

Personal Accident Insurance

Developed for the Employees of

Watts Water Technologies, Inc.



Who Needs Personal Accident Insurance?

You do. Accident insurance can help you pay expenses if you or your spouse is seriously injured or killed in a covered accident. This insurance can help ensure that tragedy doesn't take both an emotional and a financial toll on your family.

By purchasing this insurance through your employer, you benefit from:

- Affordable group rates
- Convenient payroll deduction

Who Is Eligible For Coverage?

You – If you are an active employee in the United States or an active Canadian employee, who are citizens or permanent resident alien of the United States and identified below you will be eligible for coverage.

- U.S. salaried and office hourly employees, you are eligible to elect coverage immediately.
- U.S. hourly production employee, you are eligible to elect coverage after 60 days of active service.
- salary and office hourly Canadian employees, you are eligible to elect coverage on the first of the month after 3 months of active service.
- hourly production Canadian employees, you are eligible to elect coverage on the first of the month after 3 months of active service.

Your Family – You may elect to cover your lawful spouse under age 70 and your unmarried dependent children who are under age 19 (or under age 26 if they are full-time students). Children must be dependent upon you for support and maintenance.

No one may be covered more than once under this plan. If covered as an employee, you cannot also be covered as a dependent.

How Much Coverage Can You Buy?

You – You may select from \$10,000 to \$500,000 of coverage in units of \$10,000 at an affordable price.

Your Family – Your Spouse's benefit amount will be 50% of yours or 60% if you have no dependent children, subject to a maximum benefit of \$300,000. Each of your covered children's benefit amount will be 15% of yours or 20% if you have no eligible spouse, subject to a maximum benefit of \$60,000.

Each family member's coverage is a percentage of the benefit amount you select. It will depend on who your insured family members are at the time of a covered accidental loss.

You may need to request changes to your existing coverage if, in the future, you no longer have dependents who qualify for coverage. We will refund premium if you do not notify us of this and it is determined at the time of a claim that premium has been overpaid.

Your Monthly Cost

Your cost will depend on the benefit amount and coverage option you select. The chart below shows the most common benefit amounts. Other amounts are available, subject to the maximums indicated.

Your Benefit Amount	Monthly Cost for You and Your Family	Monthly Cost for You Only
\$500,000	\$32.50	\$22.50
400,000	26.00	18.00
300,000	19.50	13.50
250,000	16.25	11.25
200,000	13.00	9.00
100,000	6.50	4.50
50,000	3.25	2.25
10,000	0.65	0.45

See Benefit Reductions. Costs are subject to change. Benefit amounts over \$150,000 cannot be greater than 10 times your annual earnings.

The rate per \$1,000 of coverage is \$.045 for Employee Only, or \$.065 for the Employee and Family Plan. To calculate your cost, divide the amount you select by 1,000 and multiply that number by the appropriate cost. For example, if you choose the Family Plan and select \$220,000 of coverage, then:

$$\begin{aligned} & \$220,000 \div 1,000 = 220 \\ & 220 \times \$0.065 = \$14.30 \text{ Your Monthly Cost} \end{aligned}$$

Benefit Reductions

When the covered person reaches age 70, his or her Permanent Total Disability benefit will end and all other benefits will be reduced to 82.5% of the benefit amount selected; at age 75, 57.5%; at age 80, 37.5% and at age 85, 20%. Coverage for your spouse ends when he or she reaches age 70. These reductions also apply if you elect coverage after age 69.

A Valuable Combination of Benefits

Personal Accident Insurance helps protect you against losses due to accidents. A covered accident is a sudden, unforeseeable, external event, resulting directly and independently of all other causes, in a covered injury or covered loss that occurs while coverage is in force. To help survivors of severe accidents adjust to new living circumstances, we will pay benefits according to the chart below.

