the permit is required only because of the territory flown over or landed on;
  - j. giving or receiving flying instruction.]

### **Definitions**

For purposes of this benefit:

**Personal Deviation** means an activity that meets all of the following conditions:

1. is not reasonably related to {the Policyholder's, Subscriber's} business trip;
2. is not incidental to {the Policyholder's, Subscriber's} business;
3. occurs prior to the end of the trip [variable; e.g., or within {one hour } before or after the trip].

[A Personal Deviation does not include extension of a business trip authorized in advance by {the Policyholder, Subscriber} as necessary to reduce transportation costs.]

*Optional: may be included with business travel coverage*

**Exclusions** [Business travel coverage is not provided during:

1. normal commuting between {the covered Employee's} home and place of work; or
  2. {the covered Employee's} Personal Deviation {variable; e.g., in excess of 30 days}.]
- [{Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2210.00

### [ALTERNATIVE COMMUTING BENEFIT

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, when {the covered Employee, Member} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs:

1. while he is using an alternate means of transportation for commuting directly between his home and {the Policyholder's, Subscriber's} premises where he normally works; and
2. when such use is necessitated by discontinuance of service, strike, or major breakdown of one or more public conveyance transportation systems which {the covered Employee, Member} regularly uses in commuting.

**Exclusions** Benefits will not be payable for Covered Accidents that occur more than {two hours} after {the covered Employee, Member} leaves his home or place of employment, unless it can be conclusively established that:

1. the delay was caused by conditions beyond {the covered Employee's, Member's} control; or
2. more time was needed for normal direct commuting.

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2211.00

**[AMBULANCE BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the Covered Person} requires ambulance services due to a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

The ambulance services provided must be for transportation from the scene of the Covered Accident to the nearest Hospital that is able to provide appropriate care, or for transportation to a Hospital within {48 hours} of the Covered Accident.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2212.00

**[ASSOCIATION MEMBERS' BENEFIT**

**[Benefits for Accidental Loss of Life**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the Covered Person's} death results directly and independently of all other causes from a Covered Accident:

1. while attending or participating in events sponsored by [XYZ Association or an XYZ Association affiliate]; [or while traveling to or from such event; or]
- [2. during the legal use of firearms or Hunting Equipment while legally hunting.]

[If {the Covered Person} dies after We have paid any Accidental Loss of Limb or Sight Benefit, we will then pay the Accidental Loss of Life benefit less any Accidental Loss of Limb or Sight benefit already paid.]]

**[Benefits for Accidental Loss of Limb or Sight**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the Covered Person} suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurred:

1. while attending or participating in events sponsored by [XYZ Association or an XYZ Association affiliate]; [or while traveling to or from such event; or]
2. during the legal use of firearms or Hunting Equipment while legally hunting.]

**Definitions** For purposes of this benefit:

[**Hunting Equipment** will include sleeping facilities being used during the act of hunting and located on public or private land in the same area as the hunting activity.]

[**Loss of a hand or foot** means complete severance through or above the wrist or ankle joint.]

[**Loss of Sight** means the total, permanent loss of all vision in one eye which is irrecoverable by natural, surgical or artificial means.]

[**Severance** means the complete and permanent separation and dismemberment of the part from the body.]

**Exclusions** Benefits will not be paid for a loss caused by or resulting from any of the following:

1. accidents arising out of or during the course of {the Covered Person's} primary occupation;

- [2. injury resulting from maintenance, repair or cleaning of firearms;]
- [3. injury sustained while traveling to or from hunting;]
- [4. illegal or unlicensed hunting or hunting in any unauthorized or restricted area. This will include hunting without any licenses or permits required in the locale where the hunt is occurring or without any required current license or permit for any weapon used in the hunt;]
- [5. injury sustained in consequence of the illegal use of firearms.]

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2213.00

**[BEREAVEMENT AND TRAUMA COUNSELING BENEFIT**

We will pay counseling sessions, up to the Maximum Benefit Amount shown in the *Schedule of Benefits* and subject to the following conditions and exclusions, when {the Covered Person} {and/or Immediate Family Member} requires bereavement and trauma counseling because {the Covered Person} suffered a Covered Loss that resulted directly and independently of all other causes from a Covered Accident. Such counseling must meet all of the following conditions:

- 1. covered bereavement and trauma counseling expenses must be incurred within {one year} from [the date of the Covered Accident causing the Covered Loss];
- 2. the expense is charged for a bereavement or trauma counseling session for {the Covered Person} {and/or one or more of his Immediate Family Members};
- 3. counseling is provided under the care, supervision or order of a Physician;
- 4. a charge would have been made if no insurance existed.

**Definitions** For purposes of this benefit:

**Immediate Family Member** means a person who is related to {the Covered Person} in any of the following ways: Spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister) or child (includes legally adopted child or stepchild).

**Exclusions** Covered bereavement and trauma counseling benefits do not include any expense for which {the Covered Person} is entitled to benefits under any Workers' Compensation Act or similar law.

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2214.00

**[BOMB SCARE, BOMB SEARCH OR BOMB EXPLOSION BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {the covered Employee, Member} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident and all of the following conditions are met:

- 1. {the covered Employee, Member} is on {the Policyholder's, Subscriber's} premises when the Covered Accident occurs;
- 2. the Covered Accident is caused by or results from a Bomb Scare, Search or Explosion, as defined below;
- 3. {the covered Employee, Member} is an authorized participant of a team or squad engaged in a Bomb Search or related activity;
- 4. {the Policyholder, Subscriber} authorizes {the covered Employee's, Member's} participation and sanctions the search.

**Definitions** For purposes of this benefit:

**Bomb** means any real or dummy explosive device placed with intent to damage, scare, or cause injury.

**Scare** means any real or false report of a Bomb on the premises of {the Policyholder, Subscriber}.

**Search** means any organized search for a reported Bomb.

**Explosion** means any detonation of a Bomb on {the Policyholder's, Subscriber's} premises which appears to have been intended to cause injury or unlawful property damage, whether or not the presence of the Bomb was reported before detonation. [It does not include any act of declared or undeclared war in the United States of America or Canada, or acceptance of known explosives as cargo.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section. ]  
GA-01-2215.00

**[BONUS BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, if {the covered Employee, Member, Spouse} suffers a Covered Loss [*Optional: include for stand-alone benefit - specified in the Schedule of Covered Losses*] resulting directly and independently of all other causes from a Covered Accident {and that occurs while traveling on official business for the ABC Association}.

*Optional: include for stand-alone benefit*

[If {the Covered Person} sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable.] If the Covered Loss results in death, benefits will only be paid under the Loss of Life benefit provision. Any Loss of Life benefit will be reduced by any paid or payable Accidental Dismemberment benefit. However, if such Accidental Dismemberment benefit equals or exceeds the Loss of Life benefit, no additional benefit will be paid.]

Include only when Bonus Benefit is stand-alone

**[Definitions** For purposes of this benefit:

*Each definition is optional and will be included when required:*

**[Loss of a Hand or Foot** means complete Severance through or above the wrist or ankle joint.]

**[Loss of Sight** means the total, permanent loss of all vision in one eye which is irrecoverable by natural, surgical or artificial means.]

**[Loss of Speech** means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.]

**[Loss of Hearing** means total and permanent loss of ability to hear any sound {in both ears} which is irrecoverable by natural, surgical or artificial means.]

**[Loss of a Thumb and Index Finger of the Same Hand or Four Fingers of the Same Hand** means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand).]

**[Loss of Toes** means complete Severance through the metatarsalphalangeal joint.]

**[Paralysis or Paralyzed** means total loss of use of a limb. A Physician must determine the loss of use to be complete and irreversible.]

**[Quadriplegia** means total Paralysis of both upper and both lower limbs.]

**[Hemiplegia** means total Paralysis of the upper and lower limbs on one side of the body.]

**[Paraplegia** means total Paralysis of both lower limbs or both upper limbs.]

**[Uniplegia** means total Paralysis of one upper or one lower limb.]

**[Coma** means a profound state of unconsciousness which resulted directly and independently from all other causes from a Covered Accident, and from which {the Covered Person} is not



likely to be aroused through powerful stimulation. This condition must be diagnosed and treated regularly by a Physician. Coma does not mean any state of unconsciousness intentionally induced during the course of treatment of a Covered Injury unless the state of unconsciousness results from the administration of anesthesia in preparation for surgical treatment of that Covered Accident.]

[**Severance** means the complete and permanent separation and dismemberment of the part from the body.]]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2216.00

#### [**BRAIN DAMAGE BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {a Covered Person} suffers a Covered Injury that results directly and independently of all other causes from a Covered Accident and results in Brain Damage. The benefit will be payable if all of the following conditions are met:

1. Brain Damage begins within {variable; e.g., any time frame from 60 to 120 days} from the date of the Covered Accident;
2. {the Covered Person} is hospitalized for treatment of Brain Damage at least {seven days} within the first {variable; e.g., any time frame from 60 to 120 days} following the Covered Accident;
3. Brain Damage continues for {12 consecutive months};
4. a Physician determines that as a result of Brain Damage, {the Covered Person} is Permanently Totally Disabled at the end of the {12 consecutive month} period.

The benefit will be paid in one lump sum at the beginning of the {13th month} following the date of the Covered Accident if Brain Damage continues longer than {12 consecutive months}. [variable; e.g., The amount payable will not exceed the Accidental Death and Dismemberment Principal Sum for {the Covered Person} whose Covered Accident is the basis of the claim.] [variable; e.g., The Brain Damage Benefit plus other benefits payable as the result of the same Covered Accident will not exceed the Accidental Death and Dismemberment Principal Sum for which {the Covered Person} was insured on the date of the Covered Accident.]

**Definition** For purposes of this benefit:

**Brain Damage** means physical damage to the brain that results directly and independently of all other causes from a Covered Accident and causes {the Covered Person} to be Permanently Totally Disabled.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2217.00

#### [**BULLETPROOF VEST BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {the covered Employee} {who is Age 18 or older} is on official duty for {the Policyholder, Subscriber} and is shot during a Covered Accident while wearing a Bulletproof Vest and:

1. the Bulletproof Vest fails to prevent the bullet's penetration through the vest; and
2. such penetration results, directly and independently of all other causes, in {a Covered Loss, Covered Injury}.

**Definition** For purposes of this benefit:

**Bulletproof Vest** means a protective vest designated as {variable; e.g., Threat Level II-A, Threat Level II or Threat Level III-A} [manufactured by a vendor designated by {the Policyholder, Subscriber}] and [purchased not more than {five years} before the Covered Accident.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2218.00

**[BURIAL AND CREMATION BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, for burial or cremation of {the covered Employee, Member} who dies from a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2219.00

**[BUSINESS TRAVEL BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the covered Employee, Member} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during a business trip authorized in advance by {the Employer, Policyholder, Subscriber}.

The Covered Loss must be sustained:

1. in the course of {the covered Employee's, Member's} {job or association business};
- [2. away from the premises of {the Employer, Policyholder, Subscriber} in {the covered Employee's, Member's} city of permanent assignment].

Coverage will begin at the actual start of a business trip authorized by {the Employer, Policyholder, Subscriber}. It does not matter if the trip starts at {the covered Employee's, Member's} home, place of work, or any other place. Coverage will end when {the covered Employee, Member} arrives at his home or place of work, whichever happens first.

**[Definitions** For purposes of this benefit:

**Personal Deviation** means an activity that meets all of the following conditions:

1. is not reasonably related to {the Policyholder's, Subscriber's} business trip;
2. is not incidental to {the Policyholder's, Subscriber's} business;
3. occurs prior to the end of the trip [variable; e.g., or within {one hour} before or after the trip].

[A Personal Deviation does not include extension of a business trip authorized in advance by {the Policyholder, Subscriber} as necessary to reduce transportation costs.]]

**Exclusions** Coverage for business travel is not provided during [any of the following]:

1. normal commuting between {the covered Employee's, Member's} home and place of work;
- [2. travel in an Aircraft owned, leased, operated or controlled by {the Employer, Policyholder, Subscriber};]
3. travel to another location where {the Employee, Member} is expected to be assigned for more than {60 days} by {the Employer, Policyholder, Subscriber};
4. {a covered Employee's, Member's} Personal Deviation [in excess of {31 days}].

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2220.00

**[CARJACKING BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during a Carjacking of an Automobile that {the Covered Person} was operating, getting into or out of, or riding in as a passenger. Verification of the Carjacking must be made part of an official police report within {24 hours} of the Carjacking, or as soon as reasonably possible, or be certified in writing by the investigating officer(s) within {24 hours} or as soon as reasonably possible.

**Definitions** For purposes of this benefit:

**Carjacking** means a person other than {the Covered Person} taking unlawful possession of an Automobile by means of force or threats against the person(s) then rightfully occupying such Automobile.

**Automobile** means a self-propelled private passenger motor vehicle with four or more wheels, which is of a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes, but is not limited to, a sedan, station wagon, sport utility vehicle, and a motor vehicle of the pickup, panel, van, camper or motor home type. Automobile does not include a mobile home or any motor vehicle that is used in mass or public transit.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2221.00

**[CHILD CARE CENTER BENEFIT**

We will pay benefits shown in the *Schedule of Benefits* for the care of each surviving Dependent Child in a Child Care Center if death of {the covered Employee, Member, Spouse} results directly and independently of all other causes from a Covered Accident and all of the following conditions are met:

1. coverage for his Dependent Children was in force on the date of the Covered Accident causing his death: and
2. one or more surviving Dependent Children is under Age {13} and:
  - [a. was enrolled in a Child Care Center on the date of the Covered Accident; or]
  - [b. enrolls in a Child Care Center within {variable; e.g., 90 to 365 days} from the date of the Covered Accident].

This benefit will be payable to the Surviving Spouse if the Spouse has custody of the child. If the Surviving Spouse does not have custody of the child, benefits will be paid to the child's legally appointed guardian. Payments will be made at the end of each {12 month} period that begins after the date of {the covered Employee's, Member's, Spouse's} death. A claim must be submitted to Us at the end of each {12 month} period [*Optional*; e.g., with proof of enrollment and attendance]. A {12 month} period begins:

- [1. when the Dependent Child enters a Child Care Center for the first time, within the period specified in (2b) above, after {the covered Employee's, Member's, Spouse's} death; or]
2. on the first of the month following {the covered Employee's, Member's, Spouse's} death, if the Dependent Child was enrolled in a Child Care Center before {the covered Employee's, Member's, Spouse's} death.

Each succeeding {12 month} period begins on the day immediately following the last day of the preceding period. Pro rata payments will be made for periods of enrollment in a Child Care Center of less than 12 months.

**Definitions** For purposes of this benefit:

**Child Care Center** is a facility which:

1. is licensed and run according to laws and regulations applicable to child care facilities; and
2. provides care and supervision for children in a group setting on a regular, daily basis.

A Child Care Center does not include any of the following:

1. a Hospital;
2. the child's home;
3. care provided during normal school hours while a child is attending grades one through twelve.

[**Surviving Spouse** will include {the covered Employee, Member} and covered Spouse.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2222.00

**[CHILD SURVIVOR BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions, if {the covered Employee's, Member's, Spouse's} death results directly and independently of all other causes from a Covered Accident and he is survived by a covered Dependent Child.

If the covered Dependent Child was under the age of majority at the time of {the covered Employee's, Member's, Spouse's} death, a Child Survivor Benefit, plus interest, will be paid in one lump sum to each surviving covered Dependent Child when he attains the age of majority. Interest will be compounded annually at a rate equal to the arithmetic average of the 52-week U.S. Treasury notes as published by a financial authority designated by Us. If the covered Dependent Child dies before this benefit is payable to him, this benefit will then be payable to the covered Dependent Child's estate.

If a surviving covered Dependent Child is the age of majority or over at the time of {the covered Employee's, Member's, Spouse's} death, the benefit will be payable in one lump sum when We receive the claim. If there are no surviving covered Dependent Child at the time of {the covered Employee's, Member's, Spouse's} Accidental Death, a default benefit shown in the *Schedule of Benefits* will be paid to {the covered Employee's, Member's, Spouse's} beneficiary.

Benefits will not be paid if a claim is submitted to Us more than one year after:

1. {the covered Employee's, Member's, Spouse's} death, or if earlier;
2. the child is no longer a covered Dependent Child, if he was under the age of majority at the time of {the covered Employee's, Member's, Spouse's} death.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2223.00

*Applies only when Covered Spouse's benefit does not equal 100% of {Covered Employee's, Member's} Principal Sum.*

**[COMMON ACCIDENT BENEFIT]**

We will increase the Loss of Life benefit payable for {the covered Spouse} to {100%} of {the Member's, Employee's} Principal Sum if both {the Member, Employee} and {the covered Spouse} die directly and independently of all other causes from a Common Accident and are survived by one or more Dependent Children.

**Definition** For purposes of this benefit:  
**Common Accident** means the same Covered Accident or separate Covered Accidents that occur within the same {variable; e.g., 24-hour period}.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2224.00

**[COMMON CARRIER BENEFIT]**

We will pay the benefit shown in the *Schedule of Benefits* if {the Covered Person} suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs while riding as a fare-paying passenger in, or being struck by, a Common Carrier. Riding includes getting into and out of the Common Carrier.

*Include if Accidental Death and Dismemberment Benefits are not included in the issued policy*

[If {the Covered Person} sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable. If the Covered Loss results in death, benefits will only be paid for Loss of Life.]

**Definition** For purposes of this benefit:  
**Common Carrier** means:  
1. a public conveyance, including Aircraft, licensed for hire to carry fare-paying passengers; or  
2. a transport Aircraft operated by the Air Mobility Command of the United States of America or a similar air transport service of another country.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2225.00

**[COMMUTING BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the covered Employee, Member} sustains a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while commuting directly to and from {the covered Employee’s, Member’s} home and the premises where he normally works.

- Exclusions** This benefit will not be payable for Covered Accidents that happen more than {variable; e.g., two hours} after {the Covered Person, Member} leaves his home or place of work unless it can definitely be shown that:
1. the delay was caused by conditions beyond the control of {the covered Employee, Member}; or
  2. more time was needed for normal direct commuting.

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2226.00

**[DIAGNOSTIC X-RAY AND LABORATORY BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {the Covered Person} requires diagnostic x-ray and laboratory examinations due to a Covered Injury that results directly and independently of all other causes from a Covered Accident.

*Variable; e.g., if payment is based on Diagnostic X-Ray and Lab Exam Schedule*

If benefit payment is made in accordance with the Diagnostic X-Ray and Laboratory Examinations Schedule, payment for a diagnostic x-ray and laboratory procedure not listed will be made on a basis determined by Us to be consistent with the amount payable for a specified examination of a comparable nature.]

**[SCHEDULE FOR DIAGNOSTIC X-RAY AND LABORATORY EXAMINATIONS**

**X-Ray Examinations:**

Abdomen (intestines, colon, rectum, kidney, etc.)	\$15
Arm or leg	\$10
Chest (heart and lungs)	
Flat Film	\$15
Stereoscopic films	\$20
Gall bladder, dye method	\$20
Stomach and Duodenum- barium	\$20
Complete Gastro-intestinal series- barium	\$40
Head (skull or sinuses)	\$15
Joints (shoulder, knee, ankle, wrist, hand, foot)	\$10
Kidney, urethra or bladder- dye method	\$30
Pelvis or spine	\$15

**Laboratory Examinations:**

Basal Metabolism test	\$7
Blood test-	
Hemoglobin determination, red blood cell count, white blood cell count, differential	\$4 each
Any combination of tests per blood sample	not to exceed \$10
Electrocardiogram	\$10
Hinton, Kahn, or Kline test	\$4
Malaria smear	\$4
Sputum test	\$4
Sugar test-	
One blood sugar determination & accompanying urinary sugar determination	\$5
Sugar tolerance test involving two or more blood sugar determinations	\$15

Urinalysis  
Wasserman test

None  
\$7]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2227.00

### **[ELDER SURVIVOR BENEFIT**

We will pay benefits to a Surviving Elder Dependent if death of {the covered Employee, Member, Spouse} results directly and independently of all other causes from a Covered Accident. Lump sums will be in amounts specified in the *Schedule of Benefits*. [Monthly benefits will equal the Total Benefit Amount, less any lump sums payable, divided by the number of months in the Benefit Period.]

#### *Option 1 - Lump Sum*

[The benefit will be payable in one payment when We receive due proof of the death of {the covered Employee, Member, Spouse}.]

#### *Option 2- Lump Sum with monthly benefits*

[The lump sum benefit will be payable in one payment when We receive due proof of the death of {the covered Employee, Member, Spouse}. Monthly benefits will begin on the first of the month next following the month in which {the Covered Person} died, and will continue to be paid until benefits end, as described below.]

#### *Option 3 - Monthly benefits*

[Monthly benefits will begin on the first of the month next following the month in which {the Covered Person} died, and will continue to be paid until benefits end, as described below.]

#### *Applicable to any benefit election:*

Lump sum and monthly benefit amounts will be divided equally among all Surviving Elder Dependents. Benefits for any Surviving Elder Dependent will be paid until that Surviving Elder Dependent's death or the end of the Benefit Period shown in the *Schedule of Benefits*, if earlier.

[If there is no Surviving Elder Dependent eligible for this benefit within {365 days} after the date of {the covered Employee's, Member's, Spouse's} death, We will pay a one-time default benefit to {the covered Employee's, Member's, Spouse's} beneficiary.]

**Definition** For purposes of this benefit:

**Surviving Elder Dependent** means a parent, parent-in-law, grandparent, grandparent-in-law, great-grandparent, great-grandparent-in-law (whether natural, step or adoptive) of a covered {Employee, Member, Spouse} who, on the date of his death, is primarily dependent on {the covered Employee, Member, Spouse} for support and maintenance and is eligible to be claimed as a dependent for Federal and State income tax purposes.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2228.00

### **[EMERGENCY DISASTER TEAM BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while serving as an authorized member of an emergency or disaster team established by {the Policyholder, Subscriber}.

The emergency disaster team benefit will be provided if:

1. {the Covered Person} incurs a Covered Loss (including while riding in, getting into or out of an ambulance, airplane or helicopter); and

2. the Covered Loss occurs while responding to a bona fide emergency or disaster as determined by {the Policyholder, Subscriber} and Us.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2229.00

#### **[EMERGENCY MEDICAL EVACUATION BENEFIT**

We will pay eligible expenses, up to the Maximum Benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, for emergency medical evacuation if:

1. {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while traveling [variable; e.g., from his principal residence to {New York, NY; Chicago, IL; Los Angeles, CA}] [variable; e.g., {100 miles from his home}] [{or variable; e.g., outside the United States}]; and
2. {the Covered Person's} attending Physician certifies an emergency need to send {the Covered Person}, under medical supervision, to a different medical facility.

Eligible expenses include:

1. charges for ambulance services required while transporting {the Covered Person} to the appropriate treatment facility;
2. charges for medical services required to send {the Covered Person} to the appropriate treatment facility;
3. reimbursement of economy class transportation charges for return of {the Covered Person} from the treatment facility to his home paid for by {the Covered Person} within {one year} from the date he was first scheduled to return from the trip. Any refunds paid or payable from {the Covered Person's} unused transportation tickets will reduce benefits;

*Optional:*

- [4. charges for necessary travel expenses of an escort, which are limited to food, hotel room and economy class transportation charges.]

Valid proof of paid expenses must be furnished to Us. {The Covered Person} must, at his own expense, furnish travel invoices, medical reports or records, or other documents We require to determine if benefits are payable. Benefits will be paid to the party who actually paid for the expenses upon Our receipt of satisfactory proof that the expense was paid.

*Optional; third party payment:*

[If {the Covered Person} pays eligible expenses for a Covered Loss for which We believe a third party is liable, We will pay benefits for emergency medical evacuation. However, if {the Covered Person} recovers payment from the third party, he must refund to Us the lesser of:

1. the amount We paid for the eligible expenses; and
2. an amount equal to the sum received from the third party for such expenses.

If prohibited by law, refund of such expenses will not be required.]

**Exclusions** Benefits will not be paid for any of the following:

1. expenses that exceed the Maximum Benefit;
- [2. services not pre-approved by Us, or services performed by a vendor not authorized by Us;]
- [3. expenses paid or payable by any Workers' Compensation, occupational disease or similar law that would pay emergency medical evacuation expenses in the absence of this benefit.

