

Business Travel Accident Insurance Summary Plan Description

Montefiore Medical Center



This booklet describes the Business Travel Accident Insurance Plan provided to employees who are traveling on business for Montefiore Medical Center. The Plan is underwritten by Gerber Life Insurance Company and is provided to you at no cost.

While this booklet describes the Business Travel Accident Plan arranged for your benefit, ***it is not considered as the contract of insurance.*** For simplicity, this Plan has been described in a general and brief manner in this booklet. The complete terms of the Business Travel Accident Plan are set forth in the original Policy issued to Montefiore Medical Center.

TERMS USED IN THE PLAN

In order to fully understand the extent of your coverage under this Business Travel Accident Plan, you should be familiar with the following terms.

When On Business For The Policyholder

Furthering the business of Montefiore Medical Center. This does not include an Injury sustained during travel to and from work, leave of absence, vacation or personal deviation.

Personal Deviation

An activity that is not reasonably related to the business of Montefiore Medical Center and not incidental to a Bonafide Trip.

Bonafide Trip

A trip made in good faith and authorized by Montefiore Medical Center for the purpose of furthering the business of Montefiore Medical Center.

On the Premises of the Policyholder

The location where Montefiore Medical Center conducts its business, including the location where you perform your occupational duties.

Airworthiness Certificate

The "Standard" Airworthiness Certificate issued by the Federal Aviation Agency of the United States or its foreign equivalent.

Base Annual Earnings

Base Annual Earnings means base annual income received from Montefiore Medical Center exclusive of bonuses, overtime and any other extra or special compensation. If not employed for twelve (12) months, then average monthly base earnings for the period employed multiplied by twelve (12), exclusive of bonus, overtime and any other extra or special compensation.

With respect to employees paid on an hourly basis, base annual earnings means the hourly rate times the number of hours worked in a normal work week times fifty-two (52), but not to exceed a total of two thousand eighty (2,080) hours per year.

Injury

Accidental bodily injury which: (i) is direct and independent of any other cause; and (ii) requires treatment by a licensed physician or surgeon, acting within the scope of his or her license.

Exposure

Being exposed to the elements following the disappearance, forced landing, stranding, sinking or wrecking of a vehicle. Exposure will be deemed an accidental bodily injury.

Disappearance

Failure to find the body within one year after the disappearance, forced landing, stranding, sinking or wrecking of a vehicle. Disappearance will be deemed accidental loss of life, provided there has been a judicial determination of death.

Paralysis

The complete, total and irrecoverable loss of use of an arm or leg.

Seat Belt

A properly installed seat belt, lap and shoulder restraint, child restraint or other restraint approved by the National Highway Traffic Safety Administration.

Supplemental Restraint System

An original factory installed air bag designed to inflate on impact for added protection to the head and chest areas.

Relocation

Change in your assigned place of regular employment by Montefiore Medical Center to another location. The change must require you to seek a new primary residence. Coverage for Relocation trips may include the search for a new primary residence, activities related to settlement or closing on a new primary residence and the move to the new primary residence. Expenses for travel due to Relocation must be reimbursed by Montefiore Medical Center.

Dependent

Your Spouse or Domestic Partner and dependent unmarried children within the specified age limits

Dependent will not include any person who is eligible for coverage as an Insured Person.

Unmarried

Never having been married.

Spouse

The person to whom you are legally married or your Domestic Partner.

Children

Your unmarried (1) natural children; (2) adopted children; (3) step children; (4) foster children; and (5) any children related to you by blood or marriage, provided the child or children are living in a regular parent-child relationship with you and are dependent upon you for support and maintenance. Regular parent-child relationship means that the child or children reside with you in the same household. In the case of (5) above, a regular parent-child relationship does not exist if either of the child's natural parents or legal guardians also reside with you.

To be eligible, children must be under 19 years of age. Unmarried children under age 25 who attend a licensed accredited school (beyond the 12th grade level) on a full-time basis are also eligible. For coverage to continue during vacation periods, the child must be scheduled to enter school on the next enrollment date.

