

APPENDIX – KEY TERMS & DEFINITIONS

Unum – 850 | California Only

Non-Cancellable and Guaranteed Renewable to Your Age 65, Age 67 or Age 68. As long as the premium is paid on time, Unum cannot change your policy or its premium rate until the Guarantee Date shown in the Disability Income Highlights page. “Non-cancellable” means the coverage and premium rates cannot be changed until the guarantee date of the policy. For a To Age 65 max period of payment, the guarantee date will be the insured’s 65th birthday or the fifth anniversary of the policy, if later. For a To Age 67 max period of payment, the guarantee date will be the insured’s 67th birthday or the fifth anniversary of the policy, if later. For a To Age 70 max period of payment, the guarantee date will be the insured’s 68th birthday or the fifth anniversary of the policy, if later.

Renewal Option After You Reach The Guarantee Date. Subject To Change In Premium Rates. You may continue your policy on a limited basis beyond the Guarantee Date provided you are actively employed. Your policy will be subject to the terms of the Renewal Option if employed provision. This provision is explained in the Disability Income Details | Other Features section of your policy. Only coverage for Total Disability and if attached, base partial disability will continue and premiums will be based on the insured’s attained age.

Definition of Total Disability* - Totally Disabled means that as result of sickness or injury:

1. You are not able to perform with reasonable continuity, the substantial and material acts necessary to perform your usual occupation in the usual and customary way; and
2. You choose not to work at any occupation. If you choose to work at any job, you will not be considered totally disabled under this policy, but you may qualify for partial disability benefits, if attached.
3. You are receiving physician’s care.

The loss of a professional or occupational license or certification does not, in itself, constitute Disability.

Waiver of Premium - After your first 90 days of a covered disability, all premiums are waived. The premiums you paid during the 90-day period are refunded.

Rehabilitation Program - Your policy includes a Rehabilitation Program to assist you in returning to a level of work activity that is appropriate to your functional and cognitive capacity. Rehabilitation in this program will be voluntary on your part and on Unum’s part. If You and Unum agree on a program of occupational rehabilitation in advance, Unum will pay for the program as set forth in a written agreement. The goal of the program must be to return you to work. Nonparticipation in the Rehabilitation Program shall not affect Unum’s determination of whether you are disabled.

The extent of Unum’s role will be determined by Unum in a written agreement. Generally, Unum may pay the expenses of the program that are not already covered by some other social or insurance program. Some of the services that might be provided could include, but are not limited to:

- coordination of physical rehabilitation and medical services;
- financial and business planning;
- vocational evaluation and transferable skills analysis;
- career counseling and retraining;
- labor market surveys and job placement services; and
- evaluation of necessary worksite modifications and adaptive equipment.

Unum can periodically review the program and your progress in it. Unum will continue to pay for the agreed upon program as long as Unum determines that it is helping you return to work.

Participation in the program will not, of itself, be considered a recovery from injury or sickness.

Recurring Disability - If an insured becomes disabled again from related causes, within 6 months of the end of their prior disability, they do not have to satisfy a new elimination period and benefits will be paid according to their prior maximum period of payment schedule.

Survivor Benefit - Three months of benefits will be paid as a lump sum to your estate if you have satisfied the Elimination Period and are receiving benefits at the time you pass away.

Voluntary Suspension During Unemployment - This benefit allows the insured to keep their policy but suspend the payment of premiums for up to one year while unemployed. The policy will not pay out any benefits for a disability that occurs while the policy is suspended.

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Guaranteed Coverage Increase (GCI) - Provides an annual option to increase your monthly benefit to keep pace with your income as it increases. There is no medical underwriting associated with this feature and increases are available up to the guaranteed standard issue maximum benefit amount. Increases to coverage are applicable to new periods of disability beginning after the effective date of the increase. The option to elect/exercise GCI remains available as long as you 1) are employed with your employer, 2) continue to be a part of the Guaranteed Standard Issue offer available to your employer and 3) as eligible, exercise the GCI feature on an annual basis

Limitation for all Mental Disorders*

Benefits for disability caused or contributed to by mental disorders will be limited in the aggregate to a maximum of 24 monthly payments during the life of this policy.

Exclusions:

The exclusions and limitations may vary by state. See Unum will not provide benefits for a disability contributed to or caused by:

- participating in war or any act of war, whether declared or undeclared;
- committing or attempting to commit a felony;
- being engaged in an illegal occupation;
- injuring oneself intentionally or attempting or committing suicide, whether sane or not;

or

- any loss Unum have excluded by name or specific description (any such Exclusion will appear in the Disability Income Highlights).

No benefits will be paid nor will premiums be waived during any period of legal incarceration or legal detainment in a penal or correctional institution of more than 7 days.

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Limitation of Pre-Existing Conditions for Coverage with Simplified Underwriting

3/12 PECL- Pre-Existing Condition Limitation

You have a Pre-Existing Condition if, at any time during the 3 months just prior to an Effective Date, you have an injury or sickness, or the symptoms of an injury or sickness, whether diagnosed or not, for which you:

1. received treatment, consultation, care or services, including diagnostic measurements; or
2. took prescribed drug or medicines; or
3. were recommended by a physician to receive treatment, consultation, care or services, including diagnostic measures during this period; or
4. were previously prescribed medicine to be taken during this period; or
5. had symptoms for which an ordinarily prudent person would have consulted a physician.

