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*Administrative Offices:* 909 North Washington Street, Alexandria, VA 22314 • 800-776-2322 • [www.afba.com](http://www.afba.com)

## **CERTIFICATE OF INSURANCE**

5 Star Life Insurance Company certifies that, subject to the terms of the Group Policy issued to the Trustee, America's Five Star Multiple Employer Trust (referred to as the Policyholder), the Employee named in the Coverage Schedule (referred to as "You," "Your" and "Yours") is provided with the benefits described in this Certificate. The insurance takes effect at 12:01 A.M. Standard Time on the Effective Date shown in the Coverage Schedule.

In this Certificate 5 Star Life Insurance Company will be called "We," "Our" or "Us." This Certificate summarizes certain provisions of the Group Policy. All coverages and provisions are subject to those in the Group Policy issued to the Policyholder.

### **PLEASE READ YOUR CERTIFICATE CAREFULLY**

Our Secretary and our President witness this Certificate.

A handwritten signature in cursive script that reads "Maura B. Decker".

*Secretary*

A handwritten signature in cursive script that reads "Craig S. Piers".

*President*

**GROUP TERM INSURANCE  
EMPLOYEE CERTIFICATE**

## TABLE OF CONTENTS

|  |    |
|--|----|
| <b>DEFINITIONS</b>                       | 3  |
| <b>PREMIUMS</b>                          |    |
| Grace Period                             | 6  |
| <b>STANDARD PROVISIONS</b>               |    |
| Misstatement Of Age                      | 7  |
| Incontestability                         | 7  |
| Suicide                                  | 7  |
| <b>MISCELLANEOUS PROVISIONS</b>          |    |
| Becoming Eligible for Employee Insurance | 8  |
| Effective Date of Employee Insurance     | 9  |
| Evidence of Insurability                 | 10 |
| The Beneficiary                          | 11 |
| Facility of Payment                      | 11 |
| Claims of Creditors                      | 12 |
| Assignment                               | 12 |
| Amounts Of Insurance                     | 13 |
| Coverage Schedule                        | 13 |
| Employee Life Insurance                  | 13 |
| Changes in the Group Policy              | 13 |
| <b>LIFE INSURANCE FOR EMPLOYEES</b>      |    |
| Death Benefit                            | 14 |
| Termination of Insurance of Employee     | 14 |
| Simultaneous Death Provision             | 14 |
| How the Life Insurance Benefit is Paid   | 14 |
| Conversion Privileges                    | 15 |

## DEFINITIONS

Here are some of the terms used in the Group Policy. Other terms are defined where used in the Group Policy. All defined terms are important in describing rights under the Group Policy. Please refer back to these definitions as You read. Defined terms are presented with capital letters to help identify them as such.

**Actively At Work or Active Work** means that You:

- (1) are present at Your Employer's place of business or another work site designated by Your Employer; and
- (2) are performing the material and substantial duties of Your job.

On any day that is not Your regularly scheduled work day (i.e., vacation, holiday or weekend), You are considered Actively At Work if You:

- (a) are not hospital confined; and
- (b) are not disabled due to Injury or Sickness; and
- (c) were Actively At Work on Your last scheduled work day.

If You usually perform the regular duties of Your job at Your home You are considered Actively At Work if You meet all the above requirements and could work at Your Employer's usual place of business if required to do so.

If You were insured under the Prior Policy on the day before the effective date of the Group Policy, the Actively At Work requirement may be waived by 5 Star Life Insurance Company for an amount of coverage up to that in force with the Prior Policy.

**Administrator** means the entity appointed by the Policyholder to be responsible for record keeping and the billing and collection of premiums.

**Conversion Period** means the thirty-one (31) day period starting at 12:01 AM on the day after insurance terminates.

**Coverage** means the life insurance benefits that You become eligible for under the Group Policy.

**Doctor** means a person who is practicing within the scope of his or her license; and either

- (1) licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- (2) legally qualified as a medical practitioner and required to be recognized according to the insurance statutes or regulations of the governing jurisdiction. It does not include a claimant or spouse, daughter, son, father, mother, sister or brother.

**Doctor's Care** means:

- (1) on a regular basis, You personally visit an appropriate Doctor to effectively manage and treat the disabling condition(s); and
- (2) You are receiving the most appropriate treatment and care for the disabling condition.

