Pace Industries, LLC

Group Hospital Confinement Indemnity - Voluntary

Policy No. R0746818

All Employees

Underwritten by Unum Life Insurance Company of America

June 28, 2018

CERTIFICATE OF COVERAGE

THIS COVERAGE IS A SUPPLEMENT TO HEALTH INSURANCE. IT IS NOT A SUBSTITUTE FOR COMPREHENSIVE HEALTH INSURANCE AND DOES NOT QUALIFY AS MINIMUM ESSENTIAL HEALTH COVERAGE. PLEASE READ IT CAREFULLY.

THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the company.

Unum Life Insurance Company of America (referred to as Unum) welcomes you as a client.

This is your **Certificate of Coverage** as long as you are eligible for coverage and you become insured. You will want to read it carefully and keep it in a safe place.

Unum has written your certificate of coverage in plain English. However, a few terms and provisions are written as required by insurance law. If you have any questions about any of the terms and provisions, please consult Unum. Unum will assist you in any way to help you understand your benefits.

If the terms and provisions of this certificate of coverage (issued to you) are different from the policy (issued to the policyholder), the policy will govern. The policy may be changed in whole or in part. Only an officer of Unum can approve a change. The approval must be in writing and endorsed on or attached to the policy. Any other person, including a broker, may not change the policy or waive any part of it.

The policy is delivered in and is governed by the laws of the governing jurisdiction and to the extent applicable by the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments.

For purposes of effective dates and ending dates under the policy, all days begin at 12:01 a.m. and end at 12:00 midnight at the policyholder's address.

Unum Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122

TABLE OF CONTENTS

BENEFITS AT A GLANCE

This hospital confinement indemnity policy provides financial protection for you by paying a benefit if you are confined in a hospital. Depending on the coverage chosen, Unum may also pay you a benefit if you receive treatment for a covered accident or covered sickness. The amount you receive is based on the amount of coverage in effect on the date of the covered loss according to the terms and provisions of the policy. You also have the opportunity to purchase coverage for your spouse and dependent child(ren).

EMPLOYER'S ORIGINAL POLICY
EFFECTIVE DATE: July 1, 2018

POLICY NUMBER: R0746818 GRP_HSP_VOL_12-01

ELIGIBLE GROUP(S):

All Employees in **Active Employment** in the United States with the **Employer**.

MINIMUM HOURS REQUIREMENT:

Employees must be in active employment at least 20 hours per week.

PAYING FOR COVERAGE:

For You:
You must make contributions for **Your** coverage.

For Your Spouse:
You must make contributions for coverage for your **Spouse.**

For Your Dependent Child(ren):
You must make contributions for coverage for your **Dependent Child(ren).**

COVERAGE FOR: EMPLOYEE, SPOUSE AND DEPENDENT CHILD(REN)

Your confirmation of coverage will indicate those covered for benefits under this policy.

If a benefit amount below does not indicate an amount for the spouse and dependent child(ren), the benefit amount will be the same as the employee benefit amount.

For descriptions of benefits and limitations regarding the number of benefit payments refer to the BENEFIT INFORMATION section of the policy.

BENEFITS:

Daily Hospital Confinement	$200 Maximum of 60 days per insured per calendar year
Hospital Admission	$1,000 Maximum of one day per insured per calendar year
Hospital Intensive Care Unit Confinement	$400 Maximum of 15 days per insured per calendar year
Wellness	$50 per day Maximum of one day per insured per calendar year

SOME LOSSES MAY NOT BE COVERED UNDER THIS POLICY. BENEFIT MAXIMUMS MAY APPLY.

OTHER FEATURES:

Continuity of Coverage

Portability

The above items are only highlights of this policy. For a full description of your coverage, continue reading your certificate of coverage and if you make contributions for your coverage, refer to your confirmation of coverage. The plan includes enrollment, risk management and other support services related to your employer's benefit program.

CLAIM INFORMATION

Notice of Claim. Notice of claim should be sent to Unum within 90 days after the date of **Covered Loss** for which a benefit is claimed, or as soon as is reasonably possible. If notice is not reasonably possible to provide within 90 days, it must be given no later than one year after the time notice of claim is required. These time limits will not apply during any time period you or your authorized representative lacks the legal capacity to give Unum notice of claim. Notice should be sent to Unum at **Our** home office. If you submit a claim before notification of Unum's decision on any coverage requiring **Evidence of Insurability**, the amount of coverage applicable to the claim will be determined as if Unum's final underwriting decision had been made prior to the date of covered loss.

Claim Forms. When Unum receives a notice of claim, claim forms will be sent for filing proof of claim within 15 days. If claim forms are not sent within 15 days, the proof of claim requirements will be met if **We** receive a written statement of the nature and extent of the loss as required in the proof of claim section. Claim forms are also available from your employer.

Proof of Claim. Proof of claim must include documentation furnished by a **Physician** or medical facility. It may include one or more of the following: a physician's bill, a **Hospital** bill, or other proof of services.

