

**PLAN HIGHLIGHTS****...Provide Security for Your Family Through Basic Life Coverage**

Your basic life insurance coverage pays a benefit of two times your pay before age 65 to your beneficiary in case of your death from any cause. At age 65, your coverage is reduced. You and the Company share the cost of this coverage.

**...Offer the Opportunity for Added Protection through Supplemental Life Coverage**

You may purchase supplemental life insurance coverage of one times your pay to provide greater security for your beneficiary in case of your death from any cause. At age 65, your coverage is reduced.<sup>1</sup>

**...Automatically Provide Business Travel Accident Coverage**

Business travel accident insurance coverage pays a benefit of five times your pay, up to \$500,000, to you or your beneficiary in case of accidental death, dismemberment, paralysis or total and permanent disability while you are traveling on Company business. This coverage is provided automatically, at no cost to you.

**...Give You Extra Security Through Special Accident Coverage**

Special accident insurance coverage from \$20,000 to \$500,000 can provide extra financial security for you or your beneficiary in the event of accidental death, dismemberment, paralysis or total and permanent disability. Family coverage is also available.

**BASIC LIFE INSURANCE**

Basic life insurance is available on an optional contributory basis. This coverage pays benefits to your beneficiary in the event of your death from any cause while you are insured.

**Benefit Amounts****During Active Service - Before Age 65**

If you are actively working at the Company and are under age 65, your basic life insurance amount is equal to two times your annual pay (rounded to the next higher \$1,000 if your annual pay is not an even multiple of \$1,000). "Pay" is defined in the Glossary.

When your pay increases enough to put you in a new insurance bracket, your insurance amount will automatically increase. If your pay decreases, your insurance amount will not change unless the decrease is enough to put you in a new bracket and you request in writing to be insured for the lower amount. There is one important exception to this "no change" rule. If the decrease is part of a general reduction in pay or hours affecting all employees in your plant, department or other identifiable group, your insurance will be reduced if your new pay rate puts you in a lower insurance bracket.

Any change will be effective immediately if the increase or decrease in pay takes place on the first of the month. Otherwise, the change will be effective on the first of the following month. If you are on leave of absence or long term disability at that time, the increase or reduction in insurance will take place on the first of the month after your return to work or when you become 65 years of age.

**About Your Basic Life Insurance Amount**

If your annual pay is not an even multiple of \$1,000, it is rounded up for purposes of determining your basic life insurance amount. This rounding of your pay means that insurance amounts are actually provided in \$2,000 steps as shown by the examples in the following chart.

<b>If your annual pay is:</b>	<b>Your basic life insurance amount is:</b>
\$24,000.01 to \$25,000	\$50,000
\$25,000.01 to \$26,000	\$52,000
\$26,000.01 to \$27,000	\$54,000
\$27,000.01 to \$28,000	\$56,000
\$28,000.01 to \$29,000	\$58,000
\$29,000.01 to \$30,000	\$60,000
\$30,000.01 to \$31,000	\$62,000
\$31,000.01 to \$32,000	\$64,000
\$32,000.01 to \$33,000	\$66,000
\$33,000.01 to \$34,000	\$68,000
<i>etc. in steps of \$1,000</i>	<i>etc. in steps of \$2,000</i>

**During Active Service - At Age 65 and After**

If you continue working after you reach age 65, your basic life insurance coverage in effect at age 65 will be reduced 10% a year until it reaches 50% of the amount in effect on your 65<sup>th</sup> birthday. Any pay increases you receive after age 65 will not increase your insurance coverage.

The initial 10% reduction will become effective on the first day of the month following your 65<sup>th</sup> birthday. Subsequent reductions will become effective on the anniversary of that date each year.

Your contributions for basic life insurance will be reduced when your insurance is reduced.

**During Disability**

If you become totally disabled (as defined in the Glossary) during active service and before age 63, your basic life insurance coverage will continue at the level in effect at the time your disability began for as long as you remain totally disabled or until you reach age 65, whichever is earlier. After you have been continuously disabled for 13 weeks, this coverage will continue at no cost to you. If your disability begins after your 63<sup>rd</sup> birthday, however, your insurance will continue for two years but not beyond age 70.