Domestic Partner

A person who:

- (1) shares an Insured Person's regular and permanent residence; and
- (2) has a close personal relationship with the Insured Person in lieu of a lawful marriage; and
- (3) has agreed to be jointly responsible with the Insured Person for basic living expenses incurred during the domestic partnership; and
- (4) is not married to anyone; and
- (5) is at least 18 years of age; and
- (6) is not related to the Insured Person by blood closer than would bar marriage; and
- (7) was mentally competent to consent to a contract when the Domestic Partnership began; and
- (8) is the Insured Person's sole Domestic Partner and is responsible for the Insured Person's common welfare.

The term basic living expenses means the cost of basic food, shelter and any other expenses of the common household. The Domestic Partners need not contribute equally or jointly to the payment of these expenses as long as they agree that both are responsible for them.

ELIGIBILITY

You are eligible for coverage under the Business Travel Accident Insurance Plan if you are:

- Class I: All active full-time, part-time and per diem employees, excluding contract employees of the Policyholder domiciled in the United States.
- Class II: All Class I Insured Persons of the transplant team while participating in air transportations.
- Class III: All chauffeurs of the Policyholder domiciled in the United States.
- Class IV: All Spouses of Class I Insured Persons while travelling at the invitation and expense of the Policyholder.
- Class V: All Dependent Children of Class I Insured Persons while travelling at the invitation and expense of the Policyholder.

BENEFIT AMOUNT – PRINCIPAL SUM

- Class I: An amount equal to four (4) times Annual Base Salary, subject to a minimum of \$100,000 and a maximum of \$1,000,000.
- Class II: An amount equal to four (4) times Annual Base Salary, subject to a minimum of \$100,000 and a maximum of \$1,000,000.
- Class III: An amount equal to four (4) times Annual Base Salary, subject to a minimum of \$100,000 and a maximum of \$1,000,000.
- Class IV: \$25,000
- Class V: \$15,000

WHAT THE PLAN COVERS

24-Hour All Risk Accident Protection -- Business Only

Applies to Class I only

The Business Travel Accident Insurance Plan provides all-risk accident protection against most types of accidents while you are traveling on business, including when you are flying as a passenger (but not as a pilot or crew member) in any civilian aircraft having a current and valid Airworthiness Certificate, except aircraft owned or leased by Montefiore Medical Center.

Coverage begins when you leave your residence or place of regular employment, which ever is last, for the purpose of a business trip and continues until you return to your residence or place of regular employment, which ever is first, following a business trip or you undertake a personal deviation exceeding 3 days.

If you travel to a location away from your place of regular employment and are expected to remain at that location for more than 90 days, such location shall be deemed a change in your place of regular employment.

Emergency Medical Team Benefit

Applies to Class 2 only

Coverage will apply to an Injury sustained by you when on Business for Montefiore Medical Center during any bonafide trip while riding in any land or water conveyance being used to transport:

- (i) patients for medical treatment; or
- (ii) human organs for the purpose of organ transplant.

Coverage includes an Injury sustained by you while riding as a passenger (but not as a pilot, operator or member of the crew) in any civilian aircraft having a current and valid Airworthiness Certificate and piloted by a properly qualified and licensed and qualified pilot, provided the aircraft is being used to transport:

- a) patients for medical treatment; or
- b) human organs for the purpose of organ transplant.

Coverage for such trip begins on the later of when you leave your place of: (a) residence; or (b) regular employment; for the purpose of going on such trip.

Coverage for such trip terminates on the earlier of when you return to your place of: (a) residence; or (b) place of regular employment; following such trip or undertakes a personal deviation exceeding 3 days.

Occupational Accident Benefit

Applies to Class 3 only

Coverage will apply to an Injury sustained by you when on Business for Montefiore Medical Center whether on the premises of Montefiore Medical Center or any job site or job location or during any bonafide trip.

You must be covered under the Policy on the date of such accident. The loss must occur within 365 days after the date of such accident.

Authorized Dependent Travel Benefit

Applies to Class 4 and 5 only

Coverage will apply to an Injury sustained by your Dependent while accompanying you on business for Montefiore Medical Center during any Bonafide Trip, provided your Dependent is traveling at the invitation and expense of Montefiore Medical Center.

