



Peak Protection

FROM A NAME YOU KNOW AND TRUST

**Employee Group Universal Life, Spouse/Domestic Partner Group Universal Life,
Employee Optional AD&D, Spouse/Domestic Partner Optional AD&D and Children Dependent Term Life
Issued by The Prudential Insurance Company of America**

Employee Group Universal Life

GUL offers you the opportunity to purchase affordable life insurance protection and build cash value by making additional contributions to a cash accumulation fund that earns tax-deferred interest at competitive rates. You can make those additional contributions either through payroll deductions or by lump sum deposits.

Eligibility to Participate	All full-time, part-time or long-term supplemental employees on IBM's US payroll records.
Face Amount of Insurance	You may enroll for a face amount of insurance in increments of .25 times your annual base salary up to 8 times your annual base salary, with a minimum coverage amount of \$30,000 and a maximum coverage amount of \$3,000,000.
Guaranteed Coverage	Certain coverage is available without providing proof of good health satisfactory to Prudential. If you enroll within 90 days of your employment date, your guaranteed face amount of insurance equal to the lesser of two times your base annual salary or \$750,000.
Medical Evidence Requirements	<p><i>If you enroll within 90 days of your employment date, you must provide proof of good health to Prudential for face amounts of insurance more than two times your base annual salary or \$750,000, whichever is less.</i></p> <p><i>If you enroll after 90 days of your employment date, you may be required to provide proof of good health satisfactory to Prudential for all coverage amounts.</i></p>
Life Event Changes	If you have a change in family status such as marriage, birth, or adoption, you may increase your face amount of insurance by 1 times your annual base salary without providing proof of good health satisfactory to Prudential. You must notify Prudential within 45 days of the qualifying event.
Cash Accumulation Fund¹	In addition to regular payroll deductions, you may make lump sum contributions to the cash accumulation fund. The minimum lump sum contribution amount is \$100.
Loans¹	<p>You may take loans from your cash accumulation fund. The minimum loan is \$200 and the maximum loan is 90% of your available fund balance (minus any loans and loan interest and minus an amount equal to the next month's deduction). The loan interest charged is generally set at 2% above the interest being credited to your cash accumulation fund.</p> <p>You cannot take more than one loan per calendar year, and you may not have more than one outstanding loan at any time.</p>

Withdrawals¹	You may make withdrawals from your cash accumulation fund. The minimum withdrawal is \$200 and the maximum withdrawal is the balance in your cash accumulation fund (minus any outstanding loan and loan interest).
Accelerated Benefit Option²	If you provide proof, satisfactory to Prudential, that you or your spouse are terminally ill with a life expectancy of 6 months or less, you may elect to receive up to 50% of the applicable GUL face amount of insurance to \$500,000 while still living. (Certain conditions apply, please refer to your Certificate for details.) You may also receive up to 50% of any applicable cash value to \$500,000 (minus any outstanding loan and loan interest). The death benefit payable to the beneficiary will be reduced by any benefits paid under the Accelerated Benefit Option ² . This benefit is available once in a lifetime and is payable in a lump sum.
Continuation of Coverage³	<p>You may continue your GUL insurance at group rates under the Continuation of Coverage Option if:</p> <ul style="list-style-type: none"> • you leave IBM • IBM employees are no longer covered by the master contract • Coverage for your class of employees at IBM is ended <p>Continuation of coverage will begin on the first of the month following the date of notification of termination from you or IBM. Continuation rates will be provided at time of termination.</p> <p>In the event of your death or divorce, your spouse/domestic partner or child(ren) may continue GUL insurance. This coverage will be billed directly.</p>