[{Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2230.00

#### **[EMERGENCY ROOM BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, if {a Covered Person} requires Emergency Room Treatment due to a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

**Definition** For purposes of this benefit:  
**Emergency Room** means a trauma center or a special area in a Hospital that is equipped and staffed to give people emergency treatment on an outpatient basis. An Emergency Room is not a clinic or Physician's office.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2231.00

**[ESCALATOR BENEFIT**

We will increase {the Covered Person's} Principal Sum by {the dollar amount or the percentage of Principal Sum} shown on the *Schedule of Benefits*, subject to the following conditions and exclusions. [{The Covered Person} must be under Age {variable; e.g., 55,60} to be eligible for this benefit.] [Benefit amounts for {a covered Spouse, Dependent Child} will not be increased.]

[The Principal Sum used to calculate this benefit:

1. will be the amount in force when {the Covered Person} first becomes insured for this benefit;
2. will not compound previous Escalator benefit amounts.]

Increases will become effective on each {Policy or certificate anniversary} after {the Covered Person} has been insured for {12 consecutive months}. Benefit increases will occur automatically at the end of each {12 month} period, for a maximum of {five years}.

[Increases provided by this benefit will be calculated separately for each additional Principal Sum {the Covered Person} elects. The total amount of all increases will not exceed the highest amount shown in the *Schedule of Benefits*.

[If {the Covered Person's} Principal Sum is reduced, any increases provided under this benefit will be reduced in the same proportion.]

**Exclusions** [This benefit will not apply to any *Bonus Benefit*.]

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]  
GA-01-2232.00

**[EXPOSURE AND DISAPPEARANCE BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {the Covered Person} sustains a Covered Loss [Optional: include for stand-alone benefit- specified in the *Schedule of Covered Losses*] {which results or resulting} directly and independently of all other causes from unavoidable exposure to the elements following a Covered Accident.

Include only if an additional Accidental Death Benefit is payable for presumed death.

[If {the Covered Person} disappears and is not found within {variable; e.g., one year} from the date of the wrecking, sinking or disappearance of the conveyance in which {the Covered Person} was riding in the course of a trip which would otherwise be covered under this Policy, it will be presumed that {the Covered Person's} death resulted directly and independently of all other causes from a Covered Accident.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2233.00

**[FELONIOUS ASSAULT AND VIOLENT CRIME BENEFIT**

We will pay the amount shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, when {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during a violent crime or felonious assault as described below. [A police report detailing the felonious assault or violent crime must be provided before any benefits will be paid.] [The Covered Accident must occur while {the Covered Person} is on the business or premises of {the Employer, Subscriber, Organization}.]



To qualify for benefit payment, the Covered Accident must occur during any of the following:

1. actual or attempted robbery or holdup;
2. actual or attempted kidnapping;
3. any other type of intentional assault that is a crime classified as a felony by the governing statute or common law in the state where the felony occurred.

*Optional:*

[We will pay a Hospital Stay Benefit, subject to the following conditions and exclusions, when {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during a violent crime or felonious assault if all of the following conditions are met:

- [1. {the Covered Person} is covered for Hospital Stay benefits under this Policy;]
2. the Hospital Stay begins within {30 days} of the violent crime/felonious assault;
- [3. the Hospital Stay is at the direction and under the care of a Physician;]
4. {the Covered Person} provides proof satisfactory to Us that his Hospital Stay was necessitated to treat Covered Injuries sustained in a Covered Accident caused solely by a violent crime or felonious assault;
5. the Hospital Stay begins while {the Covered Person's} insurance is in effect.]

The benefit will be paid for each day of a continuous Hospital Stay. [If benefits are calculated on a monthly basis, pro rata payments will be made for confinements of less than one month.]

**Definitions**

For purposes of this benefit:

**Family Member** means {the Covered Person's} parent, step-parent, Spouse or former Spouse, son, daughter, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, aunt, uncle, cousins, grandparent, grandchild and stepchild.

**Fellow Employee** means a person employed by the same Employer as {the Covered Person} or by {an Employer} that is an affiliated or subsidiary corporation. It shall also include any person who was so employed, but whose employment was terminated not more than {45 days} prior to the date on which the defined violent crime/felonious assault was committed.

**Member of the Same Household** means a person who maintains residence at the same address as {the Covered Person}.

**Exclusions**

Benefits will not be paid for treatment of any Covered Injury sustained or Covered Loss incurred during any:

1. violent crime or felonious assault committed by {the Covered Person}; or
2. felonious assault or violent crime committed upon {the Covered Person} by a Fellow Employee, Family Member, or Member of the Same Household.

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2234.00

**[HIV OCCUPATIONAL ACCIDENT BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, when {the covered Employee, Member} suffers a Covered Injury resulting, directly and independently of all other causes, from a Covered Accident. Such Covered Accident must occur during the performance of Occupational Duties and result in {the covered Employee, Member} acquiring and testing positive for Human Immunodeficiency Virus (HIV) antibodies within {one year} of the Covered Injury.

In order to receive this benefit, {the covered Employee, Member} must satisfy all of the following:

1. submit a Workers' Compensation Injury report to {the Policyholder, Subscriber} within {48 hours} of the Covered Accident that occurs during the performance of Occupational Duties;
2. test negative for Human Immunodeficiency Virus (HIV) antibodies within {48 hours} of such Covered Accident;
3. test positive for Human Immunodeficiency Virus (HIV) antibodies in a subsequent Blood Test within {one year} of the date of the Covered Accident.

**Definitions** For purposes of this benefit:  
**Occupational Duties** means the performance of normal work duties {on behalf of the Policyholder, Subscriber}.

**HIV** means Human Immunodeficiency Virus, a virus that infects lymphocytes and other cells bearing the CD4 marker, the initial infection of which is known as acute retro viral syndrome.

**Blood Test** means a positive (reactive) Enzyme-linked Immunosorbent Assay (ELISA) test, confirmed by the Western Blot Test, or other tests that may be approved by the Centers for Disease Control and Prevention and accepted by Us.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2235.00

#### **[HOME ALTERATION AND VEHICLE MODIFICATION BENEFIT**

We will pay the Covered Home Alteration and Vehicle Modification Benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, when {the Covered Person} suffers a Covered Loss, other than a Loss of Life, resulting directly and independently of all other causes from a Covered Accident.

This benefit will be payable if all of the following conditions are met:

1. prior to the date of the Covered Accident causing such Covered Loss, {the Covered Person} did not require the use of any adaptive devices or adaptation of residence and/or vehicle;
2. as a direct result of such Covered Loss, {the Covered Person} now requires such adaptive devices or adaptation of residence and/or vehicle to maintain an independent lifestyle;
3. {the Covered Person} requires home alteration or vehicle modification within {one year} of the date of the Covered Accident.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2236.00

#### **[HOSPITAL STAY BENEFIT**

We will pay the {variable; e.g., daily, monthly} benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the Covered Person} requires a Hospital Stay due to {a Covered Loss} resulting directly and independently of all other causes from a Covered Accident.

The Hospital Stay must meet all of the following:

1. be at the direction and under the care of a Physician;
2. begin within {30 days} of the Covered Accident;
- [3. begin while {the Covered Person's} insurance is in effect.]

The benefit will be paid for each day of a continuous Hospital Stay that continues after the end of the Benefit Waiting Period as shown in the *Schedule of Benefits*. Benefits will be paid retroactively to the first day of the Hospital Stay. [If benefits are calculated on a monthly basis, pro rata payments will be made for confinements of less than one month.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2237.00

#### **[HUNTING ACCIDENT BENEFIT**

##### **[Accidental Death Benefit**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the Covered Person's} death results directly and independently of all other causes from a Covered Accident that occurs while {the Covered Person} is participating in the Sport of Hunting. Benefits must also be payable under the accidental loss of life benefit provision of this Policy.]

**[Hospital Stay Benefit**

We will pay the benefits shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, for each day {the Covered Person} requires a Hospital Stay if {the Covered Person} suffers a Covered Injury resulting directly and independently of all other causes from a Covered Accident that occurs while {the Covered Person} is participating in the Sport of Hunting.

{The Covered Person} must be confined as an Inpatient:

1. at the direction and under the care of a Physician;
2. within {30 days} of the Covered Accident;
3. while {the Covered Person’s} insurance is in effect;
- [4. while benefits are payable under the Hospital Stay Benefit provision of this Policy.]

The benefit will be paid for each day of a continuous Hospital Stay that continues after the end of the Benefit Waiting Period as shown in the *Schedule of Benefits*. Benefits will be paid retroactively to the first day of the Hospital Stay. [If benefits are calculated on a monthly basis, pro rata payments will be made for confinements of less than one month.]]

**Definition** For purposes of this benefit:

**Sport of Hunting** means the pursuit of wild birds, fish or other animals with the intent to capture or kill for food or sport and related activities not otherwise excluded below.

**Exclusions** Benefits will not be paid for a loss caused by or resulting from any of the following:

1. traveling to and from the area where the hunting activity will take place;
- [2. any activity undertaken that is not reasonably and directly related to the Sport of Hunting;]
- [3. hunting or fishing related activities engaged in while not actively participating in the Sport of Hunting, such as, but not limited to cleaning and loading of guns or target practice;]
- [4. training or practice in preparation for the Sport of Hunting;]
5. illegal or unlicensed hunting or fishing; or hunting or fishing in any unauthorized or restricted area. This will include hunting or fishing without all licenses and permits required in the locale where the hunt or fishing is occurring or without any required current license or permit for any weapon used in the hunt or for fishing.

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2238.00

**[INCREASED DEPENDENT CHILD DISMEMBERMENT BENEFIT**

We will pay an additional benefit if a covered Dependent Child sustains a Covered Loss resulting, directly and independently of all other causes, from a Covered Accident for which Accidental Dismemberment benefits are payable under this Policy.

If the covered Dependent Child sustains more than one Covered Loss as a result of the Covered Accident, the Increased Dependent Child Benefit will be calculated based on the Covered Loss for which the largest available Accidental Dismemberment Benefit is payable.

*Optional:*

[If the covered Dependent Child dies within {variable; e.g., 90 to 365 days} of the same Covered Accident, the Loss of Life benefit under the Accidental Death and Dismemberment Benefit will not be reduced by the dismemberment benefit received under the Increased Dependent Child Dismemberment Benefit.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2239.00

**[INSURANCE CONTINUATION EXPENSE BENEFIT**

We will pay Insurance Continuation Expense Benefits, up to the Maximum Benefit shown in the *Schedule of Benefits*, if a surviving covered Spouse or a surviving covered Dependent Child elects to continue group medical [and/or dental] insurance provided by {the Employer} of {an Employee, Member} who died, subject to all of the following conditions and exclusions:

1. {the covered Employee’s, Member’s} death results directly and independently of all other causes from a Covered Accident;
2. {the covered Employee, Member} is survived by a {covered Spouse, covered Dependent Child} who {was, were} insured under this Policy on the date {the Employee, Member} died;
3. {the covered Spouse, covered Dependent Child} is also covered under a medical [or dental] plan sponsored by {the Employer} at the time of {the covered Employee’s, Member’s} death;
4. {the covered Spouse, covered Dependent Child} notifies Us of his election, within {60 days} of the covered {Employee’s, Member’s} death, to continue his existing coverage under group insurance plans sponsored by {the Employer, the Subscriber} as permitted by state or federal continuation law.

This benefit, payable annually, equals premiums required to continue insurance described above, as long as the total of Insurance Continuation Benefits paid for a surviving Spouse and Dependent Children does not exceed the Maximum Benefit shown in the *Schedule of Benefits*. The benefit will be paid at the end of each year during which medical [and/or dental] insurance is continued, if we receive request for reimbursement and proof of premiums paid during that year.

Benefits will continue to be paid until the earliest of the following dates:

1. the date a surviving Spouse or surviving Dependent Child is no longer eligible to continue medical [and/or dental] insurance coverage;
2. the date Insurance Continuation Expense Benefits paid total the Maximum Benefit shown in the *Schedule of Benefits*; and
3. the end of the Maximum Benefit Period.

Benefits are payable to {the surviving covered Spouse}, or the person who actually paid the premium on {the surviving covered Spouse’s} behalf, if other than {the surviving covered Spouse}.

Exclusions The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2240.00

**[LAW ENFORCEMENT OFFICERS’ BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, on receipt of due proof that {the Covered Person}, while serving as a Law Enforcement Officer, suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident. The Covered Accident must occur in the Line of Duty.

*Include if Accidental Death and Dismemberment Benefits are not included in the issued policy.*

[If {the Covered Person} sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable. If the Covered Loss results in death, benefits will only be paid for Loss of Life.]

**Definitions** For purposes of this benefit:

**[Law Enforcement Officer** means any person, duly commissioned by a Public Agency, who is serving in an official capacity with or without compensation. This includes but is not limited to such duly commissioned police, sheriffs, corrections, probation, parole and conservation officers.]

**[Line of Duty** means any actions that the Law Enforcement Officer is authorized or obligated to perform by law, rule, regulation or condition of employment or service.]

**[Public Agency** means the United States, any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico and any territory or possession of the United States, or a unit of local government, combination of such states or units or any department, agency or instrumentality of any of the foregoing.]

**Exclusions** The following exclusions are in addition to those shown in the *Common Exclusions* section of this Policy. Benefits will not be paid for a loss caused by or resulting from any of the following:

- [1. injury resulting from maintenance, repair or cleaning of firearms;]
- [2. injury sustained in consequence of the illegal use of firearms by {the Covered Person}.]

GA-01-2241.00

#### **[NATURAL DISASTER BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {the Covered Person} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurred in a Declared Disaster Area and was caused by a Natural Disaster.

**Definitions** For purposes of this benefit:

**Natural Disaster** means a wind, rain, snow, hail, lightning, dust or sand storm, earthquake, flood, volcanic eruption, wildfire or similar event that occurs by natural causes and which results in severe and widespread damage.

**Declared Disaster Area** means an area damaged by a Natural Disaster which is officially declared a disaster area by a state government or the federal government if the event occurs in the United States of America, or by a corresponding government authority if the event occurs outside the United States of America.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2242.00

#### **[OUTPATIENT SURGERY BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* when {the Covered Person} requires Outpatient Surgery to treat a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

**Definition** For purposes of this benefit:

**Outpatient Surgery** means the treatment of fractured and dislocated bones, operations that involve cutting or incision and/or suturing of wounds or any other surgical procedure, including the usual aftercare for such procedure, which is:

1. necessary for treatment of {the Covered Person}; and
2. given in the outpatient department of a Hospital or an ambulatory surgical center .

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2243.00

#### **[PERMANENT TOTAL DISABILITY BENEFIT**

We will pay Permanent Total Disability Benefits, as shown in the *Schedule of Benefits*, to {a covered Employee, Member, Spouse} whose Total Disability results, directly and independently of all other causes from, and within {60 days} of, a Covered Accident. To qualify for benefits, {the covered Employee, Member, Spouse} must remain Totally Disabled during the Benefit Waiting Period shown in the *Schedule of Benefits* and at the end of the Benefit Waiting Period, must be expected to remain so disabled, as certified by a Physician, for the rest of his life.

*Include the following paragraphs to replace the first paragraph when no Active Service requirement applies to policy benefits other than PTD.*

[{A covered Employee, covered Spouse who is currently employed} may be insured for Permanent Total Disability Benefits effective on the date other coverages and benefits provided by this Policy become effective for him if he is either:

1. performing his regular duties on a full time basis during one of his Employer's scheduled work days, either at one of his Employer's usual places of business or at some other location to which his Employer's business requires him to travel; or

2. if it is a scheduled holiday, vacation day or period of Employer-approved paid leave of absence other than sick leave, only if he was performing his regular duties, as described in (1) above, on the preceding scheduled workday.

[{A Member, covered Spouse} who is not currently employed may be insured for Permanent Total Disability Benefits effective on the date other coverages and benefits provided by this Policy become effective for him if he is none of the following:

1. an Inpatient in a Hospital or receiving Outpatient care for chemotherapy or radiation therapy;
2. confined at home under the care of a Physician for Sickness or injury; or
3. Totally Disabled.]

We will pay Permanent Total Disability Benefits, as shown in the *Schedule of Benefits*, to {a covered Employee, Member, Spouse} insured for this benefit if his Total Disability results, directly and independently of all other causes from, and within {60 days} of, a Covered Accident. To qualify for benefits, {the covered Employee, Member, Spouse,} must remain Totally Permanently Disabled during the Benefit Waiting Period shown in the *Schedule of Benefits* and at the end of the Benefit Waiting Period, must be expected to remain so disabled, as certified by a Physician, for the rest of his life.]

*(Option 1- single lump sum)*

[We will pay a single lump sum benefit equal to the Lump Sum Benefit shown in the *Schedule of Benefits* less any {Accidental Dismemberment} benefit paid for the {Covered Loss} causing the Total Disability.]

*(Option 2- monthly benefits)*

[We will pay monthly benefits as shown in the *Schedule of Benefits* beginning at the end of the Benefit Waiting Period. Monthly benefit payments will be paid until the earliest of the following occurs:

1. {the covered Employee, Member, Spouse} fails to provide certification by a Physician that he is expected to remain Totally Disabled for the rest of his life; or
2. {the covered Employee, Member, Spouse} dies; or
3. the total of all Monthly Benefits equals [the Principal Sum less any Accidental Dismemberment benefits paid for Covered Losses sustained in the same Covered Accident] or [the total of monthly benefits specified in the *Schedule of Benefits*.]

*Optional:*

[If {the covered Employee, Member, Spouse} dies before receiving the total of benefits specified in (3.) above, a single payment equal to the remaining payments that would have been paid will be made to his beneficiary.]

*(Option 3 - combination of Lump Sum and Monthly Benefits is elected)*

[We will pay a single lump sum equal to the amount shown on the *Schedule of Benefits* or, if less, the Principal Sum reduced by any {Accidental Dismemberment} benefits paid for the same Covered Accident.]

[We will pay monthly benefits as shown in the *Schedule of Benefits* as long as the total of any Accidental Dismemberment benefits, the lump sum benefit and monthly benefits does not exceed the Principal Sum. Monthly benefits will be paid until the earliest of the following occurs:

1. {the covered Employee, Member, Spouse} fails to provide certification by a Physician that he is expected to remain Totally Disabled for the rest of his life; or
2. {the covered Employee, Member, Spouse} dies;
3. the total of all Monthly Benefit Payments, the Lump Sum Benefit and any Accidental Dismemberment Benefit paid for the same Covered Accident equals the Principal Sum.]

*Optional:*

[If {the covered Employee, Member, Spouse} dies before receiving the total of benefits specified in (3.) above, a single payment equal to the remaining payments that would have been paid will be made to his beneficiary.]

*(Option 4 - monthly benefits with limited benefit period if disability begins on/after age 62)*

[We will pay monthly benefits as shown in the *Schedule of Benefits* beginning at the end of the Benefit Waiting Period. Monthly benefit payments will be paid until the earliest of the following occurs:

1. {the covered Employee, Member, Spouse} fails to provide certification by a Physician that he is expected to remain Totally Disabled for the rest of his life; or
2. {the covered Employee, Member, Spouse} dies; or
3. the end of the benefit period shown in the *Schedule of Benefits*; or

4. the total of all Monthly Benefits equals [the Principal Sum less any Accidental Dismemberment benefits paid for Covered Losses sustained in the same Covered Accident.] *or* [the total of monthly benefits specified in the *Schedule of Benefits*].

*Optional:*

[If {the covered Employee, Member, Spouse} dies before receiving the total of benefits specified in (3.) above, a single payment equal to the remaining payments that would have been paid will be made to his beneficiary.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2244.00

**[PHYSICAL THERAPY BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, if {the Covered Person} requires Physical Therapy to treat a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

Physical Therapy must:

1. be received on an Outpatient basis;
2. commence within {30 days} of a Hospital Stay which was for treatment of the same Covered Injury and lasted at least {three consecutive days};
3. be given by a licensed Physical Therapist upon the recommendation of the attending Physician.]

**Definitions** For purposes of this benefit:

**Physical Therapy** means manipulation by physical and mechanical means including heat treatment or diathermy, ultrasonic, microtherm, manipulation, adjustment, massage therapy and acupuncture.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2245.00

**[PRIVATE PASSENGER BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits* if {the Covered Person} suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident while driving, riding as a passenger in, or getting in or out of, a Private Passenger Automobile.

*Include if Accidental Death and Dismemberment Benefits are not included in the issued policy.*

[If {the Covered Person} sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable. If the Covered Loss results in death, benefits will only be paid for Loss of Life.]

**Definition** For purposes of this benefit:

**Private Passenger Automobile** means a validly registered, four wheel private passenger car (including Employer, Subscribing Organization-owned cars), campers, motorized golf carts, motor homes, non-motorized bicycles, non-motorized adult tricycles, station wagons, sport utility vehicles, pick-up trucks and van-type cars that are not licensed commercially or being used for commercial purposes. Any vehicle being used as a taxicab, bus, or other public conveyance will not be considered a Private Passenger Automobile.

Any vehicle not defined above will not be considered a Private Passenger Automobile.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2246.00

*Optional, only for Non-Contributory plans:*

**[REASONABLE ACCOMMODATION AT WORKSITE BENEFIT**

We will reimburse costs, up to the Maximum Benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, when {the Employer} incurs costs for any worksite change required to enable {the covered Employee} to return to work. {The Employee} must have suffered a Covered Loss resulting directly and independently of all other causes from a Covered Accident, and be returning to work as soon thereafter as permitted by his Physician.

The benefit payable to {the Employer} is the reimbursement costs of any pre-approved change made to the worksite for each {covered Employee} injured per Covered Accident, up to the maximum amount specified in the *Schedule of Benefits*.

Reimbursement will be subject to all of the following conditions:

- [1. insurance provided under this Policy must be in force for {the covered Employee} on the date the Covered Accident occurs;]
- [2. change to the worksite must be made within {12 months} of the date of the Covered Accident;]
- [3. there is a reasonable expectation that such change to the worksite will enable {the covered Employee} to return to work;]
- [4. we approve any change to the worksite in writing before it is made.]

Benefits will not be payable if:

- [1. there is no cost involved in making any change to the worksite; or]
- [2. any change to the worksite does not meet the standards found in Title I of the Americans with Disabilities Act (ADA).]

We will not reimburse the cost of any change to the worksite for which reimbursement is made under more than one policy insuring {the covered Employer, covered Employee} and issued by Us.

**Definitions** For purposes of this benefit:

**Changes to the worksite** means:

- [1. making existing facilities used by {the injured covered Employee} readily accessible and usable;] and
- [2. job restructuring, reassignment to a vacant position, acquisition or modification of equipment or devices, appropriate adjustment or modification of examinations, training materials or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities resulting from a Covered Accident.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2247.00

**[REHABILITATION BENEFIT**

We will pay the Rehabilitation Benefit shown in the *Schedule of Benefits*, subject to the following conditions and exclusions, when {the Covered Person} requires rehabilitation after sustaining a Covered Loss resulting directly and independently of all other causes from a Covered Accident.

The {Covered Person} must require Rehabilitation within {two years} after the date of {the Covered Accident, Covered Loss}.

**Definition** For purposes of this benefit:

**Rehabilitation** means {medical services, supplies, or treatment, or Hospital confinement (or part of a Hospital confinement)} that satisfies all of the following conditions:

1. are essential for physical rehabilitation required due to {the Covered Person's} Covered Loss;
2. meet generally accepted standards of medical practice;
3. are performed under the care, supervision or order of a Physician;
4. prepare {the Covered Person} to return to his or any other occupation.]



**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2248.00

**[REPATRIATION BENEFIT**

We will pay Eligible Expenses incurred, up to the Maximum Benefit shown in the *Schedule of Benefits*, for the return of {the Covered Person's} remains to his place of residence in his {variable; e.g., country, state} if {the Covered Person's} death results directly and independently of all other causes from a Covered Accident [outside {the Covered Person's} home state {or more than 100 miles from the Covered Person's place of residence}].

