

LANS Personal Accident Insurance Benefit Program Summary

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For Eligible Employees of

LANS

Effective June 1, 2006

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

IMPORTANT

This is a summary of highlights of the above named Benefit Program, a component of the LANS Welfare Benefit Plan for Employees, ERISA Plan 501 ("Plan"). Receipt of this document and/or your participation in a Plan and any benefit programs under a Plan do not guarantee your employment or any rights or benefits under a Plan. LANS reserves the right to amend or terminate each Plan or any benefit program(s) under a Plan at any time. The Plan and the benefit programs referred to in this summary are governed by a Federal Law (known as ERISA), which provides rights and protections to Plan participants and beneficiaries.

For more information on LANS benefit programs, see the LANS Welfare Benefit Plan for Employees Summary Plan Description, available from the Los Alamos National Security (LANL) Benefits Office at (877) 667-1806 or (505) 667-1806.

In addition to the information contained in this Benefit Program Summary, the LANS Welfare Benefit Plan for Employees Summary Plan Description (LANS SPD) contains important information about your LANS welfare benefits. This Benefit Program is a part of the LANS Summary Plan Description (SPD).

For additional information:

Los Alamos National Laboratory (LANL)

LANL Benefits Office

P.O. Box 1663, Mail Stop P280

Los Alamos, NM 87544

(877) 667-1806 or (506) 667-1806

e-mail: benefits@lanl.gov

LANL Benefits Website for Employees: <http://int.lanl.gov/worklife/benefits>

Who is Eligible?

You are eligible for participation if you meet the eligibility criteria as described in your LANS SPD.

What is The Coverage?

24-hour, 365-days-a-year insurance is provided for covered accidents in the course of business or pleasure. Coverage includes accidents (except as limited by Exclusions) whether on or off the job, occurring in the home, traveling by train, airplane, automobile, or other public and private conveyance.

The benefits provided under this Benefit Program are payable in addition to any other insurance which may be in effect at the time of the accident. There are no geographical limits; it is worldwide accident protection.

"Injury" means bodily injury caused by an accident occurring while your coverage is in force as to the Insured Person, and resulting directly and independently of all other causes in loss covered by this Policy.

“Covered Accident” means any Injury which causes a loss covered under the policy.

Your Benefits

Accidental Death and Dismemberment Including Paralysis

When Injury results in any of the following losses within 365 days of the date of the accident the Benefit Program will pay as follows:

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

“Member” means hand, foot or eye.

“Loss” as used with reference to hand or foot means actual severance through or above the wrist or ankle joint; as used with reference to eye means irrecoverable loss of the entire sight thereof; with reference to loss of digits of the same hand means loss by actual severance through or above the metacarpophalangeal joints; as used with reference to speech means irrecoverable loss of speech which does not allow audible communication in any degree; as used with respect to hearing means irrecoverable loss of hearing which cannot be corrected by a hearing aid or device; as used with reference to quadriplegia means the complete and irreversible paralysis of both upper and lower limbs; as used with reference to paraplegia means the complete and irreversible paralysis of both lower limbs; as used with reference with hemiplegia means the complete and irreversible paralysis of upper and lower limbs of one side of the body. Indemnity provided hereunder will not be paid, under any circumstances, for more than one of the losses, the greatest, sustained by any one covered person as the result of any one accident.

Children’s Additional Indemnity Dismemberment/Paralysis

Pays double the Child’s Principal Sum when an insured dependent child suffers a covered Accidental Dismemberment or Accidental Paralysis. The amount payable is an amount equal to the amount payable under the Accidental Dismemberment or Paralysis benefit (specified above), subject to a maximum of \$100,000.

Day Care Benefit

Pays the lesser of:

- Actual cost of day care for the year, following date of covered accident causing the employee’s death.
- 5% of Employee’s Principal Sum
- \$5,000 (\$20,000 maximum for four years)

Benefit Payable each year for maximum of 4 years for Children under age 13 on the date of the accident causing the employee’s death who are enrolled in a Day Care Center or enroll within 365 days of the accident.

