

ESB Pro 1
The Union Central Life Insurance Company
AM Best Rating: A, size X

Available for 2 lives and up; 2, 3 or 4 lives must be in business for 1 year or pay semiannual premium

CSL amounts from \$100,000 to \$1,000,000 (per person, per accident)

Benefit periods of 52 weeks, 110 weeks and 156 weeks

Deductibles begin at \$250.00

\$3,000,000 Aggregate limit per policy

AD&D Benefits- 10 times Basic Annual Salary up to \$250,000 (not to exceed the CSL)

AD&D includes Loss of Use (paralysis)

Disability payments: 75% to a maximum of \$700 per week

Elimination period for Disability: 7/28, 14, or 30 days available

Occupational disease and cumulative trauma included for most industries; benefit is 10% of selected CSL (available for groups of W2 employees only)

Hernia Coverage included (up to \$10,000)

Coverage is always primary

Administration:

Certificates available; waiver of subrogation at no charge is included if required by certholder

Subcontractors (1099's) are eligible (requires monthly census)

ERISA document is provided; issued and supported by ERISA Plans Inc.

Monthly self-reporting premium statements

Policy may be effective any day of the month

New employees are covered immediately (if payroll is reported on next premium statement)

All employees must be covered except owners and officers who may waive off

Disability payments can be made with a pre-paid; reloadable debit card

Underwriting:

Groups of less than 25 lives do not require loss history

Groups of more than 25 lives should be referred to Covington Financial Services for experience rating

**NEW
BUSINESS
TRANSMITTAL**

Company Name _____
 Company Address _____
 City _____ State _____ Zip _____
 Contact Person _____ Phone () _____ Fax () _____
 E-Mail Address _____

Broker/Agent's Name _____
 Address _____
 City _____ State _____ Zip _____
 Phone () _____ Fax () _____
 Tax I.D. or SS# _____ Commission % _____
 E-Mail Address _____

Broker/Agent's Name _____
 Address _____
 City _____ State _____ Zip _____
 Phone () _____ Fax () _____
 Tax I.D. or SS# _____ Commission % _____
 E-Mail Address _____

General Agent's Name _____
 Address _____
 City _____ State _____ Zip _____
 Phone () _____ Fax () _____
 Tax I.D. or SS# _____ Commission % _____
 E-Mail Address _____

Effective Date ____/____/____ Date Submitted ____/____/____

Special Instructions: 1099 (Subcontractor) Yes No (If Yes, Must provide proof of payroll)

Tx DOT (Requires special addendum) Yes No

Submission Must Include:

- Employee Census Form or Payroll Report
- Employer Subscription and Request to Participate, signed by client and agent
- ERISA Page
- Broker/Agent's Licensing (if not appointed by Union Central)
- Premium Check: Client's check payable to Union Central; Agency check payable to CFS Inc.
- Current TWC Employer's Quarterly Report (required)

Reviewed by: _____

Marketed by:

COVINGTON FINANCIAL SERVICES, INC.

2825 WILCREST, SUITE 410, HOUSTON, TX 77042 ■ PHONE (281) 589-8591, (800) 589-4344 ■ FAX (281) 589-2836

Administered by: Verity National Group Inc (VNG), PO Box 780609, San Antonio, TX 78278-0609

ESB-PRO-1

**SUBSCRIPTION TO THE UNION CENTRAL EMPLOYEE SECURITY BENEFIT TRUST
AND REQUEST TO PARTICIPATE IN
THE PLAN OF GROUP OCCUPATIONAL ACCIDENT INSURANCE TO BE UNDERWRITTEN BY
THE UNION CENTRAL LIFE INSURANCE COMPANY**

1876 Waycross Road
Cincinnati, Ohio 45240

SECTION I — SUBSCRIPTION AGREEMENT TO TRUST AND REQUEST TO PARTICIPATE

The undersigned Employer hereby: (1) adopts the Trust Agreement known as The Union Central Employee Security Benefit Trust; (2) agrees to be bound by all of the terms, provisions, conditions and limitations of said Trust Agreement and all lawful amendments thereto; and (3) applies to the Insurer for group insurance under a policy issued to the Trustee for the plan of insurance shown in Section II below, subject to the following conditions. Effective as of the date the Employer is approved as a Participating Employer; it: (1) agrees to be bound by all the terms and provisions of the Group Policy insuring such plan issued to the Trustee including any riders or amendments to such Group Policy applying to the Employer's plan; (2) understands that this application for insurance is subject to the approval of the Insurer or its designated representative; and (3) understands that nothing contained herein shall be binding upon the Insurer until the application is approved and accepted in writing by the Insurer or its designated representative.

