

Goodwill Industries of Northwest North Carolina, Inc.

Employee Term Life Coverage

Basic and Optional Plans

Dependents Term Life Coverage

Accidental Death and
Dismemberment Coverage



Disclosure Notice

FOR ARKANSAS RESIDENTS

Prudential's Customer Service Office:

The Prudential Insurance Company of America
Prudential Group Life Claim Division
P.O. Box 8517
Philadelphia, PA 19176
1-800-524-0542

If Prudential fails to provide you with reasonable and adequate service, you may contact:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
1-800-852-5494

FOR FLORIDA RESIDENTS

The benefits of the policy providing your coverage are governed by the law of a state other than Florida.

FOR INDIANA RESIDENTS

Questions regarding your policy or coverage should be directed to:

**The Prudential Insurance Company of America
(800) 524-0542**

If you (a) need the assistance of the governmental agency that regulates insurance; or (b) have a complaint you have been unable to resolve with your insurer you may contact the Department of Insurance by mail, telephone or e-mail:

State of Indiana Department of Insurance
Consumer Services Division
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204

Consumer Hotline: (800) 622-4461; (317) 232-2395

Complaints can be filed electronically at www.in.gov/idoi.

FOR MARYLAND RESIDENTS

The Group Insurance Contract providing coverage under this Certificate was issued in a jurisdiction other than Maryland and may not provide all of the benefits required by Maryland law.

FOR TEXAS RESIDENTS

THE INSURANCE POLICY UNDER WHICH THIS CERTIFICATE IS ISSUED IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. YOU SHOULD CONSULT YOUR EMPLOYER TO DETERMINE WHETHER YOUR EMPLOYER IS A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM.

FOR WISCONSIN RESIDENTS

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

Problems with Your Insurance? – If you are having problems with your insurance company or agent, do not hesitate to contact the insurance company or agent to resolve your problem.

Prudential's Customer Service Office:

**The Prudential Insurance Company of America
Prudential Group Life Claim Division
P.O. Box 8517
Philadelphia, PA 19176
1-800-524-0542**

You can also contact the Office of the Commissioner of Insurance, a state agency which enforces Wisconsin's insurance laws, and file a complaint. You can contact the Office of the Commissioner of Insurance by contacting:

Office of the Commissioner of Insurance
Complaints Department
P.O. Box 7873
Madison, WI 53707-7873
1-800-236-8517
608-266-0103

THIS NOTICE IS FOR TEXAS RESIDENTS ONLY

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007

Web: <http://www.tdi.texas.gov>

Email: consumerprotection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact Prudential first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener información o para someter una queja:

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007

Web: <http://www.tdi.texas.gov>

Email: consumerprotection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con Prudential primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es sólo para propósito de información y no se convierte en parte o condición del documento adjunto.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Certificate of Coverage

Prudential certifies that insurance is provided according to the Group Contract(s) for each Insured Employee. Your Booklet's Schedule of Benefits shows the Contract Holder and the Group Contract Number(s).

Insured Employee: You are eligible to become insured under the Group Contract if you are in the Covered Classes of the Booklet's Schedule of Benefits and meet the requirements in the Booklet's Who is Eligible section. The When You Become Insured section of the Booklet states how and when you may become insured for each Coverage. Your insurance will end when the rules in the When Your Insurance Ends section so provide. Your Booklet and this Certificate of Coverage together form your Group Insurance Certificate.

Beneficiary for Employee Death Benefits: See the Booklet's Beneficiary Rules.

Coverages and Amounts: The available Coverages and the amounts of insurance are described in the Booklet.

If you are insured, your Booklet and this Certificate of Coverage form your Group Insurance Certificate. Together they replace any older booklets and certificates issued to you for the Coverages in the Booklet's Schedule of Benefits. All Benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate.

The Prudential Insurance Company of America
751 Broad Street
Newark, New Jersey 07102

Foreword

We are pleased to present you with this Booklet. It describes the Program of benefits we have arranged for you and what you have to do to be covered for these benefits.

We believe this Program provides worthwhile protection for you and your family.

Please read this Booklet carefully. If you have any questions about the Program, we will be happy to answer them.

IMPORTANT NOTICE: *This Booklet is an important document and should be kept in a safe place. This Booklet and the Certificate of Coverage made a part of this Booklet together form your Group Insurance Certificate.*

IMPORTANT INFORMATION FOR RESIDENTS OF CERTAIN STATES: *There are state-specific requirements that may change the provisions under the Coverage(s) described in this Group Insurance Certificate. If you live in a state that has such requirements, those requirements will apply to your Coverage(s) and are made a part of your Group Insurance Certificate. Prudential has a website that describes these state-specific requirements. You may access the website at www.prudential.com/etonline. When you access the website, you will be asked to enter your state of residence and your Access Code. **Your Access Code is 52119.***

If you are unable to access this website, want to receive a printed copy of these requirements or have any questions, call Prudential at 1-866-439-9026.

Table of Contents

CERTIFICATE OF COVERAGE	1
FOREWORD	2
SCHEDULE OF BENEFITS	4
WHO IS ELIGIBLE TO BECOME INSURED.....	11
WHEN YOU BECOME INSURED.....	12
DELAY OF EFFECTIVE DATE.....	14
EMPLOYEE TERM LIFE COVERAGE	16
OPTION TO ACCELERATE PAYMENT OF DEATH BENEFITS	19
RIGHT TO ELECT TERM LIFE COVERAGE UNDER THE PORTABILITY PLAN.....	21
OPTIONAL DEPENDENTS TERM LIFE COVERAGE.....	23
RIGHT TO ELECT DEPENDENTS TERM LIFE COVERAGE UNDER THE PORTABILITY PLAN..	25
ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE	28
RIGHT TO ELECT ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE UNDER THE PORTABILITY PLAN.....	35
GENERAL INFORMATION.....	37
WHEN YOUR INSURANCE ENDS.....	43

Schedule of Benefits

Covered Classes: The "Covered Classes" are these Employees of the Contract Holder (and its Associated Companies): All Full-time Employees in active employment in the United States.

Program Date: January 1, 2016. This Booklet describes the benefits under the Group Program as of the Program Date.

- This Booklet and the Certificate of Coverage together form your Group Insurance Certificate. The Coverages in this Booklet are insured under a Group Contract issued by Prudential. All benefits are subject in every way to the entire Group Contract which includes the Group Insurance Certificate. It alone forms the agreement under which payment of insurance is made.

BASIC EMPLOYEE TERM LIFE COVERAGE

BENEFIT AMOUNTS:

Amount For Each Benefit Class:

Benefit Classes	Amount of Insurance
All Employees	100% of your annual Earnings. If this amount is not a multiple of \$1,000, it will be rounded to the next higher multiple of \$1,000. Maximum Amount: \$200,000.

The Definitions section explains what "Earnings" means.

Amount Limit Due to Age: When you are age 70 or more, your amount of insurance is limited. It is 50% of the amount for which you would then be insured if there were no limitation.

The Limited Percent for an Age takes effect on the day you become insured if you are then that Age. Otherwise, if you reach age 70 while insured, this Limit takes effect on the next January 1.

The Delay of Effective Date section does not apply to this Amount Limit Due to Age provision.

Effect of Option to Accelerate Payment of Death Benefits: Your amount of insurance (as determined in the absence of this provision) will be reduced by the amount of any Terminal Illness Proceeds paid under the Option to Accelerate Payment of Death Benefits.

OPTIONAL EMPLOYEE TERM LIFE COVERAGE

You may enroll for one of the options below. The option for which you enroll will be recorded by your Employer and reported to Prudential.

BENEFIT AMOUNTS:

Amount For Each Benefit Class:

Benefit Classes	Amount of Insurance
All Employees	Any multiple of \$10,000. Minimum Amount: \$10,000. Maximum Amount: the lesser of (1) and (2): (1) 500% of your annual Earnings. If this amount is not a multiple of \$10,000, it will be rounded to the next higher multiple of \$10,000. (2) \$500,000.

The Definitions section explains what "Earnings" means.

Non-medical Limit on Amount of Insurance: There is a limit on the amount for which you may be insured without submitting evidence of insurability. This is called the Non-medical Limit.

If the amount of insurance for your Class and age at any time is more than the Non-medical Limit, you must give evidence of insurability satisfactory to Prudential before the part over the Limit can become effective.

This requirement applies: when you first become insured; when your Class changes; if you request an increase in your Amount of Insurance; or if the amount for your Class is changed by an amendment to the Group Contract. Even if you are insured for an amount over the Limit, you will still have to meet this evidence requirement before any increase in your amount of insurance can become effective. The amount of your insurance will be increased to the amount for your Class and age when Prudential decides the evidence is satisfactory and you meet the Active Work Requirement.

Non-medical Limit: \$200,000. If the Amount Limit for this Coverage applies at any time to your amount of insurance, that Limit will also apply to the Non-medical Limit as if it were an amount of insurance.

The Delay of Effective Date section does not apply to this Non-medical Limit on Amount of Insurance provision.

Note: The Non-medical Limit does not apply to any amount of insurance for which you were insured under another group contract providing employee term life coverage for Employees of the Employer on the day prior to the Program Date.

Increases and Decreases: You may elect to have your amount of insurance under the Coverage changed. You must do this on a form approved by Prudential and agree to make any required contributions.

If you request an increase, you must give evidence of insurability. The amount of your insurance will be increased when Prudential decides the evidence is satisfactory and you meet the Active Work Requirement.

If you request a decrease, the amount of your insurance will be decreased on the date of your written request.

Changing Plans at Annual Enrollment: You may elect to have your amount of insurance under the Coverage changed during the Annual Enrollment Period. You must do this on a form approved by Prudential and agree to make any required contributions.

