



The AIG Life Companies (U.S.)



A Basic AD&D INSURANCE PLAN

designed for the Eligible Employees of
National Chinese American Jewelry Association

Presented by: **Travel Insurance Services**
Walnut Creek, CA

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IMPORTANT NOTICE: The Plan provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical, major medical or sickness coverage.

SECTION I: OVERVIEW

DOMESTIC ACCIDENT & HEALTH DIVISION

The Strengths of an Insurance Leader... the Attention of a Responsive Working Partner

With more than 40 years experience in the specialized accident and health field, the Domestic Accident & Health Division of the AIG Companies® is the market leader for corporate accident insurance and a leading provider of supplemental insurance. These programs are all designed to help businesses reduce costs, expand coverage and keep ahead of the competition. Comprehensive strength, underwriting flexibility, responsive service and forward-thinking solutions are our hallmarks. And we are always prepared to support our customers with new opportunities, talented professionals looking out for their interests and a commitment to make it easy to do business together.

Financial Strength

The AIG Companies underwriting the products of the Domestic Accident & Health Division have strong financial ratings, helping assure businesses we'll be there when they need us. These companies include National Union Fire Insurance Company of Pittsburgh, Pa., American International Life Assurance Company of New York, and AIG Life Insurance Company. American International Group, Inc. (AIG), our parent company is the leading U.S.-based international insurance and financial services organization and the largest underwriter of commercial and industrial insurance in the United States.

State-of-the-Art Products

The exceptional breadth, depth and quality of our accident and health product portfolio enable us to deliver superior employee benefit and risk management solutions for virtually every employer need. Our leading-edge products are designed to address the special risks of the 21st-century workplace and the requirements of contemporary lifestyles, including advanced features and options that provide greater insurance protection for employees and their families.

Customized Solutions

The flexibility of our benefit solutions and the skill and expertise of our people enable companies to customize comprehensive, affordable plans that stand out against the competition. Our knowledgeable sales representatives, underwriters, actuaries and risk specialists work together to help companies tailor appropriate benefit and risk strategies.

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Unsurpassed Claims Support

The Domestic Accident & Health Division is committed to the highest quality claims service. To ensure skillful, timely claims processing, our claims specialist team includes seasoned supervisors and examiners with the expertise to provide the right solutions and the authority to implement them.

Cost-Effective, Streamlined Underwriting and Administration

Our customized accident and supplemental insurance programs offer high coverage at relatively low cost. In addition, installation and administration are easy thanks to our efficient, first-in-class technology and information systems, which save companies time and money.

Please note this program provides accident insurance only. It does not provide basic hospital, basic medical, major medical or sickness coverage.

SECTION II: PRODUCT ADVANTAGES

A HIGHLY VALUED BENEFIT

Accidents are the fifth leading cause of death for people of all ages.¹ A serious injury or the accidental death of a wage earner can have tremendous consequences, even for a two-income family. Without sufficient financial resources, employees may not be able to afford the care they or their loved ones may require. Further, home mortgage payments, college education funds and retirement savings may all be jeopardized if money is not available to help provide the security employees and their families need.

¹ National Safety Council®, *Injury Facts*™, 2004 Edition.

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ELIGIBILITY

All active, paying members of the Association.

COVERAGE

If premium payments are continued on a basis that precludes individual selection, an Insured who ceases to be a member of any eligible class of persons as described above may still be regarded as in an eligible class of persons as follows: (1) if the Insured is on temporary lay-off or leave of absence (other than an authorized family or medical leave), for the full period of the lay-off or leave, but not for more than 3 months in a row; or (2) if the Insured is absent from work due to an authorized family or medical leave, for the full period of the leave, but not for more than 3 months in a row unless a longer period is agreed to by the Company and the Policyholder.

COST OF INSURANCE

\$24.00 per person per year

\$ 8.09 per person for the period of 9/1/06 – 1/1/07

COVERAGE OPTIONS AND AMOUNTS OF INSURANCE – PRINCIPAL SUM

The principal sum is: \$200,000

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BENEFITS

ACCIDENTAL DEATH, DISMEMBERMENT AND PARALYSIS BENEFITS

Principal Sum means the amount of insurance the Insured employee is eligible for.

When injury directly results in any of the following losses within 365 days after the date of accident causing the loss, the Plan will pay in one sum the indicated percentage of the Principal Sum for:

Loss of Life	The Principal Sum
Loss of two or more members	The Principal Sum
Loss of speech and hearing in both ears	The Principal Sum
Loss of one member	One-Half The Principal Sum
Loss of speech or hearing in both ears.....	One-Half The Principal Sum
Loss of hearing in one ear	One-Quarter The Principal Sum
Loss of thumb and index finger of the same hand	One-Quarter The Principal Sum
Quadriplegia	The Principal Sum
Paraplegia	Three-Quarters The Principal Sum
Hemiplegia.....	One-Half The Principal Sum

“Member” means hand, foot or eye.

