

Colonial Life & Accident Insurance Company
1200 Colonial Life Boulevard, P.O. Box 1365
Columbia, South Carolina 29202
(800) 325-4368

Whole Life Insurance Disclosure

Applicable to policy forms ICC08-WL-GPO-95/ WL-GPO-95/ WL-GPO-95-rev/ICC12-WLGPO-95; ICC07-WL-NGPO-65/ WL-NGPO-65/ WL-NGPO-65-rev/ICC12-WL-NGPO-65; ICC07-WL-NGPO95/ WL-NGPO-95/ WL-NGPO-95-rev/ ICC12-WL-NGPO-95; ICC08-WL-GPO-65/ WL-GPO-65/WL-GPO-65-rev/ ICC12-WL-GPO-65; ICC16-WL1000J/WL1000J and applicable state versions.

You will receive a policy summary when your policy is issued.

We will pay the death benefit to the beneficiary of this policy after we receive satisfactory* proof that the insured died while this policy was in force. We may advance a portion of the death benefit upon receipt of an immediate payment claim form from the beneficiary.

State Variation:

CA – due proof

Exclusions and Limitations

If the Insured commits suicide, whether he is sane or insane within two years from the coverage effective date or the date of reinstatement, we will not pay the death benefit. We will terminate this policy and return the premiums paid minus any loans and loan interest to you.

State Variations:

AL, AR, LA - Suicide exclusion period does not begin again after the policy is reinstated.

MO, ND - Commits suicide within one year

General Provisions

We issued this policy based on the statements made in the application by or on behalf of the Insured. We consider these statements to be based on the applicant's present knowledge and belief. All statements made by the applicant for the issuance or reinstatement of a policy shall, in the absence of fraud (*not applicable in CT, FL, IL, LA, OR, SC*), be deemed representations and not warranties.

We can contest this policy or deny a claim for any material misrepresentation of a fact. In order for us to do this, the misrepresentation must have been made in the application, and a copy of the application must have been attached to this policy. We cannot contest this policy after it has been in effect during the lifetime of the Insured for two years from the Coverage Effective Date or date of reinstatement, unless you fail to pay the Premiums.

If there is an error in the insured's age or in the age of any person insured by rider, we will adjust the death benefit to the amount of death benefit that the most recent premium paid would have bought at the correct issue age. If the correct age is outside the issue age ranges of the policy or rider, a premium and death benefit shall be extrapolated.

If there is a misstatement in the application of the Insured's smoking status, we will adjust the death benefit payable to the amount which would have been purchased at the correct smoking status in consideration of the most recent premium. We will not make such an adjustment after this policy has been in force for two years from the coverage effective date.

State Variations:

CT, FL, NJ – Not applicable

Accelerated Death Benefit

The Accelerated Death Benefit is a benefit which allows you to be advanced a portion of the death benefit if the Insured is diagnosed with a terminal illness after the coverage effective date. Terminal illness means an injury or sickness which results in the insured having a life expectancy of 12 months or less and from which there is no reasonable prospect of recovery. Payment of this benefit will be made only once. The death benefit, any cash value and premium will be reduced if an accelerated death benefit is paid.

State Variation:

IL – life expectancy of 24 months

An amount of up to 75% of the face amount may be requested, up to a maximum of \$150,000. The policy must be in force on the date of the payment and must have a specified amount of at least \$5,000.

State Variation:

CT - you may request an amount that is not less than 25 percent nor more than 75 percent of the face amount (called the acceleration percentage), but not to exceed \$150,000.

The Accelerated Death Benefit amount payable to you is reduced:

- first by any due but unpaid premiums; then
- by the amount of any outstanding policy loan multiplied by the acceleration percentage; then
- by the administrative fee* charged by us for accelerated death benefit payments, in the amount in effect at the time of payment, not to exceed \$200; then
- the remaining sum is discounted for a time period of one year using an interest rate no greater than the greater of: (a) the current yield on 90 day treasury bills; or (b) the current maximum statutory adjustable policy loan interest rate.

State Variations:

FL – Administrative charge is \$100.00

*MT – by the premium (administrative fee)**

SC – No administrative charge

The amount paid under this benefit may be taxable. We are not responsible for any tax on or other effects of any benefit paid. As with all tax matters, consult your personal tax advisor to assess the impact of this benefit.