At age 65, or at the expiration of the two-year period, if later, you may be eligible to continue a portion of your insurance amount, as described above.

**Applies to Portsmouth USW employees only.** If you become totally and permanently disabled before reaching age 60, you may be eligible to have up to \$20,000 of Basic Life Insurance paid in monthly installments. The installments may be paid over a period ranging from 5 to 20 years, but not beyond age 65.

The monthly installments cannot begin until:

- You have been disabled for at least 6 months
- The insurance company has received and accepted proof of your disability
- Your employment with the Company has ended.

From time to time, the insurance company may require evidence that you remain totally disabled.

Any Basic Life Insurance you have over \$20,000 and the full amount of your Supplemental Life Insurance will continue in force, at no cost to you, as long as you remain totally disabled, up to age 65.

If you die while receiving disability payments, your beneficiary will receive the then-current value of the remaining unpaid installments plus any Basic Life Insurance over \$20,000 and any Supplemental Insurance.

### During Retirement - At Age 65 and After

If you retire at age 65 or later, a reduced amount of basic life insurance coverage (described below) will continue for the rest of your life, provided you had basic life insurance coverage for at least one year immediately preceding retirement or transfer from USEC to a USEC affiliate. This reduced coverage is currently provided at no cost to you.

If you had basic life insurance coverage for at least one year but less than five years immediately preceding your retirement or transfer from USEC to a USEC affiliate, your reduced insurance will be \$625.

If you had basic life insurance coverage for at least five years immediately preceding your retirement or transfer from USEC to a USEC affiliate, the amount of your reduced insurance will be the greater of:

- 1% of your basic life insurance amount just before retirement times your years of service (including any fraction of a year), plus \$500, with a minimum of \$2,500 or 25% of your basic life insurance just before retirement, up to a maximum of \$10,000

*or*

- 20% of your basic life insurance just before retirement<sup>1</sup>.

If you continue working after age 65, the amount of your reduced life insurance will be calculated using the amount of your basic life insurance at age 65.

### **During Retirement - Before Age 65**

If you retire before age 65, are eligible for an immediate pension benefit and had basic life insurance coverage for at least one year immediately preceding retirement or transfer from USEC to a USEC affiliate, you can:

- Continue your full basic life insurance amount until age 65 by continuing to make your regular premium payments
- or*
- Take the reduced basic life insurance amount (as described under “During Retirement - At Age 65 and After”) immediately at no cost to you.

### **Payment of Benefits**

Basic life insurance benefits are paid to your beneficiary. Death proceeds are deposited into a Total Control Account (TCA) Money Market Option. Interest is paid on the fund from the date of death.

### **SUPPLEMENTAL LIFE INSURANCE**

Supplemental life insurance is available on an optional contributory basis. This coverage provides added protection to your beneficiary in the event of your death from any cause while you are insured. You must elect basic life insurance in order to elect this coverage.

### **Benefit Amounts**

#### **During Active Service - Before Age 65**

If you are actively working and are under age 65, your supplemental life insurance amount is equal to your annual pay (rounded to the next higher \$1,000 if not an even multiple of \$1,000). “Pay” is defined in the Glossary.

When your pay increases enough to put you in a new insurance bracket, your insurance amount will automatically increase. If your pay decreases, your insurance will decrease if you request the change in writing or if the pay decrease is part of a general reduction.

#### **During Active Service - At Age 65 and After**

If you continue working after you reach age 65, your supplemental life insurance coverage in effect at age 65 will be reduced 10% a year until it reaches 50% of the amount in effect on your 65th birthday. Any pay increases you receive will not increase your insurance coverage.

The effective dates for the reductions are the same as those for reductions in your basic life insurance.

#### **During Disability**

If you become totally disabled, as defined in the Glossary, during active service and before age 63, your supplemental life insurance will continue at the level in effect at the time your disability began for as long as you remain totally disabled or until you reach age 65. After you have been continuously disabled for 13 weeks, this coverage will continue at no cost to you. If your disability begins after your 63rd birthday, however, your insurance will continue for two years but not beyond age 70.