SECTION II — SPECIFICATIONS FOR GROUP OCCUPATIONAL ACCIDENT COVERAGE

1. Name of Employer _____
(Fill in the full legal name.)

2. Address *(Physical)* _____
Street City County State Zip Code

Address *(Mailing)* _____
Street City County State Zip Code

3. Phone Number _____ Fax Number _____ Email: _____

4. Nature of Business _____
 Corporation Proprietorship Partnership Other _____

Send Correspondence to: Physical Mailing

5. Federal Tax ID Number _____ SIC Code _____ Years in business? _____

6. List all Subsidiaries, Divisions or Affiliated Companies to be included under this Plan.

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

7. Requested Effective Date _____ Number of Employees Eligible on Requested Effective Date _____
(All employees must be covered except owners and officers, who may opt to waive coverage.)

8. Type of Employees *(Check all applicable)* W2 1099 (Subcontractors)

9. Occupational Classes. (List all occupational classes. Attach an additional page if needed.)

10. Attach to this Application the names of: (a) Eligible Employees; (b) their Occupational Class Codes; and (c) the Monthly Payroll

11. Are any Eligible Employees listed now disabled? Yes No

If yes, describe details below. (Attach an additional page, if needed.)

Plan of Insurance Applied For: (a) Occupational Accidental Death And Dismemberment Benefits; (b) Occupational Weekly Accident Indemnity Benefits; and (c) Occupational Accident Medical Expense Insurance.

Aggregate Limit of Liability Per Accident. (Applies to all types of coverages combined.): **\$3,000,000.00**

12. Maximum Combined Single Benefit Limit Per Accident.

(The maximum amount payable for all benefits provided by the Policy for any one Employee as a result of any one Accident.) (Choose one):

- \$100,000 \$150,000 \$200,000 \$250,000
- \$300,000 \$500,000 \$750,000 \$1,000,000 Other *

13. Deductible Amount per Employee Per Accident. (Choose one):

- \$250 \$500 \$1,000 \$2,500
- \$5,000 \$10,000 \$25,000 Other *

14. Maximum Benefit Period Per Accident. (Choose one):

- 52 Weeks 110 Weeks 156 Weeks Other *

15. Accidental Death and Dismemberment Coverage.

Principal Sum Per Accident: (a) 10 times the Employee's annual basic earnings; (b) the Maximum Combined Single Limit per Accident selected in this Application; or (c) \$250,000, whichever is less. However, if an Employee's death occurs as the result of an Occupational Injury, a minimum of 15% of the Maximum Combined Single Benefit Limit Per Accident, not to exceed 10 times the Employee's annual basic earnings, will be payable, regardless of the amounts paid for other losses.

16. Weekly Accident Indemnity Coverage. (Choose one):

Elimination Period: 30 Days 14 Days 7 Days; however, if the disability lasts longer than 28 days, the first 7 days of disability are reimbursed. If the disability does not last longer than 28 days, the first 7 days of disability are not reimbursed.

Maximum Weekly Benefit Limit: The maximum benefit payable shall not exceed the lesser of:
(a) 75% of the Employee's Basic Weekly Earnings; or (b) \$700.

* See attached signed Premium Calculation & Proposal

ADDENDUM TO THE APPLICATION

We acknowledge and fully understand each of the following items:

1. This is not Workers' Compensation Insurance, nor is it a replacement for Workers' Compensation Insurance. The Union Central Life Insurance Company does not sell, nor is it authorized to sell, Workers' Compensation Insurance.
2. This coverage is an employee benefit and does not insure any casualty or general liability risk.
3. Neither this coverage nor The Union Central Life Insurance Company indemnify or protect the Employer from any losses or damages from employees on account of accidental injury or death of an employee.
4. This coverage is not intended to, nor will it provide the Employer with any protection or defense against any suit which may be brought by anyone for any reason.
5. Neither The Union Central Life Insurance Company nor its agent has represented the coverage as anything other than an employee benefit which offers no indemnity for Policyholder liability.
6. THIS IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. WE DO NOT BECOME A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM BY PURCHASING THIS COVERAGE, AND IF WE ARE A NON-SUBSCRIBER, WE LOSE CERTAIN COMMON LAW DEFENSES TO SUIT AS WELL AS CERTAIN LIMITATIONS OR LIABILITY THAT WOULD OTHERWISE BE AVAILABLE UNDER THE WORKERS' COMPENSATION LAWS. WE MUST COMPLY WITH THE WORKERS' COMPENSATION LAW AS IT PERTAINS TO NON-SUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.
7. We understand that to become a non-subscriber to the Texas Workers' Compensation Act, we need to take the following steps to become a non-subscriber:
 - a. We must provide notification to the Texas Department of Insurance on Form DWC-5 (Notice of Non-Coverage/Termination) that Workers' Compensation Insurance is no longer provided. Notification to the Department can only be accomplished using this form sent by certified mail or hand delivered. The filing must be made annually or we may be liable for Workers' Compensation coverage until we file the DWC-5 form.
 - b. We must display the required notices and posters for employees in a prominent place in the workplace. We must notify the employees in writing of the absence or termination of the Workers' Compensation coverage using the required forms and obtain signed acknowledgements from all current and future employees.
 - c. We must complete and file Form DWC-7 (Injury Report) monthly, if required.

