

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

REQUIRED DISCLOSURE FORM FOR ACCELERATED DEATH BENEFIT

Consequences of This Benefit:

Receipt of accelerated death benefits MAY AFFECT MEDICAID AND SUPPLEMENTAL SECURITY INCOME (“SSI”) ELIGIBILITY. The mere fact that you have life coverage and own a certificate with an accelerated death benefit may affect your eligibility for these government programs. In addition, exercising the option to accelerate death benefits and receiving those benefits before you apply for these programs, or while you are receiving government benefits, may affect your initial or continued eligibility. Receipt of accelerated benefits may affect your, your spouse or your family’s eligibility for public assistance programs such as medical assistance (Medicaid), Aids to Families with Dependent Children (AFDC), supplementary social security income (SSI), and drug assistance programs. You are advised to consult with a qualified tax advisor and with social service agencies concerning how receipt of such a payment will affect you, your spouse and your family’s eligibility for public assistance.

<p>Medical condition allowing the Accelerated Death Benefit</p>	<p>An Accelerated Death Benefit is a benefit that allows you, the named insured, to be advanced a portion of the death benefit if the covered person is diagnosed with a terminal illness after the coverage effective date. <i>Terminal Illness</i> means an injury or sickness which results in the covered person having a life expectancy of 24 months or less and from which there is no reasonable prospect for recovery.</p> <p>This Disclosure Form highlights some of the information in Policy Form Group Term Life 1.0. It is not an insurance contract. If there are any inconsistencies between this disclosure form and the policy, then the terms and conditions of the actual policy will control.</p>
<p>Benefit Amount</p>	<p>You may request an amount of up to 75% of the certificate life coverage face amount, but not greater than \$150,000. The minimum Accelerated Death Benefit payment is \$5,000. The certificate must be in force on the date of payment and must have a face amount of at least \$10,000. The Accelerated Death Benefit amount payable to you is reduced:</p> <ul style="list-style-type: none"> • first by any due but unpaid premiums; then • by the administrative fee charged by us for Accelerated Death Benefit payments, in the amount in effect at the time of payment, not to exceed \$150; then • the remaining sum is discounted for a time period of one year using an interest rate no greater than 10%.
<p>To File a Claim</p>	<p>The Accelerated Death Benefit will be paid to you during the covered person’s lifetime while the certificate is in force, upon receipt of all of the following:</p> <ol style="list-style-type: none"> 1. a completed Accelerated Death Benefit request form; and 2. proof that the covered person has been diagnosed with a terminal illness. Such proof will include a statement from the covered person’s licensed physician, and any other medical information we deem necessary to confirm the covered person’s health status; and 3. written consent of any irrevocable beneficiary or any assignee, if applicable, agreeing that you may elect the death benefit advance.
<p>Benefit Payment</p>	<p>We will pay the Accelerated Death Benefit in a lump sum. Upon payment of the Accelerated Death Benefit, the life coverage face amount of the certificate will be reduced by the amount of Accelerated Death Benefit requested by you.</p>
<p>Taxability of Benefits</p>	<p>The amount paid under this benefit may be taxable. We are not responsible for any tax on or other effects of any benefit paid. As with all tax matters, consult your personal tax advisor to assess the impact of this benefit.</p>
<p>Effect on Benefits</p>	<p>The death benefit will be reduced if you file for and receive an Accelerated Death Benefit.</p> <p>If an Accelerated Death Benefit is paid, the policy may not be converted and no new coverage can be added to the policy.</p>

Example to show results of exercising the Accelerated Death Benefit on a \$100,000 life coverage face amount.

1. Death Benefit of certificate before Death Benefit is advanced	
Life Coverage Face Amount	\$100,000
2. Benefit Calculation based upon application for this benefit:	
Amount of Face Amount requested to be advanced	\$75,000
Less adjustments:	
any due but unpaid premiums	(\$ 0)
administrative fee	(\$150)
Net benefit prior to discounting	\$74,850
Interest rate used to discount accelerated payment	6.00%
Discount factor	0.943397
Amount of Accelerated Death Benefit	\$70,613
3. Status of benefits on the Date of Payment of Accelerated Death Benefit:	
Remaining Death Benefit	\$25,000

Signature of Named Insured

Signature of Agent

Date signed (MM/DD/YYYY)

Named Insured Social Security Number