ONEAMERICA®

AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368

In consideration of the Application for this policy made by:

Marion School District

(Hereinafter called the Policyholder)

and of the payment of all premiums when due, American United Life Insurance Company® (AUL) agrees to insure certain individuals who are or become entitled to insurance under the terms and conditions of this policy and to pay to those insured individuals the benefits owed under this policy.

The Policy Number is G 00612839-0000-000. The Policyholder's Effective Date is 10/01/2018. The first premium is due on the Effective Date of this policy. Subsequent premiums are due each succeeding Policy Month. The Policyholder's Anniversary date is 10/01 of each year.

The first Policy Month begins on the 1st day of October and ends on the 31st day of October. Each succeeding Policy Month runs for a similar period thereafter.

The provisions on the following pages are considered a part of this policy. This policy is executed by AUL at its Home Office in Indianapolis, Indiana and coverage takes effect on the Policyholder's Effective Date.

By-law, Art. II, Sec. 2: The regular annual meeting of the members of this Corporation shall be held at its principal place of business on the third Thursday in February of each year at ten o'clock A.M. local time or at such other location, place, or time as may be designated by the Board of Directors. The elections of directors shall be held at the annual meeting.

Thomas M. Zurek
Secretary

J. Scott Davison
Chairman, President and Chief Executive Officer

LUMP SUM DISABILITY INSURANCE POLICY

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SECTION 1 – SCHEDULE OF BENEFITS

ELIGIBLE CLASS	All Eligible Full-Time Participants
CLASS NUMBER	001
REQUIREMENT FOR FULL TIME PARTICIPANTS	30.00 hours or more per week. See Section 3. Participants who are contracted full-time for the entire school year are considered as Full-Time Participants during the school summer break months when they are not Actively at Work.
BENEFIT ELIGIBILITY PERIOD	24 months following the Elimination Period. See Section 2.
CHANGES IN INSURANCE	First of the Coverage Month. See Section 4.
CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT (FMLA)	This provision is included for this class. See Section 5B.
CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE AND TEMPORARY LAYOFF	This provision is included for this class. See Section 5C.
CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE	This provision is included for this class. See Section 5D.
DEFINITION OF DISABILITY	Regular Occupation. See Section 2.
DEFINITION OF PERMANENT AND TOTAL DISABILITY	Any Occupation. See Section 2.
ELIMINATION PERIOD (EP) Accumulation of EP	90 days. See Section 2. 180 days. See Section 8.
GUARANTEED ISSUE AMOUNT (GIA)	$20,000

SECTION 1 – SCHEDULE OF BENEFITS

CLASS NUMBER	001
INDIVIDUAL EFFECTIVE DATE	
Initial Participants	Policyholder's Effective Date if the Participant has satisfied his Waiting Period on or before said date, otherwise the first day of the Coverage Month following the Initial Enrollment Period. See Section 3.
New Participants	The first day of the Coverage Month following the Initial Enrollment Period. See Section 3.
INDIVIDUAL REINSTATEMENT	This provision is included for this class. Application must be made within 30 days from termination date. Effective first day of the Coverage Month. See Section 5A.
INITIAL ENROLLMENT PERIOD	
Initial Participants	Between 08/01/2018 and 09/30/2018.
New Participants	31 days following the Participant's Eligibility Date. See Section 3.
LIMITATIONS	
Drug and Alcohol Abuse Limitation	20% of the Lump Sum Disability Amount. See Section 10.
Mental Illness Limitation	20% of the Lump Sum Disability Amount. See Section 10.
Special Conditions Limitation	20% of the Lump Sum Disability Amount. See Section 10.
LUMP SUM DISABILITY BENEFIT AMOUNT	The Lump Sum Disability Amount is a flat amount available in $10,000 increments. The minimum Lump Sum Disability Amount is $10,000. The maximum Lump Sum Disability Amount is $20,000. See Section 8.
MAXIMUM LUMP SUM DISABILITY BENEFIT AMOUNT	$20,000
PARTICIPANT PREMIUM CONTRIBUTIONS	Contributory. See Section 3.
POLICY MONTH	A period that begins on the 1st day of October and ends on the 31st day of October. Each succeeding Policy Month runs for a similar period thereafter.
PORTABILITY PRIVILEGE	This privilege is included for this class. See Section 12.
PRE-EXISTING CONDITION EXCLUSION	
Duration	3/12. See Section 9.
RECURRENT RETURN TO WORK PERIOD	90 days. See Section 8.

SECTION 1 – SCHEDULE OF BENEFITS

CLASS NUMBER 001

REDUCTIONS: The Lump Sum Benefit Amount will begin reducing to percentages shown below on the Group Policyholder's first Anniversary Date following the date the Participant reaches age 65. The percentage of coverage remaining once the Participant attains various ages will be as follows:

STANDARD REDUCTION STARTING AT AGE 65

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
65	70%
70	45%
75	30%
80	25%

SCHEDULED ENROLLMENT PERIODS 60 days prior to 09/30.

WAITING PERIOD

Initial Participants	30 days
New Participants	30 days See Section 2.

WAIVER OF PREMIUM This benefit is included for this class. See Section 6.

SECTION 2 – DEFINITIONS

ACTIVE WORK and ACTIVELY AT WORK mean the regular and full-time use of time and energy in the services of the Person's Regular Occupation. The Person must be physically and mentally capable of performing each of the Material and Substantial Duties of his Regular Occupation on a regular full-time basis.

This includes time off for vacation, jury duty, paid holidays, and funeral leave, where the Person could have been Actively At Work on that day.

Active Work does not include periods of time when a Participant is not Actively At Work following an Injury, Sickness, strike, lock-out, layoff, after a Participant's employment has ended voluntarily or involuntarily, or periods of time the terminated Participant receives accrued vacation pay or other employment related benefits after his employment termination date.

BENEFIT ELIGIBILITY PERIOD means the period of consecutive days the Person is Disabled commencing the first day following the Elimination Period and continuing for the number of months identified in the Schedule of Benefits.

COSMETIC SURGERY means surgery that is performed to change the texture, shape, or structure of any part of the human body for the purpose of beautifying or creating a different visual appearance.

CONTRIBUTORY INSURANCE means insurance for which the Person pays part or all of the premium.

COVERAGE MONTH means that period of time beginning on the Person's Individual Effective Date, and continuing from the first day and ending on the last day of each succeeding Policy Month.

DATE OF HIRE means the first day the Participant is Actively At Work in an eligible class of the Policyholder.

DATE OF DISABILITY means the first date the Person is Disabled.

DISABILITY and DISABLED means that, due to Sickness or Injury, a Person during the Elimination Period and/or Benefit Eligibility Period:

1) is unable to perform one or more of the Material and Substantial Duties of his Regular Occupation on a full-time basis; or
2) is performing at least one of the Material and Substantial Duties of his Regular Occupation or another occupation on a part time basis and is working for the Policyholder less than 80% of his regular hours, that does not include overtime pay, during the six weeks prior to the Person's Date of Disability; and
3) is under the Regular Attendance of a Physician for that Sickness or Injury.