Full Legal Name of Employer _____

By _____
Authorized Signature Title

Printed Name _____

Signed At _____
City State Zip Code

Date _____

THE UNION CENTRAL LIFE INSURANCE COMPANY (ESBPROI) ERISA PLAN WORKSHEET

Company's Legal Name ("Insured" or "You"): _____

Company Contact Person: _____

Physical Address: _____

Mailing Address: _____

E-Mail Address: _____

Telephone Number: (_____) _____

Fax: (_____) _____

Federal Tax ID. No.: _____

Company's fiscal year ends: _____

Agent for Service of Legal Process (Name and Address): _____

Insurance Agent (Name, Agency, Address, Telephone & Fax Number):

ERISA Plan Administrator (a position of Trust) _____

Number of Employees: _____

Policy Period: _____

Combined Single Limit: _____

Aggregate Limit: _____

Benefit Period (in weeks): _____

Additional Named Insureds: _____

NOTICE AND AGREEMENT BETWEEN YOU AND ERISA PLANS INC: Insured acknowledges and agrees that: (i) by submitting this ERISA Plan Worksheet, Insured has retained ERISA Plans Inc. strictly to draft an employee injury benefit plan, Summary Plan Description, Plan Adoption Document, Plan User's Manual, and Notice of Arbitration Policy (your "Plan"); (ii), Your decision to non-subscribe to Texas Workers' Compensation was not based on any representation, advice or materials provided by ERISA Plans Inc., or any of its lawyers or by Covington Financial Services, Inc., or any of its agents or employees; (iii), You decided to non-subscribe before You engaged ERISA Plans Inc. hereunder; and (iv), You will be billed an annual policy fee by Union Central on all renewals, which includes Your ERISA Plan fee under this Worksheet. ERISA Plans Inc. will rely on the information you provide in this Worksheet to draft your Plan. After preparing your Plan, ERISA Plans Inc. has no obligation to inform You of changes in the law, ERISA reporting or filing requirements, or Your status as a non-subscriber.

For Insured _____
Signature

Title

Date

THIS TRUST AGREEMENT, entered into as of this 10th day of May, 1989, by and between The Union Central Life Insurance Company (hereafter referred to as the "Settlor" or "Company") and Citizens Trust Company*, a Rhode Island banking corporation with its principal office in Providence, Rhode Island (which, with any successor or successors thereto is hereinafter referred to as the "Trustee"), is made for the purpose of amending and restating in its entirety that certain Trust Agreement between Settlor and Rhode Island Hospital Trust National Bank dated November 30, 1982, as amended (most recently by an Agreement dated March 29, 1989), which created a trust to hold group insurance contracts (hereinafter, together with any riders, endorsements or amendments thereto, referred to as the "Contracts"). The trust is entitled The Union Central Employee Security Benefit Trust (hereinafter referred to as the "Trust").

In consideration of the mutual covenants and agreements herein, it is hereby agreed as follows:

1. **THE CONTRACTS**-The Trustee will apply for such contracts as are from time to time designated by the Settlor in writing, to the extent such applications are required. The sole responsibility of the Trustee under the contracts and under the terms of this Trust Agreement will be to hold the contracts as contractholder. As contractholder, the Trustee will execute the contracts if requested by the Settlor to do so, and will upon the written direction of the Settlor accept for addition to the contracts and will execute in accordance with such direction any riders, endorsements or amendments to the contracts as may be supplied to the Trustee by the Settlor.
2. **PARTICIPATING EMPLOYERS**-Participating Employers become signatory to the terms of The Union Central Employee Security Benefit Trust when each has signed the Request to Participate and is accepted as a Participating Employer by The Union Central Life Insurance Company.
3. **SOLE DUTY AND RESPONSIBILITY OF TRUSTEE**-The Trustee will have no duties or responsibilities other than to be Contractholder of the contracts as set forth in Section 1 of this Trust Agreement and shall have no responsibility whatsoever to exercise any rights or options under the contracts except as directed in writing by the Settlor. As Contractholder, the Trustee assumes no discretionary responsibilities and does not act as a fiduciary except with respect to exercising its duties as Contractholder. Without limiting the foregoing, it is specifically agreed that:
 - (a) No payments under the contracts will be made to the Trustee.
 - (b) No person will have any financial interest in or claim against the Trust or the Trustee with respect to benefits payable under the contracts or otherwise.
 - (c) Neither the Trust nor the Trustee will be liable to any person for any action or failure to take action by the Settlor.
 - (d) The Trustee will not engage in marketing, solicitation, collection of premiums or dividends, benefit payment, record keeping or other administrative function.
 - (e) The Trustee will have no investment powers or responsibilities or duty to preserve the assets of the Trust and will have no duty or responsibility to monitor or review the investment decisions or responsibilities, if any, of any person or organization with respect to this Trust.
 - (f) The Trustee will not be liable for the form, genuineness, validity, sufficiency or effect of the contracts, nor for any act of any person or persons that may render the contracts null and void. The Trustee shall have no authority to determine what contracts are held in the Trust or the terms of such contracts or control over management or disposition of such contracts.
 - (g) The Trustee will not be liable for any delay in any payment under the contracts resulting from any provision therein or otherwise nor should the contracts lapse or otherwise will the Trustee be liable.
 - (h) The Trustee will have no responsibility in connection with the execution or approval of any document (including any application) with respect to participation in the contracts.
 - (i) The Trustee shall not be required to undertake or defend any litigation which may arise by reason of the existence of the contracts or this Agreement unless first satisfactorily indemnified in accordance with Section 7 of this Trust Agreement.

Nothing in this Section 3, however, will operate to reduce or avoid any liability of the Trust or Trustee for breach of the Trustee's duty to apply for and hold the contracts, and to accept and execute certain documents, in accordance with Section 1 of this Trust Agreement.

4. **TERMINATION OF TRUST; REPLACEMENT OF TRUSTEE**-This Trust shall terminate twenty-one (21) years from the date hereof unless sooner terminated pursuant to the following provisions. The Trust may be terminated by written notice from the Settlor to the Trustee. It may not be terminated by the Trustee without the written approval of the Settlor. The Trustee may resign its trusteeship at any time, upon not less than 60 days written notice to the Settlor. The Settlor may remove the Trustee at any time upon not less than 30 days written notice to the Trustee. Upon such resignation or removal, the Settlor will appoint a successor trustee which will accept the trusteeship in writing. In any case, this Trust shall be considered terminated if and when there is no longer any insurance contract in force being held by the Trustee under the Agreement.

No Trustee hereunder shall be obligated to review the acts, or failure to act, of any prior trustee, nor shall any Trustee be liable for the acts, or failure to act, of any prior trustee.

Should the trust be terminated or should the Trustee resign or be removed, the Trustee will immediately return the contracts to the Settlor and will no longer be the contractholder thereunder.

* Effective May 10, 1999, the Bank of Newport, a Rhode Island banking corporation with its principal office in Newport, Rhode Island has been appointed and accepted as successor Trustee.

5. **RELIANCE BY TRUSTEE**-The Trustee may rely upon any certificate, notice or direction purporting to have been signed by or on behalf of the Settlor which the Trustee reasonably believes to be genuine. The Trustee shall not be bound by any notice or direction from the Settlor unless or until it shall have been received in writing at its office in Providence, Rhode Island. Notices or communications from the Trustee to the Settlor shall be sent to the address identified by the Settlor to the Trustee as the appropriate one for communications regarding the Trust.
6. **TRUSTEE'S FEE AND EXPENSES**-The Trustee may charge a reasonable fee for its services and shall, subject to prior written approval by Settlor, be reimbursed for any expenses incurred by it. The Trustee may employ legal counsel of its own choosing and shall, subject to such prior written approval, be reimbursed for the fees incurred. Subject to such prior written approval, all such fees and expenses, including legal fees, shall be paid by the Settlor. Notwithstanding the foregoing, any expenses which are subject to the indemnification requirements of Section 7 do not require the prior written approval of the Settlor.
7. **INDEMNIFICATION OF TRUSTEE**-The Trust and Trustee shall be indemnified, protected and held harmless by the Settlor against any and all costs, expenses, attorneys' fees, losses, judgments and liabilities of any nature arising out of any claim, demand or cause of action, whether asserted by the Trust or Trustee against another or by another against the Trust, the Trustee or anyone else, resulting from or in any manner related to the Trust or to the Trustee serving as or having served as Trustee of the Trust.
8. **RIGHTS AND DUTIES OF THE COMPANY**-The Company shall, upon the resignation or removal of a Trustee, appoint a successor Trustee. Any successor Trustee may qualify by delivering to the Company a written notification of acceptance. Such successor Trustee shall become vested with all the rights and duties that the original or predecessor Trustee possessed.

