

RAI and its operating companies Group Universal Life Insurance Program Specifics

RAI and its operating companies offer this voluntary program which allows you to purchase Group Universal Life (GUL) Insurance, with a side cash fund, to supplement your employer-paid basic life insurance. GUL offers a guaranteed issue coverage amount for you, your spouse/domestic partner and any eligible children as long as you meet eligibility requirements. This coverage is offered through Mercer Voluntary Benefits and is insured by MetLife.

	Employee	Spouse/Domestic Partner	Child(ren) ¹
Eligibility Requirements	<p>Employee must be a regular, full-time active employee and able to perform normal activities² on both the date of enrollment and the effective date of coverage.</p> <p>Must be a U.S. citizen, a U.S. permanent resident or on the U.S. payroll.</p>	<p>Employee must be a regular, full-time active employee and able to perform normal activities² on both the date of enrollment and the effective date of coverage.</p> <p>Spouse/Domestic Partner must be able to perform normal activities² on both the date of enrollment and the effective date of coverage.</p> <p>May apply even if the employee does not apply for coverage.³</p> <p>If also an employee of RAI and its operating companies, can apply as a spouse/domestic partner or an employee, but not both.</p>	<p>Employee must be a regular, full-time active employee and able to perform normal activities² on both the date of enrollment and the effective date of coverage.</p> <p>Children must be able to perform normal activities² on both the date of enrollment and the effective date of coverage.</p> <p>Coverage is available only if the employee and/or spouse/domestic partner elects coverage.³</p> <p>If both parents are employees of RAI and its operating companies, only one parent may elect children's coverage.</p> <p>Eligible children must be at least 14 days to age 26.⁴</p>

	Employee	Spouse/Domestic Partner	Child(ren)
Coverage Amounts	1 to 5 times annual base pay ⁵ rounded to the next highest \$10,000: Minimum of \$10,000 Maximum of \$3 million Your life insurance automatically increases as your pay increases.	\$10,000 increments up to a maximum of \$250,000	\$5,000 or \$10,000 for each eligible child
Medical Requirement ^{6,7,8}	No medical questions: 1 or 2 times annual base pay up to \$600,000 in coverage Full medical evidence: <ul style="list-style-type: none"> • 3 to 5 times annual base pay or • coverage amounts between \$600,000 and \$3 million, or • any late entrant 	No medical questions: \$10,000 in coverage Full medical evidence: <ul style="list-style-type: none"> • Coverage amounts between \$20,000 and \$250,000 in coverage, or • any late entrant 	No medical questions: \$5,000 or \$10,000 in coverage Full medical evidence: Any late entrant(s)
Effective Date of Coverage	Guaranteed GUL coverage is effective the first of the month following the receipt of the enrollment application. Coverage requiring evidence of good health is effective on the first day of the month after Mercer Voluntary Benefits receives underwriting approval from MetLife.		

¹ Child(ren) also includes the following: Your natural child; a child who is supported solely by you and permanently living in the home of which you are the head; a child who is legally adopted; and a stepchild who lives in your home.

² Normal activities means an individual is not hospitalized, nor confined at home under the care of a physician for a sickness or injury, nor needing ongoing assistance to perform normal activities of daily living, and not receiving or entitled to receive disability or sick pay income from any source due to illness or injury.

³ For Texas employees, spouse and child coverage cannot exceed the employee's eligible coverage amount.

⁴ Effective 1/1/11 age 26 (regardless of student status, marital status, residence or financial dependence). Mercer Voluntary Benefits does not send out notification when children reach the limiting age. It is the responsibility of the certificate owner to request coverage continuation for former dependent children within the allotted 90-day period. Please contact Mercer Voluntary Benefits for the required forms.

⁵ Lump sum performance awards are included in annual base pay for the purpose of calculating coverage amounts.

⁶ If coverage is elected within 60 days of employee's hire date or eligibility date.

⁷ If spouse/domestic partner coverage is elected within the later of 1) 60 days of the employee's hire date or eligibility date or 2) 60 days of marriage.

⁸ If child coverage is elected within the later of 1) 60 days of the employee's hire date or eligibility date or 2) 60 days of first child's birth/ adoption date.

Cost of Insurance

Monthly Cost of Insurance Per \$10,000

Employee and Spouse/Domestic Partner	
Age⁹	Rate
Under 30	\$.51
30-34	\$.68
35-39	\$.77
40-44	\$.85
45-49	\$1.53
50-54	\$2.55
55-59	\$4.85
60-64	\$7.23
65-69 ¹⁰	\$10.71

⁹Use age as of the prior August 1 for calculating premium.

¹⁰Contact Mercer Voluntary Benefits for rates over age 70.

Child Coverage	
Amount	Monthly Cost¹¹
\$5,000	\$1.00
\$10,000	\$2.00

¹¹One rate covers all eligible children regardless of the number.