DUE DATE means the first day of the Coverage Month for which the premium is payable.

SECTION 2 – DEFINITIONS

ELIGIBILITY DATE means the date that a Participant, in an eligible class as stated in the Schedule of Benefits, has satisfied his Waiting Period and AUL determines is eligible for Personal Insurance under this policy.

ELIMINATION PERIOD means a period of consecutive days the Person is Disabled beginning on the Date of Disability.

EMPLOYER means the entity or organization for which the Person performs services and which has the right to control what will be done and how it will be done. An Employer has the right to control the details of how the services are performed by the Person. The Person must not be considered an independent contractor or agent unless classified by the IRS as a statutory employee of the Employer. The Employer is the entity or organization for which the Person performs his Regular Occupation, and is required to withhold and pay income, social security, and Medicare taxes on wages.

EMPLOYER'S RETIREMENT PLAN means any defined benefit or defined contribution plan that is sponsored by the Employer.

EVIDENCE OF INSURABILITY means a statement or proof of a Person's medical history, upon which acceptance for insurance will be determined by AUL.

FRANCHISE COVERAGE means disability insurance coverage which allows Participants to be insured as part of their relationship with the Policyholder but such coverage is not part of an employee welfare benefit plan and the Participants are insured under individual policies.

GUARANTEED ISSUE AMOUNT (GIA) means the amount of coverage that does not require Evidence of Insurability. This amount is stated in the Schedule of Benefits.

INDIVIDUAL REINSTATEMENT means that Personal Insurance that has been terminated due to cessation of Active Work may be reinstated in accordance with Section 5A of this policy.

INJURY means a sudden, unforeseen and unexpected event that occurs independently of all other causes and causes physical harm to the Person. This includes all other conditions related to the same Injury.

LUMP SUM DISABILITY BENEFIT means the benefit amount payable to a Person who is Permanently and Totally Disabled, according to the provisions of this policy as approved by AUL and stated in the Schedule of Benefits.

MALE PRONOUN whenever used includes the female.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:
1) are normally required for the performance of an occupation; and
2) cannot be reasonably omitted or modified.

MENTAL ILLNESS means a psychiatric or psychological condition classified in the *Diagnostic and Statistical Manual of Mental Health Disorders (DSM)*, published by the American Psychiatric Association, most current as of the start of a Disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders related to stress or to substance abuse or dependency. If the *DSM* is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a Disability.

NON-CONTRIBUTORY INSURANCE means insurance for which the Person pays none of the premium.

PARTICIPANT means any individual who is a full-time employee, shareholder, owner, proprietor, partner, member, or corporate officer of the Policyholder:

1) whose employment with the Policyholder constitutes his principal occupation;
2) who works at that occupation a minimum number of hours as stated in the Schedule of Benefits;
3) who is working at the Policyholder's regular place of business which may include an alternative worksite if approved by the Policyholder and AUL;
4) who is not a part-time, temporary or seasonal Participant or worker;
5) who is authorized to work in the United States under applicable state and federal laws; and
6) if approved by AUL:
   a) who legally works and resides in Canada;
   b) who legally works in the United States and resides in Canada; or
   c) who legally works in Canada and resides in the United States.

PERMANENT and TOTAL DISABILITY and PERMANENTLY and TOTALLY DISABLED means that, due to Sickness or Injury, a Person is:

1) expected to be unable to perform the Material and Substantial Duties of any occupation for which he is reasonably fitted by training, education or experience on a full-time basis for a continuous period of not less than 24 months;
2) not working;
3) not engaged in any activity for profit, such as a business or investment activity;
4) not receiving income or revenue from an activity which is a hobby; and
5) under the Regular Attendance of a Physician for that Sickness or Injury.

If the Person's Regular Occupation requires a license, loss of this license for any reason does not in itself constitute Permanent and Total Disability.

PERSON means a Participant who has met the requirements of the ELIGIBILITY, ENROLLMENT AND INDIVIDUAL EFFECTIVE DATE section of this policy.

PERSONAL INSURANCE means the coverage provided under this policy for a Person.

PHYSICIAN means a qualified, state licensed doctor of medicine or osteopathy, and any other licensed health care provider that state law requires to be recognized as a Physician, practicing within the scope of his license and applicable law. Physician does not include a Physician employed by the Policyholder, a Person or anyone related to a Person by blood or marriage.

SECTION 2 – DEFINITIONS

POLICYHOLDER means any sole proprietorship, partnership, member, corporation, limited liability company, limited liability partnership, firm, school district, individual school, union, association, organization, or instrumentality of a state or political subdivision thereof, that has been approved by AUL and to whom this policy is issued. An entity that is subsidiary to or affiliated with the Policyholder as defined below is eligible for coverage under this policy if it is shown on the Application or later added by amendment to this policy.

A subsidiary may be included in this definition when the Policyholder owns more than 50% of the voting stock of the entity.

An affiliate may be included in this definition when the entity is under common control with the Policyholder through 51% or more ownership and control.

The Policyholder is liable for all premiums due for subsidiaries and affiliates during any period of time a subsidiary and/or affiliate is insured under this policy. Any notice given to the Policyholder by AUL shall be considered notice given to the subsidiary and/or affiliate.

POLICYHOLDER'S EFFECTIVE DATE means the date on which coverage is actually effective for the Policyholder under this policy as determined by AUL.

POLICYHOLDER'S ANNIVERSARY DATE means an annual date chosen by the Policyholder and agreed to by AUL.

PRE-EXISTING CONDITION means any condition for which a Person did or would have done any of the following at any time during the 3 months immediately prior to a Person's Individual Effective Date of Insurance, whether or not that condition was diagnosed at all or was misdiagnosed:

1) received medical treatment or consultation;
2) taken or were prescribed drugs or medicine; or
3) received care or services including diagnostic measures.

PRIOR PLAN means the Policyholder's plan of lump sum disability insurance or benefit plan having similar features to Lump Sum Disability that terminated on the day immediately before the Policyholder's Effective Date of coverage under this policy.

REGULAR ATTENDANCE means that a Person:

1) personally meets with or visits a Physician as medically required according to standard medical practice, to effectively manage and treat his Disability;
2) is receiving the most appropriate treatment and care that will maximize his medical improvement and aid in his return to work; and
3) is receiving care by a Physician whose specialty or clinical experience is appropriate for the Disability.

