



## FIDELITY SECURITY LIFE INSURANCE COMPANY

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A STOCK COMPANY (herein Called “the Company”)

### OUTLINE OF COVERAGE INDIVIDUAL DISABILITY INCOME INSURANCE Policy Form M-4025AR

**READ YOUR POLICY CAREFULLY.** This Outline of Coverage provides a very brief description of the important features of your Policy. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth, in detail, the rights and obligations of both you and the Company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

**DISABILITY INCOME PROTECTION COVERAGE.** Policies of this category are designed to provide, to persons insured, coverage for disabilities resulting from a covered accident or sickness, subject to any limitations set forth in the Policy. Coverage is not provided for basic hospital, basic medical surgical, or major medical expenses.

### BENEFIT PROVISIONS

**Payment Of Benefits.** Payment of benefits under this Policy is subject to the following:

1. the Insured’s coverage must be in force under this Policy on the date Disability began;
2. Disability must have begun while the Insured meets the definition of Actively at Work;
3. the Insured must provide the Company with proof of Disability as often as the Company requires it;
4. benefits will be paid only up to the Maximum Benefit Period for each period of Disability;
5. the Insured must be under the care of a Physician, unless the Physician certifies that the Insured does not need the regular care of a Physician for such disabling condition; and
6. for work-related Injury or Sickness, the Insured must provide proof that the Insured has applied for benefits under any applicable Workers’ Compensation Law, Occupational Disease Law, the 4800 Time Benefit Plan or similar legislature.

The Company will pay only one Disability benefit for Concurrent Disabilities due to Injury, Sickness, and/or Nervous or Mental Disorder.

“Concurrent Disabilities” means Disabilities that result from more than one cause at the same time.

**Total Disability Benefit for Injury or Sickness.** If Total Disability due to Injury or Sickness begins before the Insured reaches Age 70, the Company agrees to pay the Monthly Benefit Amount up to the Maximum Benefit Period as shown in the Schedule of Benefits. Benefits will begin after satisfaction of the Elimination Period.

The Company will pay the Monthly Benefit Amount for each full month the Insured remains Totally Disabled due to Injury or Sickness after the Elimination Period, until the Maximum Benefit Period ends. If the Insured recovers after part of a month, the Company will pay for the part of the month at a daily rate equal to 1/30 of the Monthly Benefit Amount.

The amount of benefit payable by this Policy will be to a maximum of 60% of the Insured’s Monthly Earned Income on the date the Insured becomes Totally Disabled due to Injury or Sickness, not to exceed the Maximum Monthly Benefit Amount shown in the Schedule of Benefits.

If the Maximum Monthly Benefit Amount exceeds the underwriting requirements for the amount of the Insured's Monthly Earned Income, as shown in the Schedule of Benefits, at the time Total Disability commences or the average of the Insured's Monthly Earned Income for the period of two years immediately preceding the Total Disability, whichever is greater, the Insured's Maximum Monthly Benefit Amount will be adjusted to a new amount which does not exceed 60% of the Insured's new Monthly Earned Income, or the two-year average of the Insured's Monthly Earned Income, whichever is greater. The premiums will be adjusted to reflect the new Maximum Monthly Benefit Amount. If the adjustment results in a lower premium, all excess premiums will be returned to the Insured on a pro rata basis for a period of two years prior to the recalculation. However, the Maximum Monthly Benefit Amount will not be reduced below \$200.00.

It is the Insured's responsibility to notify the Company in writing upon a change in the Insured's employment or Monthly Earned Income.

**Presumptive Disability.** If the Insured suffers total and irreversible loss of speech and hearing, sight in both eyes, both feet (actual severance at or above the ankle joints), both hands (actual severance at or above the wrist joints) or one hand and one foot (actual severance at or above the wrist or ankle joints) before the Insured reaches Age 70, the Company agrees to pay the Monthly Benefit Amount for Total Disability due to Sickness or Total Disability due to Injury up to the Maximum Benefit Period as shown in the Schedule of Benefits whether or not the Insured is able to perform the material and substantial duties of the Insured's own occupation. The Elimination Period does not apply to a Presumptive Disability.