**Definitions** For purposes of this benefit:

**Eligible Expenses** means costs [pre-approved by Us and] incurred for any of the following:

1. embalming;
2. cremation;
3. coffin or urn;
4. transportation of the body or remains;
- [5. necessary travel expenses of an escort. Necessary travel expenses are limited to food, hotel room and economy class transportation charges.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2249.00

**[SCHEDULED AIR TRAVEL BENEFIT**

We will pay the benefits shown in the *Schedule of Benefits*, subject to the conditions and exclusions described below, for any Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while {the Covered Person} is riding as a passenger in, or getting on or off of, an Aircraft flown by a commercial airline on any scheduled or chartered flight. [Benefits will also be payable for a Covered Loss that occurs as the result of {the Covered Person} being struck by any Aircraft while at the airport right before departure or after arrival of a flight which would be covered above.]

*Include if Accidental Death and Dismemberment Benefits are not included in the issued policy.*

[If {the Covered Person} sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable. If the Covered Loss results in death, benefits will only be paid for Loss of Life.]

*Optional; if additional coverage is elected.*

[**Travel to and From the Airport** - Benefits will also be payable for any of the following if a Covered Loss occurs while {the Covered Person}:

1. is riding as a passenger in, or getting in or out of a land vehicle licensed to carry passengers for hire;
2. while traveling to or from the airport;
3. prior to departure or after arrival of a flight which would be covered above.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2250.00

**[SEATBELT [AND AIRBAG] BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the conditions and exclusions described below, when {the Covered Person} dies directly and independently of all other causes from a Covered Accident while wearing a seatbelt and operating or riding as a passenger in an Automobile. [variable; e.g., *if airbag benefit is included*: An additional benefit is provided if {the Covered Person} was also positioned in a seat protected by a properly-functioning and properly deployed Supplemental Restraint System (Airbag).]

Verification of proper use of the seatbelt at the time of the Covered Accident [and that the Supplemental Restraint System properly inflated upon impact] must be a part of an official police report of the Covered Accident or be certified, in writing, by the investigating officer(s) and submitted with {the Covered Person's} claim to Us.

[If such certification or police report is not available or it is unclear whether {the Covered Person} was wearing a seatbelt [or positioned in a seat protected by a properly functioning and properly deployed Supplemental Restraint System], We will pay a default benefit shown in the *Schedule of Benefits* to {the Covered Person's} beneficiary.]

[In the case of a child, seatbelt means a child restraint, as required by state law and approved by the National Highway Traffic Safety Administration, properly secured and being used as recommended by its manufacturer for children of like Age and weight at the time of the Covered Accident.]

**Definitions** For purposes of this benefit:  
[variable; e.g., *if airbag benefit is included: Supplemental Restraint System* means an airbag that inflates upon impact for added protection to the head and chest areas.]

**Automobile** means a self-propelled, private passenger motor vehicle with four or more wheels which is a type both designed and required to be licensed for use on the highway of any state or country. Automobile includes, but is not limited to, a sedan, station wagon, sport utility vehicle, or a motor vehicle of the pickup, van, camper, or motor-home type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2251.00

#### **[SPECIAL EDUCATION BENEFIT**

We will pay the benefit, up to the Maximum Benefit shown in the *Schedule of Benefits*, for each qualifying Dependent Child [variable; e.g., *if Option III is elected:* and a surviving covered Spouse] who {is/are} insured under {variable; e.g., the covered Employee's, Member's} certificate on the date he dies [*include references to PTD only when policy includes PTD benefits-* or has been Totally Disabled during the Benefit Waiting Period for Permanent Total Disability benefits.] The Covered Person's death must result, directly and independently of all other causes from a Covered Accident for which an Accidental Death Benefit [or Permanent Total Disability Benefits] {is, are} payable under this Policy. This benefit is subject to the conditions and exclusions described below.

##### *Option I:*

[A qualifying Dependent Child must:

1. a. [be enrolled as a full-time student in an accredited school of higher learning beyond the 12<sup>th</sup> grade level on the date of {the covered Employee's, Member's} Covered Accident]; *or*  
b. [be at the 12<sup>th</sup> grade level on the date of {the covered Employee's, Member's} Covered Accident and then enroll as a full-time student at an accredited school of higher learning within {365 days} from the date of the Covered Accident and continue his education as a full-time student.]
2. continue his education as a full-time student in such accredited school of higher learning; and
3. incur expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school.]

##### *Option II :*

[A qualifying Dependent Child must:

1. enroll as a full-time student at a school of higher learning before reaching the limiting Age for dependent eligibility stated in this Policy;
2. continue his education as a full-time student; and
3. incur expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school.]

##### *Option III :*

[A qualifying surviving Dependent Child must:

1. enroll as a full-time student at a school of higher learning before reaching the limiting Age for dependent eligibility stated in this Policy;
2. continue his education as a full-time student; and
3. incur expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school.

A qualifying surviving Spouse must:

1. enroll in any accredited school for the purpose of retraining or refreshing skills needed for employment within {one year} of the date of {the covered Employee's, Member's} Covered Accident;
2. remain enrolled in such accredited school; and
3. incur expenses payable directly to, or approved by, such school.]

*Always include this language:*

Payments will be made to each qualifying Dependent Child [or to the child's legal guardian, if the child is a minor] at the end of each year for the number of years shown in the *Schedule of Benefits*. We must receive proof satisfactory to Us of the Dependent Child's enrollment and attendance within {31 days} of the end of each year. The first year for which a Special Education Benefit is payable will begin on the first of the month following the date {the covered Employee, Member} died [or completed the Benefit Waiting Period for Permanent Total Disability benefits], if the surviving Dependent Child was enrolled on that date in an accredited school of higher learning beyond the 12th grade; otherwise on the date he enrolls in such school. Each succeeding year for which benefits are payable will begin on the date following the end of the preceding year.

[If no Dependent Child qualifies for Special Education Benefits within {365 days} of {the covered Employee's, Member's} death [or completion of the Benefit Waiting Period for Permanent Total Disability Benefits], We will pay the default benefit shown in the *Schedule of Benefits* to {the covered Employee's, Member's} beneficiary.]

*Include this provision if Option 3 is elected:*

Payments will be made to the surviving Spouse at the end of each year for the number of years shown in the *Schedule of Benefits*. We must receive proof satisfactory to Us of the Spouse's enrollment and attendance within {31 days} of the end of each year. The first year for which a Special Education Benefit is payable will begin on the date the surviving Spouse enrolls in an accredited school for the first time following the date {the Employee, Member} died [or completed the Benefit Waiting Period for Permanent Total Disability benefits]. Each succeeding year for which benefits are payable will begin on the date following the end of the preceding year.]

[If a surviving Spouse does not qualify for Special Education Benefits within {365 days} of {the covered Employee's, Member's} death [or completion of the Benefit Waiting Period for Permanent Total Disability Benefits], We will pay the default benefit shown in the *Schedule of Benefits* to {the covered Employee's, Member's} beneficiary.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2252.00

**[SPONSORED EVENT BENEFIT**

We will pay a benefit as shown in the *Schedule of Benefits* if {the covered Member} sustains a Covered Loss resulting directly and independently of all other causes from a Covered Accident:

1. while attending or participating in events sponsored by [ABC Association, or an ABC Association affiliate]; [or]
- [2. while traveling to and from such an event].

*Include if Accidental Death and Dismemberment Benefits are not included in the issued policy.*

[If {the Covered Person} sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable. If the Covered Loss results in death, benefits will only be paid for Loss of Life.]

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2253.00

**[SPOUSE RETRAINING BENEFIT**

We will pay expenses incurred, as described below, up to the Maximum Benefit shown in the *Schedule of Benefits*, to enable {the covered Employee's, Member's} Spouse to obtain occupational or educational training needed for employment if {the covered Employee, Member} dies directly and independently of all other causes from a Covered Accident. A covered Spouse must have been insured under this Policy on the date of the covered {Employee's, Member's} death to be eligible for this benefit. This benefit is subject to the conditions and exclusions described below.

This benefit will be payable if {the covered Employee, Member} dies within {one year} of a Covered Accident and is survived by his Spouse who:

1. enrolls, within {variable; e.g., one to three years} after {the covered Employee's, Member's} death in any accredited school for the purpose of retraining or refreshing skills needed for employment; and
2. incurs expenses payable directly to, or approved and certified by, such school.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2254.00

**[SPOUSE SURVIVOR BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the conditions and exclusions described below, if {the covered Employee's, Member's} {or covered Spouse's} death results directly and independently of all other causes from a Covered Accident. Each monthly benefit equals the applicable Total of Monthly Benefits shown in the *Schedule of Benefits* divided by the number of months in the benefit period.

The Surviving Spouse will receive monthly benefits, up to the maximum sum specified in the *Schedule of Benefits*. Payments under this benefit will cease upon the earliest of any of the following:

1. payments have been made for the number of months shown in the *Schedule of Benefits*;
2. the date the Surviving Spouse remarries;
3. the date the Surviving Spouse dies.

The first monthly benefit payment will be due on the first of the month following {the covered Employee's, Member's} {or covered Spouse's} death, and subsequent benefits will be due on the first of each month thereafter.

**Definitions** For purposes of this benefit:  
**Surviving Spouse** will include {the covered Employee, Member} and covered Spouse.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2255.00

**[TELECOMMUTERS BENEFIT**

We will pay the benefit shown in the *Schedule of Benefits*, subject to the conditions and exclusions described below, if {the covered Employee} suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while working under a written {Employer-approved} telecommuting agreement.

Work-related injuries sustained by {the covered Employee} must be reported to {the covered Employee's} supervisor as soon as possible, but no later than {24 hours} after the occurrence of the Covered Accident. {The Employer} may visit the home of {the covered Employee} to investigate a report of a Covered Accident.

**Definitions** For purposes of this benefit:  
**Designated Residence Work Area** means a place specified in the telecommuting agreement in which {the covered Employee} perform his job duties.

**Normal Work Hours** means the hours specified in the telecommuting agreement {the covered Employee} has agreed to work in the Designated Residence Work Area.

**Exclusions** Benefits will not be paid for any of the following:  
1. injuries that occur outside of the Designated Residence Work Area;

2. injuries that occur outside of {the covered Employee's} Normal Work Hours;
3. injuries to other persons or property on {the covered Employee's} premises.

[[Other} exclusions that apply to this benefit are in the *Common Exclusions* Section.]]

GA-01-2256.00

**[TOTAL DISABILITY WEEKLY INCOME BENEFIT**

We will pay weekly benefits shown in the *Schedule of Benefits*, subject to the conditions and exclusions described below, to {the Covered Person} whose Total Disability results, directly and independently of all other causes from, and within {31 days} of, a Covered Accident. Weekly disability benefits will begin when the Totally Disabled {Covered Person} satisfies the Benefit Waiting Period shown in the *Schedule of Benefits* and will end on the earliest of the date he:

1. dies;
2. is no longer Totally Disabled;
3. fails to provide certification by a Physician that he remains Totally Disabled;
- [4. is eligible to receive [Accidental Death and Dismemberment benefits] [Permanent Total Disability benefits] for the same Covered Accident];
5. reaches the end of the Maximum Benefit Period shown in the *Schedule of Benefits*.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]

GA-01-2257.00

**[WAIVER OF PREMIUM BENEFIT**

We will waive premiums, beginning with those due on and after the end of the Benefit Waiting Period, for {a covered Employee, Member, Spouse} who: (a) becomes Totally Disabled [within {30 days} of] [after suffering] a Covered Loss that results directly and independently of all other causes from a Covered Accident; and (b) satisfies all of the following conditions:

1. Total Disability must begin before {the covered Employee's, Member's, Spouse's} {60th} birthday;
2. We must receive proof satisfactory to Us that Total Disability was continuous during the Benefit Waiting Period;
3. insurance under this Policy remains in force during the Benefit Waiting Period.

{The covered Employee, Member} must submit satisfactory proof of continuous Total Disability to Us no more than {three to 12 months} after the date he [became Totally Disabled] [satisfies the Benefit Waiting Period]. Proof of continuing Total Disability must be submitted to Us during the last {three months} of each year. We may have {the covered Employee, Member, Spouse} examined as often as reasonably necessary while Totally Disabled, but not more than once a year after two years.

The amount of insurance for which premiums will be waived is the amount in force on the date {the covered Employee, Member, Spouse} became Totally Disabled. This amount will be subject to any age reductions applicable during the Benefit Period. Any increases in coverage that would have occurred if {the covered Employee, Member, Spouse} were not Totally Disabled will be deferred, as described in the *Deferred Effective Dates* provision of the *Eligibility and Effective Date* section of this Policy.

Premiums will cease to be waived on the earliest of the following dates:

1. the premium due date following the date {the covered Employee, Member, Spouse} ceases to be Totally Disabled;
2. the date {the covered Employee, Member, Spouse} refuses to be examined or fails to provide required proof of continuing Total Disability;
3. the premium due date following the end of the Benefit Period shown in the *Schedule of Benefits*.

When premiums cease to be waived as described above, insurance provided under this Policy will continue as long as premiums are paid when due.

**Exclusions** The exclusions that apply to this benefit are in the *Common Exclusions* Section.]  
GA-01-2258.00

State: District of Columbia

Filing Company: Life Insurance Company of North America

TOI/Sub-TOI: H03G Group Health - Accidental Death &amp; Dismemberment/H03G.000 Health - Accidental Death &amp; Dismemberment

Product Name: Group Accident

Project Name/Number: DC Private Exchange/14-2002-DC-GA- Rates

## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Exhibit 1	GA-00-1000.DC	New		Copy of Exhibit I.pdf,
2		Exhibit II	GA-00-1000.DC	New		Exhibit II.pdf,
3		Exhibit III	GA-00-1000.DC	New		Exhibit III.pdf,

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)

GROUP ACCIDENT INSURANCE

Exhibit I: Occupational Factors

Source: [Bureau of Labor Statistics](#)

Year	<u>Working</u>	<u>Total Work-</u>	<u>Total</u>	<u>Transporation</u>						
	<u>Population</u>	<u>Related</u>	<u>Deaths On-</u>	<u>Deaths</u>	<u>Assaults</u>	<u>Suicides</u>	<u>Accidental</u>	<u>Deaths</u>	<u>Aircraft</u>	<u>On-Premise</u>
	<u>(1,000's)</u>	<u>Deaths</u>	<u>and off-the-</u>				<u>Deaths</u>	<u>Deaths</u>	<u>Deaths</u>	<u>Acc Deaths</u>
			<u>job</u>				<u>(excludng</u>	<u>Nonhighway)</u>		
2002	137,731	5,534		609	199	5,335	2,062	194	3,273	
2003	138,988	5,575		632	218	5,357	2,017	211	3,340	
2004	140,504	5,764		559	206	5,558	2,152	231	3,406	
2005	142,946	5,734	54,261	567	180	5,554	2,153	149	3,401	
2006	145,501	5,840		540	208	5,632	2,114	217	3,518	
Total	705,670	28,447		2,907	1,011	27,436	10,498	1,002	16,938	
Rates per 1,000:			<b>0.3796</b>	<b>0.0041</b>		<b>0.0389</b>	<b>0.0149</b>	<b>0.0014</b>	<b>0.0240</b>	

	<u>Working</u>	<u>LINA Insured</u>
	<u>Population</u>	<u>Population</u>
<b>24 Hour B&amp;P Annual Claim Cost Rate</b>	\$0.3796	\$0.2268
<b>Full Occ Claim Cost Rate</b>		
On-Premise	\$0.0389	\$0.0232
Business Travel	\$0.0240	\$0.0143
Aircraft only	\$0.0149	\$0.0089
	\$0.0014	\$0.0008

<b>10.24%</b>
<b>6.32%</b>
<b>3.92%</b>
<b>0.37%</b>



LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)

GROUP ACCIDENT INSURANCE

Exhibit II: Area Factors by State and MSA

<u>State / MSA</u>	<u>Factor</u>	<u>State / MSA</u>	<u>Factor</u>	<u>State / MSA</u>	<u>Factor</u>
<b>Alabama</b>	1.15	<b>Kansas</b>	1.03	<b>North Dakota</b>	1.07
Birmingham	1.00	Kansas City, MO	0.99	<b>Ohio</b>	0.90
Huntsville	1.00	Wichita	0.91	Akron	0.85
Mobile	1.00	<b>Kentucky</b>	1.13	Cincinnati	0.85
Montgomery	1.00	Cincinnati, OH	0.85	Cleveland	0.85
<b>Alaska</b>	1.11	Lexington-Fayette	1.01	Columbus	0.85
Anchorage	1.02	Louisville	1.01	Dayton	0.85
<b>Arizona</b>	1.11	<b>Louisiana</b>	1.16	Toledo	0.85
Phoenix	0.92	Baton Rouge	0.99	<b>Oklahoma</b>	1.16
Tucson	0.93	New Orleans	0.99	Oklahoma City	1.00
<b>Arkansas</b>	1.05	Shreveport	0.99	Tulsa	1.00
Little Rock	0.91	<b>Maine</b>	0.99	<b>Oregon</b>	1.00
<b>California</b>	0.96	<b>Maryland</b>	0.88	Portland-Vancouver	0.87
Bakersfield	0.89	Baltimore	0.77	<b>Pennsylvania</b>	0.91
Fresno	0.89	Philadelphia, PA	0.84	Philadelphia	0.84
Los Angeles	0.85	Washington, DC	1.08	Pittsburgh	0.85
Modesto	0.89	<b>Massachusetts</b>	0.80	<b>Puerto Rico</b>	1.21
Thousand Oaks-Ventura	0.84	Boston	0.75	<b>Rhode Island</b>	
Riverside-San Bernardino	0.93	Providence, RI	1.00	Providence	1.00
Sacramento	0.89	Worcester	0.75	<b>South Carolina</b>	1.12
San Diego	0.86	<b>Michigan</b>	0.90	Augusta, GA	0.98
San Francisco-Oakland	0.84	Detroit	0.92	Charlotte, NC	0.95
San Jose	0.82	Grand Rapids	0.80	<b>South Dakota</b>	1.08
Stockton	0.89	<b>Minnesota</b>	0.94	<b>Tennessee</b>	1.18
<b>Colorado</b>	0.98	Minneapolis-Saint Paul	0.85	Chattanooga	1.11
Colorado Springs	0.89	<b>Mississippi</b>	1.21	Knoxville	1.11
Denver-Aurora	0.89	Jackson	1.05	Memphis	1.11
<b>Connecticut</b>	0.90	<b>Missouri</b>	1.08	Nashville	1.11
<b>Delaware</b>	0.93	Kansas City	0.99	<b>Texas</b>	1.03
Philadelphia, PA	0.84	Saint Louis	0.99	Amarillo	0.91
<b>District of Columbia</b>		Springfield	0.99	Austin	0.88
Washington	1.08	<b>Montana</b>	1.15	Corpus Christi	0.88
<b>Florida</b>	1.10	<b>Nebraska</b>	1.05	Dallas-Fort Worth	0.92
Jacksonville	1.09	Lincoln	0.85	El Paso	0.85
Miami-Fort Lauderdale	1.04	Omaha	0.85	Houston	0.90
Orlando	1.06	<b>Nevada</b>	1.10	Lubbock	0.91
Tallahassee	0.97	Las Vegas	0.94	San Antonio	0.90
Tampa-Saint Petersburg	1.06	Reno	0.94	<b>Utah</b>	0.99
<b>Georgia</b>	1.04	<b>New Hampshire</b>	0.93	Salt Lake City	1.08
Atlanta	0.98	Boston, MA	0.75	<b>Vermont</b>	1.01
Augusta	0.98	<b>New Jersey</b>	0.85	<b>Virgin Islands</b>	1.21
Columbus	0.98	New York, NY	0.70	<b>Virginia</b>	0.95
<b>Hawaii</b>	0.98	Philadelphia, PA	0.84	Va.Beach-Norfolk-Newport N	0.85
Honolulu	0.90	<b>New Mexico</b>	1.20	Richmond	0.88
<b>Idaho</b>	1.10	Albuquerque	1.05	Washington, DC	1.08
Boise City	0.91	<b>New York</b>	0.81	<b>Washington</b>	0.97
<b>Illinois</b>	0.93	Buffalo	0.74	Seattle	0.90
Chicago	0.85	New York	0.70	Spokane	0.90
Rockford	0.90	Rochester	0.74	<b>West Virginia</b>	1.09
Saint Louis, MO	0.99	<b>North Carolina</b>	1.08	<b>Wisconsin</b>	0.98
<b>Indiana</b>	0.95	Charlotte	0.95	Madison	0.88
Chicago, IL	0.85	Durham	0.95	Minneapolis-Saint Paul, MN	0.85
Fort Wayne	0.83	Greensboro	0.95	Milwaukee	0.88
Indianapolis	0.83	Raleigh	0.95	<b>Wyoming</b>	1.15
Louisville, KY	1.01	Winston-Salem	0.95		
<b>Iowa</b>	0.99				
Des Moines	0.86				
Omaha, NE	0.85				

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)

GROUP ACCIDENT INSURANCE

Exhibit III: Industry Factors for Employer Groups

<u>SIC</u> <u>Code</u>	<u>Industry Description</u>	<u>All</u> <u>Employees</u>	<u>Salaried</u> <u>Employees</u>
01	Agricultural production -- crops	1.38	1.04
02	Agricultural production -- livestock	1.38	1.04
07	Agricultural services	1.38	1.04
08	Forestry	1.38	1.04
09	Fishing, hunting, trapping	1.38	1.04
10	Metal mining	2.07	1.55
12	Bituminous coal and lignite mining	2.07	1.55
13	Oil and gas extraction	1.38	1.04
14	Nonmetallic minerals except fuels	1.66	1.24
15	General building contractors	1.22	0.91
16	Heavy construction contractors	1.40	1.05
17	Special trade contractors	1.23	0.92
20	Food and kindred products	0.95	0.76
21	Tobacco manufacturers	1.01	0.81
22	Textile mill products	1.01	0.81
23	Apparel and other textile products	1.01	0.81
24	Lumber and wood products	1.59	1.27
25	Furniture and fixtures	1.40	1.12
26	Paper and allied products	1.11	0.89
27	Printing, publishing and allied industries	0.91	0.77
28	Chemical and allied products	1.03	0.82
29	Petroleum and coal products	1.07	0.86
30	Rubber & misc. plastics products	1.13	0.91
31	Leather and leather products	1.19	0.95
32	Stone, clay and glass products	1.66	1.33
33	Primary metal industries	1.43	1.14
34	Fabricated metal products	1.27	1.02
35	Industrial machinery and equipment	1.05	0.89
36	Electrical equipment and supplies	0.89	0.76
37	Transportation equipment	1.30	1.11
38	Instruments and related products	0.95	0.81
39	Miscellaneous manufacturing industries	0.95	0.81
40	Railroad transportation	1.18	1.00
41	Local and interurban passenger transit	1.18	1.00
42	Trucking and warehousing	1.42	1.21
44	Water transportation	1.06	0.90
45	Transportation by air	1.06	0.90
46	Pipe lines, except natural gas	1.38	1.04
47	Transportation services	1.07	0.91
48	Communication	1.07	0.91
49	Electric, gas and sanitary services	1.21	0.91
50	Wholesale trade - durable goods	1.06	1.01
51	Wholesale trade - nondurable goods	1.18	1.12
52	Building materials and garden supplies	1.05	0.95
53	General merchandise stores	1.02	1.02
54	Good stores	1.01	0.91
55	Automotive dealers & service stations	1.12	1.01
56	Apparel and accessory stores	0.96	0.96

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)

GROUP ACCIDENT INSURANCE

Exhibit III: Industry Factors for Employer Groups

57	Furniture and home furnishings stores	1.05	0.95
58	Eating and drinking places	1.06	0.96
59	Miscellaneous retail	0.93	0.83
60	Banking - Depository institutions	0.65	0.65
61	Non-depository institutions	0.61	0.61
62	Security and commodity brokers	0.61	0.61
63	Insurance carriers	0.61	0.61
64	Insurance agents, brokers and services	0.72	0.72
65	Real estate	0.74	0.74
67	Holding and other investment offices	0.61	0.61
70	Hotels and other lodging places	1.05	0.94
72	Personal services	1.05	0.94
73	Business services	0.80	0.80
	7371-7379: Computer Services	0.70	0.70
75	Automotive repair, services and parking	1.21	0.91
76	Miscellaneous repair services	1.21	0.91
78	Motion pictures	1.13	1.01
79	Amusement and recreation services	1.14	1.03
80	Health services	0.67	0.67
81	Legal services	0.68	0.68
82	Education services	0.73	0.73
83	Social services	0.80	0.80
84	Museums/botanical/zoological gardens	0.73	0.73
86	Membership organizations	0.82	0.82
87	Engineering and management services	0.70	0.70
89	Miscellaneous services	1.05	1.05
91	Government: exec/legis/general (no financial)	0.92	0.92
92	Public Admin: justice/public order/safety	1.01	1.01
	9221: Police Protection	1.25	1.25
	9224: Fire Protection	1.40	1.40
93	Public Admin: finance/taxation/monetary	0.61	0.61
94	Admin: human resources programs	0.84	0.84
95	Admin: environmental and housing	0.84	0.84
96	Administration of economic programs	0.84	0.84
97	National security & international affairs	1.05	1.05
99	Non-classifiable Establishments	1.05	1.05

**State:** District of Columbia **Filing Company:** Life Insurance Company of North America  
**TOI/Sub-TOI:** H03G Group Health - Accidental Death & Dismemberment/H03G.000 Health - Accidental Death & Dismemberment  
**Product Name:** Group Accident  
**Project Name/Number:** DC Private Exchange/14-2002-DC-GA- Rates

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	
<b>Attachment(s):</b>	Group ADD DC Filing Cover Letter (3_2014).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Group Accident Actuarial Memorandum_2014 (JSchauder).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	DC Rate Justification Certification.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

SERFF Tracking #:

CCGN-129532994

State Tracking #:

Company Tracking #:

14-2002-DC-GA- RATES

**State:** District of Columbia **Filing Company:** Life Insurance Company of North America  
**TOI/Sub-TOI:** H03G Group Health - Accidental Death & Dismemberment/H03G.000 Health - Accidental Death & Dismemberment  
**Product Name:** Group Accident  
**Project Name/Number:** DC Private Exchange/14-2002-DC-GA- Rates

<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications
<b>Bypass Reason:</b>	Non-Medicare product
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Unified Rate Review Template
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

Joseph Schauder ASA, MAAA  
Actuarial Director  
CIGNA Life Insurance Company of North America



March 25, 2014

William P. White  
Commissioner  
D.C. Department of Insurance  
810 First Street, N.E. Suite 701  
Washington, D.C. 20002

Routing TL10P  
Two Liberty Place  
1601 Chestnut Street  
Philadelphia, PA 19192-  
2235  
Telephone 215-761-3033  
Facsimile 215-761-3217  
Joseph.Schauder@CIGNA.com

Re: Life Insurance Company of North America (LINA)  
Group Accident Insurance Policy  
Policy Form Series GA-00-1000.DC  
SERFF Tracking#CCGN-129532994

Dear Commissioner White:

Please find attached the following rate material for our Group Accident Insurance Policy. Effective date for premium will share the same effective date of your approval to this submission.