“Injury” means bodily injury caused by an accident sustained by a covered person which is the basis of claim resulting directly and independently of all other causes in a covered loss.

“Loss” means with regard to hand or foot, actual severance through or above the wrist or ankle joints; with regard to eye, entire and irrecoverable loss of sight in that eye; with regard to speech and hearing, entire and irrecoverable loss of the ability to speak and/or hear; with regard to thumb and index finger, actual severance through or above the metacarpophalangeal joints; with regard to quadriplegia, complete and irreversible paralysis of both upper and lower limbs; with regard to paraplegia, the complete and irreversible paralysis of both lower limbs; and with regard to Hemiplegia, the complete and irreversible paralysis of upper and lower limbs on one side of the body.

Only one benefit, the largest to which the insured is entitled, is payable for all losses resulting from one accident.

ADDITIONAL BENEFIT HIGHLIGHTS

Complete details of each benefit will be included in the Certificate of Insurance provided to each employee.

➤ COMA BENEFIT

Pays a monthly benefit of 1% of the Principal Sum if a covered person suffers a covered coma and the person remains comatose for at least 30 days. No benefits are payable for the first 30 days.

➤ CONVERSION PRIVILEGE

(Applies Only to the Accidental Death Benefit and Accidental Dismemberment Benefit)

If an Insured Person's coverage ends (prior to age 80) because he or she is no longer a member of any eligible class of persons as described in the Classification of Eligible Persons section of the Master Application, coverage may be converted to an Individual Accidental Death and Dismemberment Policy (herein called an Individual Policy).

The Company must receive a written application and payment of the required premium within 31 days after coverage ends under the Plan. No evidence of insurability is required to obtain the Individual Policy. The Individual Policy will be a type the Company regularly makes available on its effective date. The initial premium for the Individual Policy will be based on the Insured Person's attained age, risk class, and amount of insurance provided at the time of application for the Individual Policy.

Coverage under the Individual Policy will take effect on the later of: 1) the date the application and required premium payment are received by the Company; or 2) the date that the Insured Person's coverage under the Plan ends. In the event that the application and required premium are not received prior to termination of coverage under the Plan, coverage is not provided from the date coverage ends under the Plan until the date coverage under the Individual Policy becomes effective. Coverage under the Individual Policy may not be less than \$100,000 and may not exceed the greater of: 1) the amount for which the Insured Person was covered under the Plan; or 2) \$500,000.

➤ EXPOSURE AND DISAPPEARANCE

If by reason of a covered accident an Insured Person is unavoidably exposed to the elements and as a result of such exposure suffers a loss for which benefits are otherwise payable, the loss will be covered under the terms of the Plan.

If an Insured Person has not been found within one year of the disappearance, forced landing, stranding, sinking or wrecking of a conveyance in which an Insured Person was an occupant, then the Insurance

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Company will consider, subject to all other terms and provisions of the plan, that the Insured Person has suffered loss of life.

➤ REHABILITATION BENEFIT

If an Insured Person suffers an Accidental Dismemberment or Paralysis for which an Accidental Dismemberment or Paralysis benefit is payable under the Plan, the Company will reimburse the Insured Person for Covered Rehabilitative Expenses that are due to the Injury causing the Dismemberment or Paralysis. The Covered Rehabilitative Expenses must be incurred within two years after the date of the accident causing that Injury, up to a maximum of \$10,000 for all Injuries caused by the same accident.

“Hospital” – means a facility that: 1) is operated pursuant to law and that is licensed or approved as a hospital by the responsible state agency; 2) is primarily engaged in providing medical care and treatment of sick or injured persons on an inpatient basis for which a charge is made; and 3) provides 24-hour nursing service by or under the supervision of a registered graduate professional nurse (RN). A Hospital does not include: 1) any military or veterans hospital or soldiers home or any hospital contracted for or operated by any national government or agency thereof for the treatment of members or ex-members of the armed forces; 2) convalescent homes or convalescent, rest, or nursing facilities; or 3) facilities primarily for the rehabilitation of the aged, for drug or alcoholic rehabilitation, or those primarily affording custodial or educational care.

“Medically Necessary Rehabilitative Training Service” – means any medical service, medical supply, medical treatment or Hospital confinement (or part of a Hospital confinement) that: 1) is essential for physical rehabilitative training due to the Injury for which it is prescribed or performed; 2) meets generally accepted standards of medical practice; and 3) is ordered by a Physician.

“Covered Rehabilitative Expense(s)” – means an expense that: 1) is charged for a Medically Necessary Rehabilitative Training Service of the Insured Person performed under the care, supervision or order of a Physician; 2) does not exceed the usual level of charges for similar treatment, supplies or services in the locality where the expense is incurred (for a Hospital room and board charge, does not exceed the most common charge for Hospital semiprivate room and board in the Hospital where the expense is incurred); and 3) does not include charges that would not have been made if no insurance existed.