If it is not reasonably possible to give proof of claim within 90 days after the date of covered loss for which a benefit is claimed, it must be given no later than one year after the time proof of claim is required. These time limits will not apply during any time period the **Insured** or the insured's authorized representative lacks the legal capacity to give Unum proof of claim.

Time of Payment of Claims. After Unum receives, evaluates and processes proof of claim, Unum will pay any benefits due.

Payment of Claims. Benefits payable under this policy for any covered loss will be paid immediately upon receipt of written proof of loss. When we receive proof of claim, benefits payable under the policy will be paid within 30 days of receipt of written proof of loss. Benefits will be paid to you unless such benefits have been assigned. If you are not competent, Unum can pay up to $2,000 to the person or institution that appears to have assumed your custody and main support. Any accrued benefits unpaid at your death will be paid to the named beneficiary, if any, otherwise to your estate. Unum will be discharged to the extent of any such payment made in good faith.

Overpayments. Unum has the right to recover any overpayments due to:

- fraud; and
- any error we make in processing a claim.

You must reimburse **Us** in full. We will determine the method by which the repayment is to be made.

Unum will not recover more money than the amount we paid you.

Unpaid Premium. Any unpaid premium due for your coverage under this policy may be recovered by us by offsetting against amounts otherwise payable to you, your

beneficiary, or your legal representative(s) under this policy, or by other legally permitted means.

Assignment. The rights provided to you by the policy are owned by you, unless you assign your rights under the policy to an assignee.

We will recognize an assignee as the owner of the rights assigned only if:

- the assignment is in writing, signed by you, and acceptable to us in form; and
- a signed or certified copy of the written assignment has been received and registered by us at our home office.

We will not be responsible for the legal, tax or other effects of any assignment, or for any action taken under the policy provisions before receiving and registering an assignment.

Physical Examinations and Autopsy. We can require that the insured be examined by a physician of our choice at our expense as often as it is reasonably necessary while a claim is pending. In case of death, Unum will have the right and opportunity to request an autopsy where not forbidden by law.

Legal Actions. You or your authorized representative can start legal action regarding your claim 60 days after proof of claim has been given and up to 3 years from the time proof of claim was first required to have been given; or your claim was denied; or your benefits were terminated, unless otherwise provided under federal law.

GENERAL PROVISIONS

ELIGIBILITY FOR COVERAGE

Employee

If you are working for your employer in an eligible group, you are eligible for coverage on the later of:

- the policy effective date; or
- the day after you complete any applicable **Waiting Period**.

If your employment ends and you are rehired within 12 months, your previous work in an eligible group will apply toward the waiting period. All other policy provisions apply.

Unum will apply any period of work with your employer toward the waiting period to determine your eligibility date.

Spouse

If you are covered under this policy, your spouse is eligible for coverage on the later of:

- the date your coverage begins; or
- the date you first acquire a spouse.

You may not apply for coverage for your spouse if your spouse is covered as an employee.

Dependent Child(ren)

If you are covered under this policy, your dependent child(ren) are eligible for coverage on the later of:

- the date your coverage begins; or
- the date you first acquire the dependent child.

If your spouse is an eligible employee, only one of you may apply for coverage on dependent child(ren).

COVERAGE EFFECTIVE DATE

You may apply at **Enrollment** for coverage based on the benefits available as shown in the BENEFITS AT A GLANCE section. Evidence of insurability may be required. When you apply for coverage or are covered under this policy, you are also eligible to apply for coverage on your spouse and dependent child(ren).

The insured's coverage will begin at 12:01 a.m. on the date shown on the confirmation of coverage, provided Unum has approved your application and any required evidence of insurability.

If you are absent from work on the date your coverage would normally begin due to **Injury**, or **Sickness**, temporary **Layoff** or **Leave of Absence**, the proposed insured's coverage will begin on the date you return to active employment.

Newborn Coverage. Your dependent child(ren) who are born while you are covered under this policy are covered for 90 days from the moment of live birth. If you do not have dependent child(ren) coverage at the time of the birth, you must notify Unum within 31 days of the newly eligible dependent child's birth and pay the required additional premium for your dependent child(ren)'s coverage to continue. If you have dependent child(ren) coverage at the time of the newly eligible dependent child's birth, it is not necessary for you to notify Unum or pay any additional premium. We will not pay benefits for hospital confinement of a newborn child following his birth unless he is sick or injured.

Adopted Child(ren). Coverage for dependent child(ren) shall begin on the date of the filing of a petition for adoption if you apply for coverage within 60 days after the filing of the petition. Coverage shall begin from the moment of birth if the petition for adoption and application for coverage is filed within 60 days after the birth.

Employer Changes to the Policy. Once your coverage begins and you are in active employment or on a covered layoff or leave of absence, any coverage changes made by your employer, consistent with the options you select, will take effect on the date agreed upon by Unum and your employer.