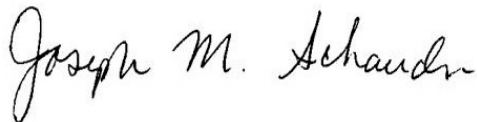
Actuary Memorandum  
Exhibit I  
Exhibit II  
Exhibit III

Excerpt from Actuary Memorandum:

For Employer Groups, the anticipated average annual premium per policy is \$50,000 and the anticipated average principal sum is \$50,000. For Other Eligible Groups, the anticipated average annual premium per covered person is in the \$75-\$90 range and the anticipated average principal sum is \$75,000.

We hope you find this material acceptable and look forward to your response. Please do not hesitate to contact me if you have any further concerns.

Sincerely,



October 22, 2003  
Page 2

Joseph Schauder, ASA, MAAA  
Actuarial Director

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**  
**GA-01-1000.DC**  
**Actuarial Memorandum**

**SCOPE AND PURPOSE**

The purpose of this memorandum is to justify the net claim costs being submitted and to demonstrate that the anticipated loss ratio of this product meets the minimum regulatory requirements. This filing should not be used for other purposes.

**DESCRIPTION OF BENEFITS**

This policy form contains basic accidental death and dismemberment benefits that are available to any eligible group under state law, including but not limited to Employer/Employee groups, trusts, associations, labor groups, and any permissible discretionary groups. There are several additional accident coverages and benefits that are available at the option of the policyholder or the subscriber. In order to simplify the text in the pricing sections, the terms *policyholder* and *covered person* are used. Subscriber and employee or member may be used in the policy form.

These group policies are usually issued with a one year rate guarantee, however, longer periods can be guaranteed. Once the guarantee period is passed, then rates can be changed at the policy anniversary. The policy can be cancelled at any time.

Coverage is provided to all members of the group up to age 70. Employer groups may limit coverage using the ADEA reduction schedule for ages 70 and over. If elected, spouse coverage is typically provided up to age 70 and dependent children are covered to age 26 with varying rate schedules based upon age and whether they are attending a school of higher education.

There are Accidental Death and Dismemberment Coverages that are available at the option of the Policyholder. These expand the benefits payable in the Schedule of Covered Losses and are not paid in addition to any other Accidental Death and Dismemberment benefit:

- Armed Forces
- Exposure & Disappearance
- Hijacking & Air Piracy
- National Guard/Reserve
- Owned Aircraft
- Pilot
- Terrorism
- War Risk



**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**  
**GA-01-1000.DC**  
**Actuarial Memorandum**

The following Accident Benefits are available at the option of the Policyholder and are paid in addition to any other Accidental Death and Dismemberment benefit:

- Accidental Burn/Disfigurement
- Additional Occupational Benefit
- Alternative Commuting
- Ambulance
- Association Members' Benefit
- Bereavement and Trauma Counseling
- Bomb Search, Scare or Explosion
- Bonus Benefit
- Brain Damage
- Bulletproof Vest
- Burial and Cremation
- Business Travel
- Carjacking
- Child Care Center
- Child Survivor's Benefit
- Common Accident
- Common Carrier
- Commuting
- Diagnostic X-Ray and Laboratory
- Elder Survivor
- Emergency Disaster Team
- Emergency Medical Evacuation
- Emergency Room
- Escalator
- Felonious Assault/Violent Crime
- HIV Occupational Accident
- Home Alteration and Vehicle Modification
- Hospital Stay
- Hunting Accident
- Increased Dependent Child Dismemberment
- Insurance Continuation Expense
- Law Enforcement Officers' Benefit
- Natural Disaster
- Outpatient Surgery
- Permanent Total Disability
- Physical Therapy
- Private Passenger
- Reasonable Accommodation at Worksite
- Rehabilitation
- Repatriation

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**  
**GA-01-1000.DC**  
**Actuarial Memorandum**

Scheduled Air  
Seatbelt & Airbag  
Special Education  
Sponsored Event  
Spouse Retraining  
Spouse Survivor  
Telecommuters  
Total Disability Weekly Income  
Waiver of Premium  
Hepatitis C Occupational Accident

Some of the above benefits can be offered without including the basic accidental death and dismemberment benefit. Stand alone coverage may be issued for the following benefits:

Bonus  
Common Carrier  
Law Enforcement Officers' Benefit  
Permanent Total Disability  
Private Passenger  
Scheduled Air Travel  
Sponsored Event

The descriptions and development of the net claim costs for all of the above benefits and coverages are attached.

**DERIVATION OF GROSS PREMIUM**

To develop the gross premium, the following items need to be added together: (1) net claim cost; (2) expenses; and (3) profit and risk charges.

(1) Net Claim Costs

This actuarial memorandum describes in detail the development of net claim costs for the basic AD&D schedules and the optional additional coverages and accident benefits. The net claim cost represents the cost of providing the benefit associated with the accidental loss (ignoring expenses and profit/risk charges). However, if we take over an existing group accident policy, we will adjust our net claim costs to reflect the group's experience to the extent that the experience is credible.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**  
**GA-01-1000.DC**  
**Actuarial Memorandum**

(2) Expense Loads

These expense loads are necessary for us to recover expenses associated with providing this group accident protection. The types of expenses included in the expense load are as follows: (1) certificate issue and case setup; (2) sales acquisition and materials; (3) maintenance and overhead; and (4) third party administrator (TPA) and group sponsor fees. Depending on the characteristics of the particular group, these expense levels will vary, thus causing the gross premiums to vary.

(3) Profit and Risk Charges

The amount of profit and risk we will require will be a function of not only the size of the participant group, but also the level of participant affinity toward the group sponsor. As more participants of the group enroll in the group accident program, the better the spread of insurance risk, which translates to a lower required profit and risk charge and, ultimately, a lower gross premium.

For Employer Groups, the anticipated average annual premium per policy is \$50,000 and the anticipated average principal sum is \$50,000. For Other Eligible Groups, the anticipated average annual premium per covered person is in the \$75-\$90 range and the anticipated average principal sum is \$75,000.

Anticipated Loss Ratio

The anticipated loss ratio varies by the type of group:

Employer Groups	65%
Other Eligible Groups	55%

Formula Rate

The Formula rate is calculated prior to any discretionary underwriting adjustments and is the weighted average rate for the particular group, combining both the manual rate and the experience rate:

$$\text{Formula Rate} = [ \text{Experience Rate} \times Z ] + [ \text{Manual Rate} \times (1-Z) ]$$

The Experience Rate is determined from the group's actual claim experience while the Manual Rate uses the standard calculation process based on the net claim costs developed in this memorandum. 'Z' is the credibility factor that measures to what extent the actual claim experience may be relied upon as a predictor of future experience.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**  
**GA-01-1000.DC**  
**Actuarial Memorandum**

For Employer Groups, full credibility is given to 550,000 exposure years. Partial credibility equals the square root of [number of exposure years divided by 550,000]. For example:

<u>Exposure Years</u>	<u>Credibility Factor</u>
5,000	10%
50,000	30%
150,000	52%
350,000	80%

For Other Eligible Groups, we rely on 3 to 5 years of case experience to determine if we accept the existing rates or need to adjust them. For start up groups, we would apply the manual rates.

Experience Rating:

Experience rating is done at the group policyholder level using three to five years of experience. However, groups covering fewer than 100 lives and groups in which the insureds pay most of the premium will not be experience rated.

Underwriting Guidelines

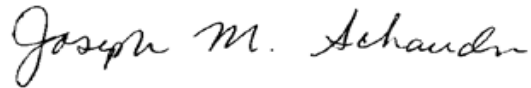
Premium adjustments will be made if, in the underwriter's opinion, the developed premium will generate inadequate premium for the anticipated exposure. This action can be initiated by various factors including but not limited to: inferior quality and clarity of information, significant abnormal claim patterns, evidence of a persistency problem with prior carriers, changes in the employer's level of contribution, significant changes in the census characteristics, additional services provided to the policyholder for the specific case, high levels of persistency, stability of case with the broker, high quality of business with broker and any other extraordinary items having an impact on the risk requiring interpretive judgment. The criteria and formula for these adjustments are documented in the rate manual.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**  
**GA-01-1000.DC**  
**Actuarial Memorandum**

**ACTUARIAL CERTIFICATION**

This filing, to the best of our knowledge and belief, is in compliance with the applicable laws of your state and with the rules of the Department of Insurance. The rates are not excessive, inadequate, or unfairly discriminatory.

Submitted by:



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Joseph M. Schauder, ASA, MAAA  
March 17, 2014

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit for any one of the Covered Losses listed in the Schedule of Benefits, if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident.

We will pay only the largest amount due to the same Covered Accident. If the Loss results in death, benefits will only be paid under the Loss of Life benefit provision.

Each of the following benefits applies on a case-by-case basis at the option of the Policyholder. They are shown as they are offered in the standard schedule. However, the Policyholder may not want to include all and/or they may want to vary the percentage paid.

**Covered Loss**

**Benefit Amount**

Loss of Life	100% of the Principal Sum
Loss of Two or More Hands or Feet	100% of the Principal Sum
Loss of Sight of Both Eyes	100% of the Principal Sum
Loss of Speech and Hearing (in both ears)	100% of the Principal Sum
Quadriplegia	100% of the Principal Sum
Paraplegia	75% of the Principal Sum
Hemiplegia	50% of the Principal Sum
Uniplegia	50% of the Principal Sum
Coma	100% of the Principal Sum
Loss of One Hand or Foot	50% of the Principal Sum
Loss of Sight in One Eye	50% of the Principal Sum
Severance and Reattachment of One Hand or Foot	50% of the Principal Sum
Loss of Speech	50% of the Principal Sum
Loss of Hearing (in both ears)	50% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	25% of the Principal Sum
Loss of all Four Fingers of the Same Hand	25% of the Principal Sum
Loss of all the Toes of the Same Foot	20% of the Principal Sum

**Net Claim Cost Development**

The net claim cost for **Accidental Death** is composed of a blend of population data and insured group data. The blend varies by the type of group. If the group is not an Employer/Employee Group, then the net claim cost for Other Eligible Groups will apply. There is a separate net claim cost for dependent children that does not vary by type of group.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

**Employer Groups:**

The Monthly Net Claim Cost per 1,000 was derived using internal claims experience to arrive at \$0.0189 per month. The claim cost development was determined by performing an Actual to Expected loss review on four full years of claims for Employer-Employee groups only, which represents approximately 12,000,000 life years. A provision for adverse deviation was included. Our expected basis was a blend of prior experience accidental death rates and population death rates.

**Other Eligible Groups:**

This type includes eligible groups under state law, such as trusts, associations, labor groups, and any permissible discretionary groups.

The Monthly Net Claim Cost per 1,000 was derived as follows:

$$\frac{(0.4053 \times 0.5 + 0.1841 \times 0.5) \times 1.10}{12} = 0.0270$$

where:

- 0.4053 = population death rate per 1,000 (Injury Facts, 2010)
- 0.1841 = insured group death rate per 1,000 (2006 Intercompany Group Life Insurance Study)
- 0.5 = weight attached to the population death rate for other eligible groups
- 0.5 = weight attached to the insured group death rate for other eligible groups
- 1.10 = load for anti-selection
- 12 = annual to monthly conversion

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

Dependent Child Net Claim Cost for all Groups:

The Monthly Net Claim Cost per 1,000 was derived as follows:

$$\frac{0.1108 \times 1.10 \times \text{DepChild} \times \text{AgeLoad}}{12} = \begin{cases} 0.0203, & \text{to age 19 or 23 if attending school} \\ 0.0244, & \text{to age 26 without restrictions} \end{cases}$$

where:

- 0.1108 = 0.1550 \* 0.715 = population accidental death rate per 1,000 for children to age 23, adjusted for covered accidents and company experience (Injury Facts, 2010)
- 1.10 = dismemberment load (CIGNA Voluntary AD&D Rater)
- DepChild = 2.0, to age 19 or 23 if attending school  
2.15, to age 26 without restrictions  
assumed number of dependent children (Statistical Abstract of the US, 1999, Table 80)
- AgeLoad = 1.0, to age 19 or 23 if attending school  
1.115, to age 26 without restrictions
- 12 = annual to monthly conversion

**Adjustments to Accidental Death**

Modifications to the net claim costs for Accidental Death will be made to adjust for dismemberment benefits and additional group characteristics:

- Accidental Dismemberment Schedule
- Male/Female Adjustment
- Industry Risk
- Age Variation
- State Variation
- Pleasure Only
- ADEA Reductions



**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

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**Accidental Dismemberment Schedule**

The standard dismemberment load of 10% is based on LINA claim experience for years 1994 – 1999 and is distributed as follows:

<u>Covered Loss</u>	<u>Load</u>	<u>% of Principal Sum</u>
Loss of Hands or Feet	7.25%	100% (2 or more), 50% (1)
Loss of Sight	0.10%	100% (2), 50% (1)
Loss of Speech	0.08%	50%
Loss of Hearing (in both ears)	0.07%	50%
Loss of Use (Uniplegia)	0.05%	50%
Quadriplegia	0.48%	100%
Paraplegia	0.66%	75%
Hemiplegia	0.06%	50%
Coma	1.05%	100%
Severance and Reattachment of Hand or Foot	0.05%	50%
Loss of Thumb and Index Finger of Same Hand	0.05%	25%
Loss of all Four Fingers of the Same Hand	0.05%	25%
Loss of all Toes of the Same Foot	<u>0.05%</u>	20%
	10.00%	

The dismemberment loads assume the standard percentage of the Principal Sum that is listed. If more or less of the Principal Sum will be paid for a particular component of the dismemberment schedule, the load factor for the component should be adjusted accordingly. For example, if 100% of the Principal Sum is paid for Paraplegia, the additional load to the base accidental death rate would be 0.22%  $[(0.66\%/75\%) \times 25\%]$  of the Principal Sum).

All benefits were developed assuming the standard dismemberment schedule. If variations are chosen by the Policyholder, then adjustments will be made in each coverage or benefit included in the Policy.

For example, if all of the covered losses listed above provide the percentage of the Principal Sum indicated, then the load to the base accidental death rate is 10%.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

**Male/Female Adjustment Factor**

The factor to adjust for the male/female composition of a group is as follows:

Employer Groups: The gender factor was developed using insured group death rates from the 2006 Intercompany Group Life Insurance Study.

Male Factor = 1.276      Female Factor = 0.644

Other Eligible Groups: The gender factor was developed using a 50/50 blend between population death rates from the 2010 Injury Facts and insured group death rates from the 2006 Intercompany Group Life Insurance Study.

Male Factor = 1.421      Female Factor = 0.543

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

**Industry Adjustment**

This factor adjusts the basic rate coverage, which provides 24-hour coverage for a standard industry risk, to cover only occupation related accidental losses.

Monthly Net Claim Cost = Occupational Only Rate Factor x Core AD&D Net Claim Cost

Where:

Occupational Only Rate Factor = 0.1024 x industry risk class factor

Where:

0.1024 = the proportion of accidental deaths that are occupation-related (see Exhibit I)

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

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Industry risk class factor depends on the type of group:

Employer Groups use factors that were developed using death rates from the 2006 Society of Actuaries Group Life Experience Study, Accident Data and company experience. The Salaried Only factors were developed from the All Employee factors using industry data and company experience. These factors are presented in Exhibit III.

Other Eligible Groups use the following:

0.50	1.00	1.50	2.00
<u>Low Risk</u>	<u>Medium Risk</u>	<u>Mid-High Risk</u>	<u>High Risk</u>
Professional	Sales(Outside)	Manufacturing(Heavy)	Mining
Financial	Technicians	Chemical	Oil Drilling
Insurance	Food	Petroleum	Logging
Medical	Public Utilities	Lumber	Diving
Administrative	Civil Service	Paper & Pulp	Construction
Office	Airlines	Police & Fire	(Heavy)
Clerical	Manufacturing	Maintenance	
Educational	(Light)	Agriculture	
Sales(Inside)		Construction(Light)	
		Railroad	

Specific examples have been included. Our underwriters will evaluate other industries to determine the appropriate classification.

To determine the occupational only claim cost, multiply the occupational only rate factor developed above by the Core AD&D net claim cost. For example, an association of miners who want an occupational only benefit would have a monthly net claim cost of \$ 0.0061.

$$0.0270 \times 1.10 \times 0.1024 \times 2.0 = 0.0061$$

where:

0.0270 = Core AD net claim cost for other eligible groups

1.10 = load for standard dismemberment schedule

0.1024 = only occupation related deaths

2.0 = industry risk class adjustment factor for a high risk industry

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

**Age Adjustment**

The pricing has assumed that the average age of the group falls in the 25-34 age band. This factor will adjust for other age bands and varies by the type of group:

**Employer Groups:**

The factors to adjust for the volume weighted average age of the group are as follows:

<u>Age Band</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
15-24	1.19	1.14	1.18
25-34	1.00	1.00	1.00
35-44	0.94	0.99	0.96
45-54	0.84	0.94	0.88
55-64	0.94	1.20	1.02
65-74	1.02	1.81	1.19
75+	3.74	7.35	4.32

The factors were derived as follows:

1. The death rate by age band was developed as a weighted average of the population death rate (Injury Facts.1997-1999, Crime in the US, 1994-1996) and the insured group death rate (1985-1989 Intercompany Group Life Insurance Study) with equal weight given to each data source.
2. The adjustment factor by age band was calculated as the ratio of the death rate by age band to the Base Accidental Death Rate for employer groups.
3. The factors were normalized such that the age 25-34 age band represents the average (factor of 1.00).

**Other Eligible Groups:**

The factors to adjust for the volume weighted average age of the group are as follows:

<u>Age Band</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
15-24	1.19	1.17	1.20
25-34	1.00	1.00	1.00
35-44	0.91	0.98	0.93
45-54	0.79	0.91	0.82
55-64	0.82	1.09	0.88
65-74	0.97	1.73	1.12
75+	2.31	4.93	2.76

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

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The factors were derived using the same method as for the Employer Groups. The only difference is in the weights given in item 1: 75% was given to the population data and 25% was given to the insured group data.

**Area Variation Adjustment**

The factor to adjust for a particular State or Metropolitan Statistical Area was developed using 2003 accidental death rates by state from *Injury Facts 2007* and 2005 through 2007 motor vehicle death rates by MSA from the *National Highway Traffic Safety Administration Traffic Safety Facts Report*. These factors are presented in Exhibit II.

**Pleasure Only**

This factor adjusts the basic AD rate coverage, which provides 24 hour coverage, to cover non-occupational related accidental losses.

**Employer Groups:**

$$\text{Monthly Net Claim Cost} = 0.0189 \times 0.8976 \times 1.10 = 0.0187$$

Where:

- |        |   |   |
|--------|---|---|
| 0.0189 | = | the Core Accidental Death Claim Cost per 1,000 for employer groups                                  |
| 0.8976 | = | the proportion of accidental deaths that are not occupation-related (see Exhibit I)<br>= 1 - 0.1024 |
| 1.10   | = | load for standard dismemberment schedule  |

**Other Eligible Groups:**

$$\text{Monthly Net Claim Cost} = 0.0270 \times 0.8976 \times 1.10 = 0.0267$$

Where:

- |        |   |  |
|--------|---|--|
| 0.0270 | = | the Core Accidental Death Claim Cost per 1,000 for other eligible groups |
|--------|---|--|

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

**ADEA Reductions**

The factors to adjust for ADEA reduction schedules will vary based on the specifics of the schedule and are derived as follows:

1. The deaths and exposure by age band for the specific ADEA reduction schedule and in total are developed from population death rate data (Injury Facts.1997-1999, Crime in the US, 1994-1996)
2. The deaths and exposure by age band and in total are adjusted to account for labor force participation at ages above 70 (Statistical Abstract of the US 2000, Table 644).
3. The ADEA Benefit Adjusted total death rate is calculated by weighting the ADEA reduction factors by age band against the age-banded deaths and dividing by the participation-adjusted total exposure.
4. The ADEA Reduction schedule factor is calculated as the ratio of the ADEA Benefit Adjusted total death rate to the total population death rate (adjusted to account for the age groups represented in the base accidental death rate).

An example using a hypothetical ADEA Schedule appears below:

ADEA Schedule	<u>Age</u>	<u>Benefit</u>
	<70	100%
	70+	50%

1. Deaths and Exposure

<u>Age</u>	<u>Deaths</u>	<u>Exposure (000's)</u>
<70	78,392	181,260
<u>70+</u>	<u>25,906</u>	<u>24,178</u>
Total	104,299	205,438

2. Assuming 13.5% Labor force participation after age 70:

<u>Age</u>	<u>Deaths</u>	<u>Exposure (000's)</u>
<70	78,392	181,260
<u>70+</u>	<u>3,497</u>	<u>3,264</u>
Total	81,890	184,524

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Death and Dismemberment**

**Actuarial Memorandum**

3. ADEA Benefit Adjusted Death Rate

$$\frac{(78,392 \times 100\% + 3,497 \times 50\%)}{184,524} = 0.4340 \text{ per 1,000}$$

4. ADEA Reduction Factor

$$\frac{0.4340}{0.4349} = 1.00$$

where:

0.4349 = population death rate per 1,000 adjusted to account for the age groups represented in the base accidental death rate

The ADEA Reduction Factor is 0.99 when the Covered Person's Principal Sum is reduced according to the following schedule:

<u>Age On Date of Death</u>	<u>Percentage of Principal Sum</u>
{ 70 but less than 75 }	{ 65% }
{ 75 but less than 80 }	{ 45% }
{ 80 but less than 85 }	{ 30% }
{ 85 or over }	{ 15% }

**Stand –Alone Benefits**

Some of the benefits can be sold to a group that does not want to include the basic accidental death and dismemberment benefit. Usually this is because they already have this benefit through another carrier and would like to add just the additional benefits. The monthly net claim cost that is developed for the following benefits will be adjusted for the type of group, using the adjustments that are presented above:

Bonus  
Common Carrier  
Law Enforcement Officers' Benefit  
Permanent Total Disability  
Private Passenger  
Scheduled Air Travel  
Sponsored Event



**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Armed Forces Coverage**

**Actuarial Memorandum**

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if a Covered Person suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs while he is on active duty in any Armed Forces.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 is derived as follows:

$$= \frac{0.000003 \times 1.10 \times 2.00 \times 1,000}{12} = 0.00055$$

where:

$$0.000003 = \frac{476.8}{159,966,000}$$

where:

476.8 = the average annual accidental deaths for active duty military using 1995-1999  
(Statistical Abstract of the United States, 2000, Table 582)

159,966,000 = United States Population in age group, 20 to 64 (Statistical Abstract of  
the United States, 1999, Table 12)

1.10 = load for standard dismemberment schedule

2.00 = load for anti-selection (will vary by number of armed forces personnel within group)

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Exposure and Disappearance Coverage

Actuarial Memorandum

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if a Covered Person suffers a Covered Loss which results directly and independently of all other causes from unavoidable exposure to the elements following a Covered Accident.