## **DEFINITIONS – Continued**

**Earnings** means Your annual pay based on a work week of not more than forty (40) hours. Commissions and productivity incentives are included, but bonuses, overtime and other special pay are not. Commissions must be averaged over the lesser of the twenty-four (24) month period immediately prior to the effective date of Earnings changes or the entire period of employment. The Earnings amount must be verified by Us before use in calculating benefits. Earnings from sources other than an Employer are not included in determining benefits.

**Employee** means You if You work Full-time for Your Employer. You must be paid by Your Employer for work done at Your Employer's usual place of business or some other location that is usual for Your particular duties.

The term Employee does not include You if You are performing services for Your Employer

- pursuant to a contractual relationship with Your Employer;
- subject to the terms of a leasing agreement between Your Employer and a leasing organization; or
- who receives income that is reported by Your Employer on IRS Form 1099.

**Employee Benefits or Employee Insurance** means the insurance for an Employee provided by the Group Policy.

**Employer** means a participating employer which has agreed to be bound by the terms of the trust agreement and the provisions of the Group Policy.

A **subsidiary** is an entity with controlling stock ownership (51% or more) held by an Employer who is the policyholder.

An **affiliate** is a company whose business is controlled by an employer through stock ownership, contract, common officers or otherwise.

**Evidence of Insurability** means written proof given to Us that You are insurable. This proof must be based on medical information and must be acceptable to Us.

**Family Member** means an Employee who is insured by the Group Policy.

**Full-time** means, for You, a work week of at least thirty (30) hours. For Employees whose work weeks vary above and below this number, We will determine eligibility by averaging the hours worked in the ninety (90) day period immediately prior to the claim event benefit.

**Hospitalized** means confinement for short term, intermediate or long term care on an inpatient basis in:

- (1) a hospital;
- (2) a convalescent facility;
- (3) a free standing surgical center;
- (4) a hospice;
- (5) a skilled nursing facility; or
- (6) a psychiatric, alcohol or drug treatment facility.

**Injury or Accidental Injury** means sudden and unexpected bodily harm that occurs while insured under the Group Policy.

## **DEFINITIONS - Continued**

**No Evidence Limit** means the greatest amount of insurance You may have without providing Evidence of Insurability.

**Participating Employer** means an employer unit and its branches, divisions, affiliates or subsidiaries that have been approved by Us.

**Policy Month** means the period of time that begins on a premium due date and runs to the next monthly premium due date.

**Policy Year** means a twelve (12) month period beginning on the Policy Effective Date or its anniversary.

**Prior Policy** means Your Employer's group policy in effect the day before the effective date of the Group Policy or the effective date of the subsidiary, affiliate, or new division's coverage under the Group Policy. The Group Policy replaces that policy or a portion of it.

**Sickness** means an illness or disease. It also includes an injury that occurs before You are insured under the Group Policy. It includes pregnancy.

**Special Care** means the following care or treatment that is given to a person either as an inpatient or an outpatient:

- (1) chemotherapy;
- (2) radiation therapy; or
- (3) dialysis treatment.

**Total Disability or Totally Disabled** means Your continuing inability, as a result of Injury or Sickness, to perform the material and substantial duties of any job for which You are or may become qualified by reason of education, training or experience.

**We, Us or Our** means 5 Star Life Insurance Company.

**You, Your or Yours** means the Employee.

## **PREMIUMS**

### **GRACE PERIOD**

Any premium not paid on or before its due date shall be in default; but a grace period of thirty-one (31) days, without interest, shall be allowed for payment of every premium after the first, during which period the insurance shall continue in force.

## STANDARD PROVISIONS

### MISSTATEMENT OF AGE

If Your age has been misstated, there shall be a fair adjustment of premiums. If Your amount of insurance depends on age, Your amount of insurance shall be adjusted to an amount determined by Your correct age.

### INCONTESTABILITY

No statement by You shall be used in contesting the validity of

- (a) Your insurance, or
- (b) that coverage or portion of Your insurance with respect to which the statement was made

after such insurance, coverage, or portion, as the case may be, has been in force for 2 years during Your life, except when premium contribution payments are insufficient to keep the insurance in force.

Nor shall such statement be used at all unless:

- (1) contained in a written application signed by You; and
- (2) a copy of that instrument is or was provided to You or Your beneficiary or personal representative.

### SUICIDE

If You commit suicide, while sane or insane, within two years, unless the laws of a state differ, from the Effective Date of Insurance, no benefits will be paid; or, if You commit suicide, while sane or insane, within two years from the Effective Date of any approved increase in insurance, no benefits arising from such increase will be paid. However, in each such instance aforesaid, premium contributions received will be remitted to the beneficiary.

