

PAYMENT OF BENEFITS

Payment of Your Life Insurance Benefit

Your basic and supplementary life insurance benefits are payable to your beneficiary(ies) upon your death.

If you are a participant in the **Cash Accumulation Fund** under the Supplementary Life Insurance Plan, any balance in this account will be added to your life insurance amount and paid, income tax-free, to your beneficiary(ies).

If you are diagnosed as being terminally ill, you may be eligible to receive a portion of your basic and supplementary life insurance benefit while you are still living (see "Accelerated Benefit Option").

If you assigned your basic and supplementary life insurance coverage, see "Benefits Can Be Assigned."

For information about how to file a claim, see "Claim Procedures for Beneficiaries."

Accelerated Benefit Option

The accelerated benefit option allows you to receive a portion of your basic and supplementary life insurance benefit if you are diagnosed as being terminally ill with a life expectancy of six or fewer months. The minimum amount you may request is \$10,000. The maximum amount is the lesser of \$250,000 or 50% of your basic and supplementary life insurance benefit. You may use this money in any way you wish.

Here are some guidelines that may affect your eligibility or decision to apply for this benefit:

- You are not eligible for the accelerated benefit option if you previously assigned your life insurance coverage (see "Benefits Can Be Assigned"), or if your life insurance benefit is to be paid to a former spouse as part of a divorce agreement.
- If your basic life insurance coverage is scheduled to be reduced within six months of the date the accelerated benefit option is approved, the payment will be limited to 50% of the reduced amount of the basic life insurance coverage.
- If your basic or supplementary life insurance coverage is scheduled to fully terminate within six months of the date the accelerated benefit option has been approved, the accelerated benefit option will not apply to the coverage that is terminating.
- Any basic life insurance benefit eligible for conversion will be reduced by any accelerated benefit option amount paid under this provision.

- You may want to ask your professional tax advisor about the taxability of accelerated benefit option benefits before applying for this benefit.
- Accelerated benefit option benefits may affect your eligibility for benefits under state and federal law.
- The life insurance benefit payable to your beneficiary(ies) upon your death will be reduced by any amount paid to you under the accelerated benefit option.

Call the Insurer (see “Important Contacts”) to request an accelerated benefit option form.

How Benefits Are Paid

The Insurer (see “Important Contacts”) will process the claim and will make payment when the claim is approved. The amount of the benefit determines how payment is made. A check is issued for payments under \$5,000. If the payment is \$5,000 or more, the proceeds are paid into a money market account established in your beneficiary’s name.