Life Insurance Features

GUL helps you prepare for the future—as well as for circumstances that may happen between now and then. In addition to life insurance coverage, these features enable you to receive automatic increases to your coverage as your pay increases and receive advance payment on your coverage in case of terminal illness.

Automatic Coverage Increase

Your employee coverage may automatically increase as your annual base pay increases. If your annual base pay in effect as of June 1 increases enough to make you eligible for additional coverage, your coverage and cost of insurance may increase on August 1. Automatic increases are calculated once each calendar year. Since coverage is rounded to the next higher \$10,000, coverage amounts may not increase when your salary increases.

Accelerated Death Benefit

An advance payment of your life insurance benefits is payable if you are diagnosed as terminally ill with a life expectancy of 12 months or less (may vary by state). You can request up to 80 percent of your coverage amount (to a maximum of \$750,000/employee, \$125,000/spouse/domestic partner). Advance payment permanently reduces the death benefit. This benefit is available to you and your covered spouse/domestic partner.

Cash Accumulation Fund

You can set aside money in a Cash Fund and earn interest that is tax-deferred. This is a great way to accumulate funds to purchase paid-up insurance, buy a home, pay for college education expenses, build a reserve for emergencies, or enhance your retirement income.

The Cash Fund is what makes Group Universal Life more than a basic life insurance product. It is a way for you and/or your spouse to set aside money to earn a competitive rate of interest on a tax-deferred basis. This means that your money will not be taxed as long as the money remains in the fund. You and/or your spouse determine a contribution amount that's right for your needs.

Advantages

- **Your money earns interest at an attractive rate** – Interest rates are declared annually by MetLife and may change, but will never go below 3%.
- **The interest you earn is not taxable until it is withdrawn** – This means the interest that you are earning grows at a faster rate than interest in a comparable, taxable account.
- **Your funds are accessible** – You can access the money in your Cash Fund whenever you want and for whatever you want by a withdrawal or a loan. You are not charged a fee for making withdrawals.

Determining your contribution

You and/or your spouse must participate in the Group Universal Life program in order to contribute to a Cash Fund. You may begin contributing to the fund at any time.

The Internal Revenue Code regulates the maximum you can contribute each month. However, the greater the amount of your life insurance coverage, the more flexibility you have in choosing the amount you would like to contribute. See the maximum monthly contribution chart included in this section. No minimum contribution is required, and you can start and stop contributions to your cash fund at any time. Contribution limits are based on the insured's age and the level of coverage elected.

The amount of cash you are allowed to contribute to the cash accumulation fund is determined by your age and the number of \$10,000 coverage units for which you are enrolled. For example, with a life insurance coverage amount of \$100,000 (10 units) you would have the flexibility to contribute any cash amount up to 10 times the amount shown at your age on the monthly cash contribution table.

Interest to the cash fund is declared annually by MetLife and credited to cash contributions on the date of receipt by Mercer Voluntary Benefits. **The guaranteed minimum interest rate is 3%.**

Contribution Amounts for age 70 and older are available upon request to Mercer Voluntary Benefits.

Monthly Cash Contribution Table (Per \$10,000 Unit of Coverage)

Age of Adult†	Contribution Amount	Age of Adult†	Contribution Amount	Age of Adult†	Contribution Amount
19	\$ 1.52	36	\$ 6.34	53	\$ 16.49
20	1.72	37	6.76	54	17.28
21	1.93	38	7.19	55	18.04
22	2.14	39	7.63	56	19.10
23	2.37	40	8.08	57	20.14
24	2.60	41	8.59	58	21.14
25	2.85	42	9.12	59	26.65
26	3.10	43	9.65	60	36.25
27	3.37	44	10.20	61	36.71
28	3.64	45	10.76	62	37.22
29	3.93	46	11.40	63	37.76
30	4.22	47	12.05	64	38.34
31	4.54	48	12.71	65	38.97
32	4.87	49	13.38	66	38.70
33	5.22	50	14.05	67	38.48
34	5.57	51	14.86	68	38.31
35	5.94	52	15.68	69	38.20

† Use age as of January 1

If you are a current participant with a policy written prior to 1/1/2014, please call Mercer Voluntary Benefits for your monthly cash contribution levels.

You also have the flexibility to make direct lump-sum contributions to the Cash Fund. If you plan to make a lump-sum contribution, contact Mercer Voluntary Benefits at 1-800-652-9512 first to determine whether the amount of your contribution can be accepted under current tax law. Your proposed contribution amount will be reviewed in relation to the amount of life insurance coverage you have.

Accessing your money

You may withdraw cash from your Cash Fund at any time, subject only to a minimum \$200 withdrawal amount. You are not charged a fee for making withdrawals.

For more information, please contact

Mercer Voluntary Benefits at:

1-800-652-9512

RAIVoluntaryBenefits.com

Program Administered by Mercer Health & Benefits Administration LLC (Mercer Voluntary Benefits)
 In CA d/b/a Mercer Health & Benefits Insurance Services LLC
 AR Ins. Lic #100102691 CA Ins. Lic. #0G39709