If, within 365 days of a covered accident, bodily injuries result in:	We will pay this % of the benefit amount:
Loss of life, or Loss of any combination of two: hands, feet or eyesight, or Loss of speech and hearing in both ears	100%
Loss of hand, foot or sight in one eye, or Loss of speech, or Loss of hearing in both ears	50%
Loss of all four fingers of the same hand, or Loss of thumb and index finger of the same hand	25%
Loss of all toes of the same foot	20%

If the same accident causes more than one of these losses, we will pay only one amount, but it will be the largest amount that applies.

Loss of a hand or foot means complete severance through or above the wrist or ankle joint. **Loss of sight** means the total, permanent loss of all vision in the eye. **Loss of speech** means total, permanent and irrecoverable loss of audible communication. **Loss of hearing** means total and permanent loss of the ability to hear any sound in both ears. Loss of sight, speech and hearing must be irrecoverable by natural, surgical or artificial means. **Loss of a thumb and index finger or four fingers**, means complete severance through or above the metacarpophalangeal joints (the joints between the fingers and the hand). **Loss of Toes** means complete severance through the metatarsalphalangeal joint. **Severance** means complete and permanent separation and dismemberment of the limb from the body.

Additional Benefits

For Child Care Expenses

Personal Accident Insurance pays an additional benefit to help pay for your children's child care expenses.

If you have elected to cover your family members and you die as a result of a covered accident and you have a surviving child under 13 who is enrolled in a licensed child care center at the time of the accident or within 90 days afterward, we will pay a child care center benefit. This benefit will be an annual sum for each covered child of up to 5% of your benefit amount but not more than \$5,000 per year for 5 years but not beyond age 13, whichever occurs first.

We will make the payment to the child's surviving custodial parent or legal guardian.

Each payment will be made at the end of a 12-month period in which there were documented child care center expenses.

Additional Benefits (cont.)

For Dual Accidents

If you have elected coverage for your family members and as a result of the same covered accident or separate covered accidents that occur within the same 24-hour period, you and your insured spouse die, we will increase your spouse's benefit amount to 100% of yours. You and your spouse must be survived by one or more dependent children. The benefit amount cannot exceed \$300,000.

For Permanent Total Disability (Employee Only)

If you are declared totally disabled as a result of a covered accident and after one year of continuous disability are then determined to be permanently totally disabled, we will pay the full benefit amount minus any benefits received for accidental injuries under this plan. Total disability must start within 180 days of the accident.

Totally disabled or total disability means the covered person, if employed, is unable to do any type of work for which he/she is or may become qualified based on education or experience; or, if not employed, is unable to perform all the activities of daily living including eating, transferring, dressing, toileting, bathing and continence, without human supervision or assistance.

Permanently totally disabled means the covered person is expected to be totally disabled for the rest of his or her life.

For Wearing a Seatbelt

This benefit is payable if an insured person dies as a direct result of injuries sustained in a covered accident while driving or riding in an automobile*, while wearing a properly fastened seatbelt (or if the insured is a child, a child restraint as defined by law). That person's death benefit will be increased by 10% but not more than \$10,000.

(or if the insured is a child, a child restraint as defined by state law and approved by the National Highway Traffic Safety Administration)

If it is unclear whether the insured had been wearing the required protection, the plan will pay a benefit of \$1,000. No benefit is payable if the official accident report is either not provided to us or it indicates that no seatbelt was worn.

**Automobile means a self-propelled, private passenger motor vehicle with four or more wheels which is of a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes, but is not limited to a sedan, station wagon, sport utility vehicle, or a motor vehicle of the pickup, van, camper or motor-home type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.*

Additional Benefits (cont.)

For Furthering Education

The education benefit can give employees who sign up for coverage for their family members extra peace of mind if their children enroll in a school of higher learning.

If you die in a covered accident, we will pay an extra benefit for each insured child who is enrolled in a school of higher learning or is in the 12th grade and enrolls within one year of the accident. To help pay expenses, we will increase your benefit amount by 5% (up to \$5,000) for each qualifying child. This benefit is payable each year for 4 consecutive years as long as your children continue their education.

If there is no qualifying child, we will pay an additional \$1,000 to your beneficiary.