SECTION 2 – DEFINITIONS

REGULAR OCCUPATION means a Person's occupation as it is recognized in the general workplace and according to industry standards. The Person's time, energy and services must be performed at the Policyholder's regular place of employment, or an alternative worksite approved by AUL. For Actively at Work requirements, a Person's alternative worksite may not be located outside of the United States or Canada for more than 6 months in any 12-month period. A Person's occupation does not mean the specific job tasks he does for the Policyholder or at a specific location. For example, an attorney's Regular Occupation means the practice of law as defined under applicable laws versus a specialized area within the practice of law.

SICKNESS means illness, bodily disorder or disease, Mental Illness, normal pregnancy and complications of pregnancy. Complications of pregnancy are defined as concurrent disease or abnormal conditions significantly effecting the usual medical management of pregnancy.

SPOUSE means an individual to whom the Person is married.

However, for purposes of insurance under this policy, Spouse does not include an individual from whom the Person is divorced.

SURVIVOR means a relative entitled to inherit under intestate succession laws, in the following order: a Person's Spouse, child(ren), grandchildren, great grandchildren, parent(s), siblings, nieces and nephews, grandparents, aunts and uncles.

WAITING PERIOD means the period of days, starting on the Date Of Hire, that a Participant must be continuously Actively at Work while in an eligible class. Initial Participants will be given credit for time served under the Policyholder's prior carrier if this policy replaced the same type of coverage he had with the prior carrier. The Waiting Period is stated in the Schedule of Benefits.

SECTION 3 – ELIGIBILITY, ENROLLMENT, AND INDIVIDUAL EFFECTIVE DATE

*Refer to **PARTICIPANT PREMIUM CONTRIBUTIONS** and **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).*

If coverage is Contributory the following applies:

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

LATE ENROLLEE: A Late Enrollee is an Initial or New Participant who is Actively At Work, but does not request coverage during his Initial Enrollment Period. Enrollment for Late Enrollees can only occur annually during the Scheduled Enrollment Period.

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under this policy on:

1) *Initial Participant:*
   a) the Policyholder's original Effective Date of coverage under this policy; or
   b) the first day of the Coverage Month immediately following completion of the Waiting Period.
2) *New Participant:* the first day of the Coverage Month immediately following the Waiting Period.
3) *Late Enrollee*: the first day of the Coverage Month following the next Scheduled Enrollment Period.

ENROLLMENT: To be considered for coverage, an eligible Participant must apply correctly and truthfully for Personal Insurance under this policy. Eligible Participants applying for Personal Insurance must complete and sign a written request for coverage on an enrollment form approved by AUL and pay the required premiums before coverage will become effective. This form will be given to and maintained by the Policyholder. Coverage may only be requested during an Initial or Scheduled Enrollment Period, as follows:

1) INITIAL ENROLLMENT PERIOD: The Initial Enrollment Period is the time during which an eligible Participant who is Actively At Work may first apply for coverage following completion of the Waiting Period without providing Evidence Of Insurability. An eligible Participant may waive coverage or request coverage under any option offered by the Policyholder for his class. The Initial Enrollment Period includes the following periods, during which a Participant may make his initial written application for coverage under this policy:
   a) *Initial Participant:* the Initial Enrollment Period, which is the period of time agreed to by AUL and the Policyholder and is stated in the Schedule of Benefits.
   b) *New Participant:* the Initial Enrollment Period, which is shown on the Schedule of Benefits as either:
      i) the period that begins on the Eligibility Date and continues through the number of days as shown on the Schedule of Benefits; or
      ii) the Scheduled Enrollment Period beginning on the Eligibility Date.

2) SCHEDULED ENROLLMENT PERIOD: This is a recurrent period of days, as stated in the Schedule of Benefits, after the Policyholder's original Effective Date, during which:
   a) a New Participant or eligible Late Enrollee may apply in writing, on an AUL approved enrollment form, for coverage under this policy.

   The Scheduled Enrollment Period is chosen by the Policyholder and must be approved by AUL.

3) DELAYED ENROLLMENT PERIOD: An eligible Initial or New Participant who is not Actively At Work during his Initial Enrollment Period may apply for Personal Insurance without providing Evidence of Insurability. He may do this if:
   a) he has returned to full-time Active Work;
   b) he is in an eligible class as stated in the Schedule of Benefits;
   c) his Waiting Period was completed prior to his cessation of Active Work; and
   d) he applies within 31 days of the day he returns to Active Work.

EVIDENCE OF INSURABILITY: Evidence of Insurability is required if:
1) the Participant applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount as stated in the Schedule of Benefits;
2) the Late Enrollee applies for Lump Sum Disability Insurance; or
3) the Participant applies for Lump Sum Disability Insurance after termination of insurance due to failure to pay the required amount of premium timely.

Any amount of insurance for which the Participant or Person requests greater than the Guaranteed Issue Amount will only be available following written approval by AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If insurance for amounts greater than the Guaranteed Issue Amount is approved, coverage will begin on the date identified in writing by AUL. If an amount greater than the Guaranteed Issue Amount is not approved by AUL, the Lump Sum Disability Benefit Amount will be equal to the Guaranteed Issue Amount and will be effective as set forth in the Individual Effective Date of Insurance provision of this policy.

SECTION 3 – ELIGIBILITY, ENROLLMENT, AND INDIVIDUAL EFFECTIVE DATE

*Refer to **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).*

INDIVIDUAL EFFECTIVE DATE OF INSURANCE

Initial Participant:

1) The Individual Effective Date of Insurance for an eligible Initial Participant who has satisfied his Waiting Period prior to the Policyholder's Effective Date is the Policyholder's original Effective Date under this policy as long as an Initial Participant:
   a) requested coverage during the Initial Enrollment Period; and
   b) is Actively At Work for the Policyholder on that date.
2) The Individual Effective Date of Insurance for an eligible Initial Participant who has not satisfied his Waiting Period prior to the Policyholder's Effective Date is the first day of the Coverage Month following the Waiting Period for New Participants. The Individual Effective Date of Insurance for an eligible New Participant is the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month as long as the New Participant:
   a) requested coverage during the Initial Enrollment Period;
   b) has completed the Waiting Period for New Participants; and
   c) is Actively At Work on the Individual Effective Date of Insurance.

SECTION 3 – ELIGIBILITY, ENROLLMENT, AND INDIVIDUAL EFFECTIVE DATE

*Refer to **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).*

New Participant:
The Individual Effective Date of Insurance for an eligible New Participant depends on the Policyholder's selection on the Application, as described below:

First day of the Coverage Month following the Waiting Period for New Participants: The Individual Effective Date of Insurance for an eligible New Participant is the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month as long as the New Participant:

1) requested coverage during the Initial Enrollment Period;
2) has completed the Waiting Period for New Participants; and
3) is Actively At Work on the Individual Effective Date of Insurance.