At age 65, or at the expiration of the two-year period, if later, you may be eligible to continue a portion of your insurance amount, as described as below.

### **During Retirement - At Age 65 and After<sup>1</sup>**

If you retire at age 65 or later, a reduced amount of supplemental life insurance (described below) will continue for the rest of your life, provided you continue your full amount of basic life insurance and had supplemental life insurance coverage for at least one year immediately preceding retirement or transfer from USEC to a USEC affiliate. This reduced coverage is currently provided at no cost to you.

If you had supplemental life insurance coverage for at least one year but less than five years immediately preceding your retirement or transfer from USEC to a USEC affiliate, your reduced insurance will be \$312.

If you had supplemental life insurance coverage for at least five years immediately preceding your retirement or transfer from USEC to a USEC affiliate, the amount of your reduced insurance will be the greater of:

- 1% of your supplemental life insurance amount just before retirement times your years of service (including any fraction of a year), plus \$250, with a minimum amount of \$1,250 or 12.5% of your supplemental life insurance just before retirement, up to a maximum of \$5,000

*or*

- 10% of your supplemental life insurance just before retirement.

If you continue working after age 65, the amount of your reduced life insurance will be calculated using the amount of your supplemental life insurance at age 65.

### **During Retirement - Before Age 65**

If you retire or transfer from USEC to a USEC affiliate before age 65, are eligible for an immediate pension benefit and continue your full amount of basic life insurance, you may continue your full supplemental life insurance coverage amount during early retirement until age 65 by continuing to make your regular premium payment. Or if you elect to take the reduced amount of basic life insurance during early retirement, supplemental life insurance coverage will automatically be reduced and provided at no cost to you.

### **Payment of Benefits**

Supplemental life insurance benefits are paid to your beneficiary. Death proceeds are deposited into a Total Control Account (TCA) Money Market Option. Interest is paid on the fund from the date of death.

### **Living Benefit<sup>1</sup>**

If you are diagnosed with a terminal illness, with six months or less to live, and have at least \$20,000 of life insurance (basic and supplemental coverage combined), you may make a one-time request to receive a portion of your life insurance benefit before you die. You must furnish satisfactory proof of your illness to the insurance company before any benefits can be paid.

You may receive up to 50% of the amount of your basic and supplemental life insurance coverage, with a maximum living benefit of \$250,000 of your basic life insurance coverage and \$250,000 of your supplemental life insurance coverage. Benefits will be paid in a lump sum.

Living benefit payments may be taxable and may affect your eligibility for certain government benefits, such as Medicaid. In addition, the amount of benefits payable to your beneficiary upon your death will be reduced by the amount of the living benefit that you receive.

If you wish to apply for a living benefit, please contact the USEC Benefit Service Center at 1-866-305-8846, Plan 158, Option 1, for forms and instructions.

**BUSINESS TRAVEL ACCIDENT INSURANCE**

Business travel accident insurance pays benefits to you if you should lose sight, speech, hearing or a limb or become paralyzed or totally and permanently disabled - or to your beneficiary in case of your death - as a result of an accident that occurs while you are traveling on authorized Company business anywhere in the world. This does not include commuting to or from work. If your spouse and/or eligible dependent children are authorized to travel with you, they will also be covered for accidental death or dismemberment. Coverage is provided 24 hours a day during a “business trip” (as defined in the Glossary), starting when you leave your home or place of business (whichever is later) and continuing until you return to your home or place of business (whichever is earlier). Coverage is also provided while you are on a side trip or vacation that is taken in conjunction with a business trip, or on the Company premises to which you are permanently assigned in the event of a bomb scare, bomb search, bomb explosion or felonious assault (committed by other than a fellow employee or family member).

Business travel accident insurance benefits are paid in addition to any other life and accident insurance benefits you are eligible to receive.