**Total Disability Benefit for Nervous or Mental Disorders.** The Company agrees to pay the Insured 50% of the Monthly Benefit Amount to a Maximum Benefit Period of six months for a Total Disability due to Nervous or Mental Disorders. Benefits will begin after satisfaction of the Elimination Period as shown in the Schedule of Benefits. Payments will not be made at the same time for both Total Disability due to Injury or Sickness and Nervous or Mental Disorders.

**Partial Disability Benefit for Injury or Sickness.** If Partial Disability due to Injury or Sickness begins before the Insured reaches Age 70, the Company agrees to pay the Monthly Benefit Amount for Partial Disability up to the Maximum Benefit Period for Partial Disability as shown in the Schedule of Benefits. The Partial Disability Monthly Benefit Amount is equal to 50% of the Total Disability Monthly Benefit Amount stated in the Schedule of Benefits. Benefits will begin after satisfaction of the Elimination Period, or immediately following a period of Total Disability for which benefits have been paid.

The Partial Disability benefit will not be payable for any period for which any Total Disability benefits are payable.

**Accidental Death and Dismemberment Benefit.** If the Insured, due to a covered Injury, sustains, directly and independently of all other causes within 90 days from the accident date, any loss described below, the Company will pay:

For Loss Of:	Benefit Payable
Life .....	Principal Sum
Both hands or both feet or sight of both eyes .....	Principal Sum
One hand and one foot .....	Principal Sum
One hand or one foot and sight of one eye.....	Principal Sum
One hand or one foot or sight of one eye .....	One-Half Principal Sum
Speech and hearing .....	Principal Sum
Speech or hearing.....	One-Half Principal Sum
Thumb and index finger of same hand.....	One-Quarter Principal Sum

Benefits will be payable to the named Beneficiary for Loss of life. Benefits for any other covered Loss will be payable to the Insured.

With respect to hands and feet, "Loss" means actual severance at or above the wrist or ankle joints; with respect to sight, entire and irrecoverable Loss; with respect to thumb and index finger, actual severance through or above metacarpophalangeal joints; and with respect to speech or hearing, entire and irrecoverable Loss.

If the Insured sustains more than one of the above Losses due to the same accident, the total amount payable on account of such Losses shall be limited to the amount of the Principal Sum. The Principal Sum is shown in the Schedule of Benefits.

**Total Disability Hospital Indemnity Benefit.** If, as a result of a covered Injury, Sickness, or Nervous or Mental Disorder, the Insured is Totally Disabled and Hospital confined for the Hospital Indemnity Benefit Waiting Period as shown in the Schedule of Benefits, the Company agrees to pay the Daily Benefit Amount shown in the Schedule of Benefits for the Maximum Benefit Period shown in the Schedule of Benefits for one continuous Hospital confinement. Benefits will be payable after the Hospital Indemnity Benefit Waiting Period stated in the Schedule of Benefits has been met.

**Recurrent Confinements for Total Disability Hospital Indemnity Benefit.** Successive periods of Hospital confinement, due to the same or related causes will be considered one Injury, Sickness, or Nervous or Mental Disorder unless separated by at least six consecutive months of no Hospital confinement as the result of such Injury, Sickness, or Nervous or Mental Disorder.

**Surviving Spouse Benefit.** If the Insured dies as a result of a covered Injury, Sickness, or Nervous or Mental Disorder, for which the Insured had been receiving Disability benefits under the terms and conditions of this Policy, the Company agrees to pay to the surviving spouse of the Insured a one-time benefit amount equal to two times the last Monthly Benefit Amount paid to the Insured if:

1. the Insured had been Totally Disabled for at least 180 days on the date that death occurred; and
2. the Insured was receiving benefits under the terms and conditions of this Policy on the date death occurred.

## **EXCLUSIONS, LIMITATIONS, AND REDUCTIONS**

### **Exclusions for Disability Benefits:**

Benefits will not be paid under this Policy and attached Riders, if any, for any Injury, Sickness, or Nervous or Mental Disorder:

1. caused by riot, insurrection, war, declared or undeclared, or acts of war;
2. while the Insured is in the military, naval or air force of any country or international organization. Any unearned premium paid by the Insured for a period not covered because of this exclusion will be returned on a pro rata basis if he or she notifies the Company.