Coverage for such trip begins on the later of when you or your Dependent leaves your place of: (a) residence; or (b) regular employment: for the purpose of going on such trip.

Coverage for such trip terminates on the earlier of when you or your Dependent returns to your place of: (a) residence; or (b) regular employment; following such trip or undertakes a personal deviation exceeding 3 days.

Coverage includes an Injury sustained during the trip while riding as a passenger (but not as a pilot, operator or member of the crew) in or on, boarding or alighting from, or by being struck or run down by any civilian aircraft having a current and valid Airworthiness Certificate and piloted by a properly qualified and licensed pilot.

Private Passenger Automobile Seat Belt Benefit

Gerber Life Insurance Company will pay an additional benefit of 10% of the applicable Principal Sum, subject to a minimum of \$500 and a maximum of \$25,000, for loss due to Injury caused by an accident to you when on Business for Montefiore Medical Center during any Bonafide Trip while operating or riding as a passenger in a private passenger automobile provided that you were wearing a properly fastened seat belt at the time of the accident.

You must be covered under the Policy on the date of the accident. The loss must occur within 365 days after the date of the accident.

No benefit is payable if the operator of the automobile was under the influence of alcohol or drugs.

Seat Belt usage must be verified by:

- (i) a doctor;
- (ii) a coroner;
- (iii) a police officer; or
- (iv) any other person of competent authority.

Private Passenger Automobile Air Bag Benefit

Gerber Life Insurance Company will pay an additional benefit of 5% of the applicable Principal Sum, subject to a minimum of \$250 and a maximum of \$15,000, for loss due to Injury caused by an accident to you when on Business for Montefiore Medical Center during any Bonafide Trip while operating or riding as a passenger in a private passenger automobile provided you were wearing a properly fastened seat belt at the time of the accident and were positioned in a seat protected by a properly functioning original factory installed Supplemental Restraint System that deploys on impact.

You must be covered under the Policy on the date of the accident. The loss must occur within 365 days after the date of the accident.

No benefit is payable if the operator of the automobile was under the influence of alcohol or drugs.

Seat Belt and Supplemental Restraint System usage must be verified by:

- (i) a doctor;
- (ii) a coroner;
- (iii) a police officer; or
- (iv) any other person of competent authority.

Relocation Benefit

Coverage will apply to an Injury sustained by you during any Bonafide Relocation Trip, provided the Relocation Trip is authorized and any Relocation expenses are reimbursed by Montefiore Medical Center.

Coverage for such trip begins on the later of when you leave your place of: (a) residence; or (b) regular employment; for the purpose of going on such trip.

Coverage for such trip terminates on the earlier of when you return to your place of: (a) residence; or (b) regular employment; following such trip or undertakes a personal deviation exceeding 3 days.

Coverage includes an Injury sustained during the trip while riding as a passenger (but not as a pilot, operator or member of the crew) in or on, boarding or alighting from, or by being struck or run down by any civilian aircraft having a current and valid Airworthiness Certificate and piloted by a properly qualified and licensed pilot.

BENEFITS

Accidental Death, Dismemberment and Paralysis Benefit

Gerber Life Insurance Company will pay a benefit for loss due to injury caused by an accident to you when on Business for Montefiore Medical Center during any Bonafide Trip as shown in the table below. The loss must occur within 365 days after the date of the accident. You must be covered under the Policy on the date of the accident.

Table of Losses for Loss of:

| | |
|---|---------------------------|
| Life..... | The Principal Sum |
| Both Hands or Both Feet or Sight of Both Eyes | 100% of The Principal Sum |
| One Hand and One Foot..... | 100% of The Principal Sum |
| Speech and Hearing of Both Ears | 100% of The Principal Sum |
| Either Hand or Foot and Sight of One Eye | 100% of The Principal Sum |
| Quadriplegia..... | 100% of The Principal Sum |
| Paraplegia | 75% of The Principal Sum |
| Either Hand or Foot..... | 50% of The Principal Sum |
| Sight of One Eye | 50% of The Principal Sum |
| Speech or Hearing of Both Ears | 50% of The Principal Sum |
| Hemiplegia | 50% of The Principal Sum |
| Hearing of One Ear | 25% of The Principal Sum |
| Thumb and Index Finger of Same Hand..... | 25% of The Principal Sum |