**Benefit Amounts**

While you are actively employed, and until age 70, your business travel accident benefit amount equals five times your annual pay, with a minimum benefit of \$50,000 and a maximum benefit of \$500,000. In a USEC aircraft accident, your minimum benefit is \$100,000.

Your spouse’s benefit amount is \$50,000, and the benefit amount for each eligible dependent child is \$25,000. In a USEC aircraft accident, however, their individual benefits increase to \$100,000.

A combined maximum benefit of \$5,000,000 is payable on behalf of all covered individuals in one aircraft or war accident. Therefore, for any aircraft or war accident in which more than \$5,000,000 is claimed, there will be a proportionate distribution of the \$5,000,000 maximum.

As an active employee age 70 and older, your benefit amount will be reduced as follows:

If you are at least this age:	Your benefit will be this percentage of your pre-age-70 benefit:
70	82.5%
75	57.5%
80	37.5%
85	20.0%

**PAYMENT OF BENEFITS****Death Benefits**

If you should die as a result of and within one year after an accident which occurs while you are traveling on Company business, the full amount of your business travel accident benefit will be paid to your beneficiary in a lump sum. In the event of your spouse's or dependent child's death, you will receive their full benefit amount.

**Seat Belt Benefit**

An additional benefit is payable if you or an eligible family member dies as a result of injuries sustained while driving or riding in a private passenger car equipped with seat belts. If the eligible person was wearing a seat belt (or protected by a child restraint as defined by state law) at the time of the accident, that person's benefit will be increased 10%, up to a maximum benefit of \$25,000.

The minimum seat belt benefit is \$1,000. If it is unclear whether the eligible person was wearing the required protection, the plan will pay \$1,000 to the beneficiary.

**Air Bag Benefit**

An additional benefit equal to 5% of the principal sum, to a maximum of \$5,000, is payable if you or an eligible family member die as a result of injuries sustained while driving or riding in a private passenger car with manufacturer equipped driver-side or passenger-side air bags, provided your or an eligible family member's seat belt or lap and shoulder restraint was properly fastened at the time of the accident.

**Coma Benefit**

An additional benefit equal to 1% of the principal sum is payable if you or an eligible family member suffers an injury resulting in a covered loss within 365 days of a covered accident and such injury causes you or an eligible family member to be in a coma for at least 31 consecutive days. The benefit will be paid each month you or an eligible family member remains in a coma following the initial 31 day period and will end on the earliest you or an eligible family member are no longer in a coma, up to a maximum of 100 months.

**Total and Permanent Disability Benefits**

If within 365 days of a covered accident you become totally and permanently disabled as a result of an injury sustained in the accident, you will receive a lump-sum payment after you have been totally and permanently disabled for 12 consecutive months. The amount of this payment will be your full benefit amount, less any other amount payable from this plan as a dismemberment benefit for the same accident.

When you reach age 70, you are no longer covered for total and permanent disability benefits under this plan.

**Dismemberment Benefits**

If you, your spouse or your dependent children should lose sight, speech, hearing or a limb or become paralyzed as a result of and within one year after an accident which occurs while you are traveling on

Company business, you, your spouse and your dependent children will receive the following benefits in a lump sum:

<u><b>For loss of:</b></u>	<u><b>The plan pays:</b></u>
Any combination of one hand, one foot, or sight of one eye	100% of benefit amount
Both hands, or feet, or sight of both eyes	100% of benefit amount
Both speech and hearing (both ears)	100% of benefit amount
Quadriplegia (total paralysis of both upper and lower limbs)	100% of benefit amount
Triplegia (both arms and one leg or both legs and one arm)	75% of benefit amount
Paraplegia (Total paralysis of both lower limbs)	66 <sup>2/3</sup> % of benefit amount
Hemiplegia (Total paralysis of upper and lower limbs on one side of the body)	66 <sup>2/3</sup> % of benefit amount
Uniplegia (one arm or one leg)	50% of benefit amount
One hand, one foot, sight of one eye, speech or hearing (both ears)	50% of benefit amount
Thumb and index finger of same hand	25% of benefit amount

*If two or more of these losses are sustained in the same accident, your benefit amount will be for the loss with the largest percentage amount payable. For example, if you sustain an injury that entitles you to 25% of your benefit amount and another from the same accident that entitles you to 50%, you will be paid 50% of your benefit amount.*

“Loss” is defined in the Glossary.