You must give evidence of insurability if you request an increase of more than 5 options. Changes will become effective on the date designated by the Contract Holder. But an increase which is subject to evidence will be effective on the date Prudential decides the evidence is satisfactory, if this date is later. The Delay of Effective Date section applies to all changes except decreases.

Any Non-medical Limit will apply to an increased amount of coverage.

The "Definitions" section explains what "Annual Enrollment Period" means.

Amount Limit Due to Age: When you are age 70 or more, your amount of insurance is limited. It is the Limited Percent (for that Age) of the amount for which you would then be insured if there were no limitation. Each Age and the Limited Percent for that Age are shown below.

Age	Limited Percent
70	65
75 and more	50

The Limited Percent for an Age takes effect on the day you become insured if you are then that Age. Otherwise, each Limited Percent for an Age takes effect on the first January 1 that occurs while you are that Age.

The Delay of Effective Date section does not apply to this Amount Limit Due to Age provision.

Effect of Option to Accelerate Payment of Death Benefits: Your amount of insurance (as determined in the absence of this provision) will be reduced by the amount of any Terminal Illness Proceeds paid under the Option to Accelerate Payment of Death Benefits.

OPTIONAL DEPENDENTS TERM LIFE COVERAGE

The amount of insurance is the amount for your Benefit Class. You may enroll your Qualified Dependents for the plan shown below. If you may choose the amount of insurance or if there are options from which to select, the amount for which you enroll will be recorded by your Employer and reported to Prudential. Your Benefit Class is determined by the classification of your dependents and the amount for which you enroll as shown in this table.

Qualified Dependents Classification	Amount of Insurance*
Your Spouse	Any multiple of \$5,000. Minimum Amount: \$5,000. Maximum Amount: \$500,000.
Your children, according to attained age:	
Less than 14 days	\$1,000
14 days and over	Any multiple of \$2,000. Maximum Amount: \$10,000.

* The amount of insurance on a dependent will not exceed 100% of the amount for which you are insured under the Optional Employee Term Life Coverage.

Non-medical Limit on Amount of Insurance for Your Spouse: There is a limit on the amount for which your Spouse may be insured without submitting evidence of insurability. This is called the Non-medical Limit.

If you elect an amount of Dependents Term Life Coverage for your Spouse above the Non-medical Limit, you must give evidence of insurability for your Spouse satisfactory to Prudential before the part over the Limit can become effective. The amount of your Spouse's insurance will be increased when Prudential decides the evidence is satisfactory and your Spouse is not home or hospital confined for medical care or treatment. This requirement applies: when your Spouse first becomes insured, or if you elect to have your Spouse's amount of Dependents Term Life Coverage increased.

Non-medical Limit: \$25,000. If the Amount Limit for this Coverage applies at any time to your Spouse's amount of insurance, that Limit will also apply to the Non-medical Limit as if it were an amount of insurance.

The Delay of Effective Date section does not apply to this Non-medical Limit on Amount of Insurance for Your Spouse provision.

Increases and Decreases: You may elect to have the amount of insurance on your dependents changed. You must do this on a form approved by Prudential and agree to make any required contributions.

If you request an increase in the amount of insurance on your Spouse, you must give evidence of insurability for your Spouse. The amount of insurance on your Spouse will be increased when Prudential decides the evidence is satisfactory and your Spouse is not home or hospital confined for medical care or treatment.

If you request an increase in the amount of insurance on a dependent child, the amount of insurance on that child will be increased on the date of your written request or, if later, when that child is not home or hospital confined for medical care or treatment. Evidence of insurability is not required for an increase in the amount of insurance on a child.

If you request a decrease in the amount of insurance on a dependent, the amount of insurance on that dependent will be decreased on the date of your written request.

Amount Limit Due to Age: When you are age 70 or more, your Spouse's amount of insurance is limited. It is the Limited Percent (for that Age) of the amount for which your Spouse would then be insured if there were no limitation. Each Age and the Limited Percent for that Age are shown below.

Age	Limited Percent
70	65
75 and more	50

The Limited Percent for an Age takes effect on the day you become insured if you are then that Age. Otherwise, each Limited Percent for an Age takes effect on the first January 1 that occurs while you are that Age.

The Delay of Effective Date section does not apply to this Amount Limit Due to Age provision.

BASIC ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE

BENEFIT AMOUNTS UNDER EMPLOYEE INSURANCE:

Amount For Each Benefit Class: An amount equal to the amount for which you are insured under the Basic Employee Term Life Coverage. For this purpose only, that amount will be the amount as determined above, except that if your Basic Employee Term Life Coverage is reduced by any amount paid under the Option to Accelerate Payment of Death Benefits, that reduction will not apply to this Coverage.

ADDITIONAL BENEFITS UNDER EMPLOYEE INSURANCE:

For the purposes of determining benefits under the Coverage, Amount of Insurance does not include any additional amount payable as shown below.

Additional Amount Payable for Loss of Life as a Result of an Accident in a Four Wheel Vehicle While Using a Seat Belt: An amount equal to the lesser of:

- (1) 10% of your Amount of Insurance; and
- (2) \$25,000.

Additional Amount Payable for Loss of Life as a Result of an Accident in a Four Wheel Vehicle Equipped with a Supplemental Restraint System: An amount equal to the lesser of:

- (1) 10% of your Amount of Insurance; and
- (2) \$10,000.

Additional Amount Payable for Return of Remains: An amount equal to the lesser of:

- (1) the amount of Covered Expenses; and

(2) \$5,000.

Additional Amount Payable for Your Loss as a Result of Felonious Assault: An amount equal to 5% of the amount payable under the Coverage for the Loss that results from a Felonious Assault.

Additional Amount Payable for Tuition Reimbursement for Your Spouse: An amount equal to the least of:

- (1) the actual tuition charged for the program;
- (2) 1% of your Amount of Insurance; and
- (3) \$2,500.

This benefit is payable annually for up to four consecutive years.

Additional Annual Amount Payable for Tuition Reimbursement for Your Dependent Child: An amount equal to the least of:

- (1) the actual annual tuition, exclusive of room and board, charged by the School;
- (2) 1% of your Amount of Insurance; and
- (3) \$2,500.

This benefit is payable annually for up to four consecutive years, but not beyond the date the child reaches age 23.

Additional Annual Amount Payable for Day Care Expenses for Your Dependent Child: An amount equal to the least of:

- (1) the actual cost charged by such Day Care Center per year;
- (2) 1% of your Amount of Insurance, and
- (3) \$2,000.

This benefit is payable annually for up to four consecutive years, but not beyond the date the child reaches age seven.

TO WHOM PAYABLE:

Accidental Death and Dismemberment benefits are payable to you with these exceptions:

- (1) Benefits for tuition reimbursement for your Spouse payable on account of your Loss of life will be paid to:
 - (a) your Spouse, if living; or
 - (b) your Spouse's estate.
- (2) Benefits for day care expenses or tuition reimbursement for your dependent children payable on account of your Loss of life will be paid to the person or institution appearing to Prudential to have assumed the main support of the children.
- (3) Benefits for any other of your Losses that are unpaid at your death or become payable on account of your death will be paid to your Beneficiary or Beneficiaries. (See Beneficiary Rules.)

OTHER INFORMATION

Contract Holder: GOODWILL INDUSTRIES OF NORTHWEST NORTH CAROLINA, INC.

Group Contract No.: G-52119-NC

Associated Companies: Associated Companies are employers who are the Contract Holder's subsidiaries or affiliates and are reported to Prudential in writing for inclusion under the Group Contract, provided that Prudential has approved such request.

Cost of Insurance: Insurance under the Coverage(s) listed below is Non-Contributory Insurance.

Basic Employee Term Life Coverage

Basic Accidental Death and Dismemberment Coverage

Insurance under the other Coverage(s) in this Booklet is Contributory Insurance. You will be informed of the amount of your contribution when you enroll. Any contribution due but unpaid at your death will be deducted from the death benefit.

Prudential's Address:

The Prudential Insurance Company of America
80 Livingston Avenue
Roseland, New Jersey 07068

WHEN YOU HAVE A CLAIM

Each time a claim is made, it should be made without delay. Use a claim form, and follow the instructions on the form.

If you do not have a claim form, contact your Employer.

Who is Eligible to Become Insured

FOR EMPLOYEE INSURANCE

You are eligible to become insured for Employee Insurance while:

- You are a full-time Employee of the Employer; and
- You are in a Covered Class; and
- You have completed the Employment Waiting Period, if any. You may need to work for the Employer for a continuous full-time period before you become eligible for the Coverage. The period must be agreed upon by the Employer and Prudential. Your Employer will inform you of any such Employment Waiting Period for your class.

You are full-time if you are regularly working for the Employer at least the number of hours in the Employer's normal full-time work week for your class, but not less than 30 hours per week. If you are a partner or proprietor of the Employer, that work must be in the conduct of the Employer's business. If you are the sole proprietor no hourly requirement applies.

Your class is determined by the Contract Holder. This will be done under its rules, on dates it sets. The Contract Holder must not discriminate among persons in like situations. You cannot belong to more than one class for insurance on each basis, Contributory or Non-contributory Insurance, under a Coverage. "Class" means Covered Class, Benefit Class or anything related to work, such as position or Earnings, which affects the insurance available.

This applies if you are an Employee of more than one subsidiary or affiliate of an employer included under the Group Contract: For the insurance, you will be considered an Employee of only one of those subsidiaries or affiliates. Your service with the others will be treated as service with that one.

The rules for obtaining Employee Insurance are in the When You Become Insured section.

FOR DEPENDENTS INSURANCE

You are eligible to become insured for Dependents Insurance while:

- You are eligible for Employee Insurance; and
- You have a Qualified Dependent.

Qualified Dependents:

These are the persons for whom you may obtain Dependents Insurance:

- A person who is your Spouse prior to their enrollment for Dependents Insurance.