If you are not in active employment due to injury or sickness, any coverage changes requested by your employer will begin on the date you return to active employment.

Coverage changes will not affect a **Payable Claim** that occurs prior to the effective date of the change.

Changes You Make to Your Coverage. If changes in coverage are allowed, you may choose to:

- increase coverage based on the available benefits shown in the BENEFITS AT A GLANCE section;
- decrease coverage based on the available benefits shown in the BENEFITS AT A GLANCE section; or
- cancel coverage.

Evidence of insurability may be required.

Changes in coverage begin at 12:01 a.m. on the date shown on your confirmation of coverage. However, if you are absent from work due to injury, sickness, temporary layoff or leave of absence on the date your change in coverage would normally begin, changes in coverage that you make will begin on the date you return to active employment.

Changes in coverage will not affect a payable claim that occurs prior to the effective date of the change.

Any additional coverage will be subject to a new **Pre-existing Condition** limitation.

Termination of Employee Coverage. If you choose to cancel your coverage under the policy, your coverage will end on the first of the month following the date you provide notification to your employer.

Otherwise, your coverage under the policy ends on the earliest of the:

- date this policy is cancelled;
- date you are no longer in an eligible group;
- date your eligible group is no longer covered;
- date of your death;
- last day of the period for which you made any required contributions; or
- last day you are in active employment.

However, as long as premium is paid as required, coverage will continue if you elect to continue coverage under the Portability provision or in accordance with the layoff, leave of absence, and absence due to injury or sickness provisions of this policy.

Unum will provide coverage for a payable claim which occurs while you are covered under this policy.

Termination of Spouse Coverage. If you choose to cancel your spouse's coverage under the policy, coverage for your spouse ends on the first of the month following the date you provide notification to your employer.

Otherwise, spouse coverage under the policy ends on the earliest of the:

- date this policy is cancelled;
- date you are no longer in an eligible group;
- date your eligible group is no longer covered;
- date of your death;
- last day of the period for which you made any required contributions;
- last day you are in active employment;
- date your coverage under the policy ends;
- date your spouse no longer meets the definition of spouse; or
- date of divorce or annulment.

However, as long as premium is paid as required, coverage will continue if you or your spouse elects to continue coverage under the Portability provision or in accordance with the layoff, leave of absence, and absence due to injury or sickness provisions of this policy.

Unum will provide coverage for a payable claim which occurs while your spouse is covered under the policy.

Termination of Dependent Child(ren) Coverage. If you choose to cancel your dependent child(ren)'s coverage under the policy, coverage for your dependent child(ren) ends on the first of the month following the date you provide notification to your employer.

Otherwise, dependent child(ren) coverage under the policy ends on the earliest of the:

- date this policy is cancelled;
- date you are no longer in an eligible group;
- date your eligible group is no longer covered;
- date of your death;
- last day of the period for which you made any required contributions;
- last day you are in active employment;

- date your coverage under the policy ends; or
- date your dependent child(ren) no longer meets the definition of dependent child(ren).

However, as long as premium is paid as required, coverage will continue if you or your spouse elects to continue coverage under the Portability provision or in accordance with the layoff, leave of absence, and absence due to injury or sickness provisions of this policy.

Unum will provide coverage for a payable claim which occurs while your dependent child(ren) is covered under the policy.

Layoff. If you are on a temporary layoff, and if premium is paid, any insured will be covered through the end of the month that immediately follows the month in which your temporary layoff begins.

Leave of Absence. If you are on a leave of absence, other than for family or medical leave, and if premium is paid, any insured will be covered through the end of the month that immediately follows the month in which your leave of absence begins.

Absence Due to Injury or Sickness. If you are not working due to injury or sickness, and if premium is paid, any insured may continue to be covered subject to the Termination of Employee Coverage provision.

Continuing Coverage while Employee is on Family and Medical Leave of Absence. Unum will continue coverage in accordance with your employer's Human Resource policy on family and medical leaves of absence if premium payments continue and your employer approved your leave in writing.

Coverage will be continued until the end of the latest of the leave period:

- required by the Federal Family and Medical Leave Act of 1993 and any amendments;
- required by applicable state law; or
- provided to you for an injury or sickness.

If your employer's Human Resource policy does not provide for continuation of your coverage during a family and medical leave of absence, your coverage will be reinstated when you return to active employment.

Unum will not:

- apply a new waiting period;
- require evidence of insurability; or
- apply a new pre-existing condition limitation.

Insurance Fraud. Unum wants to ensure you and your employer do not incur additional insurance costs as a result of the undermining effects of insurance fraud. Unum promises to focus on all means necessary to support fraud detection, investigation, and prosecution.

It is a crime if you knowingly, and with intent to injure, defraud or deceive Unum, or provide any information, including filing a claim that contains any false, incomplete or misleading information. These actions, as well as submission of materially false information, will result in denial of your claim, and are subject to prosecution and

punishment to the full extent under state and/or federal law. Unum will pursue all appropriate legal remedies in the event of insurance fraud.

