

A Group Life/AD&D Insurance Benefits Package



KELSEY NATIONAL
CORPORATION

Your State IIA Endorsed Group Life Insurance Program Provides These Important Features

- ✓ Choice of benefits so you can select the one that best meets your needs.
- ✓ An Accelerated (living) Benefit.
- ✓ AD&D Insurance additional to the Basic Life Insurance.
- ✓ Competitive group rates.
- ✓ 24-Hour Coverage...anywhere in the world.
- ✓ Waiver Of Premium Benefit for Total Disability.
- ✓ Additional Life and Dependent Life Insurance available.
- ✓ Available to State IIA Association firms with as few as 1 enrolling employee.



For State IIA Association Members

Effective July, 2005

Underwritten by Standard Insurance Company,
rated A (Excellent) by A.M. Best Company
for financial stability.
Policy# 287265-D

An Overview of All the Valuable Benefits

Choice of Life Benefits

Choose from the following benefit levels... **\$50,000, \$25,000 or \$10,000.** All eligible employees in your firm will be covered for the same benefit amount. At age 65 the benefit amount begins to reduce on an age-graded basis. Additional Life benefits are also available.

Accelerated Living Benefit

This feature allows eligible employees who qualify for Waiver of Premium to collect a portion of their Life Insurance Benefit early. The money can be used in any way the insured chooses.

Accidental Death and Dismemberment

The amount of AD&D Insurance is equal to the Basic Life Insurance coverage for each insured employee. The amount payable is equal to a percentage of the AD&D coverage in effect, depending on the type of loss incurred. AD&D Insurance coverage begins and ends at the same time as an employee's Basic Life Insurance, however AD&D Insurance is not continued under Waiver of Premium.

100% of the AD&D Benefit is payable for loss of life. 50% of the AD&D Benefit is payable for loss of one hand, one foot, or sight in one eye. 100% of the AD&D Benefit is payable for any two or more of the preceding losses. No more than 100% of the AD&D Insurance Benefit will be paid for all Losses resulting from one accident.

Waiver of Premium

If an insured employee under age 60 becomes totally disabled and remains so for 180 consecutive days, Basic Life, Additional Life and Dependent Life Insurance coverage (but not AD&D Insurance coverage) can be continued without premium payment. The Standard will refund up to 12 months of premium paid after total disability began and premiums will continue to be waived as long as total disability continues, but not beyond age 65.

Repatriation Benefit

This additional benefit is paid to transport an insured's body to a mortuary near home if death occurs more than 200 miles away. The benefit paid will be the cost of transport, up to \$5,000 or 10% of the Life Benefit, whichever is less.

Seat Belt Benefit

If an insured employee dies as a result of an automobile accident while wearing a seat belt, The Standard will pay a Seat Belt Benefit equal to the amount of the AD&D benefit payable for Loss of life, up to \$10,000. For this purpose *seat belt* means a properly installed seat, lap and shoulder restraint, approved by the National Highway Traffic Safety Administration.

Expanded AD&D Benefits

This group of ten valuable features can provide your employees with benefits for a larger variety of accidental losses, and expands the definition of Loss to include speech, hearing, and paralysis. Details are in the Certificate of Coverage.

Family Benefits

Special benefits are available, as explained below, to help the family carry on if an insured employee dies as a result of an accident.

Career Adjustment Benefit

Up to 25% of the AD&D coverage, to a maximum of \$10,000, will be paid to the spouse of an insured employee for educational or training expenses incurred for the purpose of obtaining training for employment or increasing earnings. Up to \$5,000 will be paid annually for expenses (not including room and board) incurred by a spouse within 36 months after the insured employee's death.

Child Care Benefit

Up to 25% of the AD&D coverage, to a maximum of \$10,000, will be paid to the spouse of an insured employee for child care to enable the spouse to work, or obtain job training for work. Up to \$5,000 will be paid annually for child care expenses incurred within 36 months after the insured employee's death for children under age thirteen. Service must be provided by a licensed child care provider who is not a family member.

Higher Education Benefit

Up to 25% of the AD&D coverage, to a maximum of \$20,000, will be paid for tuition expenses incurred for each child of an insured employee registered and in full time attendance in an institution of higher education within 12 months after the employee's death. Beginning at the time of death, The Standard will pay annual tuition expenses of up to \$5,000 (not including room and board) for four consecutive years.

ELIGIBILITY

Available to firms that are State Independent Insurance Agents Association members, including all active, full-time employees, partners, sole proprietors and owner-employees (working 30 hours or more per week), their spouses and unmarried children to age 21 (or to age 25 if full-time students).

Employees paid entirely or partly by commission are eligible if they work 30 hours or more per week and earn at least 150 hours per month times the minimum wage.