Your Spouse means your lawful Spouse.

- Your children from live birth to 26 years old.

Your children include your legally adopted children, children placed with you for adoption prior to legal adoption, and each of your stepchildren and foster children. A child placed with you for adoption prior to legal adoption is considered your Qualified Dependent from the date of placement for adoption, and is treated as though the child was your newborn child. A child placed with you for foster care is considered your Qualified Dependent from the date of placement in the foster home, and is treated as though the child were a newborn child born to you.

Exceptions:

Your Spouse or child is not your Qualified Dependent while:

- (1) on active duty in the armed forces of any country; or
- (2) insured for life coverage under the Group Contract as an Employee; or
- (3) the Spouse or child continues to have life insurance coverage under the Group Contract under a coverage continuation provision such as the Extended Death Benefit and Waiver of Premiums During Total Disability provision of the Employee Term Life Coverage.

A child will not be considered the Qualified Dependent of more than one Employee. If this would otherwise be the case, the child will be considered the Qualified Dependent of the Employee named in a written agreement of all such Employees filed with the Contract Holder. If there is no written agreement, the child will be considered the Qualified Dependent of:

- (1) the Employee who became insured under the Group Contract with respect to the child, while the child was a Qualified Dependent of only that Employee; and otherwise
- (2) the Employee who has the longest continuous service with the Employer, based on the Contract Holder's records.

The rules for obtaining Dependents Insurance are in the When You Become Insured section.

When You Become Insured

FOR EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will begin the first day on which:

- You have enrolled, if the Coverage is Contributory; and
- You are eligible for Employee Insurance; and
- You are in a Covered Class for that insurance; and
- You have met any evidence requirement for Employee Insurance; and
- Your insurance is not being delayed under the Delay of Effective Date section below; and

- That Coverage is part of the Group Contract.

For Contributory Insurance, you must enroll on a form approved by Prudential and agree to pay the required contributions. Your Employer will tell you whether contributions are required and the amount of any contribution when you enroll.

At any time, the benefits for which you are insured are those for your class, unless otherwise stated.

When evidence is required: In any of these situations, you must give evidence of insurability. This requirement will be met when Prudential decides the evidence is satisfactory.

- (1) For Contributory Insurance, you enroll more than 31 days after you could first be covered.
- (2) You enroll after any of your insurance under the Group Contract ends because you did not pay a required contribution.
- (3) You wish to become insured for life insurance and have an individual life insurance contract which you obtained by converting your insurance under a Coverage of the Group Contract.
- (4) You have not met a previous evidence requirement to become insured under any Prudential group contract for Employees of the Employer.

FOR DEPENDENTS INSURANCE

Your Dependents Insurance under a Coverage for a person will begin the first day on which all of these conditions are met:

- You have enrolled for the person for Dependents Insurance under the Coverage, if the Coverage is Contributory.
- The person is your Qualified Dependent.
- You are in a Covered Class for that insurance.
- To be insured for a Qualified Dependent under the Optional Dependents Term Life Coverage, you must be insured under the Optional Employee Term Life Coverage of the Group Contract.
- Any evidence requirement for that Qualified Dependent has been met.
- Your insurance for that Qualified Dependent is not being delayed under the Delay of Effective Date section below.
- Dependents Insurance under that Coverage is part of the Group Contract.

For Contributory Insurance, you must enroll your Qualified Dependent on a form approved by Prudential and agree to pay the required contributions. Your Employer will tell you whether contributions are required and the amount of any contribution when you enroll your Qualified Dependent.

At any time, the Dependents Insurance benefits for which you are insured are those for your class, unless otherwise stated.

When evidence is required: In any of these situations, evidence of insurability must be given for a Qualified Dependent Spouse. This requirement will be met when Prudential decides the evidence is satisfactory. Evidence is not required for a Qualified Dependent child.

- (1) For Contributory Insurance, you enroll for Dependents Insurance under a Coverage more than 31 days after you are first eligible for Dependents Insurance.
- (2) You enroll for Dependents Insurance after any insurance under the Group Contract ends because you did not pay a required contribution.
- (3) The Qualified Dependent Spouse is a person for whom a previous requirement for evidence of insurability has not been met. The evidence was required for that person to become covered for an insurance, as a dependent or an Employee. That insurance is or was under any Prudential group contract for Employees of the Employer.

Change in Family Status: It is important that you inform the Employer promptly when you first acquire or lose a Qualified Dependent. You should also inform the Employer if your Dependents Insurance status changes from one to another of these categories:

- No Qualified Dependents.
- Qualified Dependent Spouse only.
- Qualified Dependent Spouse and children.
- Qualified Dependent children only.

If you are insured under a Coverage for one or more children, you need not report additional children.

Forms are available for reporting these changes.

Delay of Effective Date

FOR EMPLOYEE INSURANCE

Your Employee Insurance under a Coverage will be delayed if you do not meet the Active Work Requirement on the day your insurance would otherwise begin. Instead, it will begin on the first day you meet the Active Work Requirement and the other requirements for the insurance. The same delay rule will apply to any increase in your insurance that is subject to this section. If you do not meet the Active Work Requirement on the day that an increase would take effect, it will take effect on the day you meet that requirement.

FOR DEPENDENTS TERM LIFE COVERAGE

A Qualified Dependent may be confined for medical care or treatment, at home or elsewhere. If a Qualified Dependent is so confined on the day that your Dependents Insurance under a Coverage for that Qualified Dependent, or any increase in that insurance that is subject to this section, would take effect, it will not then take effect. The insurance or increase will take effect upon the Qualified

Dependent's final medical release from all such confinement. The other requirements for the insurance or increase must also be met.

Newborn Child Exception: This section does not apply to a child of yours if the child is born to you and either:

- (1) is your first Qualified Dependent; or
- (2) becomes a Qualified Dependent while you are insured for Dependents Insurance under that Coverage for any other Qualified Dependent.

Also, this section does not apply to any age increase in the amount of insurance for a child under the Dependents Term Life Coverage.

Employee Term Life Coverage

FOR YOU ONLY

A. DEATH BENEFIT WHILE A COVERED PERSON.

If you die while a Covered Person, the amount of your Employee Term Life Insurance under this Coverage is payable when Prudential receives written proof of death.

B. DEATH BENEFIT DURING CONVERSION PERIOD.

A death benefit is payable under this Section B if you die:

- (1) within 31 days after you cease to be a Covered Person; and
- (2) while entitled (under Section D) to convert your Employee Term Life Insurance under this Coverage to an individual contract.

The amount of the benefit is equal to the amount of Employee Term Life Insurance under this Coverage you were entitled to convert. It is payable even if you did not apply for conversion. It is payable when Prudential receives written proof of death.

C. EXTENDED DEATH BENEFIT AND WAIVER OF PREMIUMS DURING TOTAL DISABILITY.

If you meet the conditions below, your death benefit protection will be extended while you are Totally Disabled, and from the date Prudential receives proof as described below, premiums for your Employee Term Life Insurance under this Coverage will be waived while your death benefit protection is extended. The "Extended Death Benefit" is the benefit described in this Section C.

The conditions referred to above are:

- (1) You become Totally Disabled while you are a Covered Person.
- (2) You are less than age 60 when your Total Disability starts.

Total Disability: You are "Totally Disabled" when:

- (1) You are not working at any job for wage or profit; and
- (2) Due to Sickness, Injury or both, you are not able to perform for wage or profit, the material and substantial duties of any job for which you are reasonably fitted by your education, training or experience.

The extension ends one year after your Total Disability started, unless, within that year, you give Prudential written proof that:

- (1) You have met the above conditions; and
- (2) You are still Totally Disabled; and

(3) Your Total Disability has continued for at least 9 months.

Prudential will then further extend your death benefit protection for successive one year periods. The first of these periods will start on the date Prudential receives this proof. After that first period, you must give written proof when and as required by Prudential once each year that your Total Disability continues.

If you die while your death benefit protection is being extended, the Extended Death Benefit is payable when Prudential receives written proof that:

- (1) Your Total Disability continued until your death; and
- (2) All of the above conditions have been met.

If you die within one year after your Total Disability started and before you give Prudential proof of Total Disability, written notice of your death must be given to Prudential within one year after your death.

Your extension protection ends if and when:

- (1) Your Total Disability ends; or
- (2) You reach age 65; or
- (3) You fail to furnish any required proof that your Total Disability continues; or
- (4) You fail to submit to a medical exam by Doctors named by Prudential when and as often as Prudential requires. After two full years of this protection, Prudential will not require an exam more than once a year.

If your extension protection ends after you have given the first proof of continued Total Disability, you have the same rights and benefits under Sections B and D as if you ceased to be a member of the Covered Classes for the insurance. But this does not apply if you become a Covered Person within 31 days after this protection ends.

Amount of Extended Death Benefit: This amount is determined as if you had remained a Covered Person until death. But it is reduced by any amount payable under Sections A or B above or any Prudential group life insurance that replaces this Coverage for a class of Employees.

Effect of Conversion: An individual contract issued under Section D will be in place of all rights under this Section C. But if you have met all the requirements of this Section C, you can obtain these rights in exchange for all benefits of the individual contract. Premiums paid under the individual contract will be refunded. Your choice of Beneficiary in the individual contract, if different than for this Coverage, will be considered notice of change of Beneficiary for any claim under this Section C.

D. CONVERSION PRIVILEGE.

If you cease to be insured for the Employee Term Life Insurance of the Group Contract for one of the reasons stated below, you may convert all or part of your insurance under this Coverage, which then ends, to an individual life insurance contract. Evidence of insurability is not required. The reasons are:

- (1) Your employment ends or you transfer out of a Covered Class.