- No benefit will be payable after 4 years or beyond age 13.

Rehabilitation Benefit

Pays up to \$10,000 for all Rehabilitation Expenses within 2 years of a covered accident that results in an Accidental Dismemberment or Paralysis of an Insured Person.

Excludes work-related injuries payable under Workers' Compensation or other similar law.

Coma Benefit

When a covered accident renders the Insured Person Comatose within 30 days of the covered accident and Coma continues for a period of 30 days, the Benefit Program pays a monthly benefit of 1% of the Insured Person's Principal Sum as long as the Insured Person remains Comatose to a maximum of 100% of the Principal Sum. If an Insured Person suffers one or more losses from the same accident for which amounts are payable under more than one Benefit provided, the maximum amount payable will not exceed the amount payable for one of those losses, the largest.

Tuition Benefits

Pays an additional benefit equal to the least of 1) the actual tuition, 2) 5 % of your Principal Sum as applicable, or 3) \$10,000 if you suffer a covered accidental death, so that your covered eligible dependent children can continue or commence under certain circumstances their education in an institution of higher learning.

Also pays an additional benefit equal to the lesser of 1) the actual tuition, 2) 2% of your Principal Sum, or 3) \$5,000 if you suffer a covered accidental death so that your covered spouse can continue or commence under certain circumstances his or her education in an institution of higher learning to obtain an independent source of support. However, if your covered spouse enrolls in a professional or trade program, the benefit payable will be the lesser of (a) \$10,000 or (b) the actual cost incurred by your covered spouse

"Institute of Higher Learning" as used herein includes, but is not limited to any state university, private college or trade school.

* "Dependent Child," as respect to this benefit provision only shall mean any unmarried child under 23 years of age who is dependent upon you for at least 50% of his maintenance and support.

Seat Belt/Air Bag Provision

An additional 10% of the applicable Principal Sum amount will be paid if you or a covered family member suffers loss of life despite restraint by a seat belt or air bag in an automobile accident.

Natural Disaster Benefit

An additional 10% of the applicable Principal Sum amount will be paid if you or a covered family member suffers loss of life or sustains a covered loss as a result of a Natural Disaster.

"Natural Disaster" means a storm (wind, rain, snow, sleet, hail, lightning, dust or sand), earthquake, flood, volcanic eruption, wildfire or other similar event that is due to natural causes and results in such severe and widespread damage that the area of damage is officially declared a disaster area by a state or federal government if the event occurs in the United States of America, or by a corresponding authority if the event occurs outside the United States of America.

Permanent and Total Disability

(not applicable to spouse/ domestic partner or eligible dependent children)

When Injury causes you to be permanently and totally disabled within 120 days of a covered accident, and you are prevented from engaging in each and every occupation or employment for compensation or profit for which you are qualified by reason of your education, training or experience and such disability lasts for 12 consecutive months and you are then judged to be permanently and totally disabled, the Benefit Program will pay the Principal Sum less any amount paid or payable under the policy as a result of the same accident, at the rate of one percent per month for 100 months.

What Are The Exclusions?

The Policy 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 Person is: a. riding as a passenger in any aircraft not intended or licensed for the transportation of passengers; or b. performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft; or c. riding as a passenger in an aircraft owned, leased or operated by the Policyholder or by the Insured Person's employer; declared or undeclared war, or any act of declared or undeclared war; or full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Unearned premium for any period for which the Insured Person is not covered due to his or her active duty status will be refunded.) (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded.)

What Is The Schedule of Monthly Costs?

Here is a chart summarizing the monthly cost for you and your family which will be paid by monthly payroll deductions. You may choose an amount of insurance as follows: \$10,000 - \$500,000 in \$10,000 increments. This chart should be used when filling out the Enrollment Form.