SECTION 4 – CHANGES IN INSURANCE

*Refer to **CHANGES IN INSURANCE** and **GUARANTEED INCREASE IN BENEFIT** in the Schedule of Benefits to determine applicable class(es) or option(s).*

EFFECTIVE DATE OF CHANGE (First of the Coverage Month & No GIB)

A change in coverage that does not increase the amount of coverage takes effect on:
1) the first day of the Coverage Month following any scheduled reduction;
2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:
1) satisfactory Evidence of Insurability, at no expense to AUL; and
2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on:
1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.

SECTION 4 – CHANGES IN INSURANCE

DECREASING THE LUMP SUM DISABILITY BENEFIT AMOUNT: A Person may decrease the amount of his coverage at any time. Any decrease in coverage will become effective the first day of the Coverage Month following the date of the request.

Any change in insurance, other than a decrease in the amount of coverage or an increase in coverage to the next higher option as stated above, will require satisfactory Evidence of Insurability.

SECTION 5 – TERMINATIONS

INDIVIDUAL TERMINATION: A Person will cease to be insured on the EARLIEST of the following dates:

1) the date this policy or the Policyholder's coverage under this policy terminates;
2) the end of the Coverage Month following the date the Person is no longer in an eligible class;
3) the date the Person's class, as stated in the Schedule of Benefits, is no longer insured under this policy;
4) the last day of the period for which premiums were paid, if the premium is not paid when due;
5) the date the Person requests termination, but not prior to the date of the request;
6) the date the Lump Sum Disability Benefit is paid to the Person;
7) the date the Person dies;
8) the end of the Coverage Month following the date employment terminates. **Cessation of Active Work will be deemed termination of employment.** However, insurance will be continued for a Person:
   a) during the Elimination Period, if the Person is Disabled, as described in this policy;
   b) during the Benefit Eligibility Period, if the Person is Disabled, as described in this policy;
   c) during any period that premiums are being waived under the Waiver of Premium provision;
   d) during any temporary Leave of Absence according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the leave and the benefit was elected by the Policyholder in the Application and approved by AUL; and
   e) during any temporary layoff according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the layoff and the benefit was elected by the Policyholder in the Application and approved by AUL.

TERMINATION OF THE POLICY: Insurance coverage under this policy will cease on the EARLIEST of the following dates:

1) the date the Policyholder no longer meets the definition of a Policyholder;
2) the date the Policyholder ceases active business operations, becomes insolvent, or is placed in bankruptcy or receivership;
3) the date the Policyholder ceases to exist by means of transfer of ownership, transfer of control, sale, dissolution, merger, consolidation, acquisition, or otherwise;
4) the date ending the Policy Month for which the last premium payment is made for the Policyholder's insurance;
5) at the end of a Policy Month, provided that AUL has given at least 31 days prior written notice to the Policyholder;
6) at the end of a Policy Month, if the Policyholder has given AUL at least 31 days prior written notice;
7) the date the Policyholder fails to promptly furnish any information which AUL may reasonably require; or
8) the date the Policyholder, without good and sufficient cause, fails to perform in good faith its duties pertaining to this policy.

If a Person's insurance is terminated due to the termination of this policy, the Person's rights under this policy are terminated on the date this policy terminated.

Termination of this policy under any conditions will be without prejudice to AUL for any claim incurred prior to termination.

If this policy terminates, the Policyholder will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.

SECTION 5A – INDIVIDUAL REINSTATEMENT

*Refer to **INDIVIDUAL REINSTATEMENT** in the Schedule of Benefits to determine applicable class(es) or option(s).*

INDIVIDUAL REINSTATEMENT: If Personal Insurance terminates under this policy due to cessation of Active Work for the Policyholder, it may be reinstated subject to the terms of this provision. Individual Reinstatement must be requested during the 31-day period immediately following return to Active Work for the Policyholder in accordance with the terms stated in this provision. Individual Reinstatement will be for the same coverage amount and eligible class that the Participant belonged to immediately prior to his termination. AUL may require Evidence of Insurability if reinstatement is requested for an amount or eligible class that differs from the coverage the Participant had with the Policyholder immediately prior to his cessation of Active Work. Reinstatement is subject to payment of required premiums and that the Policyholder is currently insured by AUL under this policy. In addition to these requirements, the following also applies:

1) If a Participant returns to Active Work within the period of consecutive calendar days as stated in the Schedule of Benefits under Individual Reinstatement from his individual termination date and requests Individual Reinstatement:
   a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement, or the first day of the Coverage Month immediately following the date of request for Individual Reinstatement, as stated in the Schedule of Benefits.
   b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under this policy immediately prior to cessation of Active Work.
   c) *If the Schedule of Benefits states that the Participant must return to Active Work within 30 days of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period and of the Pre-Existing Condition exclusion or limitation period he previously served under this policy. However, any days accumulated during his period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the eligibility Waiting Period and the Pre-Existing Condition exclusion or limitation period.
   d) *If the Schedule of Benefits states that the Participant can return to Active Work for a period greater than 30 days from the Participant's date of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period he previously served under this policy. However, any days accumulated during his period of lapse in coverage will not be credited. The Participant will be considered a New Participant and subject to the terms of this policy, except as stated herein.
2) If a Participant returns to Active Work more than the number of consecutive calendar days, shown in 1) above, after his individual termination date and requests Individual Reinstatement:
   a) The Participant will be considered a New Participant subject to the terms of this policy.
   b) Eligibility for Personal Insurance, Enrollment and his Individual Effective Date Of Insurance will be determined as stated in this policy.
   c) The Waiting Period and Pre-Existing Condition exclusion or limitation period will start anew. The Individual Reinstatement date will be used when applying the Pre-Existing Condition exclusion or limitation period.
3) If the Participant is currently insured under this policy's Portability Privilege and returns to Active Work with the Policyholder and requests Individual Reinstatement to this policy:
   a) Personal Insurance will become effective the first day of the Coverage Month immediately following the date of request for Individual Reinstatement, as stated in the Schedule of Benefits.
   b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under this policy immediately prior to cessation of Active Work.
   c) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period he already served under this policy and the Portability Privilege. The Participant's original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
   d) Coverage under the Portability Privilege must terminate immediately prior to the date of Individual Reinstatement under this policy.

4) If Personal Insurance terminates because of a leave approved by the Policyholder under the Federal Family and Medical Leave Act (FMLA), or similar applicable state law, and the Participant returns to full-time Active Work immediately following the end of the leave:
   a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement.
   b) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period previously served under this policy, however, the days accumulated during the period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
   c) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class that the Participant would have been entitled to prior to the leave.

SECTION 5B – CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT

*Refer to **CONTINUATION OF PERSONAL INSURANCE UNDER FMLA** in the Schedule of Benefits to determine applicable class(es) or option(s).*

CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT. If the Policyholder correctly approves a leave of absence under the Federal Family and Medical Leave Act (FMLA), a Person's coverage under this policy will be continued as stated in this Section. Personal Insurance will continue while a Person's leave is covered under FMLA, until the end of the later of:

1) the leave period permitted under FMLA; or
2) the leave period permitted by applicable state law.