Contestability of Statements in Application or Evidence of Insurability. Unum considers any statements you make in a signed application or evidence of insurability form, or that your employer makes in the application process, a representation and not a warranty. If any of the statements you or your employer make are not complete and/or not true at the time they are made, we can:

- reduce or deny any claim; or
- cancel your coverage from the original effective date.

As a basis for doing this, we will use only statements made by the employer in the application process or statements made by you in a signed application or evidence of insurability form.

Except in the case of fraud, Unum can take action only in the first two years any insured's coverage is in force.

If the employer gives Unum information about you that is incorrect, Unum will:

- use the facts to decide whether you have coverage under the policy and in what amounts; and
- make a fair adjustment of the premium.

Employer as Agent. For purposes of this policy, the employer acts on its own behalf or as the employee's agent. Under no circumstances will the employer be deemed the agent of Unum.

Communicating with You or Your Employer. Unum may provide notices, information and other communications to you or your employer in written, electronic or telephonic form.

Workers' Compensation or State Disability Insurance. This policy does not replace or affect the requirements for coverage by any workers' compensation or state disability insurance.

Cancellation or Modification of this Policy. This **Policyholder** provision applies to your coverage. This policy can be cancelled by:

- Unum; or
- the policyholder.

Unum may cancel or modify this policy if:

- our participation requirements are not met, as applicable;
- the policyholder does not promptly provide Unum with information that is reasonably required;
- the policyholder fails to perform any of its obligations that relate to this policy;
- the premium is not paid in accordance with the provisions of this policy that specify whether the policyholder, the employee, or both, pay(s) the premiums;
- the policyholder does not promptly report to us the names of any employees who are added or deleted from the eligible group;

- Unum determines that there is a significant change, in the size, occupation or age of the eligible group as a result of a corporate transaction such as a merger, divestiture, acquisition, sale or reorganization of the policyholder and/or its employees;
- Unum provides 45 days notice at any time after the Initial Rate Guarantee for any reason; or
- Unum is notified of a change in Federal or State Law materially affecting the policy.

If Unum cancels or modifies this policy, for any of the reasons listed above, a written notice will be delivered to the policyholder at least 45 days prior to the cancellation date or modification date. The policyholder may cancel this policy if the modifications are unacceptable.

If any premium is not paid during the 31 day **Grace Period**, this policy will cancel automatically at the end of the grace period. The policyholder is liable for premium for coverage during the grace period. The policyholder must pay us all premiums due for the full period this policy is in force. In the event of termination, this policy may be reinstated only as agreed upon by Unum and the policyholder. If Unum agrees to reinstate this policy, such reinstatement will not constitute waiver of the termination provision in the future.

The policyholder may cancel this policy by written notice delivered to Unum at least 31 days prior to the cancellation date. When both the policyholder and Unum agree, this policy can be cancelled on an earlier date. If Unum or the policyholder cancels this policy, coverage will end at 12:00 midnight on the last day of coverage.

If this policy is cancelled, the cancellation will not affect a payable claim.

BENEFIT INFORMATION

Daily Hospital Confinement
Unum will pay the benefit shown in the BENEFITS AT A GLANCE section for each day an insured is confined in a hospital or a hospital sub-acute intensive care unit due to a covered accident or covered sickness. Unum will pay the benefit shown for each day, to a maximum of 60 days per insured per calendar year.

Unum will not pay this benefit for:

- emergency room treatment;
- outpatient treatment; or
- a confinement of less than 20 hours.

If an insured is confined in a hospital due to a covered accident, the benefit will be paid if the insured is initially confined in a hospital within 180 days of the covered accident.

Hospital Admission
Unum will pay the benefit shown in the BENEFITS AT A GLANCE section if an insured is initially **Confined** in a hospital or a **Hospital Sub-Acute Intensive Care Unit** for a minimum of 20 hours due to a **Covered Accident** or **Covered Sickness**.

Unum will not pay this benefit for:

- emergency room treatment;
- outpatient treatment; or
- a **Confinement** of less than 20 hours.

Unum will pay this benefit for a maximum of one day per insured per **Calendar Year**.

If an insured is confined in a hospital due to a covered accident, the benefit will be paid if the insured is initially confined in a hospital within 180 days of the covered accident.

Hospital Intensive Care Unit Confinement
Unum will pay the benefit shown in the BENEFITS AT A GLANCE section if an insured is confined in a **Hospital Intensive Care Unit** due to a covered accident or covered sickness. Unum will pay the benefit shown for each day, to a maximum of 15 days per insured per calendar year.

Unum will not pay this benefit for:

- emergency room treatment;
- outpatient treatment; or
- a confinement of less than 20 hours.

If an insured is confined in a hospital intensive care unit due to a covered accident, the benefit will be paid if the insured is initially confined in a hospital within 30 days of the covered accident.

