



SUPPLEMENTAL INVOLUNTARY UNEMPLOYMENT COMPENSATION POLICY

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SUPPLEMENTAL INVOLUNTARY UNEMPLOYMENT COMPENSATION POLICY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy, the words “you” and “your” refer to the Insured identified in the Declarations. The words “we,” “us,” “our,” and “Company” refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to **Section V – DEFINITIONS**.

In reliance on your application for this insurance, in consideration of your timely payment of the premium, and subject to all the terms and provisions of this policy, we agree to insure you as follows:

SECTION I – COVERAGE

1. We will pay “supplemental unemployment benefits” to you for a period of involuntary unemployment to which this insurance applies. The amount and duration of such “supplemental unemployment benefits” are limited, as described in **SECTION III – WHAT WE WILL PAY**.

No other obligation or liability to pay sums or perform services is covered under this insurance.

2. This insurance applies to a period of involuntary unemployment only if:

- a. during the policy period shown in the Declarations, you involuntarily become unemployed from “full-time employment”; and
- b. you are approved to receive, and actually do receive, state unemployment benefits for that period of involuntary unemployment, in accordance with the applicable laws and regulations of your state; and
- c. you receive those state unemployment benefits for longer than the Elimination Period shown in the Declarations; and
- d. you neither:
 - (1) receive advance oral, written, or other notice of that involuntary unemployment; nor
 - (2) begin that period of involuntary unemployment;before or during the first six months of the policy period shown in the Declarations.

However, the requirements described in this subparagraph **2.d.** do not apply if this is a renewal of a previous policy we issued to you.

3. If this is not a renewal of a previous policy we issued to you, then:

- a. no period of involuntary unemployment that begins, or of which you receive advance oral, written, or other notice, before or during the first six months of the policy period shown in the Declarations, is covered; and
- b. If your notice of or period of, involuntary unemployment occurs before the first six months, then this Policy may be cancelled by you and your entire premium will be refunded. For a full refund, you must cancel within thirty (30) days after you receive your notice of termination. Thereafter any cancellation will be pro rata.

If you do not cancel this Policy then you are eligible for “Supplemental Unemployment Benefits” that arise from a subsequent notice of, or a period of involuntary unemployment that begins after the first six months.

- c. if you file a claim and submit proof of loss to us, confirming to our satisfaction that **b.** has occurred, then we will return to you all premium you paid for this policy. Your claim and proof of

loss must be submitted to us as described in **SECTION IV – CONDITIONS, 3. Your Duties in Connection with a Claim**, below.

SECTION II – WHAT WE DO NOT PAY

This insurance does not apply to any:

1. Period of unemployment:
 - a. which you had specific knowledge was impending or were aware would occur; or
 - b. which a reasonable person in your position knew or should have known was impending; or
 - c. of which you were given advance oral, written, or other notice; or
 - d. which arises from a plan or program of job reduction, reduction in force, or departmental or company restructuring, which your employer announced or implemented;before the beginning of the policy period shown in the Declarations. However this exclusion does not apply if this policy is a renewal of a previous policy we issued to you.
2. Period of voluntary unemployment.
3. Period in which you are paid as part of a “Shared Work program” between your employer and a state government.
4. Period of unemployment from any “part-time employment” or “seasonal employment.”
5. Period of unemployment from any illegal employment or occupation.
6. Period of unemployment resulting from any illegal conduct by you.
7. Portion of a period of unemployment for which:
 - a. you do not actually accrue and receive state unemployment benefits; or
 - b. you are eligible to receive state unemployment benefits but the net amount of your actual state unemployment benefits is reduced to \$0.00, if the sole reason for that reduction is your full or partial return to work.
8. Period of unemployment as a result of your enlisting in, being conscripted into, or being activated for duty in, any of the armed forces of the United States or of any other country.
9. Period of unemployment arising out of any:
 - a. war, whether declared or undeclared, or other military action;
 - b. occurrence involving any explosive or other dangerous property of radioactive material;
 - c. act of terrorism; or
 - d. conduct undertaken to prevent, thwart, react to, or defend against any one or more of those.
10. Period of unemployment arising out of any strike, boycott, collective bargaining dispute, or other labor dispute or job action, directed at your employer. This exclusion applies regardless of whether or not:
 - a. you were a party to, supported, or participated in the strike, boycott, collective bargaining dispute, labor dispute or job action; or

b. the strike, boycott, collective bargaining dispute, labor dispute or job action took place at your work site.