Coverage continued under this Section is subject to the following requirements:

1) the Policyholder has approved a Person's leave in writing as a leave taken under FMLA;
2) applicable premiums must continue to be paid to AUL in accordance with this policy (see Section 6 – PREMIUM PAYMENT); and
3) the Lump Sum Disability Amount will be the amount in effect prior to the date the Person's family or medical leave began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

1) the date a Person dies;
2) the date a Person's coverage terminates for nonpayment of premiums;
3) the date a Person begins full or part-time employment with another employer;
4) the date this policy terminates;
5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
6) the date a Person's class is no longer offered under this policy;
7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
8) the date a Person requests termination of coverage under this policy, but not prior to the date of request; or
9) the date the Lump Sum Disability Benefit is paid to the Person.

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

1) the Actively At Work definition; and
2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.

SECTION 5C – CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE AND TEMPORARY LAYOFF

*Refer to **CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE AND TEMPORARY LAYOFF** in the Schedule of Benefits to determine applicable class(es) or option(s).*

LEAVE OF ABSENCE references in this Section means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance and in writing by the Policyholder and includes temporary layoffs unless otherwise stated.

CONTINUATION OF PERSONAL INSURANCE WHILE TEMPORARILY LAID OFF. If the Policyholder approves a temporary layoff, a Person's coverage under this policy will be continued to the end of the Coverage Month following the month in which the layoff begins, as long as premiums continue to be paid to and received by AUL, subject to same requirement as a Leave Of Absence.

CONTINUATION OF PERSONAL INSURANCE UNDER A LEAVE OF ABSENCE: If the Policyholder approves a Leave of Absence, a Person's coverage under this policy will be continued to the end of the Coverage Month following the month that a Person begins a Leave of Absence as long as premiums continue to be paid to and received by AUL, subject to the following requirements:

1) the Policyholder has approved a Person's Leave of Absence in writing;
2) applicable premiums must continue to be paid to AUL in accordance with this policy (see Section 6 – PREMIUM PAYMENT); and
3) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

1) the date a Person dies;
2) the date a Person's coverage terminates for nonpayment of premiums;
3) the date a Person begins full or part-time employment with another employer;
4) the date this policy terminates;
5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
6) the date a Person's class is no longer offered under this policy;
7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
8) the date a Person requests termination of coverage under this policy, but not prior to the date of request; or
9) the date the Lump Sum Disability Benefit is paid to the Person.

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

1) the Actively At Work definition; and
2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.

SECTION 5D – CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE

*Refer to **CONTINUATION OF INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE** in the Schedule of Benefits to determine applicable class(es) or option(s).*

LEAVE OF ABSENCE means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance in writing by the Policyholder.

CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE: If the Person is on a leave of absence for active military service as described under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law, the Person's coverage may be continued until the later of:

1) the length of time the coverage may be continued under this policy for an FMLA leave of absence; or
2) the length of time the coverage may be continued under this policy for a Leave of Absence other than an FMLA leave of absence.

Coverage continued under this Section is subject to the following requirements:

1) applicable premiums must continue to be paid to and received by AUL in accordance with this policy (see Section 6 – PREMIUM PAYMENT); and
2) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence For Active Military Service began.

Continuation of Personal Insurance under this provision will cease on the earliest of the following:

1) the date a Person dies;
2) the date a Person's coverage terminates for nonpayment of premiums;
3) the date a Person begins full or part-time employment with another employer;
4) the date this policy terminates;
5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
6) the date a Person's class is no longer offered under this policy;
7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
8) the date a Person requests termination of coverage under this policy, but not prior to the date of request; or
9) the date the Lump Sum Disability Benefit is paid to the person.

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

1) the Actively At Work definition; and
2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.

SECTION 6 – PREMIUM PAYMENT

PREMIUM PAYMENTS: As provided in the Application, the Policyholder is responsible for properly and accurately paying premium to AUL on or before the Due Date. All premiums will be calculated and paid in U.S. dollars. At the request of the Policyholder and AUL's written approval, the interval of premium payments may be changed.

Overpayment of premium will not result in increases in any coverage amounts or additional benefits for the Policyholder or Person. If a Person has Contributory Insurance, premiums paid by the Person may be paid by means of payroll deduction administered by the Policyholder.

Premiums for a Person's coverage under this policy shall be owed beginning on the Person's Individual Effective Date of Insurance. Premiums will cease to be owed on the Person's individual termination date. However, premiums will continue to be owed if the Person is Disabled on his individual termination date. Premiums will continue to be owed until the date they are waived according to the Waiver of Premium provision.

Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account. Payment of any premium does not maintain the insurance in force beyond the end of the period for which it has been paid. Each premium payment is owed to AUL on or before its Due Date.

The above manner of charging premiums applies only to a Person's insurance that is terminating, but not the termination of this policy. Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account.

PREMIUM RATES: AUL reserves the right to change premium rates on any date:

1) after the Policyholder's coverage has been in effect for 2 years or as stated in the Application, by giving prior written notice to the Policyholder at least 31 days before the effective date of the change;
2) the eligibility or benefit provisions are changed;
3) the number of Persons insured under this policy changes by 10% or more;
4) a division, unit, subsidiary or affiliate is added to, or deleted from, the Policyholder's coverage under this policy;
5) if the age or any other fact that affects the benefits for a Person or Policyholder has been misstated; or
6) there is a change in existing laws which affects the coverage offered under this policy.

WAIVER OF PREMIUM BENEFIT: *Contributory option:* Premium payments for a Disabled Person will be waived the first Date of Disability and will continue to be waived during the Elimination Period and Benefit Eligibility Period. If a Disabled Person returns to work before the end of his Elimination Period or his Benefit Eligibility Period, his premium payments will resume, but he will not be required to repay the waived premiums.

Premiums for coverage under this policy will be waived as described in this provision, providing the Lump Sum Disability Benefit is paid by AUL.

SECTION 7 – GENERAL POLICY PROVISIONS

AGENCY: For all purposes of this policy, the Policyholder acts on behalf of itself or as agent for the Person. Under no circumstances will the Policyholder be deemed the agent of AUL.

AMENDMENT AND CHANGES: This policy may be amended in writing by mutual agreement between the Policyholder and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in this policy is valid until approved in writing by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to approve coverage, change this policy or waive any of its provisions.

ASSIGNMENT: No assignment of any present or future right or benefit under this policy will bind AUL without its prior written consent and when permitted under applicable laws.

CERTIFICATES: AUL will issue a certificate for delivery by the Policyholder to the insured Persons. The certificate will summarize the Person's coverage under this policy and will state:
1) the benefits provided; and
2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any marketing materials, plan documents, certificate, and the provisions of this policy, the provisions of this policy will govern.