If an insured is confined in a hospital intensive care unit for more than 15 days, the Daily Hospital Confinement benefit will begin on the 16th day. The total amount payable per covered accident or covered sickness will not exceed 15 days for Daily Hospital Confinement and 15 days for Hospital Intensive Care Unit Confinement.

If an insured is confined in a hospital intensive care unit that does not meet the definition in this policy of a hospital intensive care unit, Unum will pay the Daily Hospital Confinement benefit.

Unum will pay either the Daily Hospital Confinement benefit or the Hospital Intensive Care Unit Confinement benefit shown in the BENEFITS AT A GLANCE section.

Unum will not pay both the Hospital Intensive Care Unit Confinement benefit and the Daily Hospital Confinement benefit concurrently.

Wellness
Unum will pay the benefit shown in the BENEFITS AT A GLANCE section for a maximum of one Wellness Test per day. This benefit is payable once per calendar year per insured if the insured has a Wellness Test performed.

Wellness Tests are:

- Blood test for triglycerides;
- Bone marrow aspiration or biopsy;
- CA 15-3 (blood test for breast cancer);
- CA-125 (blood test for ovarian cancer);
- CEA (blood test for colon cancer);
- Carotid Doppler;
- Chest x-ray;
- Colonoscopy;
- Echocardiogram;
- Electrocardiogram;
- Fasting blood glucose test;
- Fasting plasma glucose (FPG);
- Hemoglobin A1C(HbA1c);
- Flexible sigmoidoscopy;
- Hemocult stool analysis;
- Mammography;
- Pap smear;
- PSA (blood test for prostate cancer);
- Serum cholesterol test to determine HDL and LDL levels;
- Serum protein electrophoresis (blood test for myeloma);
- Skin cancer biopsy;
- Stress test on a bicycle or treadmill;
- Thermography;
- Thin prep pap test;
- Two hour post-load plasma glucose; or
- Virtual colonoscopy.

LIMITATIONS AND EXCLUSIONS

Unum will not pay any benefits for a claim that is caused by, contributed to by or occurs as a result of:

- participating in war or act of war, whether declared or undeclared;
- treatment for alcoholism or drug addiction, unless the insured is addicted to a narcotic taken on the advice of a physician;

- treatment for dental care or dental procedures, unless treatment is the result of a covered accident;
- elective procedures and/or cosmetic surgery or reconstructive surgery, unless it is a result of trauma, infection or other diseases;
- participating or attempting to participate in a felony or being engaged in an illegal occupation;
- any pregnancy of a dependent child, including services rendered to her child after birth;
- committing or trying to commit suicide or injuring oneself intentionally, whether sane or not;
- hospital confinement caused by, contributed to by, or resulting from **Mental Illness**. However, dementia as a result of stroke, trauma, viral infection, Alzheimer's disease or other conditions not listed which are not usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment are covered under this policy;
- any hospital confinement of a newborn following the birth unless the newborn is sick or injured.

Pre-existing Condition Limitation. Unum will not pay benefits for a claim that is caused by, contributed to by or occurs as a result of a pre-existing condition or any medical or surgical treatment for that condition for which the date of covered loss is in the first 12 months after the insured's coverage effective date.

OTHER FEATURES

Your Right to Continue Coverage (Portability)

If, while you are covered under the policy, your employment with the policyholder ends, you are no longer in an eligible group or the policy is being terminated by the policyholder and is not being replaced, you may have the right to apply to continue coverage for **Yourself**, your spouse, and your dependent child(ren). You must apply for coverage under this portability provision and pay the first premium within 31 days after the date your employment ends, you are no longer in an eligible group or the date the policy is terminated by the policyholder and is not being replaced.

You are not eligible to apply for continuing coverage under this provision if the policy is closed to new enrollments or your coverage under the policy ends for any of the following reasons:

- the policy is cancelled by Unum; or
- the policy is being terminated by the policyholder and is being replaced.

Except as provided in this section, your continuing coverage will be the same coverage provided you under the policy as of the date your employment ends, the policy is terminated by the policyholder and is not replaced, or you are no longer in an eligible group. Any subsequent change to the policy will not apply to your continuing coverage.

Your continuing coverage is subject to all of the provisions, exclusions and limitations of the policy, except that:

- premiums will be billed directly to you;
- initial premium rates will be based on the portability rates in effect at the time you apply to continue your coverage; and
- premium rates can be changed by Unum at any time upon 30days notice to you so long as the change is not due to any change in your age or health or the age or health of your spouse or your dependent child(ren).

Your continuing coverage and any coverage of your spouse and dependent child(ren), will end on the earliest to occur of:

- your failure to pay the required premium within the 31 day grace period;
- unless your spouse applies for continuing coverage under the following provision, the date you die; or
- the coverage under this portability provision is cancelled by Unum for any reason upon 30 days notice.

Once continuing coverage is cancelled it cannot be reinstated.