Real estate, banking, mortgage loan or escrow firms affiliated with the insurance agency through common ownership (whole or in part) are also eligible.

New employees in firms of 3 or more lives may be added without health evidence for amounts less than the Non-Evidence Maximums, if application is submitted within 31 days of the firm's selected waiting period.

Participation

For non-contributory plans, 100% of eligible employees must enroll.

For contributory plans, 75% of eligible employees must enroll. Our Additional life (contributory) plan's minimum participation % is 10%. The Dependents Life Insurance, however, is 75%.

Takeovers

Takeovers are available for firms of 2 or more lives for current insured amount of basic life insurance up to \$50,000. Proof of current insurance must be submitted with application.

ENROLLMENT

Enrollment simply requires an Employer Application and completed Enrollment Forms for each employee for Basic Life and AD&D Insurance.

No Health Statements are Required for:

Firms of 3-9 enrolling employees:
Coverage \$10,000

Firms of 10+ enrolling employees:
Coverage \$50,000 or less

Health Statements are Required for:

All firms of 1-2 enrolling employees for Basic Life and AD&D Insurance.

All amounts of Additional Life Insurance.

ENROLLMENT (cont'd)

Choice of Beneficiary

The employee may name or change any beneficiary at any time by notifying Kelsey National Corporation, in writing.

OTHER PROVISIONS

Termination of Coverage

Coverage terminates on the earliest that: premium payments end, full-time employment ends, the group policy ends, the firm no longer meets participation requirements, or the employee fails to meet the definition of a member.

Limitation and Exclusions

Additional Life Insurance Benefits will not be payable if death results from suicide or any intentionally self-inflicted injuries, while sane or insane, unless the insured's coverage has been continuously in effect for more than two years.

AD&D benefits are not payable if an accident or loss is caused or contributed by: war or act of war; suicide or other intentionally self-inflicted injury, while sane or insane; committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot; voluntary use or consumption of any poison, chemical compound, or drug unless used or consumed according to the directions of a physician; sickness or pregnancy existing at the time of the accident; heart attack or stroke, medical or surgical treatment for any of the above.

Loss means loss of hand, foot, or sight which is caused solely and directly by an accident, occurs independently of all other causes, and occurs within 365 days after the accident.

Conversion Privilege

Conversion to an individual policy is available if your Life Insurance ends or is reduced for any reason other than failure to pay your premium, regardless of health status, during the 31 day conversion period.

GROUP RATES

Basic Life and AD&D

Rates are based on cost per \$1,000 of coverage and graded according to age. Rates increase when the insured enters a new age category.

Employee Age	Monthly Premiums Per \$1,000
under 30	\$ 0.12
30 - 39	\$ 0.14
40 - 49	\$ 0.29
50 - 59	\$ 0.63
60 - 64	\$ 0.85
65 - 69	\$ 1.59
70 - 74	\$ 2.35
75+	\$ 3.13

Administrative Fees

An installation fee of \$12.65 is charged for each employee and each new employee added to the plan; \$37.95 maximum in any one month. Monthly firm fee is \$14.85 for firms of 1-3 insureds or \$19.85 for firms of 4 or more insureds per premium statement, regardless of how many plans are included.

The installation fee is waived if the employer has another IIA Group Insurance Trust plan administered by Kelsey National Corporation.

OPTIONS

Additional Life Insurance

Individuals may choose to supplement their plan with Additional Life Insurance equal to their Basic Life Insurance, with health evidence.

Employee Age	Monthly Premiums Per \$1,000
under 30	\$ 0.08
30 - 39	\$ 0.10
40 - 49	\$ 0.26
50 - 59	\$ 0.64
60 - 64	\$ 0.88
65 - 69	\$ 1.68
70 - 74	\$ 2.50
75+	\$ 3.26

Dependent Life Coverage

Dependent life coverage is available. \$2.10 per month covers all the employee's dependents as follows:

Spouse	\$5,000
Unmarried Children (To age 21 years or to age 25 if full-time student)	\$2,500

Participation requirements are 100% for firms of 1-3 and 100% of eligible dependents. For firms of 4 or more, option requires 100% until at least 3 dependent units are covered; thereafter it is 75% but with no less than 3 dependent units covered.

This is not a contract but is intended to provide a general description of the coverage. The actual policy should be consulted for complete details of policy provisions. Cost and further details of coverage, including exceptions, reductions or limitations and the terms under which the policies may be continued in force will be furnished by Kelsey National Corporation. Final acceptance of the group will be subject to approval by the carrier.

Low Cost Fiduciary Liability and ERISA Bond Option

(Underwritten by American International Surplus Lines Insurance Company)

Covers employer liability for errors and omissions in handling employee benefit plans to \$1 million per loss with \$1,000 deductible.