If the Covered Person disappears and is not found within one year from the date of the wrecking, sinking or disappearance of the conveyance in which the Covered Person was riding, in the course of a trip which would otherwise be covered under the Policy, it will be presumed that the Covered Person died during a Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost was derived as follows:

$$\frac{0.00000563 \times 0.25 \times 1.10 \times 1.10 \times 1,000}{12} = 0.000142$$

where:

$$0.00000563 = 1,521 / 270,262,431$$

where:

1,521 = exposure accidental deaths using natural and environmental factors for 1998  
(Injury Facts, 2001)

270,262,431 = United States Population, 1998 (United States Census Bureau)

0.25 = Estimated % of deaths where body is not recovered within one year.

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Hijacking and Air Piracy Coverage**

**Actuarial Memorandum**

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if a Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during the hijacking, air piracy, or unlawful seizure or attempted seizure of an Aircraft

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.000000205 \times 1.10 \times 1.10 \times 1,000}{12} = 0.0000207$$

where:

$$0.000000205 = \frac{31.5}{153,433,000} = \text{Ratio of hijacking deaths to accidental deaths}$$

31.5 = 21 hijacks per year (average from 1993 to 1995),  
Statistical Abstract of the United States, 1997 (Table 1052)  
x 1.5 deaths per hijack  
(average of 60 passengers per flight with fatalities on 1 flight in 40)

153,433,000 = United States Population in age group, 20 to 64, 1995 (Statistical Abstract of the United States, 1996, Table 14)

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

National Guard and Armed Forces Reserve Coverage

Actuarial Memorandum

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if a Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while the Covered Person is a member of the U.S. Military Reserve or National Guard.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 is derived as follows:

$$= \frac{0.000003 \times 0.15 \times 1.10 \times 2.00 \times 1,000}{12} = 0.0000825$$

where:

$$0.000003 = \frac{476.8}{159,966,000}$$

where:

476.8 = the average annual accidental deaths for active duty military using 1995-1999 (Statistical Abstract of the United States, 2000, Table 582)

159,966,000 = United States Population in age group, 20 to 64 (Statistical Abstract of the United States, 1999, Table 12)

0.15 = estimate of the exposure during the year for reservists and national guard; minimum of 39 days per year ( Assistant Secretary of Defense for Reserve Affairs, Oct. 1995)

1.10 = load for standard dismemberment schedule

2.00 = load for anti-selection (will vary by number of armed forces personnel within group)

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Owned Aircraft Coverage

Actuarial Memorandum

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if a Covered Person suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs during travel or flight in, including getting in or out of, any Aircraft that is owned, leased, operated or controlled by the Policyholder.

**Net Claim Cost Development**

For all Airplanes (fixed wing), the monthly net claim cost per \$1,000 per passenger seat was derived as follows:

$$\frac{(0.90 \times 0.0435 + 0.10 \times 0.3169) \times 0.50 \times 800}{100 \times 12} = 0.0236$$

Where:

0.0435 = the average Corporate\* Jet fatal accident rate per 100,000 flight hours from 1995 through 2007 (National Business Aviation Association Safety Statistics)

\*Note: flights under a 'Corporate' designation are those manned by a two-person professional crew

0.3169 = the average Business Jet fatal accident rate per 100,000 flight hours from 1995 through 2007 (National Business Aviation Association Safety Statistics)

0.90 = the percentage of Business-Owned Aircraft flights manned by a two-person professional crew

0.10 = the percentage of Business-Owned Aircraft flights not manned by a two-person professional crew

0.50 = the occupancy rate of passenger seats on a Business-Owned Aircraft

800 = the average number of flight hours per year for a Business-Owned Aircraft

100 = conversion from 100,000 to 1,000

12 = annual to monthly conversion

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Owned Aircraft Coverage

Actuarial Memorandum

For all Helicopters (rotary wing), the monthly net claim cost per \$1,000 per passenger seat was derived as follows:

$$\frac{0.0236 \times 1.530}{1.334} = 0.0271$$

Where:

0.0236 = the fixed-wing monthly net claim cost per \$1,000 per passenger seat from above

1.530 = the average rotary-wing fatal accident rate per 100,000 hours from 2001 through 2005 (National Transportation Safety Board: Annual Review of U.S. General Aviation Accident Data - 2005)

1.334 = the average general aviation fatal accident rate per 100,000 hours from 2001 through 2005 (National Transportation Safety Board: Annual Review of U.S. General Aviation Accident Data - 2005)

The net claim cost will be adjusted for variations in the dismemberment schedule.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

Pilot Coverage

**Actuarial Memorandum**

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while the Covered Person is flying as a licensed pilot [or member of the crew] of an Aircraft and meets all of the following requirements:

- [1. has submitted a completed Pilot Data History form and been accepted for Pilot Coverage by Us;]
- [2. maintains the same level of qualification stated on the Pilot Data History form submitted to and approved by Us;]
- [3. completes and maintains a combined minimum of {200} hours of military, private or professional logged flight hours;]
- [4. is flying as a pilot [or member of the crew] of an Aircraft travelling on or transacting business for the Policyholder . All trips must have been authorized by the Policyholder;]
- [5. is flying as a pilot [or member of the crew] of an Aircraft [described below] *or* [on a list of eligible Aircraft maintained by the Policyholder, including a substitute Aircraft with no greater seating capacity while a [specified] *or* [listed] Aircraft is withdrawn from normal use due to breakdown, repair, servicing, loss or destruction;]
- [6. is flying as a pilot [or member of the crew] of an Aircraft that is [not] owned, leased, operated or controlled by the Policyholder;]
- [7. is not giving or receiving flight instruction.]

**Net Claim Cost Development**

For all Airplanes (fixed wing), the monthly net claim cost per \$1,000 per pilot and crew seat before optional requirement adjustments was derived as follows:

$$\frac{(0.90 \times 0.0435 + 0.10 \times 0.3169) \times 0.75 \times 800}{100 \times 12} = 0.0354$$

Where:

0.0435 = the average Corporate\* Jet fatal accident rate per 100,000 flight hours from 1995 through 2007 (National Business Aviation Association Safety Statistics)

\*Note: flights under a 'Corporate' designation are those manned by a two-person professional crew

0.3169 = the average Business Jet fatal accident rate per 100,000 flight hours from 1995 through 2007 (National Business Aviation Association Safety Statistics)

0.90 = the percentage of Business-Owned Aircraft flights manned by a two-person professional crew

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

Pilot Coverage

**Actuarial Memorandum**

0.10 = the percentage of Business-Owned Aircraft flights not manned by a two-person professional crew

0.75 = the occupancy rate of pilot and crew seats on a Business-Owned Aircraft

800 = the average number of flight hours per year for a Business-Owned Aircraft

100 = conversion from 100,000 to 1,000

12 = annual to monthly conversion

For all Helicopters (rotary wing), the monthly net claim cost per \$1,000 per pilot and crew seat was derived as follows (see owned air for factor development):

$$\frac{0.0354 \times 1.530}{1.334} = 0.0406$$

Where:

0.0354 = the rotary -wing monthly net claim cost per \$1,000 per pilot and crew seat from above

1.530 = the average rotary-wing fatal accident rate per 100,000 hours from 2001 through 2005 (National Transportation Safety Board: Annual Review of U.S. General Aviation Accident Data - 2005)

1.334 = the average general aviation fatal accident rate per 100,000 hours from 2001 through 2005 (National Transportation Safety Board: Annual Review of U.S. General Aviation Accident Data - 2005)

Adjustment factors (loads or discounts) for each requirement were based on the relationship of the particular coverage to the total accident rate for all general aviation accidents. It was also assumed that coverage applied to both pilots and members of the crew.

<u>Optional Requirement</u>	<u>Adjustment Factor</u>	<u>Claim Cost</u>
1. Pilot Data History Form without #2	0.98	0.0398
2. Maintains level [#1 & #2].	0.96	0.0390
4. Business Travel Only	1.05	0.0426
5. Owned Aircraft	0.95	0.0386
6. Non-Owned Aircraft	1.05	0.0426
7. Instructional Flying Excluded	0.97	0.0394

The net claim costs will be adjusted for variations in the dismemberment schedule.



LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Terrorism Coverage

Actuarial Memorandum

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if a Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during an act of Terrorism.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 is derived as follows:

$$\frac{0.00000117 \times 1.10 \times 1.10 \times 1,000}{12} = 0.000118$$

where:

$$0.00000117 = (43.5 + 154.5) / 168,803,956$$

where:

43.5 = average number of deaths per year due to terrorism abroad for years 1981-2001 (Sourcebook of Criminal Justice Statistics, Table 3.184, 2001)

154.5 = average number of deaths per year due to domestic terrorism for years 1981 – 2001 (“Terrorism in the United States,” pg. 53, 2000. & "September 11, 2001 Terrorist Attack," Wikipedia.)

168,803,956 = United States Population in age group, 20 to 64, 2001 (United States Census Bureau)

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

War Risk Coverage

Actuarial Memorandum

**Benefit Description**

Benefits for Accidental Death and Dismemberment, as shown in the Schedule of Covered Losses, will be payable if a Covered Person suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs during war or acts of war that occur:

1. in a specifically described geographic area; or
2. in a generally described geographic area.

**Net Claim Cost Development**

The following assumptions were made in the determination of the Net Claim Costs:

1. The Overseas Security Advisory Council (OSAC), an arm of the US State Department, is an authoritative source of information regarding the risks associated with business travel overseas. OSAC has classified the countries of the world into ZONES, according to the degree of war risk existing in that country.
2. It is assumed that the zones developed by OSAC are structured so that the degree of risk DOUBLES from a given zone to the next riskier zone. This assumption is based on an overview of the nations in each zone, and on an analysis of OSAC's description of each zone.

For Zone IA, the monthly net claim cost per \$1000 was derived as follows:

$$\frac{.00795 \times 2 \times 1.10 \times 1 \times 1000}{12} = 1.46$$

where:

$$.00795 = 300,000/37,754,000$$

where: 300,000 = the estimated total number of persons killed in recent fighting in the three ZONE IA countries of Algeria, Bosnia-Herzegovina, and Croatia.

37,754,000 = the 1997 population of the three Zone IA countries (United Nations website).

$$2 = \text{load for anti-selection}$$

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

War Risk Coverage

Actuarial Memorandum

- 1.10 = load for standard dismemberment schedule
- 1 = the factor to account for the level of danger in Zone IA  
(see table below for other zones)
- 12 = annual to monthly conversion

Zone Risk Factors

<u>ZONE</u>	<u>RISK FACTOR</u>
IB (most risk)	2.0
IA	1.0
I	0.5
II	0.25
III	0.125
IV	0.0625
V	0.03125
VI (least risk)	0.03125

The net claim cost will be adjusted for variations in the dismemberment schedule and selected zone.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Burn And Disfigurement Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits to the Covered Person suffers a Covered Injury that leaves him Disfigured, and that Covered Injury resulted directly and independently of all other causes from a Covered Accident. The Disfigurement must satisfy all of the conditions below:

1. Reconstructive or cosmetic surgery to restore the Covered Person's physical abilities and appearance must be commenced within twelve months of the Covered Accident.
2. If occupational coverage is provided to Employees, the Covered Accident must occur while the Covered Employee is on the premises and is engaged in the course of his job.
3. A physician must determine that the burn satisfies all of the following:
  - a) involve the minimum percentage shown in the Schedule of Benefits;
  - b) be classified as a second and/or third degree burn;
  - c) result in Disfigurement or loss of physical abilities.

The percentage of the body disfigured determines the amount of the benefit that is paid.

<u>% Body Disfigured</u>	<u>Benefit</u>
75-100%	100% of Principal Sum
50-74%	75% of Principal Sum
25-49%	50% of Principal Sum

**Net Claim Cost Development**

The benefit can include just third degree burns, just second degree burns, or both second and third degree burns.

The monthly net claim cost per \$1000 was derived as follows:

$$\frac{0.000048 \times 0.53 \times 1.10 \times 1,000}{12} = 0.0023$$

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Accidental Burn And Disfigurement Benefit**

**Actuarial Memorandum**

where:

$0.000048 = 12,373 / 257,783,000$  probability of third degree burn

where:

12,373 = total number of third degree burns, from 1994 HCIA Length of Stay by Diagnosis and Operation, Table 403 (10/92 – 9/93 Data), assuming all burns and other disabling injuries are caused by accidents. (Only third degree burns are included because it is assumed that disfigurement is mostly caused by third degree burns)

257,783,000 = United States population in 1993 (Statistical Abstract of the United States, 1995)

0.53 = the expected percentage of the principal sum that is payable. 7.6% of burns cover 50% or more of body surface area. 92.4% cover less than 50% of body surface area (American Burn Association, <http://www.ameriburn.org/pub/Burn%20Incidence%20Fact%20Sheet.htm>). The below calculation is based on this distribution of bodily harm in the 3 categories of benefit amount (50%, 75%, 100%).

$= [(.924 \times 0.50) + (.038 \times 0.75) + (.038 \times 1.00)]$

1.10 = the load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim costs will be adjusted for variations in the benefit levels chosen.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Additional Occupational Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if a Covered Person suffers a Covered Loss which results directly and independently of all other causes from a Covered Accident that occurs while the Covered Person is on the Policyholder's premises and engaged in the course of his job [or on business travel pre-authorized by the Policyholder].

Option: If business travel coverage is included:

Business travel begins at the actual start of a business trip that has been pre-authorized by the Policyholder, whether or not the trip starts at the Covered Person's home, place of work, or another place. Business Travel coverage ends when the Covered Person:

1. arrives at his home or place of work, whichever happens first; or
2. starts a Personal Deviation.

Option with business travel coverage: Aircraft restrictions.

Business travel includes riding in, or getting on or off of, an Aircraft, but only if:

1. the Covered Person is riding as a passenger only, and not as a pilot or member of the crew; and
2. the Aircraft is not being used for crop dusting, spraying or seeding; fire fighting; sky writing; sky diving or hang gliding; pipeline or power line inspection; aerial photography or exploration; racing; endurance tests, stunt or acrobatic flying; any operation which requires a special permit from the FAA, even if it is granted unless the permit is required only because of the territory flown over or landed on; or giving or receiving flying instructions.

**Net Claim Cost Development**

The Additional Occupational Benefit load is applied to the portion of the core benefit associated with occupational risks and adjusted to reflect the occupational class risk. The load varies according to the options chosen. Exhibit I shows the development using Bureau of Labor Statistics, 2002 through 2006.

<u>Benefit</u>	<u>Claim Cost per \$1,000 per month</u>
Premises Only:	$0.0143 \times 1.10 / 12 = 0.00131$
Premises + Business Travel:	$0.0232 \times 1.10 / 12 = 0.00213$

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Additional Occupational Benefit**

**Actuarial Memorandum**

Premises + Business Travel w/ Aircraft Restriction:  $0.0151 \times 1.10 / 12 = 0.00138$

Where:

1.10 = load for anti-selection

12 = annual to monthly conversion

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Alternative Commuting Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits when the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while using an alternate means of transportation for commuting directly between his home and the Policyholder's premises where he normally works. Such use is necessitated by discontinuance of service, strike, or major breakdown of one or more public conveyance transportation systems which the Covered Person regularly uses in commuting.

**Net Claim Cost Development**

The monthly net claim cost per \$1000 was derived as follows:

$$\frac{0.00017 \times 0.10 \times 0.10 \times 1.10 \times 1.10 \times 1,000}{12} = 0.000172$$

where:

$0.00017 = 22,800 / 133,498,250 =$  probability of fatality due to off-the-job motor vehicle accidents

where:

22,800 = fatalities due to off-the-job motor vehicle accidents in 1999 (Injury Facts 2001)

133,498,250 = working population in 1999 (Bureau of Labor Statistics)

0.10 = public transportation commuters as a percent of working population in U.S. metropolitan areas, estimated 2001 based on 1990 (U.S. Census Bureau)

0.10 = estimated percent using alternate means of transportation

1.10 = load for standard dismemberment schedule

1.10 = the load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule.



**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Ambulance Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if a Covered Person requires ambulance services due to a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$100 benefit is derived as follows:

$$\frac{0.106 \times 0.14 \times 0.64 \times 1.10 \times 100}{12} = 0.087$$

where:

0.106 = 28,636,000 / 270,262,431 = annual rate of emergency department visits for injuries

where:

28,636,000 = number of emergency room visits due to unintentional injuries in 1998 (Injury Facts 2001)

270,262,431 = U.S. population, 1998 (Statistical Abstract of the United States, 1999, Table 12)

0.14 = percentage of emergency department visits using ambulances (National Center for Health Statistics, "Visits to the Emergency Department Increase Nationwide," <http://www.cdc.gov/nchs/releases/02news/emergency.htm>, 2002)

0.64 = average percentage of injuries that result from accident, 1996 - 1998 (Injury Facts 2001)

\$100 = benefit per injury

1.10 = load for anti-selection

12 = annual to monthly conversion

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Association Members' Benefit**

**Actuarial Memorandum**

**Benefit Description**

**Accidental Loss of Life and/or Accidental Loss of Limb or Sight**

We will pay a benefit as shown in the Schedule of Benefits if a Covered Member's death results directly and independently of all other causes from a Covered Accident or has a Covered Accident and incurs a Covered Loss listed in the Schedule of Benefits:

1. while attending or participating in events sponsored by [ABC Association, or an ABC Association affiliate][; or while traveling to or from such event; or]
2. [during the legal use of firearms or hunting equipment while legally hunting].

Net Claim Cost Development

The monthly net claim cost per \$1,000 for item 1 including travel to or from the event was derived as follows:

$$\frac{0.2268 \times 1.10 \times 0.05}{12} = 0.00104$$

where:

0.2268 = pure accidental death & dismemberment rate per 1,000 (CIGNA Voluntary AD&D Rater)

0.05 = estimated percent of a person's time spent at company sponsored events

1.10 = load for anti-selection

12 = annual to monthly conversion

If the benefit does not include traveling to or from the event, then the monthly net claim cost per \$1,000 is:

$$\frac{0.2268 \times 1.10 \times 0.05 \times 0.558}{12} = 0.0006$$

where:

0.558 =  $1 - 43,000 / 97,300$  = adjustment for accidental death rate to not include traveling to or from a covered event

where :

43,000 = motor vehicle deaths in year 2000 (Injury Facts, 2001)

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Association Members' Benefit**

**Actuarial Memorandum**

97,300 = total number of accidental deaths in 2000 (Injury Facts, 2001)

If the benefit includes hunting accidents [item 2], then the monthly net claim cost per \$1,000 is:

$$\frac{0.0000074 \times 1.10 \times 1.15 \times 1,000}{12} = 0.0008$$

where:

$$0.0000074 = 92 / 12,464,589 = \text{Rate of death from hunting}$$

where:

92 = number of fatal hunting injuries in 1998 (Injury Facts 1999)

12,464,589 = total number of hunters in 1998, estimated using:

$$\frac{7.06}{100,000} = \frac{880}{\text{Total No. of Hunters, 1998}}$$

where:

7.06 = Rate of Injury per 100,000 participants in 1998 (Times Mirror Magazine, Inc., Field and Stream (February, 1999))

880 = number of non-fatal hunting injuries in 1998 (Injury Facts, 1998)

1.15 = load for anti-selection to include hunting accidents

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule and groups not in the average risk class. When only Accidental Loss of Life is chosen, the dismemberment load will be removed from the net claim cost.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Bereavement and Trauma Counseling Benefit

**Actuarial Memorandum**

**Benefit Description**

We will pay expenses, up to the maximum benefits shown in the Schedule of Benefits and subject to the following conditions and exclusions, when the Covered Person and/or Immediate Family Member requires bereavement and trauma counseling because the Covered Person suffered a Covered Loss that resulted directly and independently of all other causes from a Covered Accident and such counseling meets all of the following conditions:

1. Covered Bereavement and Trauma Counseling Expenses must be incurred within one year from the date of the Covered Accident causing the Covered Loss;
2. The expense is charged for a bereavement or trauma counseling session for the Covered Person and/or one or more of his Immediate Family Members.
3. Counseling is provided under the care, supervision or order of a Physician;
4. The expense does not exceed the usual level of charges for similar counseling sessions in the locality where the expense is incurred;
5. No charge would have been made if no insurance existed.

**Net Claim Cost Development**

The monthly net claim cost per \$750 benefit was derived as follows:

$$\frac{0.0002268 \times 75 \times 10 \times 2.0 \times 1.10 \times 1.10 \times 0.75}{12} = 0.02572$$

where:

0.0002268	= pure accidental death rate (CIGNA Voluntary AD&D Rater)
\$75	= Benefit amount per session
10	= Number of sessions allowed
2.0	= estimated eligible covered members in family
1.10	= Anti-selection Load
1.10	= Load for standard dismemberment schedule
0.75	= Estimated percent of people utilizing bereavement of trauma counseling after covered loss.
12	= Annual to monthly conversion

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Bereavement and Trauma Counseling Benefit

**Actuarial Memorandum**

The net claim costs will be adjusted for the variations in the Benefit Amount per session, the number of sessions allowed, and the dismemberment schedule chosen.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Bomb Scare, Bomb Search or Bomb Explosion Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident and all of the following conditions are met:

1. the Covered Person is on the Policyholder's premises when the Covered Accident occurs;
2. the Covered Accident is caused by or results from a Bomb Scare, Bomb Search or Bomb Explosion;
3. the Covered Person is an authorized participant of a team or squad engaged in a Bomb Scare, a Bomb Search or related activity;
4. the Policyholder authorizes the Covered Person's participation and sanctions the search.

Net Claim Cost Development

The monthly net claim cost per \$1,000 benefit was derived as follows:

$$\frac{0.0000005 \times 1.10 \times 1.5 \times 1,000}{12} = 0.000069$$

where:

$$0.0000005 = 79 / 158,047,168 = \text{probability of death due to bomb explosion}$$

where:

$$79 = \text{average number of deaths due to bomb explosions, 1996 – 1998 (Injury Facts 2001)}$$

$$158,047,168 = \text{U.S. population in age group, 20 – 64, in 1998 (Statistical Abstract of the United States 1999, Table 14)}$$

$$1.10 = \text{load for standard dismemberment schedule}$$

$$1.5 = \text{load for anti-selection}$$

$$12 = \text{annual to monthly conversion}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

Note: Low percentage of employees in a bomb squad assumed to be offset by high concentration of risk of bomb explosion in institution choosing this benefit.

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Bonus Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits, if a Covered Person suffers a Covered Loss resulting directly and independently of all other causes from of a Covered Accident {and that occurs while traveling on official business for the ABC Association}.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 for was derived as follows:

$$\frac{0.0000089 \times 1.10 \times 1.10 \times 1.10 \times 1,000}{12} = 0.00099$$

where:

0.0000089 = probability of work-related fatality on business travel, 2002-2006  
(Exhibit I)

1.10 = load for broader coverage (no personal deviation restriction)

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

When the Bonus Benefit is stand-alone, the net claim cost should be taken from the core Accidental Death and Dismemberment section to allow for all type of group adjustments.