**EXCLUSIONS**

Business travel accident benefits are not payable for losses or death caused by:

- Illness or disease
- Bacterial infections; this exclusion does not apply to infection in an accidental cut or wound or due to food poisoning
- Commission of a common law felony by the covered individual
- Intentionally self-inflicted injury or suicide
- Flying in a rocket-propelled aircraft
- Flying in any private aircraft being used on Company business
- Crop dusting
- War or any act of war in the United States or any nation of which you are a citizen (there is war risk coverage outside the United States); this exclusion does not apply to the hijacking or air piracy of any conveyance used during a covered trip or acts of terrorism while traveling on a covered trip, or on any premises of the company.

**War risk coverage** will not apply and will be subject to Annual Reports of exposure and additional premium payments based on such Reports in the following countries – Afghanistan, Algeria, Angola, Chechnya, Iran, Iraq, Israel, Kuwait, Lebanon, Libya, Nigeria, Pakistan, Qatar, Saudi Arabia, Somalia, Syria, Turkey, United Arab Emirates, Yemen in the Insured’s country of residence.

- Service in the armed forces of any country
- A motor vehicle accident, if driving is a primary duty of your occupation (e.g., truck driver, courier, etc.)

- Commuting to and from work
- Flying in any aircraft other than a properly licensed and piloted commercial, chartered, corporate or other USEC-approved aircraft.

**SPECIAL ACCIDENT INSURANCE**

Special accident insurance is available on an optional contributory basis. This coverage provides extra financial security for you and your family in the event of accidental death, dismemberment, paralysis or total and permanent disability.

Coverage is provided 24 hours a day anywhere in the world, on or off the job, on business or vacation, and at home.

Special accident insurance benefits are paid in addition to any other life and accident insurance benefits you are eligible to receive.

**Benefit Amounts**

If you want to cover your spouse and dependent children, you can elect family coverage. The benefit amount for family members is a percentage of your benefit amount and is based on the composition of your family at the time of loss, as follows:

<b>If you have these dependents at the time of loss:</b>	<b>Your spouse’s benefit will be:</b>	<b>Each child’s benefit will be:</b>
Spouse & Children	90%	20%
Spouse Only	100%	N/A
Children Only	N/A	30%

You can elect special accident insurance coverage for yourself from \$20,000 to \$500,000 in \$10,000 increments. You may elect coverage greater than \$250,000, only if the amount you choose does not exceed ten times your pay. However, additional coverage above \$250,000 will not increase your coverage for total and permanent disability benefits.

In any case, your total coverage may not exceed \$500,000. (Regardless of the coverage you elect, if you die or suffer a covered loss while serving as a licensed pilot or crew member of an aircraft, your maximum benefit will be \$100,000.)

As an active employee age 70 and older, your benefit amount will be reduced as follows:

<b>If you are at least this age:</b>	<b>Your benefit will be this percentage of your pre-age-70 benefit:</b>
70	82.5%
75	57.5%
80	37.5%
85	20.0%

Your contributions for special accident insurance will not be reduced when your benefit is reduced.

**PAYMENT OF BENEFITS****Death Benefits**

If you or a covered family member should die as a result of and within one year after an accident, the full benefit amount is payable to you or your beneficiary, as applicable, in a lump sum. If you and your covered spouse should both die in the same accident or separate accidents that occur within a 24 hour period and you have eligible dependent children, your spouse's benefit will increase to 100% of your benefit. However, the combined benefit will not be more than \$1,000,000.

**Seat Belt Benefit**

An additional benefit is payable if you or a covered family member dies as a result of injuries sustained while driving or riding in a private passenger car equipped with seat belts. If the covered person was wearing a seat belt (or protected by a child restraint as defined by state law) at the time of the accident, that person's benefit will be increased 10%, up to a maximum benefit of \$25,000.