Maximum-All Losses-Any One Accident..... 100% of The Principal Sum

Loss means the:

- (i) loss of a hand by total severance at or above the wrist;
- (ii) loss of a foot by total severance at or above the ankle;
- (iii) complete, total and irrecoverable loss to the sight of an eye;
- (iv) complete, total and irrecoverable loss of speech;
- (v) complete, total and irrecoverable loss of hearing;
- (vi) loss of thumb and index finger by total severance at or above the knuckles;
- (vii) total paralysis of both arms and legs for Quadriplegia;
- (viii) total paralysis of both legs for Paraplegia; or
- (ix) total paralysis of the arm and leg on the same side of the body for Hemiplegia.

Rehabilitation Benefit

Gerber Life Insurance Company will pay a Rehabilitation Benefit for loss due to Injury caused by an accident to you when on Business for Montefiore Medical Center during any Bonafide Trip. The loss must occur within 90 days after the date of the accident. You must be covered under the Policy on the date of the accident.

The Rehabilitation Benefit is:

- (i) \$250 per month; and
- (ii) Paid for 6 months.

In order for benefits to be paid, you must be receiving rehabilitation therapy from an accredited therapist as the result of the accident. You must continue to undergo rehabilitation therapy for benefits to be paid.

Therapeutic Counseling Benefit

If, due to an Injury caused by an accident to you when on Business for Montefiore Medical Center during any Bonafide Trip, you require Therapeutic Counseling, Gerber Life Insurance Company will pay a benefit of:

- (i) \$250 per month; and
- (ii) Paid for 6 months.

You must be covered under the Policy on the date of the accident.

The Therapeutic Counseling must commence within 90 days after the date of the accident.

In order for benefits to be paid, you must be receiving Therapeutic Counseling from an accredited and state licensed therapist, psychiatrist or psychologist. You must continue to undergo Therapeutic Counseling for benefits to be paid.

Therapeutic Counseling Care means that you are under the care of a licensed physician acting within the scope of his or her license and upon the recommendation of such physician, you are receiving counseling from an accredited and state licensed therapist, psychiatrist or psychologist.

Adaptive Home and Vehicle Benefit

If, due to an Injury caused by an accident, when on Business for Montefiore Medical Center during any Bonafide Trip you incur expenses for alterations to your principal residence or personal private automobile as a result of the Injury Gerber Life Insurance Company will pay a benefit of an amount equal to 10% of your Principal Sum, subject to a minimum of \$250 and a maximum of \$25,000.

You must be covered under the Policy on the date of the accident.

The alterations to your principal residence or personal private automobile must commence within 60 days after the date of the accident.

Eligible expenses are those expenses required to make alterations to your:

- (i) principal residence accessible to you; or
- (ii) personal private automobile to allow you to operate or ride as a passenger in such automobile.

Surgical Reattachment Benefit

Gerber Life Insurance Company will pay a benefit for the reasonable medical expenses, shown below, required to surgically reattach a severed arm, leg, hand or foot due to an Injury caused by an accident to you when on Business for Montefiore Medical Center during any Bonafide Trip. The loss must occur within 3 days after the date of the accident. You must be covered under the Policy on the date of the accident.

You must have suffered a loss due to an Injury caused by an accident as shown in the Table of Losses below.

Items of reasonable medical expense are:

- (1) medical treatment by a licensed physician or surgeon, acting within the scope of his or her license;
- (2) services of a licensed anesthesiologist, acting within the scope of his or her license;
- (3) services of a licensed nurse, acting within the scope of his or her license; and

- (4) hospital confinement.

Table of Losses for Loss of:

| | |
|--|--------------------------|
| Both Legs or Both Arms | 25% of The Principal Sum |
| Both Hands or Both Feet..... | 25% of The Principal Sum |
| One Arm and One Leg | 25% of The Principal Sum |
| One Hand and One Foot..... | 25% of The Principal Sum |
| Either Leg or Arm | 15% of The Principal Sum |
| Either Hand or Foot..... | 15% of The Principal Sum |
| Thumb and Index Finger of Same Hand..... | 5% of The Principal Sum |

Maximum – All Losses – Any One Accident 25% of The Principal Sum

Loss shall mean the:

- (i) loss of a leg by total severance at or above the knee;
- (ii) loss of an arm by total severance at or above the elbow;
- (iii) loss of a hand by total severance at or above the wrist;
- (iv) loss of a foot by total severance at or above the ankle joint; or
- (v) loss of thumb and index finger by total severance at or above the knuckles.