- (2) All term life insurance of the Group Contract for your class ends by amendment or otherwise. But, on the date it ends, you must have been insured for five years for that insurance (or for that insurance and any Prudential rider or group contract replaced by that insurance).

Any such conversion is subject to the rest of this Section D.

Availability: You must apply for the individual contract and pay the first premium by the later of:

- (1) the thirty-first day after you cease to be insured for the Employee Term Life Insurance; and
- (2) the fifteenth day after you have been given written notice of the conversion privilege. But, in no event may you convert the insurance to an individual contract if you do not apply for the contract and pay the first premium prior to the ninety-second day after you cease to be insured for the Employee Term Life Insurance.

Individual Contract Rules: The individual contract must conform to the following:

Amount: Not more than your Employee Term Life Insurance under this Coverage when your insurance ends. But, if it ends because all term life insurance of the Group Contract for your class ends, the total amount of individual insurance which you may get in place of all your life insurance then ending under the Group Contract will not exceed the lesser of the following:

- (1) The total amount of all your life insurance then ending under the Group Contract reduced by the amount of group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) \$10,000.

Form: Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for.

This does not include term insurance or a contract with disability or supplementary benefits.

Premium: Based on Prudential's rate as it applies to the form and amount, and to your class of risk and age at the time.

Effective Date: The end of the 31 day period after you cease to be insured for the Employee Term Life Insurance.

Any death benefit provided under a section of this Coverage is payable according to that section and the Beneficiary and Mode of Settlement Rules.

Option to Accelerate Payment of Death Benefits

Note: Any payment made under this option may be taxable. You are advised to seek the help of a professional tax advisor for assistance with any questions that you may have.

The following is added to the Employee Term Life Coverage provision:

Definitions

- **Terminally Ill Employee:** An employee whose life expectancy is 12 months or less.
- **Terminal Illness Proceeds:** The amount of Employee Term Life Insurance that you may elect to place under this option. The Terminal Illness Proceeds are equal to 90% of the amount in force on your life on the date Prudential receives the proof that you are a Terminally Ill Employee, but not more than \$500,000. However, the Terminal Illness Proceeds may be reduced if, within 12 months after the date Prudential receives such proof, a reduction on account of age would have applied to the amount of your Employee Term Life Insurance. In that case, the amount of the Terminal Illness Proceeds may not exceed the amount of such Insurance after applying the reduction.

Option: If you become a Terminally Ill Employee while insured under the Employee Term Life Insurance provision or while your death benefit protection is being extended under the Employee Term Life Coverage provision, you may elect to have the Terminal Illness Proceeds placed under this option. That election is subject to the conditions set forth below.

Payment of Terminal Illness Proceeds: If you elect this option, Prudential will pay the Terminal Illness Proceeds you place under this option in one sum when it receives proof that you are a Terminally Ill Employee.

If you do not want the Terminal Illness Proceeds in one sum, you may elect to have them paid in 12 equal monthly installments. The first monthly payment will be due when Prudential receives proof that you are a Terminally Ill Employee. The other payments are due on the same day of each later month.

To Whom Payable: The benefits under this provision are payable to you.

Amount Due But Unpaid at Your Death: If you elect monthly installments and you die before all payments have been made, Prudential will pay your Beneficiary or Beneficiaries determined under the Beneficiary Rules in one sum. That sum will be the total of the payments that remain.

Conditions: Your right to be paid under this option is subject to these terms:

- (1) You must choose this option in writing in a form that satisfies Prudential.
- (2) You must furnish proof that satisfies Prudential that your life expectancy is 12 months or less, including certification by a Doctor.
- (3) Your Employee Term Life Insurance must not be assigned.

- (4) Terminal Illness Proceeds will be made available to you on a voluntary basis only. Therefore:
- (a) If you are required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise, you are not eligible for this benefit.
 - (b) If you are required by a government agency to use this option in order to apply for, get or keep a government benefit or entitlement, you are not eligible for this benefit.

Effect on Insurance: This benefit is in lieu of the benefits that would have been paid on your death with respect to the Terminal Illness Proceeds. When you elect this option, the total amount of Employee Term Life Insurance otherwise payable on your death, including any amount under an extended death benefit, will be reduced by the Terminal Illness Proceeds. Also, any amount you could otherwise have converted to an individual contract will be reduced by the Terminal Illness Proceeds.

Right to Elect Term Life Coverage under the Portability Plan

This right applies to the Employee Term Life Coverage under the Group Contract.

It describes when and how you may become covered for similar coverage under the Portability Plan when your Employee Term Life Coverage under the Group Contract ends. The terms and conditions of the Portability Plan will not be the same as those under this Group Contract. The amount of insurance available under the Portability Plan may not be the same as the amount under this Group Contract.

RIGHT TO APPLY FOR COVERAGE UNDER THE PORTABILITY PLAN

A right under this section is subject to the rest of these provisions.

You will have the right to apply for term life coverage under the Portability Plan if you meet all of these tests:

- (1) Your Employee Term Life Coverage ends for any reason other than:
 - (a) your failure to pay, when due, any contribution required for it; or
 - (b) the end of your employment on account of your retirement; or
 - (c) the end of the Coverage for all Employees when such Coverage is replaced by group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) You meet the Active Work Requirement on the day your insurance ends.
- (3) You are less than age 80.
- (4) Your Amount of Insurance is at least \$20,000 under the Employee Term Life Coverage on the day your insurance ends.

PORTABILITY APPLICATION PERIOD

You have the right to apply for coverage under the Portability Plan during the Portability Application Period. Evidence of insurability is not required to become insured under the Portability Plan. But, if you submit evidence and Prudential decides the evidence is satisfactory, you will pay lower premium rates.

The Portability Application Period is the 31 day period after your Employee Term Life Coverage ends. But, if you have the right to convert your insurance under the Employee Term Life Coverage to an individual contract, it is the longer of:

- (1) the 31 day period after your Coverage ends; and
- (2) the number of days during which you have the right to convert your insurance under the Coverage to an individual life insurance contract as shown in the Coverage.

EFFECT OF CONVERSION PRIVILEGE

The right to elect coverage under the Portability Plan is provided in lieu of the conversion privilege described in the Employee Term Life Coverage, except as follows:

- (1) You may convert your amount of insurance under the Employee Term Life Coverage in excess of the maximum for term life coverage under the Portability Plan. This maximum is the lesser of 5 times your annual Earnings and \$1,000,000.
- (2) You may convert your insurance if you elected coverage under the Portability Plan, but Prudential decided that your evidence of insurability was not satisfactory.

If you elect to convert all of your insurance under the Employee Term Life Coverage to an individual contract, you may not elect to apply for coverage under the Portability Plan.

If, during the Portability Application Period, you apply for coverage under the Portability Plan and then elect to convert all of your insurance under the Employee Term Life Coverage to an individual contract, your coverage under the Portability Plan will not become effective.

The right to elect coverage under the Portability Plan does not affect your coverage under the Death Benefit During Conversion Period provision of the Employee Term Life Coverage.

TERMS AND CONDITIONS OF THE PORTABILITY PLAN

The form, amount, first premium, and effective date will be as stated below.

Form and Amount: The form of term life coverage that Prudential then makes available under the Portability Plan. The terms and conditions of that coverage will not be the same as the Employee Term Life Coverage under the Group Contract.

Amount: Not more than your amount of insurance under the Employee Term Life Coverage when your insurance ends, but not less than \$20,000.

The maximum amount of term life insurance under the Portability Plan is the lesser of 5 times your annual Earnings and \$1,000,000.

First Premium: The first premium is due to Prudential within 31 days of the date the first bill is issued.

Effective Date: The day after the Portability Application Period ends.

Optional Dependents Term Life Coverage

FOR YOUR DEPENDENTS ONLY

A. DEATH BENEFIT WHILE A COVERED PERSON.

If a dependent dies while a Covered Person, the amount of insurance on that dependent under this Coverage is payable when Prudential receives written proof of death.

B. DEATH BENEFIT DURING A CONVERSION PERIOD.

A death benefit is payable under this Section B if a dependent dies:

- (1) within 31 days after ceasing to be a Covered Person; and
- (2) while entitled (under Section C) to a conversion of the insurance under this Coverage to an individual contract.

The amount of the benefit is equal to the amount of Dependents Term Life Coverage which could have been converted. It is payable even if conversion was not applied for. It is payable when Prudential receives written proof of death.

C. CONVERSION PRIVILEGE.

This privilege applies if you cease to be insured for the Dependents Term Life Coverage of the Group Contract with respect to a dependent. That dependent may have your insurance on the dependent under this Coverage, which then ends, converted to an individual life insurance contract. Evidence of insurability is not required. However, conversion is not available if the insurance ends for one of these reasons:

- (1) You fail to make any required contribution for insurance under the Group Contract.
- (2) All Dependents Term Life Coverage of the Group Contract for your class ends by amendment or otherwise. This (2) does not apply if, on the date it ends, you have been insured with respect to the dependent for five years for that insurance (or for that insurance and any Prudential rider or group contract replaced by that insurance).

Any such conversion is subject to the rest of this Section C.

Availability: The individual contract must be applied for and the first premium must be paid by the later of:

- (1) the thirty-first day after you cease to be insured for Dependents Term Life Coverage with respect to the dependent; and
- (2) the fifteenth day after you have been given written notice of the conversion privilege. But, in no event may you convert the insurance to an individual contract if you do not apply for the contract and pay the first premium prior to the ninety-second day after you cease to be insured for Dependents Term Life Coverage with respect to the dependent.