The minimum seat belt benefit is \$1,000. If it is unclear whether the covered person was wearing the required protection, the plan will pay \$1,000 to the beneficiary.

**Air Bag Benefit**

An additional benefit equal to 5% of the principal sum, to a maximum of \$12,500, is payable if you or an eligible family member die as a result of injuries sustained while driving or riding in a private passenger car with manufacturer equipped driver-side or passenger-side air bags, provided your or an eligible family member's seat belt or lap and shoulder restraint was properly fastened at the time of the accident.

**Coma Benefit**

An additional benefit equal to 1% of the principal sum is payable if you or an eligible family member suffers an injury resulting in a covered loss within 365 days of a covered accident and such injury causes you or an eligible family member to be in a coma for at least 31 consecutive days. The benefit will be paid each month you or an eligible family member remains in a coma following the initial 31 day period and will end on the earliest you or an eligible family member are no longer in a coma, up to a maximum of 100 months.

**Child Care Center Benefit**

If you elect family coverage and you or your spouse dies as a result of an accident, an additional annual benefit of up to 3% of your special accident insurance benefit (to a maximum of \$5,000 per year for each child) will be payable for a licensed child care center to care for your surviving child.

To be eligible for this payment, your child must have been enrolled in a legally licensed child care center prior to your death (or your spouse's death) or within 365 days thereafter. This benefit will be paid once a year for up to four years, or until your child reaches age 13, whichever comes first.

After the child has been in child care for 12 months following the accident, the claim for child care should be submitted to Human Resources for reimbursement. If the surviving spouse has custody of the child, benefits will be paid to the surviving spouse. If there is no surviving spouse or the child does not live with the spouse, benefits will be paid to the child's legally appointed guardian.

If you had family coverage at the time of the accident, but no children are eligible for the child care benefit, a one time \$1,500 payment will be made to your beneficiary.

### **After School Care Benefit**

If you elect family coverage and you or your spouse suffer an injury resulting in a covered loss, the individual who incurs the expense for each covered dependent child who is ten years old or less at the time of payment will be reimbursed charges actually incurred for after school care up to a maximum of the lesser of 2% of the principal sum per year or \$2,000 per year up to a maximum of four consecutive years.

### **Education Benefit**

If you elect family coverage and then lose your life as the result of an accident, an annual education benefit of an additional 5% of your benefit amount, up to \$15,000 a year, is payable on behalf of any dependent child who, on the accident date is:

- Enrolled as a full-time student in any institution of higher learning beyond the 12<sup>th</sup> grade

*or*

- Enrolled in the 12th grade and, within 365 days after the accident, enrolls as a full-time student in an institution of higher learning beyond the 12<sup>th</sup> grade.

Benefits are payable for four years provided your child remains a full-time student.

If you have family coverage at the time of the accident but no dependent children who qualify for the education benefit, your beneficiary will receive an additional \$5,000 lump-sum benefit.

### **Spouse Retraining Benefit**

If you elect family coverage and then lose your life as the result of an accident, a “spouse retraining benefit” is payable to your surviving spouse who enrolls in any professional or trade school or training program in order to obtain an independent source of income and support. The plan will pay up to \$5,000 toward the cost of training received within 30 months after the date of your death.

### **Continuation of Special Accident Coverage after Employee’s Death**

If you choose family coverage and you die as a result of an accident, coverage for your eligible spouse and children will continue at no cost, for 36 months.

### **Surviving Spouse Benefit**

If you choose family coverage and you or your covered spouse dies as a result of an accident, an additional benefit equal to 1% of your special accident insurance amount will be payable to the surviving spouse for a period of six months.