PAYMENT OF BENEFITS:

The Dismemberment Benefit is payable to you. The Benefit for loss of life will be paid as follows:

- a) to the beneficiary or beneficiaries designated in writing by you, otherwise;
- b) to your widow or widower, if surviving you, otherwise;
- c) to your surviving child or children in equal shares, otherwise;
- d) to your parents in equal shares or the surviving parent, otherwise;
- e) to your surviving brothers and sisters in equal shares or the survivors of them, otherwise;
- f) to your estate.

Payment of loss for Benefits under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

THE PLAN'S LIMITATIONS

The maximum aggregate amount payable on account of several employees being injured in the same accident is \$5,000,000. In the event the total benefits otherwise payable to the injured employees or beneficiaries exceed this figure, each injured employee or beneficiary will be paid a proportionate share of the loss rather than his or her normal benefit.

THE PLAN'S EXCLUSIONS

Benefits are not paid for any loss caused by or resulting from:

- a) suicide or intentionally self-inflicted Injury, whether sane or not (in Missouri, while sane);
- b) bacterial infections, except those which occur with a cut or wound at the time of the accident;
- c) any kind of disease;
- d) medical or surgical treatment (except surgical treatment required by the accident);
- e) war or any act of war;
- f) Injury sustained while in any of the armed forces (land, sea or air) of any country or international authority, except while on temporary domestic National Guard or Reserve duty for less than 30 days;
- g) Injury sustained while an Insured Person is riding in an aircraft other than as provided under a Hazard described on a preceding page;
- h) voluntarily taking any drug, chemical or controlled substance, unless taken as prescribed by a licensed physician;
- i) committing or attempting to commit a felony;
- j) operating any vehicle while legally intoxicated.

THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)
STATEMENT OF RIGHTS AND INFORMATION

How to File a Claim

If you should suffer a loss covered by the Policy, either you or your beneficiary should contact the Plan Administrator to obtain claim forms. Read the instructions on these forms carefully. Be sure that all the questions are answered. Remember to include any required attachments when you return the completed forms. After your claim has been processed by Gerber Life Insurance Company or its designated claims administrator, you will be notified in writing if any additional information is required, or if any benefits are denied in whole or in part.

Responsibilities of the ERISA Fiduciaries

1. The Plan Administrator

The Plan Administrator administers the Plan.

2. The Claims Administrator

Gerber Life Insurance Company ("Gerber") is the claims administrator. Gerber may designate another entity to serve as claims administrator. Gerber and its designated claims administrator administer benefits in accordance with the terms of the Policy and the Plan. Gerber and its designated claims administrator have the full discretionary authority to interpret the terms and provisions of the Plan and the Policy, and to determine all questions relating to Plan benefits, including but not limited to eligibility for such benefits. Any interpretation or determination made by Gerber or its designated claims administrator pursuant to such discretionary authority shall be given full force and effect, and shall be conclusive and binding on all parties; unless it can be shown that the determination was arbitrary and capricious.

Your Right to Appeal

If you have any questions about a claim payment, call or write to: Gerber Life Insurance Company c/o A.C. Newman & Company, 7060 North Marks Avenue, Suite 108, Fresno, CA 93711-0269; Phone: (559) 252-2525; Fax: (559) 252-1515. A.C. Newman & Company ("Newman") is Gerber's designated claim administrator. If your claim has been denied in whole or in part and you do not agree and want to appeal, you must write, within 60 days, to Gerber at such address. Your appeal will be reviewed by Gerber or Newman, and a final decision will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. The party hearing the appeal (either Gerber or Newman) has full discretionary authority to interpret the terms and provisions of the Plan and the Policy and to determine eligibility for benefits. Any interpretation or determination made by such party pursuant to such discretionary authority shall be given full force and effect, and shall be conclusive and binding on all parties, unless it can be shown that the determination was arbitrary and capricious. You will be notified of the final decision within 60 days after the date of your appeal, unless there are special circumstances in which case you will be notified within 120 days.