In the event the policyholder’s coverage under the policy is cancelled or closed to new enrollments, the policy will remain in effect for the benefit of those who have continued their coverage under this provision prior to the policy cancellation date or the date the policy was closed to new enrollments.

The Right of Your Spouse to Continue Coverage if You Die or are Divorced (Spouse Portability)

If you die or divorce your spouse, your spouse may have the right to apply to continue coverage.

Your spouse must apply for coverage under this portability provision and pay the first premium within 31 days after the date of your death or divorce.

Your spouse is not eligible to apply to continue coverage under this provision if your spouse was not insured under this policy on the date of your death or divorce.

Except as provided in this section, your spouse's continuing coverage will be the same coverage provided your spouse under the policy as of the date of your death or divorce, and any subsequent change to the policy will not apply to your spouse's continuing coverage.

If you die or divorce your spouse, your spouse may also apply to continue the same coverage for dependent child(ren), provided:

- the dependent child(ren) are insured under the policy at the time of your death, or divorce; and
- you are not continuing coverage for dependent child(ren).

Your spouse's continuing coverage is subject to all of the provisions, exclusions and limitations of the policy, except that:

- premiums will be billed directly to your spouse;
- initial premium rates will be based on the portability rates in effect at the time your spouse applies to continue coverage; and
- premium rates can be changed by Unum at any time upon 45 days notice to your spouse.

Your spouse's and any dependent child(ren)'s continuing coverage will end on the earliest to occur of:

- your spouse's failure to pay the required premium within the 31 day grace period;
- the date your spouse dies; or
- the coverage under this portability provision is cancelled by Unum for any reason upon 45 days notice.

Once continuing coverage is cancelled it cannot be reinstated.

In the event the policyholder's coverage under the policy is cancelled or closed to new enrollments, the policy will remain in effect for the benefit of those who have continued their coverage under this provision prior to the policy cancellation date or the date the policy was closed to new enrollments.

Continuity of Coverage. If this policy replaced another group hospital confinement indemnity policy and this certificate of coverage replaced a certificate under the other group policy, or you become insured under this policy due to a merger, acquisition or affiliation, this policy shall not limit or exclude coverage for a pre-existing condition that would have been covered under the policy being replaced. Time periods applicable to pre-existing conditions will be waived to the extent that similar limitations or exclusions were satisfied under the policy being replaced.

If you are on a layoff or leave of absence on the policy effective date, we will consider your layoff or leave of absence to have started on that date and your coverage will continue for the period provided in this policy.

If you have not returned to active employment before any insured's treatment for covered loss, your payment will be limited to the amount that would have been paid by the prior policy. Unum will reduce your payment by any amount for which your prior policy is liable.

STATE REQUIREMENTS

NOTICE:

This is to advise you of the addresses and telephone numbers of the Insurance Department and the office where the Policy is serviced.

INSURANCE DEPARTMENT:

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Consumer Services Division
Phone: (501) 371-2640; (800) 852-5494
Fax: (501) 371-2749

SERVICE OFFICE:

Portland, Maine
Unum
2211 Congress Street
Portland, Maine 04122
Telephone:1-800-421-0344

GENERAL DEFINITIONS

Additional definitions may be contained in other policy provisions, amendments or riders.

Active Employment means you are working for your employer for earnings that are paid regularly and that you are performing the material and substantial duties of your regular occupation. You must be regularly scheduled to work on average at least the minimum number of hours as described under Minimum Hours Requirement shown in the BENEFITS AT A GLANCE section.

Your work site must be:

- your employer's usual place of business;
- an alternative work site at the direction of your employer; or
- a location to which your job requires you to travel.

Normal vacation is considered active employment.

Calendar Year means the period beginning on the insured's coverage effective date and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

Certificate of Coverage means a written statement prepared by Unum and may include attachments. It tells you:

- the coverage to which the insured may be entitled;
- to whom benefits are payable; and
- limitations, exclusions and/or requirements that apply within this policy.

Confined or **Confinement** means the assignment to a bed as a resident inpatient in a hospital on the advice of a physician or confinement in an **Observation Unit** within a hospital for a period of no less than 20 continuous hours on the advice of a physician.

Covered Accident means an unforeseen occurrence resulting in a bodily injury which:

- occurs on or after the coverage effective date;
- occurs while coverage is in force; and
- is not excluded by name or specific description in the certificate.

Covered Loss means a covered treatment for an accident or sickness as provided by the terms and provisions of the policy, as shown in the BENEFITS AT A GLANCE section, and as applied for by you and approved by Unum.

Covered Sickness means an illness, infection, disease or any other abnormal physical condition which:

- occurs on or after the coverage effective date;
- occurs while coverage is in force; and
- is not excluded by name or specific description in the certificate.

Dependent Child(ren) means your child(ren) from live birth to age 26. Dependent child(ren) include your own natural offspring, lawfully adopted child(ren) and

stepchild(ren). They also include foster child(ren) and other child(ren) who are dependent on you for main support and living with you in a regular parent-child relationship. A child will be considered adopted on the date of placement in your home.