SECTION III – WHAT WE WILL PAY

The following rules determine when “supplemental unemployment benefits” begin to accrue, when they stop accruing, and how they are calculated.

1. Subject to **3.**, below, for a period of involuntary unemployment to which this insurance applies, “supplemental unemployment benefits” begin to accrue on the first day after the end of the Elimination Period shown in the Declarations.

However, no “supplemental unemployment benefits” accrue or will be paid under this insurance for any week for which you are eligible to receive state unemployment benefits but your net state unemployment benefit is reduced to \$0.00, if the sole reason for that reduction is your full or partial return to work.

2. Subject to **1.** and **3.**, “supplemental unemployment benefits” for a period of involuntary unemployment stop accruing at the earliest of the following times:

- a. when that period of involuntary unemployment ends; or
- b. when your state unemployment benefits for that period of involuntary unemployment stop accruing; or
- c. when you stop providing us with an adequate proof of loss as required by **SECTION IV – CONDITIONS, 3. Your Duties in Connection with a Claim.**

3. When we have paid “supplemental unemployment benefits” for periods that, when added together, equal the Maximum Aggregate Benefits Period shown in the Declarations, we have no further obligation under this insurance to pay any further “supplemental unemployment benefits” for any period of involuntary unemployment.

4. For each week of involuntary unemployment to which this insurance applies and for which “supplemental unemployment benefits” accrue, we will compute your “supplemental unemployment benefits” as follows:

- a. We will first determine the lesser of the following amounts:
 - (1) the weekly amount of your wages reported by you when you applied for this policy, as shown in the Declarations Page; or
 - (2) the weekly amount of wages derived from the State Wage Transcript, State Determination Form or the state’s equivalent when you apply for state unemployment benefits.
- b. We will then multiply that lesser amount by the Replacement Rate shown on the Declarations Page.
- c. From that amount, we will then deduct:
 - (1) the State Unemployment Maximum Weekly Benefit Amount in effect at the beginning of the policy period, for the state in which your work site was located at the beginning of the policy period, as shown in the Declarations; and
 - (2) all benefits you received for that week from any other unemployment insurance or supplemental unemployment insurance.

The Maximum Weekly State Unemployment Benefit Amount shown in the Declarations will not automatically change during the policy period, even if:

- (a) your work site state changes during the policy period; or
- (b) your work site state changes its Maximum Weekly State Unemployment Benefit Amount during the policy period.

The Maximum Weekly State Unemployment Benefit Amount shown in the Declarations can be changed during the policy period only if we agree to issue an endorsement to that effect.

- d. After making the deductions described in **c.(1)** and **c.(2)**, the remaining amount is the amount of your “supplemental unemployment benefit” for that week.
- e. You are the only Insured under this insurance. If any “supplemental unemployment benefits” are payable under this insurance, we will pay them to you. If you die before we have paid them, we will pay those “supplemental unemployment benefits” to your estate. No other person or organization has a right to receive “supplemental unemployment benefits” under this insurance.

SECTION IV – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured’s estate will not relieve us of our obligations under this insurance.

2. 30-Day Review Period

If you are not satisfied with this policy, you may return it to us as described in this paragraph, for a full refund of any premium you have paid. If you decide to return the policy, you must see to it that we receive it within the first thirty (30) days of the policy period shown in the Declarations. If you do so, the policy will automatically be void back to its inception. We will then refund to you any premium you have already paid for the policy.

3. Your Duties in Connection with a Claim

Before we will pay any “supplemental unemployment benefit” to you, you must first satisfy the following duties in connection with any claim you make under this policy:

- a. You must:
 - (1) notify us of any period of involuntary unemployment to which this insurance may apply; and
 - (2) ensure we receive such notice within thirty (30) days after you first receive state unemployment benefits for the period of involuntary unemployment.