For Training for Your Spouse

If you have elected spouse coverage, your spouse will receive educational reimbursement if he or she enrolls, within three years of your death in a covered accident, in an accredited school to gain skills needed for employment. We will pay the actual cost of this education or training program up to 3% of your benefit amount, not to exceed \$3,000.

What Is Not Covered

Plan benefits are not payable if an injury or a loss results, directly or indirectly, from or is caused by, self-inflicted injuries or suicide, while sane or insane; any felony or assault committed by the insured; any act of war, declared or undeclared; any active participation in a riot or insurrection; sickness, disease, physical or mental impairment or medical or surgical treatment thereof, or bacterial or viral infection, regardless of how contracted. (This does not include bacterial infection that is the natural and foreseeable result of an accidental external cut or wound, or accidental food poisoning.)

Benefits are also not payable if the loss occurs while the covered person is engaged in the activities of active duty service in the military, navy or air force of any country or international organization (this does not include Reserve or National Guard training, unless it extends beyond 31 days); traveling in an aircraft that is owned, leased or controlled by the sponsoring organization, or any of its subsidiaries or affiliates; bungee jumping; parachuting; skydiving; parasailing; or hang-gliding; nor are benefits payable for flight in, boarding or alighting from an aircraft or any craft designed to fly above the earth's surface; except as: a fare-paying passenger on a regularly scheduled commercial or charter airline, a passenger in a non-scheduled, private aircraft used for pleasure purposes with no commercial intent during the flight, or a passenger in a military aircraft flown by the Air Mobility Command or its foreign equivalent.

When Your Coverage Begins and Ends

Current employees can sign up during this enrollment period. New employees have 31 days from the date they become eligible to enroll. Coverage becomes effective on the later of the program's effective date, the date you become eligible, the date we receive your completed enrollment form, or the date you authorize any necessary payroll deductions. Provided the application has been received and the appropriate premium paid, dependent coverage will start when your coverage begins. If you are not actively at work, the effective date of your insurance will be deferred until you are actively at work.

For insurance for your spouse and/or children to become effective, he/she must not be an inpatient in a hospital, receiving chemotherapy or radiation therapy on an outpatient basis, confined at home and under the care of a physician for sickness or injury or totally disabled.

Your coverage will continue as long as you remain an eligible employee, pay your premium when due and we agree with your employer to continue this group policy. For your spouse and dependent children, coverage ends when your coverage terminates, when their premiums are not paid or when he or she is no longer eligible, whichever occurs first.

***Totally disabled** means, if the covered person is employed, he/she is unable to perform any work for which he/she is (or may reasonably become) qualified by education, training or experience. If the covered person is not employed, totally disabled means he/she is unable to perform all the activities of daily living without human supervision or assistance.*

Changing from the Group Plan to Individual Coverage

If, before you reach age 70, this group coverage is reduced or ends for any reason except non-payment of premium or age, you can convert to an individual policy. No medical certification is needed. To continue coverage, you must apply for the conversion policy and pay the first premium in effect for your age and occupation within 31 days after your group coverage ends. Family members may convert their coverage as long as they have not reached the maximum age limitation. Converted policies are subject to certain benefits and limits as outlined in your certificate, should you become insured under the plan.

Signing Up Is Easy

No medical examination is required to apply!

Just follow these steps.

1. Choose the benefit amount and coverage options that are right for you.
2. Fill out the enrollment form and return it to your Human Resource Department.

Don't forget to . . .

Use the full name of your beneficiary. For example, use "Mary Jones Smith" not "Mrs. John A. Smith."

If you have any questions about the plan, please contact your Human Resources Department.

This plan provides ACCIDENT insurance only. It pays benefits for bodily injury. It does not provide coverage for sickness. This information is a brief description of important features of the plan. It is not a contract. Terms and conditions of coverage are set forth in policy OK 003464 on Policy Form No. GA-00-1000.00 issued in Delaware to the Trustee of the Group Insurance Trust for Employers in the Manufacturing Industry. The group policy is subject to the laws of the state in which it is issued. The availability of this offer may change. Please keep this material as a reference.

*Coverage is underwritten by
Life Insurance Company of North America
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