MONTHLY RATES

PRINCIPAL SUM	EMPLOYEE ONLY	FAMILY PLAN	MODIFIED FAMILY PLAN
\$10,000	0.16	0.26	0.20
\$20,000	0.32	0.52	0.40
\$30,000	0.48	0.78	0.60
\$40,000	0.64	1.04	0.80
\$50,000	0.80	1.30	1.00
\$60,000	0.96	1.56	1.20
\$70,000	1.12	1.82	1.40
\$80,000	1.28	2.08	1.60
\$90,000	1.44	2.34	1.80
\$100,000	1.60	2.60	2.00
\$125,000	2.00	3.25	2.50
\$150,000	2.40	3.90	3.00
\$175,000	2.80	4.55	3.50
\$200,000	3.20	5.20	4.00
\$300,000	4.80	7.80	6.00
\$400,000	6.40	10.40	8.00
\$500,000	8.00	13.00	10.00

How Do I Enroll?

To become insured under the Benefit Program you need only submit a completed Los Alamos National Security, LLC enrollment form, which you may obtain from your department or from your Benefit Representative. Please return the completed form to your LANS Benefits Office.

You may enroll in this Benefit Program at any time as there is no period of initial eligibility associated with this coverage.

Each employee enrolling in the Benefit Program will receive a certificate of insurance.

How Much Coverage May I Obtain for My Family?

Under the Family Plan your spouse/domestic partner and eligible children are automatically covered as follows: your spouse/domestic partner is insured for a Principal Sum equal to 50% of your Principal Sum and each eligible child is insured for 20% of your Principal Sum. If you have no eligible children, your spouse/domestic partner's Principal Sum is 60% of yours.

What Is The Modified Family Plan?

The Modified Family Plan covers one parent and all eligible children, at a modified premium rate. If both husband and wife/domestic partner are eligible employees of LANS, only one may elect to cover their eligible children. Single parents may elect to cover themselves and their eligible children. Under the Modified Family Plan each of your eligible children is insured for an amount equal to 20% of your Principal Sum.

To Whom Are My Benefits Paid?

Benefits for loss of your life will be payable in accordance with the beneficiary designation on your enrollment form. If no such designation has been made, such indemnity shall be payable to the person or persons (in equal shares) in the first of the following categories in which there is a survivor:

1. Your spouse or domestic partner
2. Child or children of deceased child shall take the share of such child by representation;
3. Your parent or parents;
4. Your surviving brothers and sisters;
5. Your executors and administrators.

If you select either of the Family Plans, you will be the beneficiary of your covered dependents for loss of life. If you are not living at the date of death of your covered dependent, payment will be made (a) in the case of the death of your spouse/ domestic partner, to the spouse/domestic partner's executors or administrator; (b) in the case of the death of your child, to the first surviving class of the following classes of successive preference beneficiaries; the child's (1) surviving parent; (2) surviving brothers and sisters; (3) executors or administrators. All other indemnities are payable to the person suffering the loss.

When Will Coverage Be Effective?

Your insurance will become effective as of the date the electronic enrollment is completed or the application is received in your LANS Benefits Office or your first day of eligibility, whichever is later.

Insurance of an employee who is not actively at work on the normal effective date will become effective the day after the employee's first full day actively at work, unless the employee is on an approved leave with pay for non-health reasons.

Your newborn natural child is covered from the date of birth and any minor child placed with you for adoption is covered when the child is placed in your physical custody; provided you are enrolled in one of the family plans and the child's effective date of coverage is not earlier than your coverage effective date. New or increased coverage for any other family member who is hospitalized on the normal effective date begins on the day after the family member is discharged from the hospital.

When Does My Coverage Terminate?

Your coverage will terminate immediately on the earliest of the following dates:

- a) On the date the Master Policy is terminated.
- b) On the premium due date if LANS fails to pay the required premium for you except as the result of an inadvertent error.
- c) On the premium due date next following the date you cease to be an eligible employee of LANS for this insurance.
- d) With respect to an Insured Person who is insured under the Master Policy as a dependent, on the premium due date next following the date he or she ceases to be an eligible dependent.