Guaranteed Purchase Option (applicable to adult policy)

The Guaranteed Purchase Option provides you the right (if you are age 55 or less on the premium effective date) to buy additional insurance on the life of the insured without showing evidence of his insurability. You may exercise up to three option dates to purchase these additional amounts of insurance until the 61st day after the eighth policy anniversary. If you choose to exercise an option, we will send you a new policy.

Option dates occur in one of two ways, either as policy anniversary option dates or as life event option dates. Policy anniversary option dates occur on the second, fifth and eighth policy anniversaries. Life event option dates occur on the date of the insured's marriage, birth of a living child, adoption of a child, or legal divorce. Exercising a life event option date cancels out the next policy anniversary option date.

State Variation:

FL- Life event option dates occur on the date of the insured's life event.

After the second policy anniversary, we will allow two more increases to occur through any combination of option dates or life events. If you reached your maximum limit for purchasing additional insurance through exercising the first option date, no more increases will be allowed. After the fifth policy anniversary, we will allow one more increase to occur, either through eighth anniversary option date or through a life event occurring before the final option date expires.

You may purchase additional amounts of insurance of the same plan on each option date up to the initial face amount of this policy, but not to exceed a total combined maximum of \$100,000 for all options.

The premium for the new policy will be based on our rates then in use for this plan. The amount will be based on the insured's attained age on the premium effective date of the new policy.

The right to buy additional insurance under this option expires for each option date 61 days after the option date. The guaranteed purchase option totally expires on the earliest of these dates:

- the date this policy terminates;
- the date you reach your maximum limit for purchasing additional insurance under this policy;
- the date any accelerated death benefit payment is made under the policy;
- the date you surrender the policy for its surrender value; or
- the 61st day after the eighth policy anniversary date, regardless of life events.

Guaranteed Purchase Option (applicable to juvenile policy)

The Guaranteed Purchase Option provides you the right to buy additional insurance on the life of the insured without showing evidence of his insurability. You may exercise up to three option dates to purchase these additional amounts of insurance until the 61st day after the policy anniversary following the insured's 24th birthday. If you choose to exercise an option, we will send you a new policy.

Option dates are the policy anniversary dates following the insureds 18th, 21st and 24th birthdays.

After the second policy anniversary, we will allow two more increases to occur. If you reached your maximum limit for purchasing additional insurance through exercising the first option date, no more increases will be allowed. After the policy anniversary following the insured's 24th birthday, we will allow one more increase to occur.

You may purchase additional amounts of insurance of the same plan on each option date up to the initial face amount of this policy, but not to exceed a total combined maximum of \$100,000 for all options. The premium for the new policy will be based on our rates then in use for this plan. The amount will be based on the insured's attained age on the premium effective date of the new policy.

The right to buy additional insurance under this option expires for each option date 61 days after the option date. The guaranteed purchase option totally expires on the earliest of these dates:

- the date this policy terminates;
- the date you reach your maximum limit for purchasing additional insurance under this policy;
- the date any accelerated death benefit payment is made under the policy;
- the date you surrender the policy for its surrender value; or
- the 61st day after the policy anniversary following the insured's 24th birthday.

Automatic Premium Loan Provision

If premium is unpaid at the end of the 31-day grace period and this provision is in effect, we will automatically lend you the amount needed to pay an overdue premium. You may apply for this provision when you apply for coverage or you may request it in writing before the end of a grace period.

Surrender Options

If premium is unpaid at the end of the 31-day grace period and the automatic premium loan provision is not in effect, you may choose from three surrender options:

Cash surrender value – This is the policy's cash value minus any loans and accrued loan interest. You may surrender this policy for the cash surrender value at any time.

Reduced paid-up insurance – The cash surrender value of this policy is used as a net single premium to purchase a fully paid-up policy. The face amount of the paid-up policy will be less than the face amount of this policy.

Extended term insurance – The cash surrender value of this policy is used as a net single premium to purchase term insurance. The face amount of the term

insurance is equal to the face amount of this policy minus any loans.

State Variation:

CA: 60-day grace period