Individual Contract Rules: The individual contract must conform to the following:

Amount: Not more than the amount of Dependents Term Life Coverage on the dependent ending under this Coverage. But, if it ends because all the Dependents Term Life Coverage of the Group Contract for your class ends, the total amount of individual insurance which may be obtained in place of all the Dependents Term Life Coverage on the dependent then ending under the Group Contract will not exceed the lesser of the following:

- (1) The total amount of all your Dependents Term Life Coverage on the dependent then ending under the Group Contract reduced by the amount of group life insurance from any carrier for which you are or become eligible with respect to the dependent within the next 31 days.
- (2) \$10,000.

Form: Any form of a life insurance contract that:

- (1) conforms to Title VII of the Civil Rights Act of 1964, as amended, having no distinction based on sex; and
- (2) is one that Prudential usually issues at the age and amount applied for.

This does not include term insurance or a contract with disability or supplementary benefits.

Premium: Based on Prudential's rate as it applies to the form and amount, and to the dependent's class of risk and age at the time.

Effective Date: The end of the 31 day period after you cease to be insured for Dependents Term Life Coverage with respect to the dependent.

Any death benefit provided under a section of this Coverage is payable to you. If you are not living at the death of a dependent*, the death benefit is payable to the dependent's estate or, at Prudential's option, to any one or more of these surviving relatives of the dependent: wife; husband; mother; father; children; brothers; sisters.

*If you and a dependent die in the same event and it cannot be determined who died first, the insurance will be payable as if that dependent died before you.

Right to Elect Dependents Term Life Coverage under the Portability Plan

This right applies to the Optional Dependents Term Life Coverage under the Group Contract.

It describes when and how your Qualified Dependents may become covered for similar coverage under the Portability Plan when your Optional Dependents Term Life Coverage under the Group Contract ends. The terms and conditions of the Portability Plan will not be the same as those under this Group Contract. The amount of insurance available under the Portability Plan may not be the same as the amount under this Group Contract.

RIGHT TO APPLY FOR COVERAGE UNDER THE PORTABILITY PLAN

A right under this section is subject to the rest of these provisions.

You will have the right to apply for dependents term life coverage under the Portability Plan for a Qualified Dependent if all of these tests are met:

- (1) The Optional Dependents Term Life Coverage on the dependent ends because your Employee Term Life Coverage ends for any reason other than:
 - (a) your failure to pay, when due, any contribution required for it; or
 - (b) the end of your employment on account of your retirement; or
 - (c) the end of the Employee Term Life Coverage for all Employees when such Coverage is replaced by group life insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) You apply and become covered for term life coverage under the Portability Plan.
- (3) With respect to a dependent Spouse, that Spouse is less than age 80.
- (4) With respect to a dependent child, that child is:
 - (a) less than age 19; or
 - (b) less than age 23, enrolled as a full-time student in a school, and wholly depends on you for support and maintenance.
- (5) The dependent is covered for Optional Dependents Term Life Coverage on the day your Employee Term Life Coverage ends.
- (6) The dependent is not confined for medical care or treatment, at home or elsewhere on the day your Employee Term Life Coverage ends.

If you die, your Spouse will have the right to apply for term life coverage under the Portability Plan if that Spouse meets all of the tests in (3), (5) and (6) above.

If you die, your Spouse will also have the right to apply for dependents term life coverage under the Portability Plan for a Qualified Dependent child if:

- (1) that Spouse applies and becomes covered under the Portability Plan; and
- (2) that child meets all of the tests in (4), (5) and (6) above.

If you divorce, your Spouse will have the right to apply for term life coverage under the Portability Plan if:

- (1) the Optional Dependents Term Life Coverage on your Spouse ends due to divorce; and
- (2) that Spouse is less than age 80; and
- (3) that Spouse is not confined for medical care or treatment, at home or elsewhere on the day the Optional Dependents Term Life Coverage on that Spouse ends.

PORTABILITY APPLICATION PERIOD

You have the right to apply for dependents term life coverage under the Portability Plan for your dependents during the Portability Application Period. In the case of your death or divorce, your Spouse has the right to apply for coverage under the Portability Plan during the Portability Application Period. Evidence of insurability is not required for a dependent to become insured under the Portability Plan. But, if evidence of insurability is submitted for your Spouse and Prudential decides the evidence is satisfactory, you or, in the case of your death or divorce, your Spouse will pay lower premium rates for your Spouse's coverage.

The Portability Application Period is the longer of:

- (1) the 31 day period after your Optional Dependents Term Life Coverage ends; and
- (2) either:
 - (a) the number of days during which you have the right to convert your insurance under the Employee Term Life Coverage to an individual life insurance contract as shown in that Coverage; or
 - (b) in the case of your death or divorce, the number of days during which your Spouse has the right to convert the insurance under the Optional Dependents Term Life Coverage to an individual life insurance contract as shown in that Coverage.

EFFECT OF CONVERSION PRIVILEGE

The right to elect coverage under the Portability Plan is provided in lieu of the conversion privilege described in the Optional Dependents Term Life Coverage, except as follows:

- (1) If a dependent's amount of insurance under the Optional Dependents Term Life Coverage exceeds the lesser of 5 times your annual Earnings and \$1,000,000, the dependent may convert the excess amount.
- (2) A Spouse may convert the Dependents Insurance under the Coverage if coverage was elected under the Portability Plan, but Prudential decided that the evidence of insurability for that Spouse was not satisfactory.

If a dependent elects to convert all of the insurance under the Optional Dependents Term Life Coverage to an individual contract, you or, in the case of your death or divorce, your Spouse may not elect to apply for coverage under the Portability Plan for that dependent.

If, during the Portability Application Period, you or, in the case of your death or divorce, your Spouse applies for coverage under the Portability Plan for a dependent and that dependent then elects to convert all of the insurance under the Optional Dependents Term Life Coverage to an individual contract, that dependent's coverage under the Portability Plan will not become effective.

The right to elect coverage under the Portability Plan does not affect a dependent's coverage under the Death Benefit During a Conversion Period provision of the Optional Dependents Term Life Coverage.

TERMS AND CONDITIONS OF THE PORTABILITY PLAN

The form, amount, first premium, and effective date will be as stated below.

Form and Amount: The form of dependents term life coverage that Prudential then makes available under the Portability Plan. The terms and conditions of that coverage will not be the same as those under the Group Contract.

Amount: Not more than the amount of insurance on the dependent under the Optional Dependents Term Life Coverage when that insurance ends.

For each dependent, the maximum amount of dependents term life insurance under the Portability Plan is the lesser of 5 times your annual Earnings and \$1,000,000.

First Premium: The first premium is due to Prudential within 31 days of the date the first bill is issued.

Effective Date: The day after the Portability Application Period ends.

Accidental Death and Dismemberment Coverage

FOR YOU

This Coverage pays benefits for accidental Loss.

Loss means the person's:

- (1) loss of life;
- (2) total and permanent loss of sight;
- (3) loss of hand or foot by severance at or above the wrist or ankle;
- (4) total and permanent loss of speech;
- (5) total and permanent loss of hearing in both ears;
- (6) loss of thumb and index finger of the same hand by severance at or above the metacarpophalangeal joint;
- (7) loss due to Quadriplegia, Paraplegia, or Hemiplegia; or
- (8) loss due to Coma.

Quadriplegia means the complete and irreversible paralysis of both upper and both lower limbs.

Paraplegia means the complete and irreversible paralysis of both lower limbs.

Hemiplegia means the complete and irreversible paralysis of the upper and lower limbs on one side of the body.

Coma means a profound state of unconsciousness from which the person cannot be aroused, even by powerful stimulation, as determined by the person's physician.

A. BENEFITS.

Benefits for accidental Loss are payable only if all of these conditions are met:

- (1) The person sustains an accidental bodily Injury while a Covered Person.
- (2) The Loss results directly from that Injury and from no other cause.
- (3) The person suffers the Loss within 365 days after the accident. But, if the Loss is due to Coma, that Loss:
 - (a) begins within 365 days after the accident; and

- (b) continues for six consecutive months; and
- (c) is total, continuous and permanent at the end of that six month period.

Any benefit for a Loss due to Coma will not begin until the end of the six-month period in (c) above.

For the purposes of the Coverage:

- (1) Exposure to the elements will be considered an accidental Injury.
- (2) It will be presumed that the person has suffered a Loss of life if the person's body has not been found within one year of disappearance, stranding, sinking or wrecking of any vehicle in which the person was an occupant.

Not all such Losses are covered. See Losses Not Covered below.

Benefit Amount Payable: The amount payable depends on the type of Loss as shown below. All benefits are subject to the Limitation Per Accident below.

	Percent of the Person's Amount of Insurance
Loss of or by Reason of:	
Life	100
Both Hands	100
Both Feet	100
Sight of Both Eyes	100
One Hand and One Foot	100
One Hand and Sight of One Eye	100
One Foot and Sight of One Eye	100
Speech and Hearing	100
Quadriplegia	100
Paraplegia	75
One Hand	50
One Foot	50
Sight of One Eye	50
Speech	50
Hearing	50
Hemiplegia	50
Thumb and Index Finger of the Same Hand	25
Coma	1% per month,
.....	up to 11 months

Limitation Per Accident: No more than the Amount of Insurance on a person at the time of the accident will be paid for all Losses resulting from Injuries sustained in that accident.