After attainment of age 26 dependent child(ren) also includes dependent child(ren) who became incapable of self-sustaining employment, prior to age 26, due to mental or physical handicap. Such child will continue to be an insured subject to the following: (1) the employee must furnish proof of such incapacity and dependency to Unum within 31 days of the child's 26th birthday; and (2) proof of continued incapacity and dependency to Unum; and (3) as long as the coverage of the employee remains in force and as long as the dependent child remains in such condition.

No dependent child can be covered as both an employee and a dependent child.

Employee means a person who is in active employment in the United States with the employer.

Employer means the policyholder and includes any division, subsidiary or affiliated company.

Enrollment means a period of time determined by Unum and your employer during which you are eligible to enroll for or change your coverage. This period of time may be limited.

Evidence of Insurability means a statement of your or your spouse's medical history which Unum will use to determine if you or your spouse are approved for coverage. Evidence of insurability will be at Unum's expense.

Grace Period means the period of time following the premium due date during which premium payment may be made.

Hospital means a place that:

- is an institution licensed as a hospital and operated pursuant to law on a full-time basis;
- provides overnight care of injured and sick people;
- is supervised by a physician;
- has full-time nurses on duty or on call supervised by a registered nurse; and
- has at its locations or uses on a pre-arranged basis: x-ray equipment, a laboratory and an operating room where surgical operations take place.

Notwithstanding the above, a hospital is not:

- a nursing home;
- an extended care facility;
- a skilled nursing facility;
- a rest home or home for the aged;
- a rehabilitation center;
- a place for alcoholics or drug addicts; or
- an assisted living facility.

Hospital Intensive Care Unit means a place which:

- is a specifically designated area of the hospital that is restricted to patients who are critically ill or injured and who require intensive, comprehensive observation and care;
- is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
- is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
- is under close observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a 24 hour basis; and
- has a physician assigned to the intensive care unit on a full-time basis.

A hospital intensive care unit that meets the definition above may include hospital units with the following names:

- Intensive Care Unit;
- Coronary Care Unit;
- Neonatal Intensive Care Unit;
- Pulmonary Care Unit;
- Burn Unit; or
- Transplant Unit.

Hospital Sub-Acute Intensive Care Unit means a place which:

- is a specifically designated area of the hospital that provides a level of medical care below intensive care, but above a regular private or semi-private room or ward;
- is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
- is permanently equipped with special lifesaving equipment for the care of the critically ill or injured; and
- is under constant and continuous observation by a specially trained nursing staff.

A hospital sub-acute intensive care unit may be referred to by other names such as progressive care, intermediate care, or a step-down unit, but it is not a regular private or semi-private room, or a ward with or without monitoring equipment.

Injury or **Injuries** means a bodily injury which is the direct result of a covered accident and not related to any other cause.

Insured means any person covered under the policy.

Layoff or **Leave of Absence** means that you are temporarily absent from active employment for a period of time that has been agreed to in advance in writing by your employer.

Your normal vacation time is not considered a temporary layoff or leave of absence.

Mental Illness means a psychiatric or psychological condition classified in the Diagnostic and Statistical Manual of Mental Health Disorders (DSM) published by the American Psychiatric Association, most current as of the start of a hospital confinement. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders relatable to stress. If the DSM is discontinued or

replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a hospital confinement.

Observation Unit is a specified area within a hospital, apart from the emergency room, where a patient can be monitored following outpatient surgery or treatment in the emergency room by a physician and which:

- is under the direct supervision of a physician or registered nurse;
- is staffed by nurses assigned specifically to that unit; and
- provides care seven days per week, 24 hours per day.

Payable Claim means a claim for which Unum is liable under the terms of the policy.

Physician means a person performing tasks that are within the limits of his or her medical license and is:

- licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

Unum will not recognize you, your spouse, dependent child(ren), parents or siblings, a business or professional partner, or any person who has a financial affiliation or business interest with you, as a physician for a claim that you send to us.

Policyholder means the employer to whom the policy is issued.

Pre-existing Condition means a sickness or injury or symptoms of a sickness or injury, whether diagnosed or not, for which the insured received medical treatment, consultation, care or services, including diagnostic measures, took prescribed drugs or medicine or had been prescribed drugs or medicine to be taken during the 12 months just prior to the insured's coverage effective date or effective date of a change in coverage.

Sickness means an illness, infection, disease or any other abnormal physical condition not caused by an accident. Sickness includes complications of pregnancy.

Spouse means your lawful spouse, including a legally separated spouse, residing in the United States. You may not cover your spouse if your spouse is enrolled for coverage as an employee.

Waiting Period means the continuous period of time that you must be in active employment in an eligible group before you are eligible for coverage as determined by Unum and your employer.

We, Us and **Our** means Unum Life Insurance Company of America.

You, Your and **Yourself** means an employee who is eligible for Unum coverage.