CLERICAL ERROR: Clerical error on the part of the Policyholder or AUL will not invalidate insurance otherwise in force nor continue insurance otherwise terminated.

CONFORMITY WITH STATE LAWS: Any provision of this policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Policyholder must promptly furnish all information that AUL reasonably requires. The Policyholder must furnish all relevant information to AUL about Persons:
1) who qualify to become insured or are eligible for benefits;
2) whose amounts of insurance change; and/or
3) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Policyholder that, in the opinion of AUL, may have a bearing on the insurance coverage provided under this policy.

SECTION 7 – GENERAL POLICY PROVISIONS

ENTIRE CONTRACT: This policy, the application forms of the Persons, the Application of the Policyholder, and any amendments made from time to time constitute the entire contract.

GRACE PERIOD: If the Policyholder or AUL does not give notice in writing that coverage under this policy is to be terminated, a Grace Period of 31 days will be granted for the payment of any premium owed after the first premium Due Date. During the Grace Period, this policy will continue in force but will automatically terminate on the last day of the Grace Period. The Policyholder is liable to AUL for payment of premiums for the days of grace during which this policy remains in force. AUL is not obligated to pay claims incurred during the Grace Period until the premium owed is received.

INSURANCE FRAUD: AUL wants to ensure that its customers do not incur additional insurance costs as a result of the act of insurance fraud. Applicable state laws require AUL to undertake measures to detect, investigate and prosecute fraud.

Anyone that knowingly completes an application for insurance or statement of claim containing any materially false information or facts, with the intent to deceive, conceal or mislead is committing a fraudulent insurance act. This is a crime and may subject that Person to criminal and civil penalties.

MISSTATEMENT OF FACTS: If the age or any other fact that affects the benefits for a Person or Policyholder has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts.

RELATIONSHIP: AUL and the Policyholder are, and will remain, independent contractors. Nothing in this policy or the Application shall be construed as making the parties joint ventures or as creating a relationship of employer and Participant, master and servant or principal and agent. Neither party has any power, right or authority to bind the other or to assume or create any obligation or responsibility on behalf of the other. AUL and the Policyholders each retain exclusive control of their time and methods to perform their respective duties. AUL and the Policyholder will employ, pay and supervise their own employees and pay their own expenses. The Policyholder is required to familiarize itself with all relevant state and federal laws including applicable banking, MEWA, plan sponsor, plan administrator, and fiduciary laws. Any violation of federal or state law will require Policyholder to reimburse AUL for any and all damages or fines imposed on AUL as well as AUL's reasonable attorney's fees incurred due to Policyholder's violations and/or any violations incurred by any representative of Policyholder, in which AUL is made party thereof.

STATEMENTS MADE IN AN APPLICATION: All statements made by the Policyholder, or insured Persons shall be deemed representations and not warranties. No such statements will be used to reduce or deny any claim or to cancel the Person's coverage unless:

1) the statement is in writing; and
2) a copy of that statement is given to the Person or his Survivor.

SECTION 7 – GENERAL POLICY PROVISIONS

INCONTESTABILITY: The validity of this policy may not be contested, except in the case of fraud or for nonpayment of premiums, after this policy has been in force for two years after its date of issue, and other than a misrepresentation of a material fact, no statement made by a Policyholder or a Person relating to his insurability may be used in contesting the validity of the insurance with respect to which the statement was made, unless: (1) the insurance has not been in force for a period of two years or longer; or (2) the statement is contained in a written instrument signed by the Person. However, AUL is not precluded from asserting at any time any defenses based upon provisions in this policy relating to eligibility for coverage. All statements made by a Policyholder or a Person are to be deemed representations and not warranties, and that other than a misrepresentation of a material fact no statement made by any Person may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or, in the event of death or incapacity of the Person, to the Person's personal representative.

WORKER'S COMPENSATION AND WORKMEN'S COMPENSATION NOT AFFECTED: This policy is not in lieu of, and does not affect any requirement for coverage by Worker's or Workmen's Compensation Insurance.

SECTION 7A – CLAIM PROCEDURES

INITIAL NOTICE OF DISABILITY: Written notice of Disability must be given to AUL within 90 days after the Elimination Period ends. If written notice cannot be made during this time period due to an Act of God or force majeure event, AUL must be notified as soon as it is reasonably possible to do so. Written notice should contain sufficient information to identify the Person. Notices are not considered given until received by AUL at its Home Office in Indianapolis, Indiana or by one of its Claims offices.

CLAIM FORMS FOR PROOF OF LOSS: Upon receipt of the Initial Notice of Disability, AUL will furnish the Policyholder with any necessary claim forms to be given to the Person. These forms must be properly, accurately and truthfully completed and returned to AUL. If, for any reason, the Person does not receive a claim form within 15 days of request, the Person should submit written proof of Disability. The initial claim form or proof of Disability must show:

1) claimant's name;
2) Employer's name and address;
3) Policy number;
4) the date Disability started;
5) the cause of Disability; and
6) the nature and extent of the Disability.

The initial claim form or proof of Disability must be signed by a Physician and sent to AUL within 90 calendar days of the Benefit Eligibility Period. If it is not possible to give proof within these limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than twelve (12) months after the time proof is otherwise required, except in the absence of legal capacity.

AUL will also periodically send the Person additional claim forms or requests for information necessary to determine eligibility for benefits under this policy. These subsequent claim forms and requests for information must be returned to AUL within 30 days after the Person receives them.

LEGAL ACTION: No legal action may be brought to obtain benefits or a refund of premium paid under this policy:

1) for at least 60 days after proof of loss or entitlement to a premium refund has been furnished;
2) before any denial or reduction of benefits by AUL has been appealed properly in writing; or
3) no action may be brought after three (3) years following the expiration of the time within which proof of loss or entitlement to a premium refund is required by the Policyholder.

TIME OF PAYMENT OF CLAIMS: When AUL receives a claim form or proof of Disability, benefits for which AUL is liable under this policy will be paid.

PAYMENT OF CLAIMS: All benefits are payable to a Person. If a Person dies before a benefit to which he was entitled is paid, AUL has the right to pay the Survivor. If AUL pays benefits in good faith to a person who it considers entitled to such benefits or without notice of closer kinship, then AUL will have no obligation to pay such benefits again. The Lump Sum Disability Benefit Amount will be calculated and paid in United States dollars. All claim payments will be made in compliance with ERISA or in accordance with applicable state laws.

SECTION 7A – CLAIM PROCEDURES

RIGHT TO APPEAL: If a Person wishes to appeal AUL's decision, claimants are allowed 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination. Claimants are allowed the opportunity to submit written comments, documents, records and other information relating to the claim for benefits. The claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined by reference to paragraph (m)(8) of 29 C.F.R. § 2560.503-1. AUL's review will take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. A claimant has a right to obtain the information about any voluntary appeal procedures offered by the plan described in paragraph (c)(3)(iv) of 29 C.F.R. § 2560.503-1 and has a right to bring an action under section 502(a) of ERISA. A final determination will be provided pursuant to 29 C.F.R. § 2560.503-1.