The net claim cost will be adjusted for variations in the dismemberment schedule.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Brain Damage Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if a Covered Person suffer a Covered Injury that results directly and independently of all other causes from a Covered Accident and results in Brain Damage. The benefit will be payable if:

1. Brain Damage begins within {60 to 120 days} from the date of the Covered Accident;
2. the Covered Person is hospitalized for treatment of Brain Damage at least {7 days} within the first {60 to 120 days} following the Covered Accident;
3. Brain Damage continues for {12 consecutive months}; and
4. a Physician determines that as a result of Brain Damage, the Covered Person is Permanently Totally Disabled at the end of the {12 consecutive month} period.

The benefit will be paid in one lump sum on the {13th month} following the date of the Covered Accident if Brain Damage continues longer than {12 consecutive months}.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{3.09 \times .15 \times .01 \times 1.10}{12} = 0.000425$$

where:

3.09 = the PTD incidence rate per thousand population (SOA Reports)

0.15 = percentage of disabilities due to accidents

0.01 = assumed percentage of brain damage claims

1.10 = load for anti-selection

12 = annual to monthly conversion

The following assumptions were made:

1. The onset of brain damage normally takes place within 60 days of the precipitating accident.
2. A person suffering brain damage must spend a minimum of 7 to 14 days in the hospital.



**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Brain Damage Benefit**

**Actuarial Memorandum**

3. A person who is Permanently Totally Disabled due to brain damage will generally know this fact within 12 to 24 months after the accident.

The net claim cost will be adjusted for variations in the time periods found in the benefit description:

**Item #1 - Days for Required Onset:**

<u>Days</u>	<u>Factor</u>
60	1.0
90	1.5
120	2.0

**Item #2 - Days of Required Hospital Stay:**

<u>Days</u>	<u>Factor</u>	<u>Days</u>	<u>Factor</u>
1	13/7	8	6/7
2	12/7	9	5/7
3	11/7	10	4/7
4	10/7	11	3/7
5	9/7	12	2/7
6	8/7	13	1/7
7	7/7 = 1		

**Item #4 - "Permanently Totally Disabled" determination:**

<u>Period required</u> <u>(months)</u>	<u>Factor</u>	<u>Period required</u> <u>(months)</u>	<u>Factor</u>
23	1/12	11	13/12
22	2/12	10	14/12
21	3/12	9	15/12
20	4/12	8	16/12
19	5/12	7	17/12
18	6/12	6	18/12
17	7/12	5	19/12
16	8/12	4	20/12
15	9/12	3	21/12
14	10/12	2	22/12
13	11/12	1	23/12
12	12/12 = 1		

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Bulletproof Vest Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Employee who is Age 18 or older is on official duty for the Policyholder and is shot during a Covered Accident while wearing a Bulletproof Vest and:

1. the Bulletproof Vest fails to prevent the bullet's penetration through the vest; and
2. such penetration results, directly and independently of all other causes, in a Covered Loss.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.0000896 \times 0.22 \times 1.10 \times 1.10 \times 1,000}{12} = 0.00199$$

where:

$$0.0000896 = 14,023 / 156,497,333 = \text{probability of fatality due to firearm assault}$$

where:

$$14,023 = \text{Average accidental deaths per year due to assaults by firearm, 1996 - 1998 (Injury Facts 2001)}$$

$$156,497,333 = \text{U.S. population in age group 20 - 64 for years 1996 to 1998 (U.S. Census Bureau)}$$

$$0.22 = \text{probability of fatality while wearing a bulletproof vest (FBI Uniform Crime Reports: Law Enforcement Officers Killed and Assaulted, 1994)}$$

$$1.10 = \text{load for standard dismemberment schedule}$$

$$1.10 = \text{load for anti-selection}$$

$$12 = \text{Annual to monthly conversion}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

The net claim cost will be adjusted for variations in the dismemberment schedule

Claim cost will vary greatly for higher risk employee groups, such as police or security

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Burial And Cremation Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits for burial or cremation of a Covered Person who dies from a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 is derived as follows:

$$\frac{0.2268}{12} = 0.0189$$

where:

0.2268 = Accidental Death & dismemberment rate per 1,000  
(CIGNA Voluntary AD&D Rater)

12 = annual to monthly conversion

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Business Travel Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during a business trip authorized in advance by the Policyholder. The Covered Loss must be sustained:

1. in the course of the Covered Person's {job or association business};
2. away from the premises of the Policyholder in the Covered Person's city of permanent assignment;

Coverage will begin at the actual start of a business trip authorized by the Policyholder. It does not matter if the trip starts at the Covered Person's home, place of work, or any other place. Coverage will end when the Covered Person:

1. arrives at his home or place of work, whichever happens first; or
2. makes a Personal Deviation.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.0000089 \times 1.10 \times 1.10 \times 1,000}{12} = 0.00090$$

where:

0.0000089 = probability of work-related fatality on business travel, 2002–2006 (Exhibit I)

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

12 = Annual to monthly conversion

1,000 = conversion to cost per \$1,000

The net claim cost will be adjusted for variations in the dismemberment schedule.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Carjacking Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs during Carjacking of an Automobile that the Covered Person was operating, getting into or out of, or riding in as a passenger. Verification of the Carjacking must be made part of an official police report within 24 hours of the Carjacking, or be certified in writing by the investigating officer(s).

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.00027 \times 0.04 \times 1.10 \times 1,000}{12} = 0.001$$

where:

$$0.00027 = 48,787 / 179,539,000 = \text{probability of a carjacking}$$

where:

$$48,787 = \text{annual average number of attempted carjackings ("Bureau of Justice Statistics, Carjackings in the United States, 1992 – 1996," <http://www.ojp.usdoj.gov/bjs/pub/pdf/cus96.pdf>)}$$

$$179,539,000 = \text{number of licensed drivers in 1996 (Statistical Abstract of the US, 1998, Table 1029, p. 631)}$$

$$0.04 = \text{percentage of carjacking victims suffering "serious injuries." It is assumed that carjackings involving "serious injuries" all result in death or dismemberment. ("Bureau of Justice Statistics, Carjackings in the United States, 1992 – 1996," <http://www.ojp.usdoj.gov/bjs/pub/pdf/cus96.pdf>)}$$

$$1.10 = \text{Load for anti-selection}$$

$$12 = \text{annual to monthly conversion}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

# LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)

## Group Accident Insurance

### Child Care Center Benefit

#### Actuarial Memorandum

#### Benefit Description

We will pay benefits shown in the Schedule of Benefits for the care of each surviving Dependent Child in a Child Care Center if death of the Covered Person results directly and independently of all other causes from a Covered Accident and all of the following conditions are met:

1. has coverage for his Dependent Children was in force on the date of the Covered Accident causing his death;
2. one or more surviving Dependent Children are under Age {13} and:
  - a) were enrolled in a Child Care Center on the date of the Covered Accident; or
  - b) enrolls in a Child Care Center within {90 through 365 days} from the date of the Covered Accident.

#### Net Claim Cost Development

The monthly net claim cost per \$1,000 yearly benefit till age 13 was derived as follows:

$$\frac{0.0002268 \times .20 \times 1.5 \times 5,826 \times 1.10}{12} = 0.0363$$

where:

0.0002268 = pure annual accidental death rate (CIGNA Voluntary AD&D Rater)

0.20 = estimated probability of the Covered Person having a Dependent Child who qualifies

1.5 = average number of dependent children

5,826 = present value of the benefit payments of 1,000 per year, discounted at 5.0%, averaged for ages 0 through the limiting age of 13

1.10 = load for anti-selection

12 = annual to monthly conversion

The net claim costs will be adjusted for variations in the maximum benefit period:

<u>Benefit Period</u>	<u>Average PV</u>	<u>Monthly Net Claim Cost</u>
To Age 10	4,784	0.0298
To Age 11	5,142	0.0320
To Age 12	5,489	0.0342

Other maximum benefit periods will be calculated in the same manner.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Child Survivor Benefit

**Actuarial Memorandum**

Benefit Description

We will pay the benefit shown in the Schedule of Benefits if the Covered Person or Spouse dies from a Covered Injury resulting directly and independently of all other causes from a Covered Accident and is survived by a covered Dependent Child or Children.

If a surviving Dependent Child was under the age of majority at the time of the Covered Person's death, a Child Survivor Benefit, plus interest, will be paid in one lump sum to each surviving covered Dependent Child when he attains age of majority. Interest will be compounded annually at a rate equal to the arithmetic average of the 52-week U.S. Treasury notes as published by a financial authority designated by Us. If the covered Dependent Child dies before this benefit is payable to him, this benefit will then be payable to the covered Dependent Child's estate.

If a surviving Dependent Child is the age of majority or over at the time of the Covered Person's death, the benefit payment will be payable in one lump sum upon our receipt of the claim.

If there are no surviving Dependent Children at the time of the Covered Person's Accidental Death, a Default Benefit shown in the Schedule of Benefits will be paid to the Covered Person's named beneficiary.

Net Claim Cost Development

The monthly net claim cost will vary due to the relationship between the Dependent Child(ren) benefit and the Default Benefit.

<u>Benefit for Dependent Child</u>	<u>Default Benefit for No Dependent Child</u>	<u>Monthly Net Claim Cost</u>
\$5,000	\$1,000	0.16
\$5,000	\$5,000	0.19

where:

$$0.16 = \frac{0.0002268 \times 1.20 \times [(5,000 \times (2.0 \times 0.65)) + (1,000 \times (0.35))]}{12}$$

$$0.19 = \frac{0.0002268 \times 1.20 \times [(5,000 \times (2.0 \times 0.65)) + (5,000 \times (0.35))]}{12}$$

where:

0.0002268 = pure annual accidental death rate (CIGNA Voluntary AD&D Rater)

1.20 = load for anti-selection

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Child Survivor Benefit

**Actuarial Memorandum**

2.0 = average number of dependent children per household, 2002 (United States Census Bureau, <http://www.census.gov/population/socdemo/hh-fam/cps2002/tabAVG2.pdf>)

0.65 = probability of the Covered Person having a Dependent Child who qualifies (U.S. Census Bureau, Family Size Distribution, 2002, <http://www.census.gov/population/socdemo/hh-fam/cps2002/tabF1-all.pdf>)

5,000 = benefit for dependent child

1,000 = default benefit for no dependent child

Other variations will be calculated in a similar manner.



**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Common Accident Benefit**

**Actuarial Memorandum**

Benefit Description

We will increase the Loss of Life benefit payable for the Covered Spouse to 100% of the Covered Person's Principal Sum if both the Covered Person and the Covered Spouse die directly and independently of all other causes from a Common Accident and are survived by one or more Dependent Children.

This is available only when the Covered Spouse's benefit does not equal 100% of the Covered Person's Principal Sum.

Net Claim Cost Development

The additional Accidental Death monthly net claim cost per \$1,000 is derived as follows:

$$\frac{0.000156 \times 0.3 \times 0.25 \times 0.65 \times (1 - .50) \times 1,000}{12} = 0.000317$$

where:

0.000156 = accidental death rate for motor vehicle accidents (Injury Facts, 2001)

0.3 = the estimated probability that two people are killed in the same accident

For the 43,000 motor vehicle deaths occurring in 2000, there were 30,200 accidents involving deaths (Injury Facts, 2001)

$$\frac{43,000 - 30,200}{43,000} = 0.3$$

= portion of motor-vehicle deaths arising from a multiple-death accident  
(not necessarily spouses)  
(majority of LINA's Common Accident claims are due to car accidents)

0.25 = estimated probability that multiple deaths are experienced by spouses

0.50 = the percent of the Covered Person's Principal Sum for which the Spouse is covered.

0.65 = the probability that there are one or more dependent children of parents in age group, 20 - 64 (U.S. Census Bureau, Family Size Distribution, 2002, <http://www.census.gov/population/socdemo/hh-fam/cps2002/tabF1-all.pdf>)

1,000 = conversion to cost per \$1,000

12 = annual to monthly conversion

The net claim cost will be adjusted for variations in the Covered Spouse's increase in benefit.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Common Carrier Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident that occurs while riding as a fare-paying passenger in, or being struck by, a Common Carrier. Riding includes getting into and out of the Common Carrier.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 is derived as follows:

$$\frac{0.0000225 \times 1.10 \times 1,000}{12} = 0.0021$$

where:

$$0.0000225 = [690 + (21,754 \times .25)] / 272,691,000 = \text{probability of common carrier fatality or dismemberment.}$$

where:

Type of Transport	Fatalities	Injuries
Railroad	503	10,509
Rail Rapid Transit	54	11,059
Waterborne Vessels	44	113
Air Carriers	<u>62</u>	<u>73</u>
	690	21,754

(Statistical Abstract of the United States, 2001, Table 1056, year 1999)

25% of the Injuries are included since many dismemberment claims come from common carrier accidents

272,691,000 = United States population, year 1999 (U.S. Census Bureau)

1.10 = load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Commuting Benefit**

**Actuarial Memorandum**

Benefit Description

We pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while commuting directly to and from the Covered Person's home and the premises where he normally works.

Net Claim Cost Development

The monthly net claim cost was derived as follows:

$$\frac{0.00017 \times 0.15 \times 1.10 \times 1.10 \times 1,000}{12} = 0.00255$$

where:

$$0.00017 = 22,800 / 133,498,250 = \text{probability due to off-the-job motor vehicle accidents}$$

where:

$$22,800 = \text{fatalities due to off-the-job motor vehicle accidents in 1999} \\ \text{(Injury Facts 2001)}$$

$$133,498,250 = \text{working population in 1999 (Bureau of Labor Statistics)}$$

$$0.15 = \text{estimated percent of off-the-job accidents that occur on the way to and from work}$$

$$1.1 = \text{load for standard dismemberment schedule}$$

$$1.1 = \text{load for anti-selection}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

$$12 = \text{annual to monthly conversion}$$

The net claim cost will be adjusted for variations in the dismemberment schedule.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Diagnostic X-Ray and Laboratory Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person requires diagnostic x-ray and laboratory examinations due to a Covered Injury that results directly and independently of all other causes from a Covered Accident.

Option: If benefit payment is made in accordance with the Diagnostic X-Ray and Laboratory Examinations Schedule, payment for a diagnostic x-ray and laboratory procedure not listed will be made on a basis determined by Us to be consistent with the amount payable for a specified examination of a comparable nature.

**Schedule for Diagnostic X-Ray and Laboratory Examinations**

<b>X-Ray Examinations:</b>	
Abdomen (intestines, colon, rectum, kidney, etc.)	\$15
Arm or leg	\$10
Chest (heart and lungs)	
Flat film	\$15
Stereoscopic films	\$20
Gall bladder, dye method	\$20
Stomach and Duodenum – barium meal	\$20
Complete Gastro-intestinal series – barium meal	\$40
Head (skull or sinuses)	\$15
Joints (shoulder, knees, ankle, wrist, hands or feet)	\$10
Kidney, ureter or bladder, dye method	\$30
Pelvis or spine	\$15
<b>Laboratory Examinations:</b>	
Basal Metabolism test	\$7
Blood Test	
Hemoglobin determination, red blood cell count,	
White blood cell count, differential each	\$4
(any combination not to exceed 10)	
Electrocardiogram	\$10
Hinton, Kahn or Kline test	\$4
Malaria smear	\$4
Sputum test	\$4

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Diagnostic X-Ray and Laboratory Benefit**

**Actuarial Memorandum**

Sugar test	
One blood sugar determination & accompanying urinary	
Sugar Determination	\$5
Sugar tolerance test, involving two or more blood sugar	
Determinations and accompanying urinary sugar determinations	\$15
Urinalysis	None
Wasserman test	\$7

Net Claim Cost Development

The monthly net claim cost per \$100 Maximum Benefit per Covered Accident was determined as follows:

$$\frac{0.00314 \times 0.10 \times 100 \times 1.10}{12} = 0.0029$$

where:

$0.00314 = 810,854 / 258,089,000 =$  probability of having radiography or diagnostic procedure

where:

810,854 = miscellaneous radiography and diagnostic procedures, 1993 data (HCIA Length of Stay by Diagnosis and Operation, US, 1994, Table 787)

258,089,000 = the population of the US, 1993 (Accident Facts, 1994)

An assumption has been made that all of the radiography or laboratory procedures listed above have the same incidence or likelihood, which is 0.00314 per procedure.

100 = Maximum Benefit per Covered Accident

0.10 = estimated percent of radiology or laboratory procedures that result from a covered injury.

1.10 = load for anti-selection

12 = annual to monthly conversion

If the option is included, then the \$100 in the formula above will be adjusted to reflect the Maximum Benefit Amount per procedure.

The net claim costs will be adjusted for variations in the maximum benefit amount per procedure or the maximum benefit per covered accident, which ever applies, and the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Elder Survivor Benefit

Actuarial Memorandum

**Benefit Description**

We will pay benefits to a Surviving Elder Dependent if death of the Covered Person or Covered Spouse results directly and independently of all other causes from a Covered Accident. Lump Sums will be in amounts specified in the Schedule of Benefits.

Lump sum and monthly benefit amounts will be divided equally among all Surviving Elder Dependents. Benefits for any Surviving Elder Dependent will be paid until that Surviving Elder Dependent's death or the end of the period shown in the Schedule of Benefits, if earlier.

**Option 1 - Lump Sum**

The benefit will be payable in one payment.

**Option 2 - Lump Sum with monthly benefits**

The Lump Sum Benefit will be payable in one payment when We receive due proof of the death of the Covered Person. Monthly benefits will begin on the first of the month next following the month in which the Covered Person died, and will continue to be paid until benefits end.

**Option 3 - Monthly benefits**

Monthly benefits will begin on the first of the month next following the month in which the Covered Person died, and will continue to be paid until benefits end.

Optional: If there is no Surviving Elder Dependent eligible for this benefit within {365 days} after the date of the Covered Person's or Covered Spouse's death, We will pay a one-time default benefit to the Covered Person's beneficiary.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 benefit for Option 1 (Lump Sum) was derived as follows:

$$\frac{0.0002268 \times 0.25 \times 1.10 \times 1,000}{12} = 0.0052$$

where:

$$0.0002268 = \text{pure annual accidental death rate (CIGNA Voluntary AD\&D Rater)}$$

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Elder Survivor Benefit

Actuarial Memorandum

0.25 = Percentage of households providing care to elderly relatives (National Alliance for Caregiving and Lifeplans, MetLife Study of Employed Caregivers, 2001, <http://www.caregiving.org/LTC%20study%20final.pdf>)

1.10 = load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000

The monthly net claim cost for Option 3 (monthly benefits):

$$\frac{0.0002268 \times 0.25 \times 1.10 \times 950}{12} = 0.0049$$

where:

950 = \$1,000 benefit paid over a 24 month period, discounting at 5.0% interest

The monthly net claim cost per \$1,000 for Option 2 (lump sum and monthly benefits):

This will depend on the percentage of the benefit that is paid as a lump sum. For example, if 50% of the benefit is paid as lump sum and the rest is paid out over 24 months, then:

$$\frac{0.0002268 \times 0.25 \times 1.10 \times 975}{12} = 0.0051$$

where:

$$975 = 1,000 \times 0.50 + 950 \times 0.50$$

When there is no Surviving Elder Dependent eligible, then an optional Default Benefit may be paid. The monthly net claim cost for the Default Benefit was derived as follows:

$$\frac{(1 - 0.25) \times 0.0002268 \times 1.10 \times 1,000}{12} = 0.0156$$

The net claim cost will be adjusted for variations in the dismemberment schedule, the benefit period and, for option 2, the percentage of the benefit paid as a lump sum.

**Benefit Description**

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Emergency Disaster Team Benefit

**Actuarial Memorandum**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while serving as an authorized member of an emergency or disaster team established by the Policyholder.

The emergency/disaster team benefit will be provided if:

1. the Covered Person incurs a Covered Loss including while riding in, getting into or out of an ambulance, airplane, or helicopter; and
2. The Covered Loss occurs while responding to a bona fide emergency or disaster as determined by the Policyholder and Us.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.00000012 \times 1.10 \times 1.10 \times 1,000}{12} = 0.000012$$

where:

$$0.00000012 = 16 / 133,498,000 = \text{probability of fatality due to accident while responding to emergency}$$

where:

$$16 = \text{Emergency vehicle driver and passenger deaths during emergency use, 1999 (Injury Facts 2001)}$$

$$133,498,000 = \text{Average employed in the U.S., 1999 (Bureau of Labor Statistics)}$$

$$1.10 = \text{load for standard dismemberment schedule}$$

$$1.10 = \text{load for anti-selection}$$

$$12 = \text{annual to monthly conversion}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

The net claim cost will be adjusted for variations in the dismemberment schedule



LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

**Emergency Medical Evacuation Benefit**

**Actuarial Memorandum**

**Benefit Description**

We pay eligible expenses up to the Maximum Benefit shown in the Schedule of Benefits, for emergency medical evacuation if:

1. a Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident, while traveling [from his principal residence to {New York, NY; Chicago, IL; Los Angeles, CA}] [{100 miles from his home}{outside the United States}]; and
2. the Covered Person's attending Physician certifies an emergency need to send the Covered Person, under medical supervision, to a different medical facility.

Eligible expenses include:

1. charges for ambulance services required while transporting the Covered Person to the appropriate treatment facility;
2. charges for medical services required to send the Covered Person to the appropriate treatment facility;
3. economy class transportation charges for return of the Covered Person from the treatment facility to his home paid for by the Covered Person within one year from the date he was first scheduled to return from the trip. Benefits will be reduced by any refunds paid or payable from the Covered Person's unused transportation tickets;
4. Optional: charges for necessary travel expenses of an escort which are limited to food, hotel room and economy class transportation charges.

**Net Claim Cost Development**

The monthly net claim cost was derived as follows:

$$\frac{0.00002268 \times 0.10 \times 1.10 \times 1,000}{12} = 0.00021$$

where:

$$0.00002268 = 0.0002268 \times 0.10 = \text{probability of serious injury}$$

where:

$$0.0002268 = \text{pure annual accidental death (CIGNA Voluntary AD\&D Rater)}$$

$$0.10 = \text{load for standard dismemberment schedule}$$

$$0.10 = \text{estimated probability of emergency medical evacuation, given a serious injury has occurred}$$

$$1.10 = \text{load for anti-selection}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

$$12 = \text{annual to monthly conversion}$$

The net claim cost will be adjusted for variations in the dismemberment schedule.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Emergency Room Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person requires Emergency Room Treatment due to a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$100 of Maximum Benefit per Covered Accident is derived as follows:

$$\frac{0.136 \times 1.10 \times 100}{12} = 1.25$$

where:

$$0.136 = 22,560,000 / 165,959,000 = \text{probability of emergency room visit}$$

where:

22,560,000 = number of emergency department visits for injuries of people in age group, 18 – 64, year 1998 (Injury Facts, 2001)

165,959,000 = United States population in age group, 18 – 64, year 1998 (U.S. Census Bureau)

1.10 = load for anti-selection

12 = annual to monthly conversion

100 = conversion to cost per \$100

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Escalator Benefit

Actuarial Memorandum

**Benefit Description**

We will increase the Covered Person's Principal Sum by the amount shown on the Schedule of Benefits.

The Principal Sum used to calculate this benefit:

1. will be the amount in force when the Covered Person first becomes insured for this benefit
2. will not compound previous Escalator benefit amounts.

Increases will become effective on each policy anniversary after the Covered Person has been insured for {12 consecutive months}. Benefit increases for the same amount will occur automatically at the end of each {12 month} period, for a maximum of {5 years}.

Benefit amounts for Covered Dependents will not be increased.

**Net Claim Cost Development**

The loading to the basic AD&D rate was developed by computing the ratio of the present value of future benefits with the Escalator Benefit to the present value of future benefits with the flat benefit.