Such notice may be given by you or on your behalf. Such notice may be given to us by mail, or by telephone at (888) 428-3133, or via the Internet at www.incomeasure.com/claim. Each such notice must include your name and the policy number of this policy. After we receive your notice of a period of involuntary unemployment, we will provide you with instructions for filing proof of loss.

- b. You must provide us with satisfactory proof of loss in a form acceptable to us. Proof of loss consists of a properly completed claim form and supporting documentation, confirming to our satisfaction that your State Unemployment Compensation Agency has approved and is paying your claim for state unemployment benefits. You must continue to provide us with updated proofs of loss for as long as we may require, and for each week for which you receive state unemployment benefits.

You must provide us with each such proof of loss promptly, and in no event later than sixty (60) days after the end of each week in which you receive actual payment of state unemployment benefits.

We have no obligation to pay, and will not pay, any “supplemental unemployment benefit” for any week as to which we have not received sufficient proof of loss in a form satisfactory to us.

- c. Upon our request, you must assist and cooperate with us in obtaining information from employers, other insurers, and state unemployment compensation agencies. Such assistance and cooperation may include such things as providing information relevant to your loss, and completing and signing forms authorizing us to obtain records and other information.
- d. All information you provide to us in connection with any claim must be accurate, truthful, and complete. We reserve the right to recover from you any “supplemental unemployment benefit” we may pay to you by accident, or as the result of any unilateral or mutual mistake, or because of our reliance on any false, incomplete, or inaccurate information.

4. Multiple Periods of Involuntary Unemployment

If multiple periods of involuntary unemployment begin during the policy period shown in the Declarations, each such period of involuntary unemployment is deemed a continuation of the immediately preceding one, unless those periods are separated by at least three consecutive months of “full-time employment.” Two consecutive periods of involuntary unemployment separated by three or more consecutive months of “full-time employment” are deemed separate periods of involuntary unemployment and the Elimination Period shown in the Declarations applies separately to each of them.

5. Payment of Premium

The premium for this insurance and the premium payment schedule are shown in the Declarations. You must pay the premium to us promptly when due.

6. Waiver of Premium

- a. We will refund to you any premium payment you make, and that first becomes due, while you accrue “supplemental unemployment benefits” under this insurance, including such a premium payment you make, and that first becomes due, during the Elimination Period shown in the Declarations.

However, we will not refund any part of premium:

- (1) that was already due; or
- (2) which you had already paid as a down payment;

before you began to accrue those “supplemental unemployment benefits.”

- b. We will waive premium payments you have not yet made that first become due while you accrue “supplemental unemployment benefits” under this insurance.
- c. If we pay “supplemental unemployment benefits” for periods that, when added together, equal the Maximum Aggregate Benefits Period shown in the Declarations, then we will waive any remaining unpaid premium that would otherwise become due during the policy period.

7. Cancellation

After the end of the 30-day review period described in **Condition 2.**, above, you may cancel this insurance effective at any time before the end of the policy period shown in the Declarations. To do so, you must notify us of your intent to cancel in writing, stating the date thereafter when the cancellation is to be effective.

We may cancel this insurance at any time, for any reason permitted by the law of your state. If we cancel, we shall notify you of our cancellation in writing and will give you the minimum mandatory notice of the cancellation required by the law of your state.

If you or we cancel pursuant to this **Condition 6.**, we will send you any premium refund due. Any such refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.

If you or we mail a notice of cancellation, proof of mailing will be sufficient proof of notice.

8. Renewal

If you wish to renew this insurance, you must submit a completed renewal application to us. You must see to it that we receive your renewal application no less than forty-five (45) days before the end of the policy period shown in the Declarations of this policy. The terms of, and premium for, a renewal policy will be based on information you supply in your renewal application, and on our rates in effect at the time of renewal. If we renew, the renewal will be for a period of one year.