If the Insured is released from active duty within five years from the date he or she entered active military service, he or she may restore this Policy by making written application and paying the required premium within 90 days of his or her release from active duty. No proof of insurability is needed. Premiums will be based on the Insured's attained Age as of the date of the new application. The restored Policy will cover only Injuries that occur after the restoration date and Sickness which makes itself known more than 10 days after the restoration date;

3. caused by normal pregnancy, including childbirth or elective abortion, except when loss results from Complications Of Pregnancy, as defined in this Policy;
4. the Insured intentionally inflicts on himself or herself while sane or insane (in Colorado or Missouri, while sane);
5. caused by the Insured engaging in any act or occupation which is a violation of the law of the jurisdiction where the loss or cause of loss occurred. A violation of law means a felony violation;
6. caused by poison, gas or fumes voluntarily taken, absorbed or inhaled, except for the involuntary or unintentional ingestion of poison or inhalation of poisonous gases or fumes; or

7. caused by an accident that occurs while the Insured has been determined to be intoxicated:
  - (a) by judicial or administrative judgment or order;
  - (b) by evidence of an alcohol concentration in the Insured's blood, breath or urine which equals or exceeds the limits set by applicable motor vehicle laws; or
  - (c) by other evidence demonstrating the Insured was under the influence of any alcohol, narcotic, barbiturate or hallucinatory drug, unless the same was administered on the advice of a Physician and was taken according to the prescribed dosage;and the use of such substance was a proximate cause of the accidental bodily Injury.

In addition to the above, benefits will not be payable under this Policy for any Partial Disability caused by a Nervous or Mental Disorder.

**Exclusions for Accidental Death and Dismemberment Benefits:**

In addition to the Limitations and Exclusions listed in this Policy, the Accidental Death and Dismemberment Benefit will not be paid for Loss directly or indirectly caused by one or more of the following:

1. suicide, or any attempt thereat, while sane or insane (in Colorado and Missouri, while sane);
2. bodily infirmity or disease in any form, or medical or surgical treatment therefore;
3. bacterial infection, except infections which result from an accidental Injury or bacterial infection which results from an accidental, involuntary or unintentional ingestion of an infectious organism; and
4. travel or flight in any kind of aircraft, except on a regularly scheduled commercial flight as a fare-paying passenger, including falling or otherwise descending from or with such aircraft in flight; or while the Insured is participating in aviation training in any kind of aircraft, or is a pilot, officer or other member of the crew of such aircraft.

**Exclusions for Total Disability Hospital Indemnity Benefits:**

In addition to the Limitations and Exclusions listed in this Policy, the Hospital Indemnity Benefit will not be paid for:

1. confinement, treatment or care performed outside of the United States;
2. confinement, treatment or care not recommended or prescribed by a Physician; or
3. any treatment, confinement or days of confinement which are not Medically Necessary.

**Limitations for Disability Benefits:**

***Pre-Existing Condition*** means a Sickness, Injury, Nervous or Mental Disorder or physical condition for which the Insured has consulted a Physician or received any medical advice or Treatment within the 12 months immediately before the effective date of insurance, or for which symptoms of a condition have occurred that would have led a prudent person to seek diagnosis, care or treatment during the 12 months immediately before the effective date of insurance.

The Company will not pay for a Disability caused by or due to a Pre-existing Condition until after the Insured has been covered under this Policy for 24 months.

For the Pre-Existing Condition Limitation, "Treatment" includes, but is not limited to, medical care received from a Physician, medical supplies, prescription medication or other medical services.

If a condition is listed on the application and is accepted by the Company without an exclusion rider, then this condition will be covered and is not subject to the Pre-Existing Condition Limitation.

**Benefit Reductions for Disability Benefits:**

**Benefit Reduction for Insureds Age 65 and Older.** The Maximum Benefit Periods shown in the Schedule of Benefits will be reduced by 50% for a period of Disability which begins after the Insured attains Age 65.