ARBITRATION: Any controversy or claim arising out of or relating to this policy, the sale or solicitation of this policy, or its breach thereof whether in tort, contract, breach of duty (including but not limited to) any alleged fiduciary, good faith and fair dealing duties, shall be decided by arbitration in accordance with the Federal Arbitration Act, the procedures of the commercial arbitration rules of the American Arbitration Association, and this agreement. The Court of Arbitrators, which is to be held in the county seat where the Person resides, shall consist of three (3) arbitrators familiar with employee welfare benefit plans. The selection of the arbitrators shall be conducted within thirty (30) days after proper service of a demand for arbitration. One of the arbitrators shall be appointed by AUL, one by the insured, and the third shall be selected by the first two appointees prior to the beginning of arbitration. Should the two arbitrators be unable to agree upon the choice of a third, the appointment shall be left to the President or any Vice President of the American Arbitration Association. The arbitrators shall decide by a majority of votes, the award shall be in writing, the decision shall be signed by a majority of the arbitrators, and they shall include a statement regarding the reasons for the disposition of any claim. Judgment on the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The parties are not precluded from challenging the decision under the Federal Arbitration Act or applicable law. Unless not allowed under applicable law, each party shall bear the expense of its own attorney and arbitrator, and shall share equally with the other party the expenses of the third arbitrator and of the arbitration.

The parties agree that AUL is engaged in interstate commerce, and the transaction is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16.

Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim on which the producing party may rely in support of or in opposition to any claim or defense. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrator(s), which determination shall be conclusive. All discovery shall be completed within sixty (60) days following the appointment of the arbitrator(s) or longer following mutual agreement by the parties.

RIGHT OF RECOVERY: If benefits have been received for which the Person was not entitled to receive under this policy, then full reimbursement to AUL is required. Such reimbursement is required whether the overpayment is due to intentional or innocent misrepresentations by the Person, intentional or innocent misrepresentations by an entity supplying AUL with information, a claims processing error or miscalculation by AUL or for any other reason. If reimbursement is not made, then AUL has the right, as allowed under law to:

1) reduce future benefits or any amounts payable under all other AUL insurance contracts insuring the Person until full reimbursement is made, and
2) recover such overpayments from the Person or his estate.

If AUL chooses not to use benefit payments towards the reimbursement, this will not constitute a waiver of AUL's rights to reimbursement. This provision will be in addition to, and not in lieu of, any other compensation available to AUL by law.

SECTION 8 – INSURING PROVISIONS

LUMP SUM DISABILITY BENEFIT: AUL will pay a Lump Sum Disability Benefit to the Person according to the terms of this policy if, while insured under this policy, a Person:

1) satisfies the Elimination Period;
2) becomes Permanently and Totally Disabled during the Benefit Eligibility Period; and
3) submits the required proof that he is Permanently and Totally Disabled within 90 days of the end of the Benefit Eligibility Period.

The Lump Sum Disability Benefit Amount shown in the Schedule of Benefits is payable to the Person once and will be subject to Reductions and other provisions of this policy.

The Lump Sum Disability Benefit Amount will never exceed the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits.

PHYSICAL EXAMINATION: AUL, at its own expense, has the right to have a Person examined and evaluated to determine the existence of and basis for any Disability. This right may be exercised as often as is reasonably necessary, as determined by AUL, and must be performed by a Physician of AUL's choice.

The Lump Sum Disability Benefit will NOT be payable if:

1) the Person dies during the Elimination Period;
2) the Person becomes Permanently and Totally Disabled after the last day of the Benefit Eligibility Period;
3) the Person is working;
4) the Person fails to submit the required claim forms for proof of loss within 90 days of the Benefit Eligibility Period;
5) the Person refuses to allow an examination requested by AUL;
6) the Person is no longer under the Regular Attendance and care of a Physician;
7) the Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period; or
8) the Person has already been paid a Lump Sum Disability Benefit under this policy.

RECURRENT RETURN TO WORK PERIOD: As long as the Policyholder's coverage remains in force with AUL, if a Person resumes his Regular Occupation for the Policyholder on a full-time basis, and performs each Material and Substantial Duty of that occupation for less than the Return to Work Period during the Benefit Eligibility Period (both of which are shown on the Schedule of Benefits), the Disability will be part of the prior period of Disability. Days the Person returns to work for the same Policyholder will not extend the Benefit Eligibility Period. The Disability must be the direct result of the Injury or Sickness that caused the prior Disability. A Person will not have to complete a new Elimination Period. The Lump Sum Disability Benefit will be subject to the terms of this policy for the prior Disability.

If, after the period of Disability as stated in the preceding paragraph, a Person resumes his Regular Occupation for the Policyholder on a full-time basis for more than the return to work period as shown on the Schedule of Benefits, any further Disability will be part of a new period of Disability and a new Elimination Period must be completed before a Person may qualify for a Lump Sum Disability Benefit.

ACCUMULATION OF ELIMINATION PERIOD: If a Person satisfies the number of days in the Elimination Period within a period of time that is two times the Elimination Period, then that Disability will be treated as continuous as long as the Policyholder's coverage remains in force with AUL.

SECTION 8 – INSURING PROVISIONS

DEATH OF A PERSON: If a Person dies after qualifying for, but before receiving, the Lump Sum Disability Benefit, the full Lump Sum Disability Benefit Amount will be payable to the Person's Survivor.

10% of the Lump Sum Disability Benefit Amount owed after applicable Reductions may be paid to the Survivor if:

1) prior to his death, the Person had satisfied the Elimination Period;
2) prior to his death the Person was Disabled;
3) the Person died during the Benefit Eligibility Period but before satisfying the conditions of Permanent and Total Disability; and
4) the Person's death was due to complications or was caused by the Person's Disability.

All the General Exclusions pertaining to a Disability listed in Section 9 – EXCLUSIONS would apply.

SECTION 9 – EXCLUSIONS

GENERAL EXCLUSIONS: This policy does not cover any Disability or provide any benefits for a loss caused by, contributed to by, or resulting from:

1) participation in war or any act of war, declared or undeclared;
2) active participation in a riot;
3) attempted suicide, regardless of mental capacity;
4) attempted or actual self-inflicted bodily injury or self destruction, including but not limited to the voluntary inhaling or taking of:
   a) a prescription drug in a manner other than as prescribed by a Physician;
   b) any federal or state regulated substance in an unlawful manner;
   c) non-prescription medicine in a manner other than as indicated in the printed instructions;
   d) poison; and
   e) toxic fumes;
5) commission of or attempt to commit a criminal act under relevant state law;
6) Cosmetic Surgery. However, Cosmetic Surgery will be covered when it is due to:
   a) reconstructive surgery incidental to, or follows surgery resulting from, trauma, infection or other diseases of the involved part; or
   b) congenital disease or anomaly that has resulted in a functional defect;
7) a Person being legally intoxicated as defined by the law of the jurisdiction in which the incident occurs;
8) any event that occurs while a Person is incarcerated in a penal or correctional institution;
9) participation in voluntary asphyxiation;
10) traveling or flying on any aircraft being used for experimental purposes; or
11) engaging in any illegal or fraudulent activity, work, or employment.