### **Dismemberment Benefits**

If you, your spouse or your dependent children should lose sight, speech, hearing or a limb or become paralyzed as a result of and within one year after an accident which occurs from any covered accident,

you, your spouse and your dependent children will receive the following benefits in a lump sum:

<u><b>For loss of:</b></u>	<u><b>The plan pays:</b></u>
Any combination of one hand, one foot, or sight of one eye	100% of benefit amount
Both hands, or feet, or sight of both eyes	100% of benefit amount
Both speech and hearing (both ears)	100% of benefit amount
Quadriplegia (total paralysis of both upper and lower limbs)	100% of benefit amount
Triplegia (both arms and one leg or both legs and one arm)	75% of benefit amount
Paraplegia (Total paralysis of both lower limbs)	66 <sup>2</sup> / <sub>3</sub> % of benefit amount
Hemiplegia (Total paralysis of upper and lower limbs on one side of the body)	66 <sup>2</sup> / <sub>3</sub> % of benefit amount
Uniplegia (one arm or one leg)	50% of benefit amount
One hand, one foot, sight of one eye, speech or hearing (both ears)	50% of benefit amount
Thumb and index finger of same hand	25% of benefit amount

*If two or more of these losses are sustained in the same accident, your benefit amount will be for the loss with the largest percentage amount payable. If your covered dependent child suffers a dismemberment loss as described above, the plan will pay double the benefit amount indicated up to a maximum of \$100,000.*

“Loss” and “Paralysis” are defined in the Glossary.

**Total and Permanent Disability Benefit**

If within 365 days of a covered accident, you become totally and permanently disabled as a result of the accident, you will receive a monthly benefit after you have been totally and permanently disabled for 12 consecutive months. The amount of this monthly benefit is 2% of your benefit amount, up to \$5,000 a month with a maximum of \$250,000. Benefits are payable for up to 50 months or until you recover, whichever comes first.

If you should die before receiving the maximum benefit - 100% of your benefit amount - your beneficiary will receive the remaining benefit.

When you reach age 70, you are no longer covered for total and permanent disability benefits under this plan.

There are no total and permanent disability benefits for dependents.

**Rehabilitation Benefit**

If you or a covered family member is injured as a result of a covered accident, an additional benefit will be paid for the Reasonable and Customary expense actually incurred in an amount equal to the lesser of the actual expenses that incurred within two years from the date of the accident or \$50,000.

Covered expenses include physical therapy, home reconstruction and outfitting of special vehicles. This benefit will be reduced by any other rehabilitation benefits that are payable, such as health or accidental insurance, workers’ compensation, occupational disease or similar law.

You must notify Human Resources in writing of your injury before any rehabilitation benefits are payable.

## Exclusions

Special accident insurance benefits are not payable for losses or death caused by:

- Illness or disease
- Bacterial infection (except an infection resulting from an accidental cut, wound or ingestion of a poisonous food or substance)
- Intentionally self-inflicted injury or suicide
- Commission of a common law felony by a covered individual
- War or any act of war in the United States; this exclusion does not apply to acts of terrorism in the United States
- Service of more than 30 days in the armed forces, other than Reserve or National Guard active duty for training
- Traveling or flying in any aircraft or device, other than hang gliders or parachutes, if the aircraft or device does not have a valid certificate of air worthiness or is being used:
  - for travel, or is designed for travel: beyond the earth's atmosphere; crop dusting; spraying or seeding; firefighting; skywriting; pipeline or power line inspection; aerial photography or exploration, except for plant site selection or inspections, inventory inspections and quarry site selection; racing, endurance tests, stunt or acrobatic flying; or any operation which requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on)
  - for test or experimental purposes
  - by or for any military authority (aircraft flown by the U.S. Military Airlift Command (MAC) or similar service or another country are not excluded).

If the Company requests participation in any activity listed in paragraphs two, three or four above, the aircraft exclusions will be modified. However, a \$100,000 maximum benefit limitation will apply.

## OTHER IMPORTANT INFORMATION

The following information applies to your life and accident insurance benefits.

### NAMING YOUR BENEFICIARY

You may name anyone as your beneficiary and you may change your beneficiary designation at any time by completing the appropriate form available from Human Resources. The beneficiary you name for basic life insurance benefits will automatically be your beneficiary for supplemental life, business travel accident insurance and special accident insurance, unless you elect otherwise in writing.