B. LOSSES NOT COVERED.

A Loss is not covered if it results from any of these:

- (1) Suicide or attempted suicide, while sane or insane.
- (2) Intentionally self-inflicted Injuries, or any attempt to inflict such Injuries.
- (3) Sickness, whether the Loss results directly or indirectly from the Sickness.
- (4) Medical or surgical treatment of Sickness, whether the Loss results directly or indirectly from the treatment.
- (5) Any infection. But, this does not include:
 - (a) a pyogenic infection resulting from an accidental Injury; or
 - (b) a bacterial infection resulting from accidental ingestion of a contaminated substance.
- (6) War, or any act of war. "War" means declared or undeclared war and includes resistance to armed aggression.
- (7) An accident that occurs while the person is serving on full-time active duty for more than 30 days in any armed forces. But this does not include Reserve or National Guard active duty for training.
- (8) Travel or flight in any vehicle used for aerial navigation. This includes getting in, out, on or off any such vehicle. This (8) applies only if:
 - (a) the person is riding as a passenger in any aircraft not intended or licensed for the transportation of passengers;
 - (b) the person is performing as a pilot or a crew member of any aircraft; or
 - (c) you are riding as a passenger in an aircraft owned, leased or operated by your Employer.
- (9) Commission of or attempt to commit a felony.
- (10) Being legally intoxicated or under the influence of any narcotic unless administered or consumed on the advice of a Doctor.
- (11) Participation in these hazardous sports: scuba diving; bungee jumping; skydiving; parachuting; hang gliding; or ballooning.

C. ADDITIONAL BENEFITS

An additional benefit may be payable for a Loss for which a benefit is payable under the other terms of this Coverage or would be payable except for the Limitation Per Accident of those terms. Any such benefit is payable in addition to any other benefit payable under this Coverage. Any additional conditions that apply to an additional benefit are shown below. An additional benefit is payable only if those conditions are met.

(1) **Additional Benefit for Loss of Life as a Result of an Accident in a Four Wheel Vehicle While Using a Seat Belt:**

This additional benefit for the person's Loss of life is payable only if this test is met.

The person sustains an accidental bodily Injury resulting in the Loss while:

- (a) the person is a driver or passenger in a Four Wheel Vehicle; and
- (b) the person is wearing a Seat Belt in the manner prescribed by the vehicle's manufacturer; and
- (c) the actual use of a Seat Belt at the time of the Injury is verified in an official report of the accident, or is certified in writing by the investigating official(s).

Four Wheel Vehicle means a vehicle that is:

- (a) duly licensed for passenger use;
- (b) designated primarily for use on public streets and highways; and
- (c) in the list below:
 - (i) a private passenger automobile;
 - (ii) a station wagon; or
 - (iii) a self-propelled motor home.

Seat Belt means an unaltered lap restraint or lap and shoulder restraint.

Losses Not Covered under this Additional Benefit: A Loss is not covered under this additional benefit if it results from driving or riding in any Four Wheel Vehicle used in a race or a speed or endurance test, or for acrobatic or stunt driving.

Benefit Amount Payable for Loss of Life as a Result of an Accident in a Four Wheel Vehicle While Using a Seat Belt: The additional amount payable is shown in the Schedule of Benefits.

(2) **Additional Benefit for Loss of Life as a Result of an Accident in a Four Wheel Vehicle Equipped with a Supplemental Restraint System:**

This additional benefit for the person's Loss of life is payable only if this test is met.

The person sustains an accidental bodily Injury resulting in the Loss while:

- (a) the person is a driver or passenger in a Four Wheel Vehicle equipped with a factory-installed Supplemental Restraint System; and
- (b) the person is in a seat designed to be protected by an air bag; and
- (c) the person is wearing a Seat Belt in the manner prescribed by the vehicle's manufacturer; and
- (d) the actual use of a Seat Belt at the time of the Injury is verified in an official report of the accident, or is certified in writing by the investigating official(s).

Four Wheel Vehicle means a vehicle that is:

- (a) duly licensed for passenger use;
- (b) designated primarily for use on public streets and highways; and
- (c) in the list below:
 - (i) a private passenger automobile;
 - (ii) a station wagon; or
 - (iii) a self-propelled motor home.

Seat Belt means an unaltered lap restraint or lap and shoulder restraint.

Supplemental Restraint System means an air bag system intended to add protection to the head and chest areas.

Losses Not Covered under this Additional Benefit: A Loss is not covered under this additional benefit if it results from driving or riding in any Four Wheel Vehicle used in a race or a speed or endurance test, or for acrobatic or stunt driving.

Benefit Amount Payable for Loss of Life as a Result of an Accident in a Four Wheel Vehicle Equipped with a Supplemental Restraint System: The additional amount payable is shown in the Schedule of Benefits.

(3) Additional Benefit for Return of Remains:

This additional benefit for return of remains only applies if the person suffers a Loss of life and such Loss occurs outside a 150-mile radius of the person's home. It is payable for Covered Expenses incurred to return the person's body home to the United States or Canada.

Covered Expenses includes expenses for: (a) embalming; (b) cremation; (c) a coffin; and (d) transportation of the remains.

Benefit Amount Payable for Return of Remains: The additional amount payable is shown in the Schedule of Benefits.

(4) Additional Benefit for Your Loss as a Result of Felonious Assault:

This additional benefit for Felonious Assault only applies if you suffer a Loss that is the result of a Felonious Assault.

Felonious Assault means a Physical Attack by another person resulting in bodily harm to you. But, a Felonious Assault is not a moving violation as defined under the applicable state motor vehicle laws.

Physical Attack means any willful or unlawful use of force or violence upon you with the intent to cause bodily Injury to you. The Physical Attack must be considered a felony or misdemeanor in the jurisdiction in which it occurs.

Benefit Amount Payable for Your Loss as a Result of Felonious Assault: The additional amount payable is shown in the Schedule of Benefits.

(5) **Additional Benefit for Tuition Reimbursement for Your Spouse:**

This additional benefit for tuition reimbursement for your Spouse only applies if you suffer a Loss of life.

An additional benefit for tuition reimbursement is payable for the person who:

- (a) is your Spouse on the date of your death; and
- (b) enrolls in any professional or trades program within 30 months after the date of your death for the purposes of obtaining an independent source of support or enriching that Spouse's ability to earn a living. Proof of enrollment must be given to Prudential.

Benefit Amount Payable for Tuition Reimbursement for Your Spouse: The additional benefit payable is shown in the Schedule of Benefits.

(6) **Additional Benefit for Tuition Reimbursement for Your Dependent Child:**

This additional benefit for tuition reimbursement for your dependent child only applies if you suffer a Loss of life.

An additional benefit for tuition reimbursement is payable for each dependent child less than age 23 who, on the date of death, is:

- (a) your child who wholly depends on you for support and maintenance; and
- (b) enrolled as a full-time student in a School; or
- (c) in the 12th grade and becomes a full-time student in a School within 365 days after that date.

Proof of enrollment must be given to Prudential.

School means an institution of higher learning. This includes, but is not limited to, a university, college or trade school.

Benefit Amount Payable for Tuition Reimbursement for Your Dependent Child: The additional amount payable is shown in the Schedule of Benefits.

(7) **Additional Benefit for Day Care Expenses for Your Dependent Child:**

This additional benefit for day care expenses for your dependent child only applies if you suffer a Loss of life.

This additional benefit is payable for each dependent child less than age 7 who:

- (a) is your child who is wholly dependent on you for support and maintenance on the date of death; and
- (b) is enrolled at a Day Care Center on the date of death; or
- (c) becomes enrolled at a Day Care Center within 90 days after the date of death.

Proof of enrollment must be given to Prudential.

A Day Care Center is a facility which:

- (a) is duly licensed, certified or accredited to provide child care by the jurisdiction in which it is located; and
- (b) is operating in compliance with applicable laws and regulation of that jurisdiction.

Benefit Amount Payable for Day Care Expenses for Your Dependent Child: The additional amount payable is shown in the Schedule of Benefits.

The Claim Rules and the "To Whom Payable" part of the Schedule of Benefits apply to the payment of the benefits.

Right to Elect Accidental Death and Dismemberment Coverage under the Portability Plan

This right applies to the Basic Accidental Death and Dismemberment Coverage for Employees under the Group Contract.

It describes when and how you may become covered for similar coverage under the Portability Plan when your Basic Accidental Death and Dismemberment Coverage under the Group Contract ends. The terms and conditions of the Portability Plan will not be the same as those under this Group Contract. The amount of insurance available under the Portability Plan may not be the same as the amount under this Group Contract.

RIGHT TO APPLY FOR COVERAGE UNDER THE PORTABILITY PLAN

A right under this section is subject to the rest of these provisions.

You will have the right to apply for accidental death and dismemberment coverage under the Portability Plan if you meet all of these tests:

- (1) Your Basic Accidental Death and Dismemberment Coverage ends for any reason other than:
 - (a) your failure to pay, when due, any contribution required for it; or
 - (b) the end of your employment on account of your retirement; or
 - (c) the end of the Coverage for all Employees when such Coverage is replaced by group accidental death and dismemberment insurance from any carrier for which you are or become eligible within the next 31 days.
- (2) You meet the Active Work Requirement on the day your insurance ends.
- (3) You are less than age 80.
- (4) Your Amount of Insurance is at least \$20,000 under the Basic Accidental Death and Dismemberment Coverage on the day your insurance ends.
- (5) You apply for term life coverage under the Portability Plan.

PORTABILITY APPLICATION PERIOD

You have the right to apply for coverage under the Portability Plan during the Portability Application Period. Evidence of insurability is not required to become insured under the Portability Plan.

The Portability Application Period is the longer of:

- (1) the 31 day period after your Basic Accidental Death and Dismemberment Coverage ends; and

- (2) the number of days during which you have the right to apply for the term life coverage under the Portability Plan.

TERMS AND CONDITIONS OF THE PORTABILITY PLAN

The form, amount, first premium, and effective date will be as stated below.

Form and Amount: The form of accidental death and dismemberment coverage that Prudential then makes available under the Portability Plan. The terms and conditions of that coverage will not be the same as the Basic Accidental Death and Dismemberment Coverage under the Group Contract.

Amount: Not more than your amount of insurance under the Basic Accidental Death and Dismemberment Coverage when your insurance ends, but not less than \$20,000.

The maximum amount of accidental death and dismemberment insurance under the Portability Plan is the lesser of 5 times your annual Earnings and \$1,000,000.