**Benefit Reduction for Benefits Payable Under Workers' Compensation Law, Occupational Disease Law, the 4800 Time Benefit Plan or Similar Legislation.** If the Insured receives or is eligible to receive loss of time benefits under any Workers' Compensation Law, Occupational Disease Law, the 4800 Time Benefit Plan or similar legislation for a Disability covered under this Policy, the benefit provided by this Policy will be reduced by 100% of the loss of time benefit amount the Insured receives or is eligible to receive under such legislation on the date benefits become payable under this Policy. If the Insured receives a lump sum payment for loss of time under any Workers' Compensation Law, Occupational Disease Law, the 4800 Time Benefit Plan or similar legislation for a Disability covered under this Policy, the amount of the lump sum applicable to the time period for which benefits are payable under this Policy will be prorated on a monthly basis to determine the amount of reduction that will be applied to the period of time for which both benefits are payable. If no time period is stated, the applicable amount of the lump sum will be prorated on a monthly basis to the end of the Maximum Benefit Period for which the Insured is eligible to receive benefits under this Policy for such Disability. However, in no event will this Policy's Monthly Benefit Amount ever reduce below the greater of:

- a. 15% of the Monthly Benefit Amount shown in the Schedule of Benefits; or
- b. \$50.00.

Benefits will not be reduced when any Workers' Compensation Law, Occupational Disease Law, the 4800 Time Benefit Plan or similar legislation benefit has a general level increase in its benefits.

**Benefit Reduction for Other Coverage with Other Insurers.** If the Insured has any Other Disability Income Coverage in effect at the time Disability begins, the benefit provided by this Policy will be reduced to the extent this coverage, plus all other coverages, together exceed 100% of the Insured's Monthly Earned Income. However, in no event will this Policy's Monthly Benefit Amount ever reduce below the greater of:

1. 15% of the Monthly Benefit Amount shown in the Schedule of Benefits; or
2. \$50.00.

**Other Disability Income Coverage** means benefits similar to this Policy, provided by individual, group or blanket-type insurance, labor-management trustee plans, union welfare plans, employer or employee benefit organization plans, government agencies or organizations, salary continuance or pension programs, and any other arrangement of benefits for individuals, including benefits under any state law or federal Social Security.

Benefits will not be reduced when Social Security has a general level increase in its benefits. Social Security benefits payable to or on behalf of the Insured's dependents are not included in this reduction.

## **RENEWABILITY**

**Guaranteed Renewable To Age 65.** The Insured's insurance under this Policy is guaranteed renewable to Age 65, as long as the Insured pays the required premiums, subject to the grace period. The Company reserves the right to change premiums for a class as allowed in the Premiums section. The Insured may request cancellation of this Policy. This request must be made to the Company in writing by the Insured. The effective date of the cancellation will be the next premium due date following the date the Insured requests cancellation of this Policy. No portion of modal premiums already paid for premiums which were due prior to the request for cancellation will be refunded.

**Conditionally Renewable To Age 70.** The Insured's insurance under this Policy is conditionally renewable beginning with the anniversary date following the Insured's attainment of Age 65 to the first of the month following the Insured's 70<sup>th</sup> birthday. This means that the Insured may renew his or her coverage under this Policy each year to Age 70, provided that:

1. the Insured pays the required premiums, subject to the grace period; and
2. the Insured continues to be Actively at Work.

Premiums will increase each year on the anniversary date of the Insured's coverage under this Policy beginning with the anniversary date following the Insured's attainment of Age 65.

The Insured may request cancellation of coverage. This request must be made to the Company in writing by the Insured. The effective date of the cancellation will be the next premium due date following the date the Insured requests cancellation of coverage. No portion of modal premiums already paid for premiums which were due prior to the request for cancellation will be refunded.

Coverage will terminate the first of the month following the Insured's 70<sup>th</sup> birthday.

## **PREMIUMS**

The Company provides insurance coverage in return for premium payment. The Insured's first premium is due on his or her effective date. Premiums must be paid to and received by the Company on or before the due date.

***Premium Changes:*** The Company has the right to change the table of premium rates for all members of the Insured's class on any premium due date on or after the First Policy Anniversary Date, but not more than once in any 12-month period. The Company will provide written notice at least 31 days before the date of change to the Insured's last known address. The premium rates also may be changed at any time the terms of this Policy are changed, such as Maximum Monthly Benefit Amounts, Elimination Period or Benefit Period.

Premiums may be paid monthly, quarterly, semi-annually or annually. The premium mode may be changed by sending the Company a written request. Upon the Company's approval, the change will be made.