Automatically issued unless waived on Employer Application.
(See separate brochure for details.)

State IIA Association Group Life/AD&D Employer Application

Introducing...an Employer Application that makes it easy to say "Yes!" to
State IIA Association Group Coverage!

YOUR ENROLLMENT STEPS

Yes! Our firm is a successful: Sole Proprietor Partnership Corporation

Yes! Our firm is a member of the IIA: Yes No

Yes! Our firm is enrolled in another group plan administered by Kelsey National Corporation/Trust Administration Services:
 Yes, Account Number: _____ No

Yes! Our firm has chosen the following Life/AD&D benefit:

\$50,000 \$25,000 \$10,000

Yes! Our firm has chosen: Dependent Life Option

Yes! Our firm certifies that the total number of full-time employees is: _____

Yes! Our firm pays the following portion of the Employee monthly premium: _____ %

If your firm does not already have Fiduciary Liability Coverage and ERISA Bond protection as a participant in another IIA Group Insurance Trust plan, it will automatically be included for your firm now, unless waived by applicant by initialing this form here: _____ (Not available in Kentucky.) This coverage is underwritten by American International Surplus Lines Insurance Co.

Yes! We wish to enroll! Please make the effective date: ____ / ____ / 200___. We understand that you will bill us and confirm the effective date. We hereby acknowledge that insurance coverage will not take effect until approved in writing by the insurance company.

Firm Name _____

Phone # (_____) _____ FAX # (_____) _____

Street Address _____

City _____ State _____ ZIP _____

Mailing Address (if different than above) _____

City _____ State _____ ZIP _____

Individual to contact for routine information _____

Email _____

Individual to contact for special information _____

Email _____

Yes! We have completed this EMPLOYER APPLICATION and understand this form and the Joinder Agreement on the next page constitute application by our firm for participation in the State IIA group plan.

Signature (Owner, Partner, Corporate Officer) **X** _____

Title _____ Date ____ / ____ / ____

Enrollment Instructions

To complete your enrollment steps, be sure to confirm:

- ❑ **Yes!** We have completed this **EMPLOYER APPLICATION**. (This form constitutes application by your firm for participation in the IIA State Association Group Life/AD&D plan, underwritten by Standard Insurance Company. This form should be signed by an Owner, Partner, Sole Proprietor, or Corporate Officer.)
- ❑ **Yes!** We understand that **EMPLOYEE ENROLLMENT FORMS** should be completed and signed by all eligible employees, including Owner-Employees, Partners, Sole Proprietors, Officers, Agents, Brokers, Solicitors, etc. who work 30 hours or more per week at our firm, whether or not they enroll.

Health statements must be completed by the following: (a) Firms of 1-2 eligible employees; (b) All employees enrolling in the Additional Life Insurance Option; (c) Employees applying for more than \$10,000 in firms of 3-9; (d) All late applicants. If this insurance replaces existing coverage and you provide proof of coverage, a health statement for item (c) will not be required on the effective date of your coverage if you apply for an amount of basic coverage equal to or less than the amount in effect under your prior plan. Health Statements will be provided, if applicable, upon receipt of your application.

Participation and Eligibility

For non-contributory plans 100% of eligible employees must enroll.

For contributory plans at least 75% must enroll.

Joinder Agreement

TO THE TRUSTEE OF THE INDEPENDENT INSURANCE AGENTS GROUP INSURANCE TRUST FUND:

The signee, a member of an Independent Insurance Agents Association, hereby requests the Trustee of the Independent Insurance Agents Group Insurance Trust Fund to enroll our firm as a participating employer for a plan of group insurance covering eligible employees of the firm applying.

The signee hereby subscribes to the Trust Agreement dated the 22nd day of September, 1988, as amended, and agrees to be bound by the terms and conditions thereof. A copy of said Trust Agreement will be made available to the subscribers upon written request. Kelsey National Corporation receives commission of 2 1/2 % for acting as agent and a fee from the Trust for services rendered managing it.

The signee hereby acknowledges that the Trustee of the Independent Insurance Agents Group Insurance Trust Fund in seeking to obtain and keep in force such group insurance, does so as a matter of accommodation only. The participating employer agrees to be bound by the terms of the master policy and in return for benefits provided thereunder guarantees prompt payment of premiums due. The Trustee is merely a holder of the master policy, whose responsibility is to issue certificates to participating employees and to collect premiums, but the insurance agreement and all claims arising thereunder are purely a matter between the signee and the insurance carrier.