In no event can your amount of accidental death and dismemberment insurance under the Portability Plan exceed your amount of term life insurance under the Portability Plan.

First Premium: The first premium is due to Prudential within 31 days of the date the first bill is issued.

Effective Date: The day after the Portability Application Period ends.

General Information

BENEFICIARY RULES

The rules in this section apply to insurance payable on account of your death, when the Coverage states that they do. But these rules are modified by any burial expenses rule in the Schedule of Benefits and, if there is an assignment, by the following sections: Limits on Assignments; and Effect of Gift Assignment of Rights of Group Life Insurance Under Another Group Contract.

“Beneficiary” means a person chosen, on a form approved by Prudential, to receive the insurance benefits.

You have the right to choose a Beneficiary for each Coverage under this Prudential Group Contract.

If there is a Beneficiary for the insurance under a Coverage, it is payable to that Beneficiary. Any amount of insurance under a Coverage for which there is no Beneficiary at your death will be payable to the first of the following: your (a) surviving spouse; (b) surviving child(ren) in equal shares; (c) surviving parents in equal shares; (d) surviving siblings in equal shares; (e) estate. This order will apply unless otherwise provided in the Limits on Assignments.

You may change the Beneficiary at any time without the consent of the present Beneficiary. The Beneficiary change form must be filed through the Contract Holder. The change will take effect on the date the form is signed. But it will not apply to any amount paid by Prudential before it receives the form.

If there is more than one Beneficiary but the Beneficiary form does not specify their shares, they will share equally. If a Beneficiary dies before you, that Beneficiary's interest will end. It will be shared equally by any remaining Beneficiaries, unless the Beneficiary form states otherwise.

If you and a Beneficiary die in the same event and it cannot be determined who died first, the insurance will be payable as if that Beneficiary died before you.

MODE OF SETTLEMENT RULES

The rules in this section apply to Life and Accident Insurance payable on account of a Covered Person's death. But these rules are subject to the Limits on Assignments section.

Insurance payable on account of a Covered Person's death is normally paid to the Beneficiary in one sum. Subject to applicable law, where the amount of the benefit meets Prudential's current minimum requirement, payment in one sum will be made by establishing a retained asset account in the Beneficiary's name, unless the Beneficiary elects another settlement or payment option available at the time of claim, and the benefit distribution will be deemed complete when the account is established. The retained asset account is an interest-bearing draft account backed by the financial strength of Prudential. Funds are held in Prudential's general account or elsewhere as Prudential may direct and an account in the Beneficiary's name is credited interest at a rate set by Prudential's discretion, subject to a minimum rate that will change no more than once every 90 days on advance notice to the Beneficiary. The Beneficiary is provided a draftbook and has immediate access to the entire amount by writing drafts for any amount up to the account balance. The retained asset account is not a bank account and is not insured by the Federal Deposit Insurance Corporation; it is a contractual undertaking between Prudential and the Beneficiary. Further information about the account is provided at the time of claim. Prudential may at its discretion provide other forms of

payment in one sum. But another mode of settlement may be arranged with Prudential for all or part of the insurance, as stated below.

Arrangements for Mode of Settlement: You may arrange a mode of settlement by proper written request to Prudential.

If, at a Covered Person's death, no mode of settlement has been arranged for an amount of the person's Life or Accident Insurance, the Beneficiary and Prudential may then mutually agree on a mode of settlement for that amount.

Conditions for Mode of Settlement: The Beneficiary must be a natural person taking in the Beneficiary's own right. A mode of settlement will apply to secondary Beneficiaries only if Prudential agrees in writing. Each installment to a person must not be less than \$20.00. A change of Beneficiary will void any mode of settlement arranged before the change.

Choice by Beneficiary: A Beneficiary being paid under a mode of settlement may, if Prudential agrees, choose (or change the Beneficiary's choice of) a payee or payees to receive, in one sum, any amount which would otherwise be payable to the Beneficiary's estate.

Prudential has prepared information about the modes of settlement available. Ask the Contract Holder for this.

INCONTESTABILITY OF LIFE INSURANCE

This limits Prudential's use of a person's statements in contesting an amount of Life Insurance for which the person is insured. These are statements made to persuade Prudential to accept the person for insurance. They will be considered to be made to the best of the person's knowledge and belief. These rules apply to each statement:

- (1) It will not be used in the contest unless:
 - (a) It is in a written instrument signed by the person and
 - (b) A copy of that instrument is or has been furnished to the person or to the person's Beneficiary.
- (2) If it relates to the person's insurability, it will not be used to contest the validity of insurance which has been in force, before the contest, for at least two years during the person's lifetime.

LIMITS ON ASSIGNMENTS

You may assign your insurance under a Coverage. Unless the Schedule of Benefits states otherwise, insurance under any Coverage providing death benefits or periodic benefits on account of disability may be assigned only as a gift assignment. Any rights, benefits or privileges that you have as an Employee may be assigned. This includes any right you have to choose a Beneficiary or to convert to another contract of insurance. Prudential will not decide if an assignment does what it is intended to do. Prudential will not be held to know that one has been made unless it or a copy is filed with Prudential through the Contract Holder.

This paragraph applies only to insurance for which you have the right to choose a Beneficiary, when that right has been assigned. If an assigned amount of insurance becomes payable on account of your death and, on the date of that death, there is no Beneficiary chosen by the assignee, it will be payable to:

- (1) the assignee, if living; or
- (2) the estate of the assignee, if the assignee is not living.

It will not be payable as stated in the Beneficiary Rules.

EFFECT OF GIFT ASSIGNMENT OF RIGHTS OF GROUP LIFE INSURANCE UNDER ANOTHER GROUP CONTRACT

This Section applies to all Coverages providing Employee death benefits.

If you are eligible for insurance under the Group Contract on the Group Contract's effective date you will have no rights, benefits or privileges under any such Coverage if, on the day before that date, all the following were true:

- (1) You were insured for group life insurance under another group contract. That contract was issued by Prudential or another insurance carrier to cover Employees of the Employer.
- (2) Your group life insurance under the other group contract ended.
- (3) An irrevocable and absolute gift assignment made by you was in effect. It was made before the other contract ended. That assignment was of all your rights, benefits and privileges of the group life insurance under the other group contract. Those rights were owned by the assignee or the assignee's successor.

The owner of those rights of the group life insurance under the other group contract on the day before this Group Contract's effective date will be the owner of the rights, benefits, and privileges you would have had under a Coverage if this section did not apply. This includes, but is not limited to, any right of assignment you would have had under the Limits on Assignments section above. The term "assignee" as used in that section includes such an owner.

The term "group life insurance", as used above, means only group life insurance provided under a group contract in effect on the day before the date the Employer became included under the Group Contract.

DEFINITIONS

Active Work Requirement: A requirement that you be actively at work on a full time basis at the Employer's place of business or at any other place that the Employer's business requires you to go. You are considered actively at work during a normal vacation if you were actively at work on your last regularly scheduled workday.

Annual Enrollment Period: There is a period each year during which you may enroll for Coverage or request a change in Coverage for the following Calendar Year. The Contract Holder will notify you of when this Annual Enrollment Period begins and ends.

Calendar Year: A year starting January 1.

Contributory Insurance, Non-contributory Insurance: Contributory Insurance is insurance for which the Contract Holder has the right to and may require your direct contribution to the cost of coverage. Non-contributory Insurance premiums are paid by the Contract Holder, usually without direct contribution from you. The rate for Non-contributory insurance may be determined, or in some cases, reduced, in part, based on your contributions for contributory insurance or other benefits offered to you under the Contract Holder benefit plan.

Coverage: A part of the Booklet consisting of:

- (1) A benefit page labeled as a Coverage in its title.
- (2) Any page or pages that continue the same kind of benefits.
- (3) A Schedule of Benefits entry and other benefit pages or forms that by their terms apply to that kind of benefits.

Covered Person under a Coverage: An Employee who is insured for Employee Insurance under that Coverage; a Qualified Dependent for whom an Employee is insured for Dependents Insurance, if any, under that Coverage.

Dependents Insurance: Insurance on the person of a dependent.

Doctor: A licensed practitioner of the healing arts acting within the scope of the license.

Earnings: This is the gross amount of money paid to you by the Employer in cash for performing the duties required of your job. Bonuses, overtime pay, Earnings for more than 40 hours per week, and all other benefits are not included.

Employee: A person employed by the Employer; a proprietor or partner of the Employer. The term also applies to that person for any rights after insurance ends.

Employee Insurance: Insurance on the person of an Employee.

The Employer: Collectively, all employers included under the Group Contract.

Injury: Injury to the body of a Covered Person.

Prudential: The Prudential Insurance Company of America.

Sickness: Any disorder of the body or mind of a Covered Person, but not an Injury; pregnancy of a Covered Person, including abortion, miscarriage or childbirth.

You: An Employee.

CLAIM RULES

These rules apply to payment of benefits under all accident Coverages.

Proof of Loss: Prudential must be given written proof of the loss for which claim is made under the Coverage. This proof must cover the occurrence, character and extent of that loss. It must be furnished within 90 days after the date of the loss. But, if any Coverage provides for periodic payment of benefits at monthly or shorter intervals, the proof of loss for each such period must be furnished within 90 days after its end.

A claim will not be considered valid unless the proof is furnished within these time limits. However, it may not be reasonably possible to do so. In that case, the claim will still be considered valid if the proof is furnished as soon as reasonably possible.

When Benefits are Paid: Benefits are paid when Prudential receives written proof of the loss. But, if a Coverage provides that benefits are payable at equal intervals of a month or less, Prudential will not have to pay those benefits more often.

Physical Exam and Autopsy: Prudential, at its own expense, has the right to examine the person whose loss is the basis of claim. Prudential may do this when and as often as is reasonable while the claim is pending. Prudential also has the right to arrange for an autopsy in case of accidental death, if it is not forbidden by law.