## MISCELLANEOUS PROVISIONS

### **BECOMING ELIGIBLE FOR EMPLOYEE INSURANCE**

You are eligible for insurance if You are a member of an eligible class listed in the Coverage Schedule and are not excluded in the list shown below. You are not eligible if:

- (1) You are scheduled to work less than six (6) months in any twelve (12) month period; or
- (2) You work less than the required number of hours as defined in the definition of "Full-time."

If You are not a citizen of the United States You must be a permanent resident of the United States or a U.S. Territory in order to be an eligible Employee.

### **Service Requirement**

The service requirement is a period of active Full-time employment You must complete before becoming eligible for insurance. The Entry Date is the day of the month on which new coverage is effective. An Employer chooses the Entry Date in relation to the service time period.

You are eligible for insurance on the later of the Effective Date of the Group Policy or the date You begin active Full-time service for Your Employer, and satisfy Your Employer's waiting period.

### **Re-Hired Employees**

If You are a re-hired Employee You will be treated as a new Employee and must satisfy a new service waiting period. However, if You are re-hired within one (1) year of the ineligibility date, all periods of Full-time work for Your Employer will count toward satisfaction of the waiting period. If You are re-hired after one (1) year, any past periods of work will not count when determining the date You satisfy the waiting period. You cannot become eligible for insurance before the last date re-hired.

### **Reinstatement**

If You request reinstatement of insurance that terminated while You were still eligible to be insured by the Group Policy, You must first provide Evidence of Insurability satisfactory to Us.



## **MISCELLANEOUS PROVISIONS - Continued**

### **EFFECTIVE DATE OF EMPLOYEE INSURANCE**

**Noncontributory Insurance** means that an Employer pays all of the cost of the insurance. All eligible Employees must be enrolled. Noncontributory benefits will become effective on the date You are eligible for insurance and Actively At Work. All employee non-contributory plans must be approved by Us.

**Contributory Insurance** means that Employees pay all or part of the cost of their insurance. If any part of Your insurance is Contributory, all of Your insurance will become effective on the earlier of the following dates, provided You are Actively At Work on that date:

- (1) the date You become eligible for insurance, provided enrollment occurs on or before that date;
- (2) the date You enroll for insurance, provided such date is within thirty-one (31) days after Your eligibility date for insurance.

If You enroll for life insurance more than thirty-one (31) days after Your eligibility date, Evidence of Insurability must be provided.

If You were eligible but not covered under a Prior Policy for comparable benefits, life insurance amounts greater than the benefit under the Prior Policy will be subject to Evidence of Insurability.

If less than 50% of an Employer's eligible employees participate in a contributory plan, all employees will be subject to Evidence of Insurability. All employee and dependent contributory plans must be approved by Us.

### **Start Date Deferral**

You must be Actively At Work on the date Your insurance goes into effect. If You are not Actively At Work, insurance does not become effective until return to Full-time work.

If You were insured under a Prior Policy on the day before the effective date of the Group Policy, the Actively At Work requirement may be waived for up to the amount of coverage in force under the Prior Policy.

## **MISCELLANEOUS PROVISIONS - Continued**

### **No Evidence Limit**

The No Evidence Limit is shown on the Coverage Schedule.

- (1) You may be eligible for more than this amount at initial enrollment; or
- (2) the amount of existing insurance may be increased to an amount in excess of any No Evidence Limit; or
- (3) the amount of insurance currently in excess of the No Evidence Limit may be further increased.

In any of these situations, You must send Us Evidence of Insurability. The amount of Your insurance in excess of that limit will become effective as described in the Evidence of Insurability provision.

Within two (2) years of its effective date, no amount or increase in amount of Employee Life Insurance issued at any time in excess of the No Evidence Limit is payable for a death due to suicide.

### **EVIDENCE OF INSURABILITY**

Individual Evidence of Insurability satisfactory to Us must be given to Us if:

- You apply for insurance more than thirty-one (31) days after becoming eligible; or
- You apply to reinstate coverage after voluntarily ending insurance; or
- You were eligible but not covered under the Prior Policy; or
- You did not return to Active Work within thirty-one (31) days of the coverage effective date; or
- Your life insurance amounts exceed the No Evidence Limit.

Evidence of insurability will be in the form of a self-completed insurability statement. We may require additional evidence. We may require that You be examined by a Doctor of Our choice, at Your expense.