Employee Optional Accidental Death & Dismemberment

Eligibility to Participate	All full-time, part-time or long-term supplemental employees on IBM's US payroll records who have enrolled for GUL coverage and are under age 70.																												
Face Amount of Insurance	If you have enrolled for GUL coverage you may choose to enroll for Optional AD&D coverage. Your Optional AD&D coverage amount will match the Group Universal Life coverage amount you've elected.																												
Benefits	<p>Benefits are paid at certain percentages of your coverage amount for specific accidental losses, as indicated in the chart below. Not more than 100% of your coverage amount is payable for all losses due to the same accident.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Life</td> <td style="width: 10%; text-align: center;">100%</td> <td style="width: 50%;">Paraplegia</td> <td style="width: 10%; text-align: center;">75%</td> </tr> <tr> <td>Sight in both eyes</td> <td style="text-align: center;">100%</td> <td>Hemiplegia</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>Both hands or both feet</td> <td style="text-align: center;">100%</td> <td>One hand or one foot</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>One hand & one foot</td> <td style="text-align: center;">100%</td> <td>Sight in one eye</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>Sight in one eye & one hand or one foot</td> <td style="text-align: center;">100%</td> <td>Speech</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>Speech & hearing in both ears</td> <td style="text-align: center;">100%</td> <td>Hearing in both ears</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>Quadriplegia</td> <td style="text-align: center;">100%</td> <td>Thumb & index finger on the same hand</td> <td style="text-align: center;">25%</td> </tr> </table>	Life	100%	Paraplegia	75%	Sight in both eyes	100%	Hemiplegia	50%	Both hands or both feet	100%	One hand or one foot	50%	One hand & one foot	100%	Sight in one eye	50%	Sight in one eye & one hand or one foot	100%	Speech	50%	Speech & hearing in both ears	100%	Hearing in both ears	50%	Quadriplegia	100%	Thumb & index finger on the same hand	25%
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Seat Belt Benefit	The plan pays an additional benefit of 10% of your coverage amount, up to a maximum of \$10,000, if you are in a covered accident and meet plan requirements, including use of a seat belt.																												
Air Bag Benefit	The plan pays an additional benefit of 10% of your coverage amount, up to a maximum of \$10,000, if you are in a covered accident and meet plan requirements, including deployment of an airbag.																												

Additional Benefits	<ul style="list-style-type: none"> • Spouse Tuition Reimbursement Benefit • Child(ren) Tuition Reimbursement Benefit • Day Care Expense Benefit
Optional AD&D Exclusions	<p>A loss is not covered if it results from suicide or attempted suicide; intentionally self-inflicted injuries or an attempt at same; sickness; medical or surgical treatment of sickness; certain bacterial or viral infections (unless the infection was the result of an accidental injury or bacterial infection which results from the accidental ingestion of contaminated substances); act of war; certain full-time military duty; commission of, or attempt to commit a felony; legal intoxication or drug use; certain hazardous sports; certain travel or flight in a vehicle used for aerial navigation (This provision may vary by state. Refer to the plan booklet for details).</p>
Spouse/Domestic Partner Group Universal Life	
Eligibility to Participate	<p>If you are eligible to participate in GUL your spouse/domestic partner may be enrolled for Spouse/Domestic Partner GUL coverage. If your spouse/domestic partner is confined for medical care or treatment at home or elsewhere, coverage will begin when confinement ceases.</p> <p>Your spouse/domestic partner cannot be covered as an employee and as a spouse/domestic partner at the same time.</p>
Face Amount of Insurance	<p>You may enroll your spouse/domestic partner for a face amount of insurance in \$10,000 increments from \$30,000 to a maximum of \$200,000.</p>
Guaranteed Coverage	<p>If your spouse/domestic partner is enrolled within 90 days of your date of eligibility or within 45 days of marriage, his/her guaranteed face amount of insurance is \$50,000 or less. Coverage amounts greater than \$50,000 require proof of good health satisfactory to Prudential.</p>
Medical Evidence Requirements	<p>If your spouse/domestic partner is enrolled within 90 days of your date of employment or within 45 days of marriage, he/she must provide proof of good health satisfactory to Prudential for face amounts of insurance greater than \$50,000.</p> <p>If your spouse/domestic partner is enrolled after 90 days of your date of employment, or after the 45 day time limit following your subsequent marriage, he/she will need to provide proof of good health satisfactory to Prudential for all coverage amounts.</p>
Continuation of Coverage	<p>You may continue your spouse's/domestic partner's GUL coverage if coverage terminates for any reason other than non-payment of premium. In the event of your death or divorce, your spouse/domestic partner and children may continue their coverage by paying premiums directly to Prudential. Please refer to "Continuation of Coverage" in the "Employee" section for more details.</p>
Additional Plan Provisions	<p>Spouse/Domestic Partner GUL coverage has the same features as employee GUL coverage regarding the following plan provisions:</p> <ul style="list-style-type: none"> • Cash Accumulation Fund¹ • Loans¹ • Withdrawals¹ • Accelerated Benefit Option²