Assumptions:

1. Interest at 5%
2. Persistency of 95% each year
3. Claims paid in middle of year

Example: Escalator Benefit with a Periodic Increase of 3% each year, up to a Maximum Benefit of 15% (in 5 years)

Present value of Escalator Benefit:

$$V^{1/2} + (.95)(1.03) V^{3/2} + (.95)^2 (1.06) V^{5/2} + \dots + (.95)^4 (1.15) V^{11/2} = 4.91$$

Present value of \$1,000 Flat Benefit:

$$V^{1/2} + (.95) V^{3/2} + (.95)^2 V^{5/2} + \dots + (.95)^4 V^{11/2} = 4.63$$

$$\text{Load} = 1.061 = \frac{4.91}{4.63} = \text{Ratio of Escalator Benefit to Flat Benefit}$$

The factors for variations in the automatic benefit increase period will be calculated in a similar manner.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Felonious Assault And Violent Crime Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the amount shown in the Schedule of Benefits when the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs from a violent crime or felonious assault as described below. A police report detailing the felonious assault or violent crime must be provided prior to payment of this benefit. Option: The Covered Loss must occur while the Covered Person is on the business premises of the Employer.

To qualify for benefit payment, the Covered Accident must occur during any of the following:

1. actual or attempted robbery or holdup; or
2. actual or attempted kidnapping; or
3. any other type of intentional assault that is a crime classified as a felony by the governing statute or common law in the state where the felony occurred.

Option: A benefit will be payable to the Covered Person for a Hospital Stay if:

1. the Covered Person is covered for Hospital Stay benefits under the policy; and
2. the Hospital Stay must begin within {30 days} of the felonious assault or violent crime; and
3. at the direction and under the care of a Physician; and
4. the Covered Person provides proof satisfactory to Us that his Hospital Stay was necessitated to treat Covered Injuries sustained in a Covered Accident caused solely by a felonious assault or violent crime.

**Net Claim Cost Development**

**Accidental Death and Dismemberment**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.0000655 \times 0.7 \times 1.10 \times 1.10 \times 1,000}{12} = 0.0046$$

where:

$$0.0000655 = 17,699 / 270,262,431 = \text{probability of death due to violent crime offense}$$

where:

$$17,699 = \text{number of deaths due to violent crime offenses in 1998 (Injury Facts 2001)}$$

$$270,262,431 = \text{United States population, 1998 (United States Census Bureau)}$$

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Felonious Assault And Violent Crime Benefit

Actuarial Memorandum

0.7 = Adjustment for employed and insured population, who should be less exposed to violent acts relative to the non employed.

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

12 = annual to monthly conversion

1,000 = conversion to cost per \$1,000 benefit

Option: If the Covered Loss must occur on the business premises, then the following claim cost per \$1,000 is used:

$$\frac{0.0000054 \times 1.10 \times 1.10 \times 1,000}{12} = 0.000544$$

where:

0.0000054 = 709 / 131,463,000 = probability of death due to violent crime while on the job

709 = number of deaths on the job due to homicides, year 1998 (Statistical Abstract of the U.S. 2000, table 709)

131,463,000 = number employed in the U.S., year 1998 (Statistical Abstract of the U.S. 2000, table 643)

Note: The risk covered by this benefit is highly affected by industry factors. The adjustment factor derived applies to the average crime risk industries. Industries with greater or less crime risk than the national norm will warrant revisions to the adjustment factor.

Hospital Stay

The monthly net claim cost for a \$100 daily benefit with a maximum benefit period of 5 days was derived as follows:

$$\frac{0.0071 \times 0.20 \times 2.85 \times 100 \times 1.10}{12} = 0.032$$

where:

0.0071 = U.S. rate of violent crime offenses, year 1994 (Bureau of Justice Statistics, <http://149.101.22.40/dataonline/Search/Crime/State/statebystaterun.cfm?stateid=52>)

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Felonious Assault And Violent Crime Benefit

Actuarial Memorandum

0.20 = percent of violent crimes that result in hospitalization in 1994 (Health United States 1996-97 and Injury Chartbook estimates 25% of violent crimes result in injury, not all require hospitalization)

2.85 = weighted average length of hospital stay for a 5 day maximum benefit period (Length of Stay by Diagnosis and Operation, US, 1994)

\$100 = indemnity benefit per day in hospital

1.10 = load for anti-selection

12 = annual to monthly conversion

The following gives weighted averages for additional maximum benefit periods:

<u>Days</u>	<u>Weighted Average LOS</u>
10	3.40
15	3.85
30	5.10

The net claim costs will be adjusted for variations in the dismemberment schedule and the maximum benefit periods.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

HIV Occupational Accident Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits when the Covered Person suffers a Covered Injury resulting directly and independently of all other causes, from a Covered Accident. Such Covered Accident must occur during the performance of Occupational Duties and result in the Covered Person acquiring and testing positive for the Human Immunodeficiency Virus (HIV) antibodies within {one year} of the Covered Injury.

In order to receive this benefit, the Covered Person must satisfy all of the following:

- a) Submit a Worker's Compensation Injury report to the Policyholder within {48 hours} of the Covered Accident during the performance of Occupational Duties; and
- b) Test negative for HIV antibodies within {48 hours} of the such Covered Accident; and
- c) Test positive for HIV antibodies in a subsequent blood test within {one year} of the date of the Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.000023 \times 1.10 \times 1,000}{12} = 0.002$$

where:

$$0.000023 = 192 / 8,285,000 = \text{probability of health care worker acquiring HIV through occupational exposure}$$

where:

$$192 = 56 \text{ (documented) } + 136 \text{ (not documented) health care workers who have HIV seroconversion following occupational exposure (} \\ \textit{Surveillance of Health Care Workers with HIV/AIDS, Centers for Disease Control, April 2000)}$$

$$8,285,000 = \text{Number of Health Care workers, year 2000 (} \\ \textit{Statistical Abstract of the U.S. 2001, table 593)}$$

$$1.10 = \text{Load for anti-selection}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

$$12 = \text{annual to monthly conversion}$$

The net claim costs will be adjusted for variations in the bracketed time periods.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Home Alteration and Vehicle Modification Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits when the Covered Person suffers a Covered Loss, other than a Loss of Life, resulting directly and independently of all other causes from a Covered Accident.

This benefit will be payable if all of the following conditions are met:

- (1) prior to the date of the Covered Accident causing such Covered Loss, the Covered Person did not require the use of any adaptive devices or adaptation of residence and/or vehicle; and
- (2) as a direct result of such Covered Loss, the Covered Person now requires such adaptive devices or adaptation of residence and/or vehicle to maintain an independent lifestyle;
- (3) The Covered Person incurs Covered Home Alteration and Vehicle Modification Expenses within {one year} of the date of the Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost was derived as follows:

$$\frac{0.2062}{12} \times 0.10 \times 1.10 = 0.0019$$

where:

$$0.2062 = 0.2268 / 1.10 = \text{pure accidental death rate per 1,000}$$

where:

$$0.2268 = \text{pure accidental death \& dismemberment rate per 1,000 (CIGNA Voluntary AD\&D Rater)}$$

$$0.9091 = \text{percent of deaths in the accidental death \& dismemberment rate (CIGNA Voluntary AD\&D Rater)}$$

$$0.10 = \text{load for standard dismemberment schedule}$$

$$1.10 = \text{load for anti-selection}$$

$$12 = \text{annual to monthly conversion}$$

The net claim cost will be adjusted for variations in the dismemberment schedule.



LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Hospital Stay Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person requires a Hospital Stay due to a Covered Loss resulting directly and independently of all other causes from a Covered Accident.

The Hospital Stay must meet all of the following:

1. be at the direction and under the care of a Physician;
2. begin within {30 days} of the Covered Accident;
3. begin while the Covered Person's insurance is in effect.

The benefit will be paid for each day of a continuous Hospital Stay after a waiting period of {7 consecutive days}. After a Hospital Stay of at least {8 days}, benefits will be paid retroactively to the first day of the Hospital Stay.

**Net Claim Cost Development**

The monthly net claim cost per \$100 per day with no waiting period was derived as follows:

$$\frac{0.00966 \times 0.64 \times 1.10 \times 100 \times 2.85}{12} = 0.16$$

where:

$$0.00966 = 2,550,000 / 264,021,000 = \text{probability of staying in hospital due to injury}$$

where:

2,550,000 = number of inpatients discharged (with diagnosis of injury), 1996 (Statistical Abstract of US, 1999, Table 208)

264,021,000 = US Resident Population, 1996 (U.S. Census Bureau)

0.64 = average percentage of injuries that result from a covered accident, 1996 - 1998 (Injury Facts 2001)

1.10 = load for anti-selection

100 = benefit amount per day

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Hospital Stay Benefit

Actuarial Memorandum

2.85 = weighted average length of hospital stay for a 5 day maximum benefit period (Length of Stay by Diagnosis and Operation, US, 1994)

Adjustments must be made for variations in the Waiting Period (Length of Stay by Diagnosis and Operation, United States, 1994). Extrapolation was used for intermediate values.

<u>Waiting Period</u>	<u>Factor</u>	<u>Monthly (per \$100/day) Net Claim Cost</u>
0 days	1.00	0.160
1	0.90	0.178
2	0.75	0.120
3	0.50	0.080
4-6	0.40	0.064
7-9	0.25	0.040
10-13	0.16	0.026
14-17	0.10	0.016
18+	0.05	0.008

Also, the net claim costs will be adjusted for variations in the maximum benefit period:

<u>Days</u>	<u>Weighted Average LOS</u>
5	2.85 (used above)
11	3.40
16	3.85
31	5.10

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Hunting Accident Benefit**

**Actuarial Memorandum**

**Benefit Description**

Accidental Death Benefit

We will pay the benefit shown in the Schedule of Benefits if the Covered Person's death results directly and independently of all other causes from a Covered Accident and occurs while the Covered Person is participating in the Sport of Hunting. Benefits must be payable under the Accidental Loss of Life benefit provision of the Policy.

Hospital Stay Benefit

We will pay the benefits shown in the Schedule of Benefits for each day the Covered Person requires a Hospital Stay if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident.

The Covered Person must be confined as an Inpatient:

1. At the direction and under the care of a Physician;
2. The confinement must begin within {30 days} of the Covered Accident;
3. While the Covered Person's insurance is in effect; and
4. Benefits are payable under the Hospital Stay Benefit provision of this Policy.

The waiting period is equal to {7 days}. After the Covered Person has been hospital confined for at least {8 days}, benefits will be paid retroactively to the first day of such Hospital Stay and will continue up to the maximum benefit period shown in the Schedule of Benefits.

**Net Claim Cost Development**

Accidental Death Benefit

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.0000074 \times 1.10 \times 1,000}{12} = 0.0007$$

where:

$$0.0000074 = 92 / 12,464,589 = \text{Rate of death from hunting}$$

where:

$$92 = \text{number of fatal hunting injuries in 1998 (Injury Facts 1999)}$$

$$12,464,589 = \text{total number of hunters in 1998, estimated using:}$$

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Hunting Accident Benefit**

**Actuarial Memorandum**

$$\frac{7.06}{100,000} = \frac{880}{\text{Total No. of Hunters, 1998}}$$

where:

7.06 = Rate of Injury per 100,000 participants in 1998 (Times Mirror Magazine, Inc., Field and Stream (February, 1999))

881 = number of non-fatal hunting injuries in 1998 (Injury Facts, 1998)

1.10 = load for anti-selection

1,000 = conversion to cost per \$1,000

12 = annual to monthly conversion

Hospital Stay Benefit

The monthly net claim cost per \$100 per day with no waiting period was derived as follows:

$$\frac{0.0000706 \times 0.75 \times 1.10 \times 100 \times 2.85}{12} = 0.0014$$

where:

0.0000706 = Rate of Injury per participant in 1998

0.75 = estimated probability of being hospitalized from a hunting injury

1.10 = load for anti-selection

100 = benefit amount per day

2.85 = weighted average length of hospital stay for a 5 day maximum benefit period (Length of Stay by Diagnosis and Operation, US, 1994)

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**Hunting Accident Benefit**

**Actuarial Memorandum**

Adjustments must be made for variations in the Waiting Period (Length of Stay by Diagnosis and Operation, United States, 1994). Extrapolation was used for intermediate values.

<u>Waiting Period</u>	<u>Factor</u>	<u>Monthly (per\$100/day) Net Claim Cost</u>
0 days	1.00	0.00140
1	0.90	0.00120
2	0.75	0.00100
3	0.50	0.00080
4-6	0.40	0.00070
7-9	0.25	0.00066
10-13	0.16	0.00060
14-17	0.10	0.00050
18+	0.05	0.00048

Also, the net claim costs will be adjusted for variations in the maximum benefit period:

<u>Days</u>	<u>Weighted Average LOS</u>
5	2.85 (used above)
12	3.40
17	3.85
32	5.10

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Increased Dependent Child Dismemberment Benefit

Actuarial Memorandum

**Benefit Description**

We will pay an additional benefit if a covered Dependent Child sustains a Covered Loss, resulting directly and independently of all other causes from a Covered Accident, for which Accidental Dismemberment benefits are payable.

**Net Claim Cost Development**

The monthly net claim cost was derived as follows:

$$\frac{0.2436 \times 0.10 \times 2.0 \times 1.10}{12} = 0.0045$$

where:

0.2436 = accidental death rate for children per \$1,000 (CIGNA Voluntary AD&D Rater)

0.10 = load for standard dismemberment schedule

2.0 = average number of dependent children per household, 2002 (United States Census Bureau, <http://www.census.gov/population/socdemo/hh-fam/cps2002/tabAVG2.pdf>)

1.10 = load for anti-selection

12 = annual to monthly conversion

The net claim costs will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Insurance Continuation Expense Benefit

Actuarial Memorandum

**Benefit Description**

We will pay benefits if a surviving covered Spouse or a surviving covered Dependent Child elects to continue group medical [and/or dental] insurance provided by the Employer of a Covered Person who died.

A benefit is provided if all of the following conditions are met:

1. The Covered Person death results directly and independently of all other causes from a Covered Accident; and
2. the Covered Person is survived by a covered Spouse or covered Dependent Child who was insured under this Policy on the date the Covered Person died; and
3. the Covered Spouse or Dependent Child is also covered under a medical [ or dental] plan sponsored by the Employer at the time of the Covered Person's death; and
4. the Covered Spouse or Dependent Child notifies Us of his election, within {60 days} of the Covered Person's death, to continue his existing coverage under group insurance plans sponsored by the Employer as permitted by state or federal continuation law.

Benefits will continue to be paid until the earliest of the following dates:

1. the date a surviving Spouse or surviving Dependent Child is no longer eligible to continue medical [and/or dental] insurance coverage;
2. the date benefits paid total the Maximum Benefit shown in the Schedule of Benefits; and
3. the end of the Maximum Benefit Period.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 payment per year was derived as follows:

$$1 \text{ year of payments: } \frac{0.2062 \times 1.05 \times 0.62 \times 0.9 \times 0.95}{12} = 0.00956$$

$$2 \text{ years of payments: } \frac{0.2062 \times 1.05 \times 0.62 \times 0.9 \times 1.77}{12} = 0.018$$

$$3 \text{ years of payments: } \frac{0.2062 \times 1.05 \times 0.62 \times 0.9 \times 2.47}{12} = 0.025$$

where:

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Insurance Continuation Expense Benefit

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$$0.2062 = 0.2268 / 1.10 = \text{pure accidental death rate per 1,000}$$

where:

0.2268 = pure accidental death & dismemberment rate per 1,000 (CIGNA Voluntary AD&D Rater)

0.9091 = percent of deaths in the accidental death & dismemberment rate (CIGNA Voluntary AD&D Rater)

1.05 = load for anti-selection

0.62 = probability that a survivor is covered under the plan at the time of death (Statistical Abstract of the United States, 2001, Table 144, average of Group Health Plans for years 1997 – 1999)

0.9 = estimated probability that a survivor elects to continue plan as permitted by federal or state continuation law.

0.95 = present value of payments using 5% interest rate, 1 year  
= v

1.77 = present value of payments using 5% interest rate, 2 years, 10% termination rate  
= v + 0.9 v<sup>2</sup>

2.47 = present value of payments using 5% interest rate, 3 years, 10% termination rate  
= v + 0.9 v<sup>2</sup> + 0.81 v<sup>3</sup>

12 = annual to monthly conversion

The net claim cost will be adjusted for variations in the benefit amount or duration.



**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Law Enforcement Officers' Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits, on receipt of due proof that the Covered Person serving as a Law Enforcement Officer suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident. The Covered Accident must occur in the line of duty.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.000225}{12} \times 1.10 \times 1.10 \times 1,000 = 0.023$$

where:

$$0.000225 = 148 / 659,104 = \text{probability of a law enforcement officer being slain in the line of duty}$$

where:

148 = number of law enforcement officers feloniously or accidentally slain in the line of duty in 2001 (Crime in the US 2001, [http://www.fbi.gov/ucr/cius\\_01/01crime6.pdf](http://www.fbi.gov/ucr/cius_01/01crime6.pdf), page 317)

659,104 = Full time law enforcement officers in 2001, (Crime in the US 2001, page 316)

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

1,000 = conversion to cost per \$1,000

12 = annual to monthly conversion

The net claim costs will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Natural Disaster Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers one or more Covered Losses resulting directly and independently of all other causes from a Covered Accident caused in a Declared Disaster Area caused by a Natural Disaster.

**Net Claim Cost Development**

The monthly net claim cost was derived as follows:

$$\frac{0.000000455 \times 1.10 \times 1.10 \times 1,000}{12} = 0.000046$$

where:

$$0.000000455 = 123 / 270,402,200 = \text{probability of death due to natural disaster}$$

where:

$$123 = \text{average number of deaths due to natural disasters per year, 1996 – 2000 (Injury Facts 2001) See table below.}$$

$$270,402,200 = \text{average U.S. population, 1996 – 2000 (U.S. Census Bureau)}$$

$$1.10 = \text{load for standard dismemberment schedule}$$

$$1.10 = \text{load for anti-selection}$$

$$1,000 = \text{conversion to cost per \$1,000}$$

$$12 = \text{annual to monthly conversion}$$

The net claim cost will be adjusted for variations in the dismemberment schedule.

1996	snowstorm & floods	187
	hurricane	36
1997	Tornadoes & flooding	96
1998	winter storm & flooding	90
	tornadoes	76
1999	hurricane	78
	tornadoes	54
2000		0
		<hr/>
Sum		617
<b>Average</b>		<b>123</b>

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Outpatient Surgery Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits when the Covered Person requires Outpatient Surgery to treat a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$100 was derived as follows:

$$\frac{0.30 \times 0.75 \times 0.08 \times 0.64 \times 1.10 \times 100}{12} = 0.106$$

where:

$$0.30 = 43,200,000 / 141,940,000 = \text{rate for ambulatory care visits in the outpatient department in age group 25 - 64}$$

where:

$$43,200,000 = \text{ambulatory visits in the outpatient department in age group 25 - 64, 1999 (Statistical Abstract of the U.S. 2001, Table 158)}$$

$$141,940,000 = \text{U.S. population in age group 25 - 64, 1999 (U.S. Census Bureau)}$$

$$0.75 = \text{estimated percent of ambulatory care visits that result in surgery}$$

$$0.08 = \text{percentage of discharges due to an injury, 1999 (Statistical Abstract of the U.S. 2001, Table 167)}$$

$$0.64 = \text{average percentage of injuries that result from a covered accident, 1996 - 1998 (Injury Facts 2001)}$$

$$1.10 = \text{load for anti-selection}$$

$$100 = \text{benefit amount per covered accident}$$

$$12 = \text{annual to monthly conversion}$$

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Permanent Total Disability Benefit

Actuarial Memorandum

**Benefit Description**

We will pay Permanent Total Disability Benefits, as shown in the Schedule of Benefits, to a Covered Person whose Permanent Total Disability results, directly and independently of all other causes from, and within {60 days} of, a Covered Accident. To qualify for benefits, the Covered Person must remain Totally Disabled during the Benefit Waiting Period shown in the Schedule of Benefits and at the end of the Benefit Waiting Period, must be expected to remain so disabled, as certified by a Physician, for the rest of his life.

*Option 1 – Single Lump Sum*

We will pay a single lump sum benefit equal to the Lump Sum Benefit shown in the Schedule of Benefits less any {Accidental Dismemberment} benefit paid for the {Covered Loss, Covered Injury} causing the Total Disability.

*Option 2 – Monthly Benefits*

We will pay monthly benefits as shown in the Schedule of Benefits beginning at the end of the Benefit Waiting Period. Monthly benefit payments will be paid until the latest of the following occurs:

1. the Covered Person fails to provide certification by a Physician that he is expected to remain Totally Disabled for the rest of his life; or
2. the Covered Person dies; or
3. the total of all Monthly Benefits equals [the Principal Sum less any Accidental Dismemberment benefits paid for Covered Losses sustained in the same Covered Accident] *or* [the total of monthly benefits specified in the Schedule of Benefits].

*Option 3 – combination of Lump Sum and Monthly Benefits is elected*

We will pay the Initial lump sum benefit followed by the Additional Monthly Benefit Payment, similar to options 1 and 2.

*Option 4 – monthly benefits with limited benefit period if disability begins on/after age 62*

We will pay monthly benefits as shown in the Schedule of Benefits beginning at the end of the Benefit Waiting Period. Monthly benefit payments will be paid until the latest of the following occurs:

1. {the covered Employee, Member, Spouse} fails to provide certification by a Physician that he is expected to remain Totally Disabled for the rest of his life; or
2. {the covered Employee, Member, Spouse} dies; or
3. the end of the benefit period shown in the Schedule of Benefits; or
4. the total of all Monthly Benefits equals [the Principal Sum less any Accidental Dismemberment benefits paid for Covered Losses sustained in the same Covered Accident.] *or* [the total of monthly benefits specified in the Schedule of Benefits].

*Optional- when monthly benefits are being paid;*

If the Covered Person dies before receiving the total of benefits specified above, a single payment equal to the remaining payments that would have been paid will be made to his beneficiary.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Permanent Total Disability Benefit

Actuarial Memorandum

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 for Option 1 (Lump Sum) for 100% of Principal Sum was derived as follows:

$$\frac{0.032}{12} \times 1.25 \times 1.10 = 0.0037$$

where:

0.032 = spinal cord injury incidence rate per 1,000 (National Spinal Cord Injury Association, "Spinal Cord Injury Statistics")

1.25 = estimated load to include other injuries that are also eligible for permanent total disability

1.10 = load for anti-selection

12 = annual to monthly conversion

If the PTD benefit is reduced by the Accidental Dismemberment benefit, then the above net claim cost will be multiplied by:

(100% – Y%) where Y is the weighted average of the % of Principal Sums chosen

The monthly net claim cost per \$1000 for Option 2 (100 Monthly Benefits of 1% of Principal Sum per month):

$$0.0037 \times 82 \times 0.01 = 0.00303$$

where:

82 = present value of 100 monthly benefits of \$1, assuming 5% interest

0.01 = percentage of Principal Sum paid per month

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Permanent Total Disability Benefit

Actuarial Memorandum

The monthly net claim cost per \$1,000 for Option 3 (Lump Sum and Monthly Benefits):

This will depend on the percentage of the benefit that is paid as a lump sum and the length of the monthly benefit payment period. For example, if 40% of the Principal Sum is paid as a Lump Sum and the rest is paid 1% per month for 60 months, then the monthly net claim cost is:

$$[0.0037 \times 0.40] + [0.0037 \times 53 \times 0.01] = 0.003441$$

where:

$$53 = \text{present value of 60 monthly benefits of \$1, assuming 5\% interest}$$

The monthly net claim cost for Option 4 (Monthly Benefits of 0.5% of Principal Sum with limited benefits when disability begins after age 61, max benefit of 25%):

$$0.0037 \times 45.1 \times 0.005 = 0.000835$$

where:

$$0.005 = \text{percentage of Principal Sum paid per month}$$

$$45.1 = \text{present value of 50 monthly benefits of \$1, 5\% annual interest}$$

The monthly net claim costs will be adjusted for variations in the Benefit Waiting Period, the Monthly Benefit Payment, the split between the Lump Sum and Monthly Benefit, coordination with payment of the core Accidental Dismemberment benefit, age distribution of the group and groups not in the average risk class.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Physical Therapy Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person requires Physical Therapy to treat a Covered Injury resulting directly and independently of all other causes from a Covered Accident.

Physical Therapy must be:

1. be received on an out-patient basis; and
2. commence within {30 days} of a Hospital Stay which was for treatment of the same Covered Injury and lasted at least {three consecutive days}; and
3. be given by a licensed Physical Therapist upon the recommendation of the attending Physician.