When You Retire

You and your family members may not continue LANS-sponsored Employee AD&D coverage when you retire. You and your spouse/domestic partner, however, may purchase AD&D coverage through LANS-sponsored Voluntary Accident Insurance Program available to LANS retirees. Contact the insurance carrier for more information.

May I Convert My Insurance?

If you leave your employment with LANS for any reason you may convert within 31 days of termination to an individual form of Accidental Death & Dismemberment coverage at the individual premium rate in use at time of the conversion. No medical certification will be required to obtain the conversion policy. Coverage cannot exceed the amount purchased under the Group Plan (not less than \$10,000 nor more than \$500,000). Covered dependents can also convert with the same restrictions as above. Coverage will be effective either the date the application for the converted policy is received or the date coverage under the group contract ends, whichever is later.

Action Which May Affect Coverage

The following provisions apply unless the employee or family member converts to an individual plan.

LEAVE WITHOUT PAY. You may continue coverage for up to 2 years of an approved leave without pay or during an approved military leave of up to 31 days by making direct payment of premiums to your LANL Benefits Office. If you do not continue coverage during a leave without pay, you must re-enroll by the end of the month following your return to work in order to renew your coverage.

LEAVE WITH PAY. You may continue coverage for up to 2 years as long as earnings cover required deductions.

FURLOUGH/LAYOFF. You may continue coverage for up to 4 calendar months by making direct payment of premium.

INSUFFICIENT EARNINGS. If premium cannot be taken from the first check following two consecutive months of missed premiums, coverage lapses retroactively to the first day of the first month for which a premium was missed.

**Los Alamos National Security, LLC
Group Accidental Death & Dismemberment Insurance
Active Employees**

PLAN ADMINISTRATION

Please refer to your LANS SPD for Plan Administration information.

Administration of the Plan

The Benefits and Investment Committee is the Plan Administrator.

**Benefits and Investment Committee
TA-3 Building 261
2nd Floor
Los Alamos, NM 87545**

Mailing Address:

**Benefits and Investment Committee
P.O. Box 1663, Mail Stop P280
Los Alamos, NM 87544**

Claims under the Benefit Program are processed by AIG Life Insurance Company at the following address and phone number.

**American International Companies
Accident & Health Claims Division
PO Box 15701
Rockwood Plaza Complex
Wilmington, Delaware 19850-5701
(302) 661-4176**

Group Contract Number

The group contract number for this Plan is PAI-8067886.

Continuation of the Plan

All benefits of all employees, retirees and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by LANS or other governing authorities. LANS also reserves the right to determine new premiums and employer contributions at any time.

Agent for Service of Legal Process

Legal Process may be served on AIG Life Insurance Company at the address listed above. Also, see your LANS SPD for additional information on Agent for Service of Legal Process.

Certificate

A certificate of insurance will be provided (by AIG Life Insurance Company), following enrollment in the plan, describing in detail the coverage summarized in this brochure. The Certificate will become a part of your Benefit Program Summary.

How to File a Claim

You must contact the LANL Benefits Office as soon as possible to assist you in filing a death benefit claim. A written notice of claim must be filed with AIG Life Insurance Company within 20 days of the loss.

Please see your Appendix C of your LANS SPD for the name and address of the claims administrator for this Benefit Program. Please see the section "Non-Health Benefit Claims and Appeals Procedures" in your LANS SPD for information regarding the ERISA claims and appeals procedures.

IMPORTANT

This section provides you with an easy-to-understand summary of the benefits provided under the Personal Accident Insurance Plan offered by AIG Life Insurance Company. If any conflict should arise between the contents of this summary and the Master Policy PAI 8067886 or LANS SPD, or if any point is not covered herein the terms of the Master Policy will govern in all cases.

YOU MAY DIRECT INQUIRIES ABOUT THIS PROGRAM TO:

AIG LIFE INSURANCE COMPANY

TWO RINCON CENTER
121 SPEAR STREET
SAN FRANCISCO, CA 94105-1588
(415) 836-2777
1-800-772-7863

This program is Underwritten by

AIG Life Insurance Company

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