PRE-EXISTING CONDITION EXCLUSION: *Refer to **PRE-EXISTING EXCLUSION CONDITION DURATION** in the Schedule of Benefits to determine duration by class(es) and option(s).*

The exclusion below applies to 3/12 Pre-Existing Condition Exclusion.
Benefits will not be paid if the Person's Disability begins in the first 12 months following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the 3 months just prior to the Person's Individual Effective Date of Insurance.

SECTION 9 – EXCLUSIONS

PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT: This provision applies to an increase in Lump Sum Disability Benefit Amount that occurs after the Policyholder's Effective Date.

The exclusion below applies to 3/12, 3/3/12, and/or 3/6/12 Pre-Existing Exclusion.
This policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first 12 months following the effective date of the increase in coverage; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the three (3) months just prior to his effective date of increase in amount of insurance.

SECTION 10 – LIMITATIONS

*This Section applies when chosen by the Policyholder in the Application. Refer to **DRUG AND ALCOHOL LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

DRUG AND ALCOHOL ABUSE LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to drug and alcohol abuse or a condition caused by or contributed to by drug and alcohol abuse, will be limited to 20% of the Lump Sum Disability Amount after applicable Reductions.

*This Section applies when chosen by the Policyholder in the Application. Refer to **MENTAL ILLNESS LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

MENTAL ILLNESS LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to mental illness, will be limited to 20% of the Lump Sum Disability Amount after applicable Reductions. AUL will not apply the Mental Illness Limitation to a Disability due to dementia if it is a result of:

1) stroke;
2) trauma;
3) viral infection; or
4) Alzheimer's disease.

*This Section applies when chosen by the Policyholder in the Application. Refer to **SPECIAL CONDITIONS LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

SPECIAL CONDITIONS LIMITATION: Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to a Special Condition, will be limited to 20% of the Lump Sum Disability Amount after applicable Reductions.

SPECIAL CONDITION means:

1) musculoskeletal and connective tissue disorders of the neck and back including any disease or disorder of the cervical, thoracic and lumbosacral back and its surrounding soft tissue including sprains and strains of joints and adjacent muscles, EXCEPT:
   a) arthritis;
   b) herniated intervertebral discs;
   c) scoliosis;
   d) spinal fractures;
   e) osteopathies;
   f) spinal tumors, malignancy, or vascular malformations;
   g) radiculopathies;
   h) spondylolisthesis, grade II or higher;
   i) myelopathies and myelitis;
   j) demyelinating disease;
   k) traumatic spinal cord neurosis;
   l) myofacial pain syndrome;
2) chronic fatigue syndrome;
3) fibromyalgia;
4) carpal tunnel syndrome; or
5) environmental allergic illness, including but not limited to sick building syndrome and multiple chemical sensitivity.

SECTION 12 – PORTABILITY PRIVILEGE

*Refer to **PORTABILITY PRIVILEGE** in the Schedule of Benefits to determine applicable class(es) or option(s).*

If a Person's insurance under this policy terminates for any reason other than stated below, the Person is entitled to continue his coverage for 12 months without submission of Evidence Of Insurability. To be eligible for this Privilege, the Person must have been insured under this policy for at least 12 consecutive months immediately preceding the Person's individual termination.

This Portability Privilege provides a Lump Sum Disability Benefit Amount equal to 50% of the coverage the Person had immediately prior to the date of his termination. Any benefits payable under this Section are governed according to the provisions of this policy.

This Portability Privilege is subject to the following:

1) written application for Portability must be made within 31 calendar days after termination of insurance under this policy;
2) payment of the amount of premium owed;
3) the premium is based on the Person's age and the premium rate in effect on the date of application for Portability; and
4) the effective date for the Person under the Portability Privilege is the date immediately following the date of his termination.

The Portability Privilege is not available to any Person:

1) whose insurance under this policy terminates for any of the following reasons:
   a) the Person enters a class of Participants that are not eligible for coverage under this policy;
   b) the Person retires (including, but not limited to, when the Person receives payment from any Employer's Retirement Plan as recognition of past services or has concluded his/her working career);
   c) the Person fails to pay any required premiums; or
   d) the Person was paid a Lump Sum Disability Benefit;
2) who is or becomes insured for any other coverage similar to the type of coverage provided by this policy within 31 days after termination under this policy;
3) who is Disabled under the terms of this policy; or
4) who is on Leave of Absence.

Insurance under the Portability Privilege will terminate on the earliest of the following dates:

1) the last day for which any required premium has been made;
2) the date the Person requests termination, but not prior to the date of the request;
3) the last day of a Coverage Month, provided that AUL has given at least 31 days prior written notice to the Person;
4) the date the Person retires;
5) the date this policy terminates;
6) the date the Person enters active military service for any country, except for temporary duty of 30 days or less;
7) the date that coverage begins under any other insurance policy that provides coverage similar to coverage provided by this policy;
8) the date following 12 months of coverage;
9) the date the Lump Sum Disability Benefit is paid to the Person; or
10) the date a Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period.

COMPLAINT NOTICE

If you have questions about your policy or need assistance with a problem you may contact:

American United Life Insurance Company®
One American Square
P.O. Box 368
Indianapolis, IN 46206-0368
(800) 553-5318

Should any dispute arise about your premium or about a claim that you have filed, write or call your soliciting agent.

YOUR AGENT OF RECORD:

(501) 227-0194
STE 305
LITTLE ROCK, AR 72205

If the problem is not resolved, you may also write or call:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
(501) 371-2640
(800) 852-5494

This notice of complaint procedure is for information only and does not become a part or condition of this policy or certificate.

NOTICE TO ARKANSAS POLICYHOLDERS

LIMITATIONS AND EXCLUSIONS UNDER THE ARKANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association"). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty Association") may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is NOT provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Little Rock, Arkansas 72201

Arkansas Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net coverage is called the Arkansas Life and Health Insurance Guaranty Association Act ("Act"). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons owning such policies are NOT protected by the Guaranty Association if:

- They are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- The insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contract holder;
- Employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contract holders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC")(whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);

- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover. The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of $300,000 in life and annuity benefits and $500,000 in health insurance benefits - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within these overall limits, the Association will not pay more than $300,000 in disability and long term care benefits, $500,000 in health insurance benefits, $300,000 in present value of annuity benefits, or $300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a $1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.