



## 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-4012MD

**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 your insurance 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.

#### **BENEFITS:**

**TOTAL DISABILITY BENEFIT FOR INJURY OR SICKNESS.** If Total Disability due to Injury or Sickness begins before the Insured reaches Age 70, We agree to pay the Maximum Monthly Benefit Amount up to the Maximum Benefit Period. Benefits will begin after satisfaction of the Elimination Period. The Maximum Monthly Benefit Amount for a Total Disability that commences in the first year is 33% of the Maximum Monthly Benefit Amount and for a Total Disability that commences in the second year is 66% of the Maximum Monthly Benefit Amount. For a Total Disability that commences in the third or subsequent years is 100% of the Maximum Monthly Benefit Amount.

We will pay the Maximum 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, We will pay for the part of the month at a daily rate equal to 1/30 of the Maximum 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.

In the event the Insured's status of employment changes, resulting in a reduction of the Insured's Monthly Earned Income below the underwriting requirements for the amount of the Insureds' coverage or resulting in a lower-rated occupation, the Insured's Maximum Monthly Benefit will be adjusted to a new amount which does not exceed 60% of the Insured's new Monthly Earned Income. The premiums will be adjusted to reflect the new amount. If the adjustment results in a lower premium, all excess premiums will be returned to the Insured on a pro rata basis from the date of notification, or from the last Policy Anniversary Date, whichever is later. In the event the Insured's employment changes, resulting in a higher-rated occupation, the Insured's Maximum Monthly Benefit will be adjusted to the amount that the premiums would have purchased at the higher-rated occupation, not to exceed 60% of the Insured's Monthly Earned Income. It is the Insured's responsibility to notify Us in writing upon a change in the Insured's employment or Monthly Earned Income.

**TOTAL DISABILITY BENEFIT FOR NERVOUS OR MENTAL DISORDERS.** We agree to pay the Insured 50% of the Maximum Monthly Benefit Amount to a maximum of 6 months for Nervous or Mental Disorders. Benefits will begin after satisfaction of the Elimination Period. Payments will not be made at the same time for Total Disability due to Injury or Sickness and Nervous or Mental Disorders.

**ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT.** If the Insured, due to a covered Injury, sustains, directly and independently of all other causes, except terrorism, within 90 days from the accident date, any loss described below, We 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 if the Insured dies due to a covered Injury within 90 days of the accident. Benefits will be payable to the Insured for any other covered Loss which occurs within 90 days of the accident.

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.

**TOTAL DISABILITY HOSPITAL INDEMNITY BENEFIT:** If, as a result of a covered Injury, Sickness, or Nervous or Mental Disorder for which the Insured is receiving disability benefits under the terms and conditions of this Policy, the Insured is Hospital confined for a minimum of 24 hours, We agree to pay the Daily Benefit for the Maximum Benefit Period for one continuous Hospital confinement. Payments will commence after the Elimination Period if:

1. The Insured is confined to a Hospital during the entire Elimination Period; and
2. The Insured is still confined to a Hospital after the Elimination Period has been met.

**Recurrent Confinements:** 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 6 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, We agree to pay to the surviving spouse of the Insured a one-time benefit amount equal to 2 times the last full 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:**

**TOTAL DISABILITY BENEFIT EXCLUSIONS:** 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 an 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 Us.  
If the Insured is released from active duty within 5 years from the date he or she entered active military service, he or she may restore their coverage under 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;
4. the Insured intentionally inflicts on himself or herself while sane or insane (in Colorado and Missouri while sane);
5. caused by the Insured's commission of or attempt to commit a felony, or the Insured's being engaged in an illegal occupation;
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;
7. caused by the Insured's being Intoxicated;
8. caused by the Insured being under the influence of any narcotic, unless administered under the advice of a Physician; or
9. for which compensation is payable under any Worker's Compensation Law, Occupational Diseases Law, the 4800 Time Benefit Plan or similar legislation.

### **TOTAL DISABILITY BENEFIT LIMITATIONS:**

*Pre-Existing Condition* means a Sickness, Injury, Nervous or Mental Disorder, disease, or physical condition for which an Insured has consulted a Physician or received any medical advice, treatment, medical supplies, prescription medication, or services 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.

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

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

**ACCIDENTAL DEATH AND DISMEMBERMENT EXCLUSIONS:** In addition to the Limitations and Exclusions listed in the 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;
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.

**TOTAL DISABILITY HOSPITAL INDEMNITY BENEFIT EXCLUSIONS:** 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.

**BENEFIT REDUCTION FOR INSURED'S AGE 65 AND OLDER:** The Maximum Benefit Periods will be reduced by 50% for a period of Total Disability which begins after the Insured attains age 65.

**BENEFIT REDUCTION FOR OTHER COVERAGE WITH OTHER INSURERS:** If the Insured has any Other Disability Income Coverage in effect at the time Total Disability begins, the benefit provided by this Policy will be reduced to the extent this coverage, plus all other coverage, 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 lesser of: a) 15% of the Monthly Benefit Amount; or b) \$50.00.

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:**

We may decline to renew this Policy for all members of a class on any Policy Anniversary date by providing 30 days advance written notice to the Insured at his or her last known address on file with Us; or We may terminate the Insured's insurance on the earliest of any of the following:

1. The premium due date the Insured fails to pay the required premium, except as provided in the Grace Period;
2. On the first premium due date after the Insured retires or ceases to actively perform the material and substantial duties of his or her regular occupation other than for reasons of Total Disability;
3. On the first premium due date after the Insured's 70<sup>th</sup> birthday;
4. On the next premium due date following the date the Insured requests cancellation of coverage. This request must be made to Us in writing by the Insured. No portion of modal premiums already paid for premiums which were due prior to the request for cancellation will be refunded; or
5. On the premium due date after the Insured has a change in employment to an ineligible occupational classification under this Policy.

Termination of the Insured's insurance will not prejudice any claim originating before such termination; provided the Insured continues to meet the definition of Total Disability, subject to the Maximum Benefit Period.

If the Policy terminates while the Insured is receiving benefits under the Total Disability Hospital Indemnity Benefit, the Insured's coverage under such benefit will continue until the earlier of the following:

1. the date the Insured is no longer Hospital Confined' or
2. 12 months after the date the Policy terminates.

#### **PREMIUMS:**

We have 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 6 month period. We will provide written notice at least 31 days before the date of change. The premium rates also may be changed at any time the terms of this Policy are changed, such as Maximum Monthly Benefit Amount, Elimination Period, or Benefit Period.

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