The Company reserves the right to change the name of the Trust at any time. In the event the Company elects to change the name of this Trust, it may do so by giving written notice to the Trustee. In the case where there is notice given of a name change of the Trust, it is agreed and understood that the same conditions and provisions shall apply as are contained in this Trust.

The Company has the right to bring an action against a Participating Employer for: (1) nonpayment of premiums; and (2) nonperformance of other duties delegated to the Participating Employer. In the case of nonpayment of premiums, the Company has the right to recover court costs, legal expenses, and other associated costs in the recovery of nonpaid premiums.

The Company shall have the exclusive right to determine the nature and amounts of coverage to be provided by the insurance contract to be issued under this Agreement, to terminate or direct the Trustee to terminate any such contracts in accordance with the terms and provisions thereof, to determine the rules under which an employer will become or seeks to be a Participating Employer under any such contracts, and in all other respects to establish such rules and procedures as are incidental and appropriate to the administration of the Trust and of the insurance coverage afforded by the contracts issued pursuant to it.

The Company shall also have the right to revoke or amend this Trust in whole or in part. However, no such revocation or amendment shall affect the duties or responsibilities of the Trustee without the consent of the Trustee. Further, no such modification will result in any part of this Trust being used for or diverted to purposes other than for the exclusive benefit of Participating Employers having an actual interest in the Trust at the time of modification. In no case will any modification of this Trust, or of the insurance contracts issued hereunder, adversely affect benefits accruing to or on account of any insured person in connection with an event that occurred prior to the effecting of such modification.

9. **RIGHTS AND DUTIES OF A PARTICIPATING EMPLOYER**-A Participating Employer shall make premium payments to the Company for the insurance in force on its employees and their dependents under any insurance contracts issued pursuant to this Trust, and shall perform such other duties as are directed by the Company in accordance with the terms and provisions of such contracts or pursuant to the rules and regulations established by the Company for the administration of the insurance provided by such contracts.

Subject to the applicable terms and provisions of the insurance contracts issued pursuant to this Trust, the Participating Employer shall be entitled to whatever cash dividends accrue under such contracts with respect to the insurance provided by such contracts on its employees and their dependents, except that any such cash dividends as are in excess of premiums paid from money contributed by the Participating Employer, or as are derived specifically from premiums paid entirely from money contributed by the insured persons, must be turned over to, or otherwise applied for the sole benefit of the insured persons.
10. **RIGHTS AND DUTIES OF THE EMPLOYEE**-The value of benefits for each insured person and all of his or her rights accruing on account of his or her election to be an insured shall be determined by the provisions of any insurance contracts covering him or her and subject to this Trust.
11. **TERMINATION OF PARTICIPATING EMPLOYER**-The participation and coverage of a Participating Employer under the Trust will terminate on the first of these dates:
 - (a) the date given in a written employer notice that premium payments for the coverage will cease. However, if that notice is given after the date to which premiums are paid in full, participation will cease on the later of: (1) the date requested by the employer; or (2) the date the notice is received.
 - (b) The last day of the 31-day period following the premium due date if the premium that was due on that date remains unpaid.
 - (c) The date shown in a written notice sent by the Company to any Participating Employer. In the event of such termination, the Participating Employer: (1) has no further right to, or interest in, the Trust; and (2) is liable to the Company for all unpaid premiums for the period that such employer participated in the Trust.
12. **ENTIRE AGREEMENT**-The Trust Agreement represents the entire agreement between the Settlor and the Trustee. It may be amended or modified only by written agreement between the Settlor and the Trustee.
13. **APPLICABLE LAW**-This Trust Agreement is delivered to and accepted by the Trustee in the State of Rhode Island and is in all respects to be governed by the laws of Rhode Island.