THE FOLLOWING NOTICES AND CHANGES TO YOUR COVERAGE ARE REQUIRED BY THE STATE OF ALASKA. PLEASE READ CAREFULLY.

State variations apply and are subject to change. Consult your employer or plan administrator for the most current state provisions that may apply to you.

If you have a complaint about your insurance you may contact Unum at 1-800-321-3889, or the department of insurance in your state of residence. Links to the websites of each state department of insurance can be found at www.naic.org.

Si usted tiene alguna queja acerca de su seguro puede comunicarse con Unum al 1-800-321-3889, o al departamento de seguros de su estado de residencia. Puede encontrar enlaces a los sitios web de los departamentos de seguros de cada estado en www.naic.org.

The states of **Florida** and **Maryland** require us to advise residents of these states that if your Certificate was issued in a jurisdiction other than the state in which you reside, it may not provide all of the benefits required by the laws of your residence state.

If you are a resident of Alaska and the provisions referenced below appear in your Certificate in a form less favorable to you as an insured, they are amended as follows:

For residents of Alaska

The **Time of Payment of Claims** provision in the **CLAIM INFORMATION** section of the policy is amended to include the following: "Claim payments must be made within 30 days of receipt of a clean claim, or within 15 days of receipt of additional information for other than a clean claim. If claims are not paid within the time limit, interest accrues at an interest rate of 15% per year."

The **Overpayments** provision in the **CLAIM INFORMATION** section of the policy is amended by limiting the right to request reimbursement of overpayments to 12 months from the date of the overpayment.

Additional Claim and Appeal Information
Relative to policy issued by Unum Life Insurance Company of America ("Unum")

APPLICABILITY OF ERISA

If this policy provides benefits under a Plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the following provisions apply. Whether a Plan is governed by ERISA is determined by a court, however, your employer may have information related to ERISA applicability. If ERISA applies, the following items constitute the Plan: the additional information contained in this document, the policy, including your certificate of coverage, and any additional summary plan description information provided by the Plan Administrator. Benefit determinations are controlled exclusively by the policy, your certificate of coverage, and the information in this document.

HOW TO FILE A CLAIM

If you wish to file a claim for benefits, you should follow the claim procedures described in your insurance certificate. To complete your claim filing, Unum must receive the claim information it requests from you (or your authorized representative) and your attending physician. If you or your authorized representative has any questions about what to do, you or your authorized representative should contact Unum directly.

CLAIMS PROCEDURES

In the event that your claim is denied, either in full or in part, Unum will notify you in writing within 90 days after your claim was filed. Under special circumstances, Unum is allowed an additional period of not more than 90 days (180 days in total) within which to notify you of its decision. If such an extension is required, you will receive a written notice from Unum indicating the reason for the delay and the date you may expect a final decision. Unum's notice of denial shall include:

- the specific reason or reasons for denial with reference to those Plan provisions on which the denial is based;

- a description of any additional material or information necessary to complete the claim and why that material or information is necessary; and

- a description of the Plan's procedures and applicable time limits for appealing the determination, including a statement of your right to bring a lawsuit under Section 502(a) of ERISA following an adverse determination from Unum on appeal.

Notice of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

APPEAL PROCEDURES

If you or your authorized representative appeal a denied claim, it must be submitted within 90 days after you receive Unum's notice of denial. You have the right to:

- submit a request for review, in writing, to Unum;

- upon request and free of charge, reasonable access to and copies of, all relevant documents as defined by applicable U.S. Department of Labor regulations; and

- submit written comments, documents, records and other information relating to the claim to Unum.

Unum will make a full and fair review of the claim and all new information submitted whether or not presented or available at the initial determination, and may require additional documents as it deems necessary or desirable in making such a review. A final decision on the review shall be made not later than 60 days following receipt of the written request for review. If special circumstances require an extension of time for processing, you will be notified of the reasons for the extension and the date by which the Plan expects to make a decision. If an extension is required due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the necessary information and the date by which you need to provide it to us. The 60-day extension of the appeal review period will begin after you have provided that information.

The final decision on review shall be furnished in writing and shall include the reasons for the decision with reference, again, to those policy provisions upon which the final decision is based. It will also include a statement describing your access to documents and describing your right to bring a lawsuit under Section 502(a) of ERISA if you disagree with the determination.

Notices of the determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Unless there are special circumstances, this administrative appeal process must be completed before you begin any legal action regarding your claim.

LIMITATIONS AND EXCLUSIONS UNDER THE ARKANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in bold below, this protection is not a substitute for consumers' care in selecting insurance companies that are well managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy, if coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Little Rock, Arkansas 72201

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). On the back of this page is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover

all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons owning such policies are NOT protected by the Guaranty Association if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of $300,000 in life and annuity benefits and $500,000 in health insurance benefits -- no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within these overall limits, the Association will not pay more than $300,000 in disability and long term care benefits, $500,000 in health insurance benefits, $300,000 in present value of annuity benefits, or $300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a $1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.