**IF YOU DO NOT NAME YOUR BENEFICIARY**

- Basic and supplemental life insurance benefits will be paid to your estate
- Business travel accident and special accident insurance benefits will be paid to the first survivor among the following beneficiaries:
  - Your spouse,
  - Your child or children,
  - Your mother or father,
  - Your sisters or brothers, or
  - Your estate if you do not have any living beneficiaries.

If you elect family coverage under the special accident insurance plan, you will automatically be the beneficiary in case of the death of a family member, unless you elect otherwise in writing.

**COSTS FOR COVERAGE**

The Company shares the cost of basic life insurance coverage. You pay the full cost of supplemental life insurance and special accident insurance coverage. For basic life insurance coverage, you pay 50% of the cost and the Company pays the rest. Your cost for supplemental life insurance is based on your age and the amount of coverage you elect.

**TAX CONSEQUENCES**

Under current tax law, employer-paid insurance coverage in excess of \$50,000 may result in additional taxable income for federal income and FICA tax purposes. This additional taxable income, called imputed income, is reported on your W-2 earnings statement as “other income.”

**CLAIMING BENEFITS**

You or your beneficiary must file a claim with the USEC Benefit Service Center in order to receive any life and accident insurance benefits. By contacting the USEC Benefit Service Center, you or your beneficiary will receive the necessary forms, as well as instructions and assistance in filing forms.

**WHEN COVERAGE ENDS**

Basic life insurance and supplemental life insurance coverage ends on the date your employment terminates for any reason other than retirement after you become eligible for an immediate pension benefit or total and permanent disability. Business travel accident insurance and special accident insurance coverages end on the date your employment terminates for any reason.

If you are on temporary suspension of work or an approved leave of absence, you may continue your basic life insurance and supplemental life insurance coverage until the end of the third month following the month in which your leave began. In addition, you may elect to continue your special accident insurance coverage for up to 12 months if you are on an approved leave of absence or long term disability, provided you continue to pay the required premiums.

Basic life insurance, supplemental life insurance, business travel accident insurance and special accident insurance coverages may end before termination of employment, however. These coverages will end on the earliest of the following dates:

- The date you are no longer considered eligible because of a change in your employment status and you elect not to continue coverage
- The last day of the period for which your last contribution was made
- The date the plan is terminated.

If you should die within the 30 day period after your coverage terminates, basic life insurance and supplemental life insurance benefits will be paid.

Special accident insurance coverage for a dependent child will end 120 days after your child stops being a full-time student or earlier if your child turns age 28, marries or begins full-time employment. Employment during school break periods is not considered full-time employment. If the dependent child is not enrolled in school full-time, coverage for that child will end at age 18.

## CONVERSION PRIVILEGES

Within 30 days after your basic life insurance, supplemental life insurance and special accident insurance coverages terminate, you may convert all or part of these coverages to individual insurance policies without taking a medical examination. The cost for individual coverage will be based on the insurance company's regular premium rates for the type and amount of insurance available to you through the conversion privilege. The conversion privilege under the Special Accident Insurance Plan ends at age 70.

If your basic life insurance and supplemental life insurance coverages are reduced at retirement, you will also have an opportunity to convert the amount of discontinued insurance to an individual policy within 30 days after the reduction without taking a medical examination.

Business travel accident insurance may not be converted. If your life and/or accident insurance coverages terminate, you will receive materials containing conversion information.



### WHEN YOU RETIRE . . .

If you retire before age 65, you have a choice of coverage options for basic and supplemental life insurance:

- Continue your basic and supplemental life insurance coverage at the same premium cost that applies to active employees

*or*

- Take a reduced amount of basic and supplemental life insurance<sup>1</sup> at no cost to you.

At age 65, a reduced amount of basic life coverage may continue for the rest of your life at no cost to you. Refer to the Life and Accident section for complete information.

Your Business Travel Accident coverage ends when you retire. If you're covered under the Special Accident Insurance Plan and are under age 70, you can choose to convert coverage to an individual policy up to a principal sum amount of \$250,000.

<sup>1</sup>Not applicable to Portsmouth USW employees.