

# Employee Life and Disability Insurance Proposal

## Family Video Inc.

Proposed Effective Date: January 1, 2008

### Optional Group Term Life & AD&D / Dependent Life

**Eligibility:** All active full time employees working 38 or more hours per week

**Class 1:** All eligible employees

#### Benefit Schedule

Feature	Description
<b>OPTIONAL LIFE BENEFIT</b>	\$10,000 increments (minimum of \$20,000) to lessor of 5 x salary or \$500,000
MAXIMUM	\$500,000
GUARANTEED ISSUE LIMIT	\$200,000
ACCELERATED DEATH BENEFIT	75% up to \$250,000
WAIVER OF PREMIUM	Disability beginning prior to age 60; 6 month elimination period. Terminates at age 65 or prior retirement
CONVERSION	Included
PORTABILITY	Included
REDUCTION SCHEDULE	Benefit reduces by 50% at age 70. Terminates at retirement.
<b>OPTIONAL AD&amp;D BENEFIT</b>	Same as Optional Life
MAXIMUM	Same as Optional Life
GUARANTEED ISSUE LIMIT	Same as Optional Life
AGE REDUCTION	Same as Optional Life
ROUNDING	Same as Optional Life
TABLE OF LOSSES	Standard table included
AIRBAG	Included, 10% to \$10,000 maximum
SEATBELT	Included, 10% to \$15,000 maximum
REPATRIATION	Repatriation, \$5,000 maximum
CHILD EDUCATION	Included, \$20,000 maximum
COMA BENEFIT	Included on groups of 100+ eligible lives
COMMON CARRIER	Included on groups of 100+ eligible lives
RESOURCE LINK	Included with Basic Life or Stand-alone Optional Life
TRAVEL ASSIST	Included with Basic Life or Stand-alone Optional Life
EMPLOYEE CONTRIBUTION	Contributory
PARTICIPATION REQUIREMENT	Greater of 10 lives or 25% of eligible employees. We agree to Grandfather employees at current benefit amounts if the participation requirement is not met.
<b>OPTIONAL DEPENDENT LIFE BENEFIT</b>	\$5,000 increments to \$250,000 Spouse; \$10,000 Child(ren)
GUARANTEED ISSUE LIMIT	\$20,000 Spouse; \$10,000 Child(ren)
DEPENDENT SPOUSE REDUCTION	Benefits reduce by 50% at age 70. Benefits terminate at retirement. (based on employee's age & retirement)
DEPENDENT CHILD ELIGIBILITY	Coverage begins at 15 days and ends at 19, or age 24 for a child who qualifies as a federal tax exemption. (NH and VA: coverage may be extended for dependent child who is incapable of self support)
BENEFIT LIMITATION	Dependent benefits may not exceed 50% of the employee benefit amount

# Employee Life and Disability Insurance Proposal

## Family Video Inc.

Proposed Effective Date: January 1, 2008

SPOUSE RATE BASIS	Spouse rates are based on employee's age
PORTABILITY	Included
EMPLOYEE CONTRIBUTION	Contributory
PARTICIPATION REQUIREMENT	25% of eligible Dependents. We agree to Grandfather employees at current benefit amounts if the participation requirement is not met.
RATE GUARANTEE	2 years

### Optional Group Term Life and AD&D

#### Rates

Coverage	Age	Non-Smoker Per Pay Rate	Smoker Per Pay Rate
<b>Optional Life Employee and Spouse (based on employee age)</b>	Under 25	.018 / \$1,000	.025 / \$1,000
	25-29	.022 / \$1,000	.033 / \$1,000
	30-34	.028 / \$1,000	.046 / \$1,000
	35-39	.044 / \$1,000	.073 / \$1,000
	40-44	.072 / \$1,000	.122 / \$1,000
	45-49	.118 / \$1,000	.199 / \$1,000
	50-54	.211 / \$1,000	.340 / \$1,000
	55-59	.210 / \$1,000	.340 / \$1,000
	60-64	.313 / \$1,000	.479 / \$1,000
	65-69	.479 / \$1,000	.687 / \$1,000
	70-74	.954 / \$1,000	1.275 / \$1,000
75+	1.632 / \$1,000	2.182 / \$1,000	
<b>Optional AD&amp;D (employee only)</b>		\$ .011 / \$1,000	
<b>Optional Dependent Child</b>		\$ .038 / \$1,000 per unit	

#### Rate Summary

Coverage	Number of Lives	Volume	Monthly Premium	Annual Premium
Optional Life - Employee	TBD	\$TBD	\$TBD	\$TBD
Optional Life - Spouse	TBD	\$TBD	\$TBD	\$TBD
Optional AD&D - Employee only	TBD	\$TBD	\$TBD	\$TBD
Optional Life - Dependent Child	TBD (units)	\$TBD	\$TBD	\$TBD