Name of Plan

Business Travel Accident Insurance Plan for employees of Montefiore Medical Center.

Plan Sponsor

Montefiore Medical Center
111 East 210th Street
Bronx, New York 10467
(914) 378-6550

Plan Administrator

Montefiore Medical Center
111 East 210th Street
Bronx, New York 10467
(914) 378-6550

Plan Identification

Employer Identification Number: 13-1740114
Plan Number: 508

Type of Administration

Contract administration. All benefits provided by Policy Number BTA-123108 issued to the Plan Sponsor by Gerber Life Insurance Company. You may inspect the Plan and the annual report filed with the U.S. Department of Labor at the Corporate Office of Montefiore Medical Center or your local personnel office. Upon written request, copies can be obtained at a reasonable cost.

Funding

All payments to support the Plan are made by Montefiore Medical Center.

End of Plan Year

December 31st.

Designated Agent for Service of Legal Process

Legal process may be made upon the Plan Administrator at the address above.

Your ERISA Rights

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- 1) Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- 2) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The administrator may make a reasonable charge for the copies.
- 3) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

The right is reserved in the Plan for the Plan Sponsor to terminate, suspend, withdraw, amend or modify the Plan, covering any active employee, or current retiree or future retiree, in whole or in part at any time. Any such change or termination in benefits: (i) will be based solely on the decision of the Plan Sponsor; and (ii) may apply to all active employees, current retirees or future retirees, as either separate groups or as one group. This is subject to the applicable provisions of the Plan.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

IMPORTANT NOTICE REGARDING THE OFFICE OF FOREIGN ASSETS CONTROL

Your rights as a policyholder and payments to you, any insured or claimant, for loss under the policy may be affected by the administration and enforcement of U.S. economic embargoes and trade sanctions by the OFFICE OF FOREIGN ASSETS CONTROL (“OFAC”).

WHAT IS OFAC?

OFAC is an office of the Department of the Treasury and acts under the presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. OFAC administers and enforces economic embargoes and trade sanctions primarily against:

- Targeted foreign countries and their agents
- Terrorism sponsoring agencies and organizations
- International narcotics traffickers

PROHIBITED ACTIVITY

- OFAC enforces certain embargoes and sanctions against certain designated countries. No U.S. business or persons may enter into certain transactions in or connected to such designated “sanctioned” countries.
- OFAC maintains a directory known as the “Specially Designated Nationals and Blocked Persons” (“SDNBP”) list. No U.S. business or person may transact business with any person or entity named on the SDNBP list.

Additional and more in-depth information on OFAC is available at the following website:

<http://www.ustreas.gov/offices/eotffc/ofac>.

OBLIGATIONS PLACED ON US BY OFAC

If we determine that you, any insured or claimant are on the SDNBP list or are connected to a sanctioned country as described in the regulations enforced by OFAC, we must block or “freeze” property and payment of any funds transfers or transactions and report all blocks to OFAC within ten (10) days.

POTENTIAL ACTIONS BY US

1. We may immediately cancel your coverage effective on the day that we determine that we have transacted business with an individual or entity associated with your policy on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.
2. If we cancel your coverage, you will not receive a return premium unless approved by OFAC. All funds will be placed in an interest bearing blocked account established on the books of a U.S. financial institution.
3. We will not pay a claim, accept premium or exchange monies or assets of any kind to or with individuals, entities or companies (including a bank) on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC. And, we will not defend or provide any other benefits under your policy to individuals, entities or companies on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.

YOUR RIGHTS AS A POLICYHOLDER

If funds are blocked or frozen by us in conjunction with the OFFICE OF FOREIGN ASSETS CONTROL, you may complete an “APPLICATION FOR THE RELEASE OF BLOCKED FUNDS” and apply for a specific license to request their release. Forms are available for download at the OFAC website.

See <http://www.treas.gov/offices/enforcement/ofac/forms/license.pdf>.