Whenever Evidence of Insurability is required, the coverage in question will not be effective until the later of:

- (a) the Entry Date on or after Our approval; or
- (b) the eligibility date; or
- (c) the enrollment date.

## **MISCELLANEOUS PROVISIONS – Continued**

### **THE BENEFICIARY**

The **Beneficiary** is the person named by You to receive the death benefit. You must name Your Beneficiaries in writing on a form approved by Us. You must sign and date the designation. In no event may You name Your Employer entity as Beneficiary. This Beneficiary designation is kept by the Administrator as part of Your insurance records.

After We make payment, We have no further liability.

### **Change of Beneficiary**

Unless You irrevocably name a Beneficiary, You have the right to change Your Beneficiary at any time. You must do this in writing on a form satisfactory to Us, stating the date the change is to take effect. The form must be delivered to Us or to an Administrator during Your lifetime. No change may take effect if We receive it after We pay the death benefit. It is Your Employer's responsibility to be sure You are given the opportunity to change Your Beneficiary whenever desired.

### **Payment to Beneficiary**

More than one name Beneficiary will share equally unless You clearly designate the order of rights. The share of a Beneficiary who dies before You will pass to any surviving beneficiaries in the order You designated.

We may rely on a affidavit or other written evidence deemed satisfactory to Us to determine the identity or the nonexistence of Beneficiaries not identified by name. Any payment made by Us in good faith reliance on such evidence will fully discharge Us to the extent of such payment.

If You have no surviving Beneficiary, We have the right to make the payment to the estate or to any one of the classes listed below:

- (1) Your spouse.
- (2) Your children.
- (3) Your parents.
- (4) Your brothers and sisters.

### **FACILITY OF PAYMENT**

If the Beneficiary is a minor or otherwise incapable of giving a valid release, at Our option and until claim is made by the duly appointed guardian of the Beneficiary, We may make payment to:

- (1) any relative of the Beneficiary by blood or marriage; or
- (2) any other person or institution that appears to Us to have assumed custody and principal support of the Beneficiary.

Payment under these circumstances may not exceed \$100 per month. They will be made for the sole benefit of the Beneficiary.

At Our judgment, a part of Your death benefit may be paid to any person who has incurred expenses in connection:

- (1) with Your burial; or
- (2) with the Injury or Sickness that caused Your death.

However, the maximum amount payable to that person is two hundred fifty dollars (\$250) or the amount established by state law.

## **MISCELLANEOUS PROVISIONS – Continued**

### **CLAIMS OF CREDITORS**

The proceeds and any income payments from this insurance will be exempt from the claims of creditors to the extent permitted by law. Before becoming payable the proceeds and payments may not be assigned or withdrawn without 5 Star Life Insurance Company's agreement.

### **ASSIGNMENT**

You may assign Your interest and ownership in this insurance without the consent of any revocable beneficiary, by filing written notice with the Administrator. Such notice shall be on a form furnished by the Administrator for that purpose and when received, whether or not the Assignee or You are then alive, the change will take effect on the date the notice was signed.

A change shall be subject to the rights of any assignee of record with the Administrator, and subject to any payment made or other action taken by the Administrator or 5 Star Life Insurance Company before the notice is received.

5 Star Life Insurance Company and the Administrator shall not be bound by an assignment unless it is in writing and a duplicate copy of the original assignment has been filed with 5 Star Life Insurance Company. Nor shall they be responsible for determining the validity or sufficiency of an assignment.

The interest of the assignee, any interest of You and any revocable beneficiary, shall be subject to the terms of the assignment.

**MISCELLANEOUS PROVISIONS – Continued**

**AMOUNTS OF INSURANCE**

**COVERAGE SCHEDULE**

**EMPLOYEE LIFE INSURANCE**

**Eligible Class:** All full-time employees.

**Waiting Period:** 0, 1, 2, 3, 4, 5, or 6 months, as elected by an Employer to apply to all employees.

**No Evidence Limit - \$10,000**

| <b>Class</b>  | <b>Amount of Insurance</b> |
|---------------|----------------------------|
| All Employees | \$10,000                   |

If Your amount of insurance is based on annual earnings, annual earnings shall be based on Your regularly scheduled work week, exclusive of bonus or overtime pay.

If You are under age 65 on the date Employee Life Insurance becomes effective, the amounts of Life Insurance shall be reduced to:

- (a) 65% of the amount which applies to You as shown in the Coverage Schedule, on Your 65<sup>th</sup> birthday; and
- (b) 50% of the amount which applies to You as shown in the Coverage Schedule, on Your 70<sup>th</sup> birthday.