Important: Send No Money At This Time

You will soon receive an acceptance or declination from the IIA Group Insurance Trust. When accepted, you will also receive an itemized premium statement showing individual monthly premiums and an administration fee, which covers all group plans included on the premium statement. The signee hereby acknowledges that he has received information containing the administration fees.

Completed applications should be sent to:
KELSEY NATIONAL CORPORATION
3030 South Bundy Drive
Los Angeles, CA 90066

Group Life/AD&D Insurance
Underwritten by:
Standard Insurance Company
Policy# 287265-D

Employee Enrollment Form

IIA Group Insurance Trust Request for Group Life/AD&D Insurance Enrollment Form Part 1

Administrator Section	Plan: IIA Group Insurance Trust, policy #287265D	Certificate Effective Date:	Account #:
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Please complete employer and employee sections below.

Employer Section	PLEASE CHECK ONE BOX ONLY <input type="checkbox"/> Initial Request <input type="checkbox"/> Request for a change	Name of Firm: Firm Phone #: ()	Account #:
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Employee Section • Please print all information. • Sign and date this form below.	Employee's Name: _____ (last) _____ (first) _____ (initial)			Social Security #: _____		
	Home Address: _____ (street) _____ (city) _____ (state) _____ (zip)					
	Email: _____					
	Date of Birth: _____ <small>Mo. Day Year</small>	Age: _____	Date Employed: _____ <small>Mo. Day Year</small>	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Do you work 30 or more hours per week? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Occupation: (Title/Position) _____		Beneficiary: _____			Relationship: _____

I hereby declare that I am an active full-time employee, partner, sole proprietor or owner-employee of the employer indicated above and that I regularly work at least 30 hours per week at or from the employment location indicated. I hereby request the group insurance for which I am or may become eligible under the policies issued to the Trustee of the IIA Group Insurance Trust by the Insurance Company. I authorize the deductions from my earnings of any contributions I may have to make toward the cost. I understand that my request shall include this form and any part or parts of the health statement which may be required. All information given by me on this form is true and complete and is offered as an inducement to grant insurance.

Employee's signature **X** _____ Date _____

Family Information: <input type="checkbox"/> Married <input type="checkbox"/> Not Married Eligible Children <input type="checkbox"/> Yes <input type="checkbox"/> No	I want to insure (check one): <input type="checkbox"/> Myself only <input type="checkbox"/> Myself and my dependents Select the option(s) you want: <input type="checkbox"/> Additional Life Insurance <input type="checkbox"/> Dependent Life Insurance	If applying for spouse and/or dependent coverage, list names and birthdates below. <table style="width: 100%;"> <tr> <th style="width: 70%;">Name:</th> <th style="width: 30%;">Birthdate:</th> </tr> <tr> <td>1. Spouse _____</td> <td>_____/_____/_____</td> </tr> <tr> <td>2. Child _____</td> <td>_____/_____/_____</td> </tr> <tr> <td>3. Child _____</td> <td>_____/_____/_____</td> </tr> <tr> <td>4. Child _____</td> <td>_____/_____/_____</td> </tr> <tr> <td>5. Child _____</td> <td>_____/_____/_____</td> </tr> </table>	Name:	Birthdate:	1. Spouse _____	_____/_____/_____	2. Child _____	_____/_____/_____	3. Child _____	_____/_____/_____	4. Child _____	_____/_____/_____	5. Child _____	_____/_____/_____
Name:	Birthdate:													
1. Spouse _____	_____/_____/_____													
2. Child _____	_____/_____/_____													
3. Child _____	_____/_____/_____													
4. Child _____	_____/_____/_____													
5. Child _____	_____/_____/_____													

Enrollment Form Part 2

Refusal or Discontinuance of Coverage

Complete this section in addition to Part 1 if you are refusing or discontinuing coverage for yourself or a dependent for Life/AD&D. Then sign, date and return to your employer.

Reason for refusal:

<input type="checkbox"/> Covered under spouse's Employer Group Insurance Spouse's Employer: _____ Name of Insurance Company: _____	<input type="checkbox"/> Covered under a Military Insurance Plan: _____ <input type="checkbox"/> Religious Beliefs <input type="checkbox"/> Cannot afford
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I understand that if I later wish to enroll or re-enroll in the Group Plans, I must provide satisfactory evidence of insurability to the Insurance Company or be subject to limited benefits for a specified period of time. I also understand that I may not be eligible for all plans made available through the Independent Insurance Agent Group Insurance Trust.

Employee's Signature **X** _____ Date _____
 Name of Employer Firm _____

All completed Enrollment Forms should be sent by the employer to:
KELSEY NATIONAL CORPORATION
 3030 South Bundy Drive
 Los Angeles, CA 90066

Insured by:
Standard Insurance Company
 Policy# 287265-D