Legal Action: No action at law or in equity shall be brought to recover on the Group Contract until 60 days after the written proof described above is furnished. No such action shall be brought more than three years after the end of the time within which proof of loss is required.

INCONTESTABILITY OF INSURANCE TO WHICH THE CLAIM RULES APPLY

This limits Prudential's use of your statements in contesting an amount of that insurance for which you are insured. These are statements made to persuade Prudential to effect an amount of that insurance. They will be considered to be made to the best of your knowledge and belief. These rules apply to each statement:

- (1) It will not be used in a contest to avoid or reduce that amount of insurance unless:
 - (a) It is in a written application signed by you; and
 - (b) A copy of that application is or has been furnished to you.
- (2) It will not be used in the contest after that amount of insurance has been in force, before the contest, for at least two years during your lifetime.

When Your Insurance Ends

EMPLOYEE AND DEPENDENTS INSURANCE

Your Employee Insurance under a Coverage or your Dependents Insurance under a Coverage will end when the first of these occurs:

- Your membership in the Covered Classes for the insurance ends because your employment ends (see below) or for any other reason.
- The part of the Group Contract providing the insurance ends.
- For Contributory Insurance under a Coverage of the Group Contract, you fail to pay, when due, any contribution required. But, if Employee Insurance is Contributory, failure to contribute for Dependents Insurance will not cause your Employee Insurance to end.
- The Insurance is Dependents Insurance under the Dependents Term Life Coverage and your Employee Insurance under the Employee Term Life Coverage ends.

Your Dependents Insurance for a Qualified Dependent under a Coverage will end when that person ceases to be a Qualified Dependent for that Coverage. (See Continued Coverage for an Incapacitated Child below.)

End of Employment: For insurance purposes, your employment will end when you are no longer a full-time Employee actively at work for the Employer. But, under the terms of the Group Contract, the Contract Holder may consider you as still employed in the Covered Classes during certain types of absences from full-time work. This is subject to any time limits or other conditions stated in the Group Contract.

If you stop active full-time work for any reason, you should contact the Employer at once to determine what arrangements, if any, have been made to continue any of your insurance.

Continued Coverage for an Incapacitated Child: This applies to the Dependents Insurance you have for a child. The insurance for the child will not end on the date the age limit in the definition of Qualified Dependent is reached if both of these are true:

- (1) The child is then mentally or physically incapable of earning a living. Prudential must receive proof of this within the next 31 days.
- (2) The child otherwise meets the definition of Qualified Dependent.

If these conditions are met, the age limit will not cause the child to stop being a Qualified Dependent under that Coverage. This will apply as long as the child remains so incapacitated.

**The Summary Plan Description
is not part of the
Group Insurance Certificate.
It has been provided by
your Employer and included in
your Booklet-Certificate
upon the Employer's request.**

SUMMARY PLAN DESCRIPTION

This booklet is intended to comply with the disclosure requirements of the regulations issued by the U.S. Department of Labor under the Employee Retirement Income Security Act (ERISA) of 1974. ERISA requires that you be given a "Summary Plan Description" which describes the plan and informs you of your rights under it.

Plan Name

Goodwill Industries of Northwest North Carolina, Inc. Life Insurance Plan

Plan Number

502

Type of Plan

Employee Welfare Benefit Plan

Plan Sponsor

Goodwill Industries of Northwest North Carolina, Inc.
2701 University Parkway
Winston-Salem, North Carolina 27115

Employer Identification Number

56-0588474

Plan Administrator

Goodwill Industries of Northwest North Carolina, Inc.
Attention: Human Resources Department
2701 University Parkway
Winston-Salem, North Carolina 27115

Agent for Service of Legal Process

Goodwill Industries of Northwest North Carolina, Inc.
Attention: Human Resources Department
2701 University Parkway
Winston-Salem, North Carolina 27115

Plan Year Ends

December 31

Plan Benefits Provided by

The Prudential Insurance Company of America
751 Broad Street
Newark, New Jersey 07102

This Group Contract underwritten by The Prudential Insurance Company of America provides insured benefits under your Employer's ERISA plan(s). For all purposes of this Group Contract, the Employer/Policyholder acts on its own behalf or as an agent of its employees. Under no circumstances will the Employer/Policyholder be deemed the agent of The Prudential Insurance Company of America, absent a written authorization of such status executed between the Employer/Policyholder and The Prudential Insurance Company of America. Nothing in these documents shall, of themselves, be deemed to be such written execution.

The Prudential Insurance Company of America as Claims Administrator has the sole discretion to interpret the terms of the Group Contract, to make factual findings, and to determine eligibility for benefits. The decision of the Claims Administrator shall not be overturned unless arbitrary and capricious.

The insurance benefit coverages described in the Booklet are being offered to you under a single ERISA plan. Coverages described as non contributory or as being paid entirely by the Employer/Contract Holder (if any) are those paid for directly by the Employer/Contract Holder such that you have no out of pocket expense for such coverages. However, the premium rate that the Employer/Contract Holder pays for insurance coverage offered to you under the Plan may be determined, or in some cases, reduced, in part, based on your contributions for other coverages or other benefits offered under the Plan. When this occurs, your contributions for one benefit coverage may cover some or all of the costs or plan expenses for another benefit coverage offered to you under the Plan.

Loss of Benefits

You must continue to be a member of the class to which this plan pertains and continue to make any of the contributions agreed to when you enroll. Failure to do so may result in partial or total loss of your benefits. It is intended that this plan will be continued for an indefinite period of time. But, the employer reserves the right to change or terminate the plan. This booklet describes your rights upon termination of the plan.

Claim Procedures

1. Determination of Benefits

Prudential shall notify you of the claim determination within 45 days of the receipt of your claim. This period may be extended by 30 days if such an extension is necessary due to matters beyond the control of the plan. A written notice of the extension, the reason for the extension and the date by which the plan expects to decide your claim, shall be furnished to you within the initial 45-day period. This period may be extended for an additional 30 days beyond the original 30-day extension if necessary due to matters beyond the control of the plan. A written notice of the additional extension, the reason for the additional extension and the date by which the plan expects to decide on your claim, shall be furnished to you within the first 30-day extension period if an additional extension of time is needed. However, if a period of time is extended due to your failure to submit information necessary to decide the claim, the period for making the benefit determination by Prudential will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If your claim for benefits is denied, in whole or in part, you or your authorized representative will receive a written notice from Prudential of your denial. The notice will be written in a manner calculated to be understood by you and shall include:

- (a) the specific reason(s) for the denial,

- (b) references to the specific plan provisions on which the benefit determination was based,
- (c) a description of any additional material or information necessary for you to perfect a claim and an explanation of why such information is necessary,
- (d) a description of Prudential's appeals procedures and applicable time limits, including a statement of your right to bring a civil action under section 502(a) of ERISA following your appeals, and
- (e) if an adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination will be provided free of charge upon request.

2. Appeals of Adverse Determination

If your claim for benefits is denied or if you do not receive a response to your claim within the appropriate time frame (in which case the claim for benefits is deemed to have been denied), you or your representative may appeal your denied claim in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

A full review of the information in the claim file and any new information submitted to support the appeal will be conducted by Prudential, utilizing individuals not involved in the initial benefit determination. This review will not afford any deference to the initial benefit determination.

Prudential shall make a determination on your claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date that Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled (i.e., suspended) from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

If the claim on appeal is denied in whole or in part, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include:

- (a) the specific reason(s) for the adverse determination,
- (b) references to the specific plan provisions on which the determination was based,
- (c) a statement that you are entitled to receive upon request and free of charge reasonable access to, and make copies of, all records, documents and other information relevant to your benefit claim upon request,
- (d) a description of Prudential's review procedures and applicable time limits,

- (e) a statement that you have the right to obtain upon request and free of charge, a copy of internal rules or guidelines relied upon in making this determination, and
- (f) a statement describing any appeals procedures offered by the plan, and your right to bring a civil suit under ERISA.

If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

If the appeal of your benefit claim is denied or if you do not receive a response to your appeal within the appropriate time frame (in which case the appeal is deemed to have been denied), you or your representative may make a second, voluntary appeal of your denial in writing to Prudential within 180 days of the receipt of the written notice of denial or 180 days from the date such claim is deemed denied. You may submit with your second appeal any written comments, documents, records and any other information relating to your claim. Upon your request, you will also have access to, and the right to obtain copies of, all documents, records and information relevant to your claim free of charge.

Prudential shall make a determination on your second claim appeal within 45 days of the receipt of your appeal request. This period may be extended by up to an additional 45 days if Prudential determines that special circumstances require an extension of time. A written notice of the extension, the reason for the extension and the date by which Prudential expects to render a decision shall be furnished to you within the initial 45-day period. However, if the period of time is extended due to your failure to submit information necessary to decide the appeal, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to you until the date on which you respond to the request for additional information.

Your decision to submit a benefit dispute to this voluntary second level of appeal has no effect on your right to any other benefits under this plan. If you elect to initiate a lawsuit without submitting to a second level of appeal, the plan waives any right to assert that you failed to exhaust administrative remedies. If you elect to submit the dispute to the second level of appeal, the plan agrees that any statute of limitations or other defense based on timeliness is tolled during the time that the appeal is pending.

If the claim on appeal is denied in whole or in part for a second time, you will receive a written notification from Prudential of the denial. The notice will be written in a manner calculated to be understood by the applicant and shall include the same information that was included in the first adverse determination letter. If a decision on appeal is not furnished to you within the time frames mentioned above, the claim shall be deemed denied on appeal.

Rights and Protections

As a participant in this plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all plan participants shall be entitled to:

Receive Information about Your Plan and Benefits

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