Unum will not pay any benefit for a disability that begins in the first 12 months after an Effective Date caused, contributed to by, or resulting from your Pre-Existing Condition. The Pre-Existing Condition Limitation will also apply to an increase in coverage subject to the Effective Date of the increased coverage. An increase in coverage includes, but not limited to:

1. a decrease in an elimination period;
2. an increase in a benefit period;
3. an increase in a benefit amount; or
4. an additional of a benefit rider.

6/12 PECL- Pre-Existing Condition Limitation

You have a Pre-Existing Condition if, at any time during the 6 months just prior to an Effective Date, you have an injury or sickness, or the symptoms of an injury or sickness, whether diagnosed or not, for which you:

1. received treatment, consultation, care or services, including diagnostic measurements; or
2. took prescribed drug or medicines; or
3. were recommended by a physician to receive treatment, consultation, care or services, including diagnostic measures during this period; or
4. were previously prescribed medicine to be taken during this period; or
5. had symptoms for which an ordinarily prudent person would have consulted a physician.

Unum will not pay any benefit for a disability that begins in the first 12 months after an Effective Date caused, contributed to by, or resulting from your Pre-Existing Condition. The Pre-Existing Condition Limitation will also apply to an increase in coverage subject to the Effective Date of the increased coverage. An increase in coverage includes, but not limited to:

1. a decrease in an elimination period;
2. an increase in a benefit period;
3. an increase in a benefit amount; or
4. an additional of a benefit rider.

12/12 PECL*- Pre-Existing Condition Limitation

You have a Pre-Existing Condition if, at any time during the 12 months just prior to an Effective Date, you have an injury or sickness, or the symptoms of an injury or sickness, whether diagnosed or not, for which you:

1. received treatment, consultation, care or services, including diagnostic measurements; or
2. took prescribed drug or medicines; or
3. were recommended by a physician to receive treatment, consultation, care or services, including diagnostic measures during this period; or
4. were previously prescribed medicine to be taken during this period; or
5. had symptoms for which an ordinarily prudent person would have consulted a physician.

Unum will not pay any benefit for a disability that begins in the first 12 months after an Effective Date caused, contributed to by, or resulting from your Pre-Existing Condition. The Pre-Existing Condition Limitation will also apply to an increase in coverage subject to the Effective Date of the increased coverage. An increase in coverage includes, but not limited to:

1. a decrease in an elimination period;
2. an increase in a benefit period;
3. an increase in a benefit amount; or
4. an additional of a benefit rider.

APPENDIX – OPTIONAL* RIDERS

*Riders listed below may be available to you – please review your enrollment offer to confirm rider availability
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Partial Disability Benefits:

Pays if you are no longer totally disabled but you lose time in your usual occupation due to sickness or injury, and/or unable to perform one or more of your material and substantial duties, and experience a loss of earnings of at least 20% of pre-disability income. If your loss is 75% or more of pre-disability income, Unum will pay the full disability benefit. If you qualify for Residual Disability benefits, you will receive a proportional loss benefit formula. You will receive this proportional loss benefit for up to the same period as the maximum benefit period for disability.

Work Incentive Benefit:

At the beginning of the Residual Benefit Period, you will receive an additional benefit called the Work Incentive Benefit (WIB). Your WIB benefit will be the difference between your pre-disability income and your current income. It cannot be larger than your maximum monthly benefit amount. The total income you receive during your WIB period from your work and your policy can be as much as 100% of your prior income.

Recovery Benefit:

You may continue to suffer a loss of earnings even after you have fully recovered and returned to work in your own occupation full-time. While disabled and not at work, your base of income may have deteriorated. The Recovery Benefit provides financial support while you re-establish your business. The Recovery Benefit pays a benefit based on the percentage of earnings you have lost, if prior to a specified age, you have:

1. Suffered a loss of earnings due to Total or Residual Disability; and
2. Satisfied the Elimination Period for Total or Residual Disability; and
3. Returned to work full-time in your occupation, working at least as many hours as you did before you were disabled and continuing to suffer an earnings loss of at least 20% due to your disability.

Catastrophic Disability Benefit*:

This option provides an additional monthly benefit to your group and individual policy benefits if you suffer a catastrophic disability. A catastrophic disability is defined as the total and permanent loss of speech, hearing in both ears, sight in both eyes, use of both arms, use of both legs, or one arm and one leg.

Fixed Cost of Living Adjustment (COLA) - 3%

Commencing on the first anniversary date that benefits begin to accrue after the Elimination Period has been satisfied, COLA increases your monthly benefit at a 3% fixed compound annual rate while you are disabled. There is no cap on cumulative increases to your benefit. If you recover and return to work before you reach age 60, you may purchase the amount of coverage by which your original benefit increased, without medical or financial documentation. This benefit is optional.