Spouse/Domestic Partner Optional Accidental Death & Dismemberment

Eligibility to Participate	<p>If your Spouse/Domestic Partner participates in GUL and your spouse/domestic partner is under age 70, your spouse/domestic partner may elect Optional AD&D coverage.</p> <p>Your spouse/domestic partner cannot be covered as an employee and as a spouse/domestic partner at the same time.</p>
Face Amount of Insurance	<p>If your Spouse/Domestic Partner elects Optional AD&D coverage, the amount of the Optional AD&D coverage will match his/her Group Universal Life coverage amount.</p>
Benefits	<p>Spouse/Domestic Partner Optional AD&D coverage offers the same benefits as employee Optional AD&D coverage. Refer to the employee Optional AD&D section for benefits and exclusions.</p>

Children Dependent Term Life

Eligibility to Participate	<p>If you or your Spouse/Domestic Partner are enrolled for GUL coverage, your dependent children may be enrolled for Dependent Term Life coverage. Unmarried children are eligible from 14 days up to age 19, or up to age 23 if a full-time student and wholly dependent on you. Your children include your legally adopted children, stepchildren, and foster children who depend on you for support and maintenance. If a dependent child is confined for medical care or treatment at home or elsewhere, the coverage will begin when confinement ceases. Confinement does not apply to an adopted child or child placed prior to adoption.</p> <p>If you elect this coverage you must report to Prudential when you no longer have children who are eligible for the coverage.</p> <p>Your eligible children cannot be covered as employees of IBM and as children at the same time, and cannot be covered by more than one parent.</p>
Coverage Amounts	<p>You may enroll your dependent children for coverage amount of \$10,000.</p> <p>Dependent Term Life coverage has one premium rate that covers all eligible children.</p>
Continuation of Coverage³	<p>You may continue your children's Dependent Term Life coverage provided that you choose to continue your own coverage. Please refer to "Continuation of Coverage" in the "Employee" section above for more details.</p>
Cash Accumulation Fund	<p>This is not a feature of Dependent Term Life coverage.</p>

¹ **Cash Accumulation Fund, Loans, and Withdrawals:** Please note, if your cash contribution exceeds certain limits and your GUL coverage becomes a Modified Endowment Contract (MEC), different tax rules and, in some cases, penalties apply for lifetime distributions such as loans, withdrawals, and assignments including distributions made in the two years prior to becoming a MEC. A MEC can result from premium payments or from a reduction in coverage (such as the purchase of paid-up life insurance). If this applies to you, Prudential will notify you in writing of your status and advise you of your current options (if any) and by when you must respond. Loans and withdrawals can reduce policy values and may have tax consequences. Prudential is not authorized to give tax advice. Please consult your tax advisor.

² **Accelerated Benefit Option Important Notice:** The acceleration of life insurance benefits offered under this certificate are intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986, IRC 101(g). If the acceleration of life insurance benefits qualify for such favorable tax treatment, the benefits will be excludable from your income and not subject to Federal taxation. Tax laws relating to acceleration of life benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive acceleration of life insurance benefits excludable from income under Federal law.

³ If IBM ends its participation in the master contract or IBM ends all coverage for your class, you may convert your coverage to an individual policy. In the event of your death or divorce, your spouse/domestic partner may continue his/her GUL insurance/Dependent Term Life coverage. Your spouse/domestic partner will be billed directly.

Important Notice for New York Residents:

This policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department.

IMPORTANT NOTICE - THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.

Group Universal Life coverage, including additional provisions for Dependent Term Life and Optional Accidental Death and Dismemberment coverage are issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. GUL Customer Service: 800-562-9874 and Life Claims: 1-800-524-0542. This is intended to be a summary of your benefits and does not include all plan provisions, exclusions, and limitations. A Booklet-Certificate, with complete plan information, including limitations and exclusions, will be provided. If there is a discrepancy between this document and the Booklet-Certificate issued by Prudential, the terms of the Booklet-Certificate will govern. Contract provisions may vary by state (Contract Series: 96945 and 83500). Prudential Financial is a registered service mark of The Prudential Insurance Company of America, Newark, NJ and its affiliates.