Policyholder: Town of Florence

# Group Term Life Benefit Summary

Effective Date: 07/01/2014

This chart provides you a brief summary of the key benefits of the life coverage available from Principal Life Insurance Company. Following the chart, you will find additional information to answer questions you may have. For a complete list of all your life coverage benefits and restrictions, please refer to your booklet or contact your employer.

| Eligibility | | |
|---|---|---|
| **Job Class** | Non Fulltime Firefighters | |
| **Benefits Payable** | | |
| Employee Life Benefits | | |
| **Benefit Amount** | $25,000 | |
| **Proof of Good Health** | Proof of good health is required for life insurance amounts greater than:<br><br>If you are Under 70:<br><br>$150,000<br><br>If you are 70 and older:<br><br>The lesser of $150,000 or the amount with the prior carrier | |
| **Age Reductions** | 35% benefit reduction at age 65, with an additional 15% reduction at age 70.<br><br>Age reductions apply to the benefit amount after proof of good health . | |
| Dependent Life Coverage | | |
| | Spouse | Child |
| **Benefit Amount** | $5,000 | • 0 days, but less than 6 months: $1,000<br>• 6 months and older: $2,000 |
| **Maximum** | Cannot exceed 50% of your benefit amount | |
| **Additional Employee Benefits** | | |
| **Coverage During Disability** | If you become disabled before age 60, coverage will continue and premium may be waived for you and your covered dependents. | |
| **Accelerated Death Benefit** | If you are terminally ill, you may be able to receive a portion of your life coverage benefit as a lump sum. | |
| **Individual Purchase Rights** | If you terminate employment, you may be able to convert coverage to an individual policy. | |
| **Limitations & Exclusions** | | |
| **Coverage Outside of the US** | Benefits will not be paid if you or your dependents are outside the United States for certain reasons for more than six months. | |

| Accidental Death & Dismemberment (AD&D) Coverage | |
|---|---|
| **Benefit Amount** | Your benefit is equal to your group term life benefit amount if loss is due to accident or injury. If loss is due to exposure to the elements or disappearance, your loss may be covered.<br><br>You may be paid:<br>• **Full benefit** when you lose: your life / both hands / both feet / sight of both eyes / one hand and sight of one eye / one foot and sight of one eye / one hand and one foot.<br>• **Half of the benefit** when you lose: one hand / one foot / sight of one eye.<br>• **One-fourth of the benefit** when you lose the thumb and index finger on the same hand.<br><br>The loss must occur within 365 days of the accident. |
| **Additional Benefits** | |
| **Seatbelt/Airbag** | $10,000 if you are wearing a seatbelt or are protected by an airbag and die in an automobile accident |
| **Education** | $3,000 per year for up to four years for dependent(s) enrolled at an accredited post-secondary school at the time of your death |
| **Repatriation** | Up to $2,000 for preparation and transportation of your body if you die at least 100 miles from your permanent residence |
| **Loss of Use/Paralysis** | For total and irrevocable loss of voluntary movement for 12 consecutive months or paralysis that is permanent, complete and irreversible, the benefit is: 100% for quadriplegia; 50% for paraplegia, hemiplegia, loss of use of both hands or both feet, or loss of use of one hand and one foot; or 25% for loss of use of one arm, one leg, one hand or one foot |
| **Loss of Speech and/or Hearing** | When loss is irrevocable and continues for 12 consecutive months, the benefit is: 100% for loss of both speech and hearing; 50% for loss of speech or hearing; 25% for loss of hearing in one ear |
| **Limitations & Exclusions** | |
| **Other Limitations** | The Benefit Summary is a summary only. For a complete list of benefit restrictions, please refer to your booklet. |

# Understanding Your Life Coverage Benefits

## Am I Eligible For Coverage?

To be eligible for coverage, you must qualify as an eligible member and be considered actively at work.

You will be considered actively at work if you are able and available for active performance of all of your regular duties. Short-term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered active work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of your absence.

## Are My Dependents Eligible For Coverage?

If you are covered as a member, your dependents may also be eligible. Additional eligibility requirements may apply.

Eligible dependents include your spouse, if not hospital or home confined and provided they do not elect benefits as an employee, and children.

Special eligibility requirements may exist for step, foster, adopted, legal age or other child relationships. Additional information may be necessary to determine child eligibility.

Additional eligibility requirements may apply.

## What Additional Benefits Are Included?

| | |
|---|---|
| **Coverage During Disability** | If you become totally disabled before age 60, coverage will continue and premium will be waived for you and your covered dependents. You must be totally disabled for 9 months before the waiver begins. Coverage continues without premium payment until you recover or turn age 65, whichever occurs first. |
| **Accelerated Death Benefit** | If you are terminally ill you can receive up to 75% of your benefit amount in a lump sum, not to exceed $250,000, as long as:<br>• Your life expectancy is 12 months or less (as diagnosed by a physician), and<br>• Your death benefit is at least $10,000.<br><br>If you use the accelerated benefit, your death benefit is reduced by the accelerated benefit payment. There are possible tax consequences to receiving an accelerated benefit payment. You should contact your tax advisor for details. Receipt of accelerated benefits could also affect eligibility for public assistance. The charge for this benefit is included in the premium. |
| **Individual Purchase Rights** | If you terminate employment, you and your spouse may be able to convert coverage to individual life coverage. Upon coverage termination your employer is required to inform you of your individual purchase rights to convert to an individual policy without proof of good health. The amount you can purchase varies depending on the termination situation. Contact Principal Life for details. |

| | |
|---|---|
| **Claim Processing** | Principal Life makes claim administration easy and convenient for employers by offering an online life claim form. Once the form is complete, employers submit the information directly over a secure, confidential Web site, expediting the claim review process. The employer can choose to use the online form or a printable version that can be faxed or mailed. Along with the online claim form, Principal Life also provides Express Claim Processing for claims that meet certain criteria. Through the Express Claim Process, decisions are reached within five working days without the employer or beneficiary submitting paperwork. |

WE'LL GIVE YOU AN EDGE ®

Principal Life Insurance Company, Des Moines, Iowa 50392-0002, www.principal.com

This is a summary of life coverage underwritten by or with administrative services provided by Principal Life Insurance Company. This benefit summary is for administrative purposes and is not a complete statement of benefits and restrictions. You'll receive a benefit booklet with details about your coverage. If there is a discrepancy between this summary and your benefit booklet, the benefit booklet prevails.

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