Exclusions

In addition to the Exclusions in the Exclusions section of this Plan, Covered Rehabilitative Expenses do not include any expenses for or resulting from an Injury for which the Insured Person is entitled to benefits paid or payable by Workers' Compensation or other similar law.

SEAT BELT BENEFIT

If the Insured Person suffers Accidental Death such that an Accidental Death benefit is payable under the Plan and the accident causing death occurs while the Insured Person is operating, or riding as a passenger in, an Automobile and wearing a properly fastened, original, factory-installed seat belt, the Company will pay this additional benefit. The amount payable for this additional benefit is \$25,000 or 15% of the Insured's Principal Sum.

AIR BAG BENEFIT

If a Seat Belt benefit is payable and if the Insured Person is positioned in a seat protected by a properly functioning, original, factory-installed Supplemental Restraint System that inflates on impact, the Company will pay this additional benefit. The additional amount payable for this benefit is \$25,000 or 10% of the Insured's Principal Sum.

Verification that the seat belt was actually in use at the time of the accident and that the Supplemental Restraint System inflated properly upon impact must be part of an official report of the accident or be certified in writing by the investigating officer(s).

“Automobile” – means a self-propelled private passenger motor vehicle with four or more wheels that is of a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes, but is not limited to, a sedan, station wagon, or jeep-type vehicle and, if not used primarily for occupation, professional, or business purposes, a motor vehicle of the pickup, panel, van, camper or motor home type. Automobile does not include a mobile home or any motor vehicle that is used in mass or public transit.

“Supplemental Restraint System” – means an air bag that inflates for added protection to the head and chest areas.

➤ WAIVER OF PREMIUM BENEFIT

Waives premium payments under the Plan if the Insured is receiving disability benefits under a disability plan provided through National Chinese American Jewelry Association.

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➤ ASSISTANCE SERVICES

These non-insurance offerings are provided by AIG Assist, a member company of American International Group, Inc. (AIG), while the covered individual is traveling a distance of 100 miles or more away from home.

Pre-Travel Assistance

- Advice on required and recommended immunizations
- Health information and precautions for medically remote or underscored areas
- Information for handicapped or disabled travelers
- Help in arranging special medical services needed while traveling

Medical Emergency Services

- Worldwide, 24-hour medical location service
- Medical case monitoring, arrange communication between patient, family, physicians, employer, consulate, etc.
- Medical transportation arrangements
- Emergency message service for medical situations

Legal Assistance

- Arranging contact with a local English-speaking attorney
- Worldwide, 24-hour contact for non-criminal legal emergencies
- Legal referral to help you locate a consular official or attorney

Travel Assistance

- Worldwide, 24-hour telephone contact for advice on handling losses and delays
- Help with lost passports, tickets and documents
- Advice on filing travel-related claims
- Arrange shipments of forgotten, lost or stolen items
- Relay emergency messages

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EXCLUSIONS

The Plan does not cover any loss caused in whole or in part by or resulting in whole or in part from, the following:

- suicide or any attempt at suicide or intentionally self-inflicted injury or any attempt at intentionally self-inflicted injury;
- sickness, disease or infections of any kind; except bacterial infections due to an accidental cut or wound, botulism or ptomaine poisoning;
- travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the insured or one of the insured's covered dependents is:
 - (1) riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or
 - (2) performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft; or
 - (3) riding as a passenger in an aircraft owned, leased or operated by National Chinese American Jewelry Association, or the insured's employer, if other than a member company of National Chinese American Jewelry Association., or the insured's covered dependent's employer;
- declared or undeclared war, or any act of declared or undeclared war; or
- full-time active duty in the armed forces of any country or international authority, except the National Guard or organized reserve corps duty (unearned premium will be returned if the insured or one of his/her covered dependents enters military service); or
- being under the influence of drugs or intoxicants, unless taken under the advice of a Physician; or
- commission of or attempt to commit a felony.

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REDUCTION SCHEDULE

The amount payable for a loss will be reduced for covered persons aged 70 or older on the date of the accident causing the loss with respect to any benefit provided by the Plan where the amount payable for the loss is determined as a percentage of that person's Principal Sum. The amount payable under that benefit is a percentage of the amount that would otherwise be payable, according to the following schedule:

<u>AGE ON DATE OF ACCIDENT</u>	<u>PERCENTAGE OF AMOUNT OTHERWISE PAYABLE</u>
70 - 74	65%
75 - 79	45%
80 - 84	30%
85 and older	15%

Premiums for all covered persons aged 70 and older will be based on 100% of the Principal Sum in effect if the covered person were under age 70. "Age" as used above refers to the covered person's age at that person's most recent birthday, regardless of the actual time of birth.

BENEFICIARY

Unless the insured names a specific beneficiary under the Policy, the insured's beneficiary for accidental death will be that person or those persons designated by him/her for National Chinese American Jewelry Association, basic life policy. The insured will be the beneficiary of his/her covered dependents for their accidental death, unless designated and filed otherwise. Benefit payments made for all other losses will be made to (or on behalf of) the insured or the person suffering the loss.