**Net Claim Cost Development**

The monthly net claim cost per \$1000 of Maximum Benefit per Covered Accident was derived as follows:

$$\frac{17.15 \times 0.2 \times 0.5 \times 1.10}{12} = 0.157$$

where:

17.15 = Average long term disability incidence rate per 1000, 1 month elimination period (CIGNA LTD Incidence tables, 2003)

0.2 = estimated proportion of disability claims due to accidents, excluding sickness

0.5 = estimated percentage of covered injuries requiring physical therapy

1.10 = load for anti-selection

12 = annual to monthly conversion

Maximum Benefit per Covered Accident = Benefit per visit X Maximum Number of Visits per Covered Accident

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Private Passenger Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss that results directly and independently of all other causes from a Covered Accident while driving, riding as a passenger in, or getting in or out of, a Private Passenger Automobile.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.0998 \times 1.10}{12} = 0.00915$$

where:

$$0.0998 = 0.2268 \times 0.44 = \text{probability of death due to motor vehicle accident per 1,000}$$

where:

$$0.2268 = \text{accidental death \& dismemberment rate per 1,000 (CIGNA Voluntary AD\&D Rater)}$$

$$0.44 = 43,000 / 97,300 = \text{proportion of accidental deaths that result from motor vehicle accidents}$$

where:

$$43,000 = \text{annual deaths due to motor-vehicle accidents, year 2000 (Injury Facts, 2001)}$$

$$97,300 = \text{Total accidental deaths, 2000 (Injury Facts, 2001)}$$

$$1.10 = \text{load for anti-selection}$$

$$12 = \text{annual to monthly conversion}$$

The net claim cost will be adjusted for variations in the dismemberment schedule.



LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Reasonable Accommodation at Worksite Benefit

Actuarial Memorandum

**Benefit Description**

We will reimburse costs up to the Maximum Benefit shown in the Schedule of Benefits when the Policyholder incurs costs for any worksite change required to enable the Covered Person to return to work after a Covered Accident.

The benefit payable to the Policyholder is the reimbursement costs of pre-approved changes made to the worksite for each Covered Person injured per Covered Accident up to the maximum amount specified in the Schedule of Benefits.

Reimbursement will be subject to the following conditions:

1. insurance provided under the Policy must be in force for the Covered Person on the date the Covered Accident occurs;
2. changes to the worksite must be made within [12 months] of the date of the Covered Accident;
3. there is a reasonable expectation that the changes to the worksite will enable the Covered Person to return to work; and
4. We approve any changes to the worksite in writing before it is made.

Benefits will not be payable if:

- [1. there is no cost involved in making any change to the worksite; or]
- [2. any change to the worksite does not meet the standards found in Title 1 of the Americans with Disabilities Act (ADA).]

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was determined as follows:

$$\frac{0.2062 \times 0.10 \times 0.5 \times 1.5}{12} = 0.0013$$

where:

$$0.2062 = 0.2268 / 1.10 = \text{pure accidental death rate per 1,000}$$

where:

$$0.2268 = \text{pure accidental death \& dismemberment rate per 1,000} \\ \text{(CIGNA Voluntary AD\&D Rater)}$$

$$0.9091 = \text{percent of deaths in the accidental death \&} \\ \text{dismemberment rate (CIGNA Voluntary AD\&D Rater)}$$

$$0.10 = \text{load for standard dismemberment schedule}$$

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Reasonable Accommodation at Worksite Benefit

Actuarial Memorandum

- 0.5 = estimated percent of dismemberment cases where relocation is required
- 1.5 = load for anti-selection
- 12 = annual to monthly conversion

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Rehabilitation Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits when the Covered Person requires rehabilitation after sustaining a Covered Loss resulting directly and independently of all other causes from a Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.2062 \times 0.10 \times 1.10}{12} = 0.0019$$

where:

$$0.2062 = 0.2268 / 1.10 = \text{pure accidental death rate per 1,000}$$

where:

0.2268 = pure accidental death & dismemberment rate per 1,000 (CIGNA Voluntary AD&D Rater)

0.9091 = percent of deaths in the accidental death & dismemberment rate (CIGNA Voluntary AD&D Rater)

0.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

12 = annual to monthly conversion

The net claim cost will be adjusted for variations in the dismemberment schedule.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Repatriation Benefit

Actuarial Memorandum

**Benefit Description**

We will pay Eligible Expenses incurred, up to the Maximum Benefit shown in the Schedule of Benefits, for the return of a Covered Person's remains to his place of residence in his {country; state} if the Covered Person's death results directly and independently of all other causes from a Covered Accident outside the Covered Person's home.

**Eligible Expenses** means costs incurred for:

1. embalming;
2. cremation;
3. coffin or urn;
4. transportation of the body or remains;
5. [necessary travel expenses of an escort. Necessary travel expenses are limited to food, hotel rooms and economy class transportation charges.]

**Net Claim Cost Development**

The monthly net claim cost was derived as follows:

$$\frac{0.2062 \times 0.10 \times 1.10}{12} = 0.0019$$

where:

$$0.2062 = 0.2268 / 1.10 = \text{pure accidental death rate per 1,000}$$

where:

0.2268 = pure accidental death & dismemberment rate per 1,000  
(CIGNA Voluntary AD&D Rater)

0.9091 = percent of deaths in the accidental death &  
dismemberment rate (CIGNA Voluntary AD&D Rater)

0.10 = percentage of accidental deaths that occur away from home (estimated using Worldwide Assistance experience 1995-2000: 12 overseas and 4 domestic transports)

1.10 = load for anti-selection

12 = annual to monthly conversion

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance**

**Scheduled Air Travel Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefits shown in the Schedule of Benefits for any Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while the Covered Person is riding as a passenger in, or getting on or off of, an Aircraft flown by a commercial airline on any scheduled or chartered trip.

Optional:

**Travel to and From the Airport** - Benefits will also be payable for any of the following if a Covered Loss occurs while the Covered Person:

1. is riding as a passenger in, or getting in or out of a land vehicle licensed to carry passengers for hire;
2. while traveling to or from the airport;
3. prior to departure or after arrival of a flight which would be covered above.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.00000064}{12} \times 1.10 \times 1.10 \times 1,000 = 0.000065$$

where:

$$0.00000064 = 175 / 272,801,315 = \text{proportion of accidental deaths that are due to accidents involving scheduled airlines}$$

where:

175 = average deaths per year due to accidents involving scheduled airlines, 1996 - 2001 (Injury Facts 2001 & "September 11, 2001 Terrorist Attack" Wikipedia.

<[http://www.wikipedia.org/wiki/September\\_11,\\_2001\\_Terrorist\\_Attack](http://www.wikipedia.org/wiki/September_11,_2001_Terrorist_Attack)>)

272,801,315 = Average U.S. population, years 1996 - 2001 (U.S. Census Bureau)

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

1,000 = conversion to cost per \$1,000

12 = annual to monthly conversion

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Scheduled Air Travel Benefit**

**Actuarial Memorandum**

For Travel to and From the Airport, the monthly net claim cost per \$1,000 is derived as follows:

$$\frac{0.00015 \times 0.01 \times 1.10 \times 1.10 \times 1,000}{12} = 0.00015$$

where:

$$0.00015 = 43,000 / 282,124,631 = \text{probability of accidental death involving motor vehicle}$$

where:

$$43,000 = \text{deaths due to motor vehicle accidents, year 2000}$$

(Injury Facts 2001)

$$0.01 = \text{estimated percent of motor vehicle accidents that occur on the way to or from the airport}$$

The net claim cost will be adjusted for variations in the dismemberment schedule.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Seatbelt and Airbag Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits when the Covered Person dies directly and independently of all other causes from a Covered Accident that occurs while wearing a seatbelt and operating or riding as a passenger in an Automobile.

Optional: An additional benefit is provided if the Covered Person dies directly and independently of all other causes from a Covered Accident while wearing a seatbelt and positioned in a seat protected by a properly-functioning and properly deployed Supplemental Restraint System (Airbag).

Verification of proper use of the seatbelt at the time of the Covered Accident [and that the Supplemental Restraint System properly inflated upon impact] must be a part of an official police report of the Covered Accident or be certified, in writing, by the investigating officer(s).

Optional: In the case of a child, seatbelt means a child restraint, as required by state law and approved by the National Highway Traffic Safety Administration, properly secured and being used as recommended by its manufacturer for children of like age and weight at the time of the Covered Accident.

**Net Claim Cost Development**

**Seatbelt Benefit**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.0998 \times 0.71 \times 1.10 \times 0.80}{12} = 0.0052$$

where:

$$0.0998 = 0.2268 \times 0.44 = \text{probability of death due to motor vehicle accident per 1,000}$$

where:

$$0.2268 = \text{accidental death \& dismemberment rate per 1,000 (CIGNA Voluntary AD\&D Rater)}$$

$$0.44 = 43,000 / 97,300 = \text{proportion of accidental deaths that result from motor vehicle accidents}$$

where:

$$43,000 = \text{annual deaths due to motor-vehicle accidents, year 2000 (Injury Facts, 2001)}$$

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Group Accident Insurance**

**Seatbelt and Airbag Benefit**

**Actuarial Memorandum**

97,300 = Total accidental deaths, 2000 (Injury Facts, 2001)

0.71 = the portion of drivers that wore seatbelts in 2000 and 2001 (Safety Belt Use in 2001, NHTSA, <http://www-nrd.nhtsa.dot.gov/pdf/nrd-30/NCSA/RNotes/2002/809-501.pdf>)

0.80 = estimated reduction for surviving an accident while wearing seatbelt

1.10 = load for anti-selection

12 = annual to monthly conversion

**Airbag Benefit**

The monthly net claim cost per \$1,000 was derived as follows:

$$0.0052 \times 0.50 = .0026$$

where:

0.50 = % of cars and trucks with airbags

In 1998, 79 million cars and trucks had air bags (Money Magazine, Nov. 1998). This represents 40% of the total number of vehicles (Injury Facts, 1999). Since “The Automobile Airbag Market” study predicts that the number of airbags will more than double over the next 5 years, it was concluded that 50% would more accurately reflect the exposure in the near future.

**Child Restraint Benefit**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.0000114 \times 1.10 \times 1,000}{12} = 0.001$$

where:

0.0000114 = 219 / 19,211,515 = probability of child death in motor vehicle accident

where:

219 = deaths due to motor vehicle accidents of infants less than 5 years old while wearing child seat, year 2000 (Traffic Safety Facts 2000, NHTSA, <http://www-nrd.nhtsa.dot.gov/pdf/nrd-30/NCSA/TSF2000/2000chdfacts.pdf>)

19,211,515 = U.S. population in age group, 0 to 5 (U.S. Census Bureau)



LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Special Education Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit , up to the Maximum Benefit shown in the Schedule of Benefits, for each qualifying Dependent Child [and a surviving Covered Spouse] who is/are insured under this Policy on the date the Covered Person dies {or is Permanently Totally Disabled} directly and independently of all other causes from a Covered Accident for which an Accidental Death Benefit [ or Permanent Total Disability Benefits] is/are payable under this Policy.

**Option I**

A qualifying Dependent Child must:

1. A.) be enrolled as a full-time student in an accredited school of higher learning beyond the 12th grade level on the date of the Covered Person's Covered Accident ; or  
  
B.)be at the 12th grade level on the date of the Covered Person's Covered Accident and then enroll as a full-time student at an accredited school of higher learning within {365 days} from the date of the Covered Accident.
2. Continue his education as a full-time student; and
3. Incur expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school.

**Option II**

A qualifying Dependent Child must:

1. enroll as a full-time student at a school of higher learning before reaching the limiting age for dependent eligibility stated in the Policy; and
2. Continue his education as a full-time student in such accredited school of higher learning; and
3. Incur expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school.

**Option III**

A qualifying Surviving Dependent Child must:

1. enroll as a full-time student at a school of higher learning before reaching the limiting age for dependent eligibility stated in the Policy; and
2. continue his education as a full-time student; and
3. incur expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school.

A qualifying surviving Spouse must:

1. enroll in any accredited school for the purpose of retraining or refreshing skills needed for employment within {one year} of the date of the Covered Person's Covered Accident; and

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Special Education Benefit

Actuarial Memorandum

2. remain enrolled in such accredited school, and
3. incur expenses payable directly to, or approved by, such school.

For any of the options, the following provisions also apply:

- 1) Payments will be made for each qualifying Dependent Child and/or surviving Spouse for the number of years shown in the Schedule of Benefits.
- 2) If on the date of the Covered Person's death [or Permanent Total Disability] there is no Spouse or Dependent Child that qualifies for the benefit, the Default Benefit of {\$1,000} will be paid to the Covered Person's named beneficiary.

**Net Claim Cost Development**

For Option I, the monthly net claim cost per \$1,000 annual reimbursement was derived as follows:

$$\frac{0.2268 \times 1.10 \times 0.07 \times 1.5 \times 2.0}{12} = 0.0044$$

where:

0.2268 = pure accidental death & dismemberment rate per 1,000 (CIGNA Voluntary AD&D Rater)

0.07 = probability of a Covered Person having at least one Dependent Child who is age 18 to 24 that would be eligible to enroll in an institution of higher learning.  
2002 Census Table F1, family households.

1.5 = Expected Eligible dependents

1.10 = load for anti-selection

2.0 = Expected number of benefit installments.

12 = annual to monthly conversion

Default Benefit Claim Cost per \$1000:

$$\frac{.2268 \times 1.1 \times .93 \times 1.0}{12} = .019$$

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Special Education Benefit

Actuarial Memorandum

For Option II, the monthly net claim cost per \$1000 annual reimbursement was derived as follows:

$$\frac{0.0002268 \times 1.10 \times 1,642}{12} = 0.034$$

where:

0.0002268 = pure accidental death rate (CIGNA Voluntary AD&D Rater)

1,642 = expected benefit for households with eligible children  
= Sum for ages 0 to 24 of:  
[(probability of having an eligible child) x (probability of enrollment) x  
(PV Benefits assuming payment starts at age 19)]

where:

The probability of enrollment varies is assumed to be 75%

Default Benefit Claim Cost per \$1000:

$$\frac{.2268 \times 1.1 \times .48}{12} = .01$$

0.48 = % of family households without eligible children

For Option III, the surviving Spouse monthly net claim cost must be added to the Option II monthly net claim cost:

$$\frac{0.2268 \times 0.15 \times 1.10 \times 3.72}{12} = 0.012$$

where:

0.15 = estimated probability of an adult over age 30 enrolling due to the benefit available. The actual rate was 0.082 in Statistical Abstract of the United States, 1999, Table 259.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Special Education Benefit

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Default Benefit Claim Cost per \$1000:

$$\frac{.2268 \times 1.1 \times (1 - .48 - .15)}{12} = .0077$$

0.48 = % of family households with eligible children  
0.15 = % of family households with an eligible spouse

If coverage is extended to include Permanent Total Disability in addition to the death benefits, then all of the above net claim costs need to be adjusted by 1.10.

The net claim cost will be adjusted for variations in the maximum number of payments and the amount of the Default Benefit.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Sponsored Event Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay a benefit as shown in the Schedule of Benefits if a Covered Member sustains a Covered Loss resulting directly and independently of all other causes from a Covered Accident:

1. while attending or participating in events sponsored by [ABC Association, or an ABC Association affiliate][; or]
2. [while traveling to and from such an event].

Net Claim Cost Development

The monthly net claim cost was derived as follows:

$$\frac{0.2268 \times 1.10 \times 0.05}{12} = 0.00104$$

where:

0.2268 = pure accidental death & dismemberment rate per 1,000 (CIGNA Voluntary AD&D Rater)

1.10 = load for anti-selection

0.05 = estimated percent of a person's time spent at company sponsored events

12 = annual to monthly conversion

If the benefit does not include traveling to or from the event, then the monthly net claim cost per \$1,000 is:

$$0.00104 \times 0.558 = 0.00058$$

where:

0.558 =  $1 - 43,000 / 97,300$  = adjustment for accidental death rate to not include traveling to or from a covered event

where:

43,000 = motor vehicle deaths in year 2000 (Injury Facts, 2001)

97,300 = total number of accidental deaths in 2000 (Injury Facts, 2001)

The monthly net claim cost will be adjusted for variations in the dismemberment schedule and groups not in the average risk class.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Spouse Retraining Benefit

Actuarial Memorandum

**Benefit Description**

We will pay expenses incurred, up to the Maximum Benefit shown in the Schedule of Benefits, to enable the Covered Person's Spouse to obtain occupational or educational training needed for employment if the Covered Person dies directly and independently of all other causes from a Covered Accident.

The benefit will be payable if the Covered Person dies within {one year} of a Covered Accident and is survived by his Spouse who:

1. enrolls, within {one year} after the Covered Person's death, in any accredited school for the purpose of retraining or refreshing skills needed for employment; and
2. incurs expenses payable directly to, or approved and certified by, such school.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{0.2268 \times 1.10 \times 0.30}{12} = 0.0062$$

where:

0.2268 = annual accidental death & dismemberment rate per thousand (CIGNA Voluntary AD&D Rater)

1.10 = load for anti-selection

0.30 = average enrollment rate for 30 years old and over (Statistical Abstract of the United States, 2001, Table 209, 1999)

12 = annual to monthly conversion

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Spouse Survivor Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person or Covered Spouse dies due to a Covered Loss resulting directly and independently from a Covered Accident.

The surviving spouse will receive monthly benefits up to the maximum sum specified in the Schedule of Benefits. Payments under this benefit will cease upon the earliest of:

1. payments have been made for the number of months shown in the Schedule of Benefits;
2. the date the Surviving Spouse remarries;
3. the date the Surviving Spouse dies.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 of total monthly benefits was derived as follows:

$$\frac{0.2268}{12} \times 1.10 \times 0.95 = 0.02$$

where:

0.2268 = annual accidental death & dismemberment rate per thousand (CIGNA Voluntary AD&D Rater)

1.10 = load for anti-selection

0.95 = present value of 24 monthly payments, assuming 5% interest

12 = annual to monthly conversion

The net claim cost will be adjusted for variations in the benefit duration.

**LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)**  
**Group Accident Insurance**

**Telecommuters Benefit**

**Actuarial Memorandum**

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident that occurs while working under a written Policyholder-approved telecommuting agreement.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was determined as follows:

$$\frac{0.000078 \times 0.25 \times 0.05 \times 1.10 \times 1.10 \times 1,000}{12} = 0.0001$$

where:

$$0.000078 = 10,700 / 136,899,000 = \text{probability of a non-motor-vehicle death of an employed person at home}$$

where:

10,700 = number of non-motor-vehicle deaths of employed people at home, year 2000 (Injury Facts 2001)

136,899,000 = Average employed in the U.S., 2000 (Bureau of Labor Statistics)

0.25 = estimated percent of the time spent working

0.05 = estimated percent of employees who are working from home

1.10 = load for standard dismemberment schedule

1.10 = load for anti-selection

1,000 = conversion to cost per \$1,000

12 = annual to monthly conversion

The monthly net claim cost will be adjusted for variations in the dismemberment schedule.



LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Total Disability Weekly Income

Actuarial Memorandum

**Benefit Description**

We will pay Weekly Benefit Amount shown in the Schedule of Benefits to the Covered Person whose Total Disability results, directly and independently from, and within {31} days of, a Covered Accident.

Benefit payment begins at the end of the Benefit Waiting Period and will end on the earliest of the date he:

- 1) dies;
- 2) is no longer Totally Disabled;
- 3) fails to provide certification by a Physician that he remains Totally Disabled;
- 4) is eligible to receive [Accidental Death and Dismemberment benefits] [Permanent Total Disability benefits] for the same Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$100 Weekly Benefit Amount was derived as follows:

$$\frac{0.00459 \times 2.75 \times 0.15 \times 2,459 \times 1.0 \times 1.10}{12} = 0.427$$

where:

0.00459 = Average long term disability incidence rate, 3 month elimination period  
(CIGNA LTD Incidence tables, 2003)

2.75 = adjustment to no Benefit Waiting Period, based on LINA's Short Term Disability rates

0.15 = proportion of disability claims due to accidents, excluding sickness (LINA disability experience)

2,459 = Present value of 26 weekly benefits of \$100 discounted at 5%

1.0 = no Benefit Waiting Period (0.80 will be used for 7 day Benefit Waiting Period)

1.10 = load for anti-selection

12 = annual to monthly conversion

The net claim costs will be adjusted for variations in the Benefit Waiting Period, Benefit Period and age distribution of the group.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Waiver of Premium

Actuarial Memorandum

**Benefit Description**

We will waive premiums, beginning with those due on and after the end of the Benefit Waiting Period, for a Covered Person who (a) becomes Totally Disabled and (b) satisfies all of the following conditions:

1. Total Disability must begin before the Covered Person's 60<sup>th</sup> birthday;
2. We must receive proof satisfactory to Us that Total Disability was continuous during the Benefit Waiting Period;
3. Insurance remains in force during the Benefit Waiting Period.

Premiums will cease to be waived on the earliest of the following dates:

1. the date the Covered Person ceases to be Totally Disabled;
2. the date the Covered Person refuses to be examined or fails to provide required proof of continuing Total Disability;
3. the end of the Benefit Period shown in the Schedule of Benefits.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{.00297 \times 4.9 \times 1.10}{12} = 0.00133$$

where:

.00297 = Average long term disability incidence rate per 1,000, assuming a 6 month elimination period (2003 CIGNA LTD Incidence Tables)

4.9 = present value of 210 months of waived premium of 0.035 per month, assuming average age 47, 1987 CGDT Termination from Disablement Rates and 5% interest, even male/female split where:

$$0.035 = 0.0189 \times 1.1 \times 1.1 / 0.65$$

where: 0.0189 = pure accidental death rate per 1,000 per month (CIGNA Voluntary AD&D Rater)

1.1 = load for anti-selection

1.1 = estimated load for ancillary benefits

0.65 = Permissible loss ratio

1.10 = load for anti-selection

12 = annual to monthly conversion

The load will be adjusted for variations in the Benefit Waiting Period, the Benefit Period and age distribution of the group.

LIFE INSURANCE COMPANY OF NORTH AMERICA (LINA)  
Group Accident Insurance

Hepatitis C Occupational Accident Benefit

Actuarial Memorandum

**Benefit Description**

We will pay the benefit shown in the Schedule of Benefits when the Covered Person suffers a Covered Injury resulting directly and independently of all other causes, from a Covered Accident. Such Covered Accident must occur during the performance of Occupational Duties and result in the Covered Person acquiring and testing positive for Hepatitis C within {one year} of the Covered Injury.

In order to receive this benefit, the Covered Person must satisfy all of the following:

- a) Submit an injury report to the Policyholder, including any report required for purposes of any applicable Workers' Compensation Law within {48 hours} of a Covered Accident that occurs during the performance of Occupational Duties;
- b) Test negative for Hepatitis C within {48 hours} of such Covered Accident;
- c) Test positive for Hepatitis C in a subsequent blood test within {one year} of the date of the Covered Accident.

**Net Claim Cost Development**

The monthly net claim cost per \$1,000 was derived as follows:

$$\frac{((26,000 \times 0.016) / 14,051,000) \times 1.10 \times 1,000}{12} = 0.0027$$

where:

26,000 = number of new Hepatitis C infections per year in the United States  
(*Hepatitis C Fact Sheet*, Centers for Disease Control, December 2006)

0.016 represents the proportion of patients reported with Acute Hepatitis C who were infected as a result of employment in medical/dental field (*Hepatitis Surveillance*, Centers for Disease Control, Report Number 59, September 2004)

14,051,000 = number of Hospital and Health Service employees in the United States in 2005 (U.S. Bureau of Labor Statistics, Table 606, January 2006)

1.10 = load for anti-selection

1,000 = conversion to cost per \$1,000

12 = annual to monthly conversion

The net claim costs will be adjusted for variations in the bracketed time periods.

**LIFE INSURANCE COMPANY OF NORTH AMERICA**

**ACTUARIAL JUSTIFICATION CERTIFICATION**

**GROUP ACCIDENT POLICY**

**GA-00-1000.DC**

To the best of my knowledge and judgment, I certify that rates referenced in the Actuary memorandum for Group Accident Policy GA-00-1000.DC is justifiable.

*Joseph M. Schauder*

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Joseph Schauder, ASA, MAAA

6/5/2014

Date