We will not renew this insurance if:

- a. we do not receive your completed renewal application within the time required;
- b. we cease issuing this type of insurance to persons in your state with the same occupational or industry category as you;
- c. you or your job are located in a state in which we are not authorized to write this insurance at the time the renewal would take place;
- d. for any other reason you fail to meet the eligibility requirements for this insurance in effect at the time the renewal would take place.

9. If We Do Not Renew

If you apply for renewal of this insurance, but we decide not to renew, then we will mail or deliver to you, at the address shown in the Declarations, written notice of our decision not less than thirty (30) days before the end of the policy period shown in the Declarations. If such notice is mailed, proof of mailing will be sufficient proof of notice.

10. Policy Period

The policy period of this policy begins at the date and time shown in the Declarations. Unless we agree in writing to extend it, the policy period ends at the earlier of the following times:

- a. the date and time shown as the end of the policy period in the Declarations; or
- b. if the policy is cancelled by you or by us, the effective date of that cancellation.

11. Representations

By accepting this policy, you warrant and represent that:

- a. as of the beginning of the policy period shown in the Declarations, the information you gave to us in your "application" for this insurance is true, accurate, and complete;
- b. the statements in the Declarations are accurate and complete;
- c. those statements are based on representations you made to us in your "application"; and
- d. we have issued this policy in reliance on those representations.

12. Updating Information

You must promptly notify us, in writing, of all changes in any of the following information shown in the Declarations:

- a. your Residence Address;
- b. your Employer;
- c. the industry in which you work; and
- d. your Work Site Address.

13. Legal Action Against Us

Other than you, no person or organization has a right under this insurance:

- a. to join us as a party or otherwise bring us into any suit, action, or proceeding against you;
- b. to sue us on this insurance.

You can not bring an action against us to recover under this insurance:

- (1) until at least sixty (60) days after you have given us proof of the loss you seek to recover;
- (2) more than one (1) year after you gave us, or should have given us, proof of the loss you seek to recover; or
- (3) until you have complied with all the applicable provisions of this policy.

14. Conforming to Statute

Any provision of this policy which, at the beginning of the policy period shown in the Declarations, conflicts with an applicable statute of the state in which you then reside is hereby amended to conform to the minimum mandatory requirements of that statute.

15. Changes

This policy constitutes the complete contract of insurance between you and us, and contains all the agreements between you and us concerning the insurance afforded. This policy's provisions can be amended or waived only by a written endorsement issued by us.

16. Transfer of Your Rights and Duties Under This Policy

Neither your rights nor your duties under this insurance may be transferred without our written consent.

SECTION V – DEFINITIONS

- 1. **“Application”** includes all information you submit to us in connection with obtaining this policy, or in connection with obtaining any endorsement or renewal of this policy, whether such information is submitted in writing, orally, via the Internet, by telephone, through a broker or agent, or otherwise.
- 2. **“Full-time employment”** means employment that is:
 - a. for wages
 - b. with one and only one employer;
 - c. without a fixed or implicit termination date; and
 - d. for at least thirty (30) hours per week.

However, “full-time employment” does not include any form of self-employment.

3. “**Part-time employment**” means any form of employment, other than self-employment, that is either:
 - a. “seasonal employment” or
 - b. for less than thirty (30) hours per week.
4. “**Seasonal employment**” means any employment:
 - a. that normally ends, stops, or is suspended (other than for your paid vacation), for any one or more months of a typical year; or
 - b. in which you customarily perform your primary duties during only forty (40) or fewer weeks in a typical year;
 - c. in which recurrent periods of unemployment are a normal or regular feature;
because of any seasonal, climatic, business, contractual, financial, scheduling, or other condition or circumstance pertaining to you, your employer, or your employer’s business or industry.
5. “**Shared Work program**” means a program under which an employer can, instead of firing or laying off employees, reduce their hours and wages, with the affected employees receiving partial state unemployment benefits to supplement their reduced wages.
6. “**Supplemental unemployment benefits**” means the only benefits we provide under this insurance, calculated as described in **SECTION III – WHAT WE WILL PAY**.