If You are age 65 or over on the date the Employee Life Insurance becomes effective, the amounts of Employee Life Insurance shall be determined by the above formula.

Any change in amounts of insurance due to a change in earnings shall take effect on the July 1<sup>st</sup> which coincides with or next follows the date of such change. But, an increase in the amounts of insurance shall take effect on that date only if You are then actively at work with the Participating Employer; otherwise, the increase shall take effect on the first day of the month following the date on which You return to active work.

If You become eligible for an amount of Employee Life Insurance which is in excess of the No Evidence Limit, such excess amount shall become effective only under the following conditions.

You must apply separately for such amount. 5 Star Life Insurance Company will require You to furnish it evidence which satisfies it that You are insurable. Such excess amount shall become effective on a date determined in the Group Policy.

Evidence required under this provision must be provided at no cost to 5 Star Life Insurance Company.

**CHANGES IN THE GROUP POLICY**

No agent has the power to change or waive anything in writing or verbally in the Group Policy.

## **LIFE INSURANCE FOR EMPLOYEES**

### **DEATH BENEFIT**

5 Star Life Insurance Company will pay a benefit to Your beneficiary upon receipt at its Administrative Office of due proof of Your death while insured under this coverage. This benefit is equal to the amount of life insurance in force under this coverage at Your death, as determined from the Coverage Schedule.

Your beneficiary can be determined from the beneficiary provisions.

The death benefit will be paid in one sum unless a settlement option is elected, which is described in the Group Policy. If no such option is in effect at Your death, the beneficiary may elect one. In either case, 5 Star Life must agree to and acknowledge the option selected.

### **TERMINATION OF INSURANCE OF EMPLOYEE**

Insurance will terminate on the earliest of:

- (1) the date the Employer fails to pay premium;
- (2) the date the Policy terminates;
- (3) the date You terminate Your employment;
- (4) the date You retire;
- (5) the date You convert Your insurance;
- (6) the end of the period covered by Your last contribution to the premium for such coverage.

### **SIMULTANEOUS DEATH PROVISION**

If a Beneficiary dies:

- (1) on the same day You die; or
- (2) within fifteen (15) days thereafter;

benefits will be paid as if that Beneficiary had died before You. If proof of loss with respect to Your death was delivered to Us before the date of the Beneficiary's death, this provision will not apply.

### **HOW THE LIFE INSURANCE BENEFIT IS PAID**

The life insurance benefit is usually paid in a single sum. However, there are other payment plans available. You or Your Beneficiary may obtain information from Us prior to making a choice for the payment method. You or Your Beneficiaries must make a choice in writing and file it with Us. We must agree to it.

## **LIFE INSURANCE FOR EMPLOYEES - Continued**

### **CONVERSION PRIVILEGES**

#### **When Employees May Convert**

You may convert Your group life insurance to an individual life policy without Evidence of Insurability if any or all of Your life insurance ends because

- (1) You:
  - (a) no longer work for Your Employer;
  - (b) have retired; or
  - (c) are no longer eligible for the life insurance amount under the Group Policy.

You may convert a life amount equal to or less than the amount that terminated.

- (2) the Group Policy:
  - (a) terminates; or
  - (b) is amended to exclude the class in which You belong; or
  - (c) is amended to terminate the Employee Life Insurance Benefit.

In these events, if You are converting You must have been insured by Us under the Group Policy for at least five (5) consecutive years just before termination. The maximum life amount that may be converted is the lesser of:

- (a) the terminated life amount less the life amount for which You become eligible under any other group policy within thirty-one (31) days of the termination; or
- (b) \$2,000.

#### **Conditions Applicable to Any Life Conversion**

The following provisions apply to any individual life policy issued under these conversion privileges.

- (1) You may convert to any one of the policy forms We normally issue except term insurance.
- (2) An individual policy will be issued only if application is made within thirty-one (31) days of the date Your Life Insurance ends. Payment of the first premium must be paid within that time also.
- (3) The cost of the converted policy is based on Our standard rates for the form of the converted policy.
- (4) The converted policy will take effect at the end of the Conversion Period.

#### **Conversion Policy Replaces Group Amount**

The converted amount of life insurance will replace the group life insurance amount that You were eligible to convert.

#### **If You Die Before Converting Your Insurance**

If You die during the thirty-one (31) day period allowed for conversion, We pay the amount of group life insurance You were eligible to convert, whether or not You had applied for a converted policy.