

We are pleased to announce a new Long Term Disability (LTD) benefit which will be effective January 1, 2008.

- All full-time employees who are actively at work and on regular payroll by October 1, 2007, working 25 or more hours per week or 1,300 or more hours annually, and who continue to satisfy these conditions through January 1, 2008 will be eligible for basic Long Term Disability coverage from Unum, which pays a monthly income if you are disabled and unable to work as described in the plan summary below. The base monthly benefit will be 50% of basic monthly earnings up to a monthly maximum of \$10,000. **The premium for this benefit will be fully paid by Amica, although employees are responsible for the taxes on the premium because Amica's premium payment will be included in employee's taxable compensation.** Because your premiums are paid with **after-tax** dollars, **any disability benefits received under the new Unum LTD policy are tax-free!** No evidence of insurability will be required for employees under this base LTD coverage, but other requirements will apply (see plan summary below).
- **Employees will also have the option to buy up to an enhanced long-term disability coverage through Unum.** The buy up monthly benefit will be an increase in the benefit of 50% of basic monthly earnings to 60% of basic monthly earnings, but the monthly maximum benefit of \$10,000 will not be increased by the buy up. Employees who choose the buy up option will be responsible for the additional premium over the base plan. Employees will pay the buy up premium on an after-tax basis and Amica will not pay any part of the buy up premium. During 2007 open enrollment, employees may elect the buy up option without providing evidence of insurability, but other restrictions (such as actively at work requirements and pre-existing condition exclusions) will apply.
- This means basic coverage will be fully paid for by Amica except for taxes on the premium. As explained in the above paragraph, eligible employees will also have the option to buy up to an enhanced LTD coverage.
- The basic LTD coverage paid for by Amica, along with the buy up option described above (the "new Unum LTD policy"), will replace coverage currently paid by certain employees under a group disability policy issued by Unum (the "prior Unum LTD policy").
- An employee who becomes disabled and receives LTD benefits under the new Unum LTD policy after December 31, 2007, may be eligible for continued Amica Group Health Insurance coverage if the employee would have been eligible for such continued coverage under a disability retirement from Amica in accordance with Amica's requirements, as modified by Amica from time to time (currently, these requirements are based upon an employee's most recent date of hire by Amica and number of years of Amica employment – see the Retiree Eligibility heading in the Eligibility and Participation section of the Amica Health Plan description in the Employee Handbook). To continue such coverage, disabled employees will be required to make such contributions as Amica may from time to time require. Amica has the right to amend or terminate its benefit plans at any time, including, but not limited to, Amica Group Health Plan coverage provided to disabled employees.

Because of the availability of the new Unum LTD policy, disability pensions will not be available for employees after December 31, 2008. In addition, during 2008, only Pension Fund participants who are not eligible for Unum LTD coverage (see, for example, the explanation of the Pre-existing Condition Exclusion found below) and who become disabled during 2008 may be eligible for disability retirement under the Pension Fund. Currently, a Pension Fund participant who becomes disabled and is approved by the Pension Board for a disability retirement benefit may be credited with service for the period the participant is receiving disability retirement benefit payments. If the participant remains on a disability retirement pension until his or her normal retirement age, the disability retirement pension will convert to a normal retirement pension, with the amount of normal retirement pension benefit calculation taking into account the period of disability under the pension benefit formula that applies to him or her. Also, if the participant recovers from his or her disability before normal retirement age and returns directly to active employment with Amica, the period during which the participant received disability retirement benefit payments will be counted as service under the Pension Fund. Because of the change to the Unum LTD policy, Pension Fund participants who become disabled and receive disability benefits from the Unum policy will not have the period of disability treated as service for purposes of Pension Fund normal or deferred retirement pension calculations. This will result in a lower Pension Fund normal or deferred retirement benefit for affected participants. Because of this impact, this notification is being provided to you under Section 204(h) of the Employee Retiree Income Security Act of 1974, as amended.

Please review the plan summary below. This is only a summary. It describes some, but not all, of the features of the new Unum LTD policy. The actual provisions of the new Unum LTD policy govern and control.

Long Term Disability (LTD) Insurance From Unum Insurance Company

This coverage (the “new Unum LTD policy”), in certain circumstances, provides a monthly income for employees unable to work for an extended period of time due to sickness or injury. Please read carefully the following description of the Unum Long Term Disability Income Protection insurance plan.

Eligibility – Base LTD Benefit

All full-time employees in the United States who are actively at work and on regular payroll and working 25 or more hours per week or 1,300 or more hours annually, are eligible for the Base LTD benefit, subject to the applicable waiting period (e.g. until being placed on Amica’s regular payroll). To qualify, an employee must be a citizen or permanent resident of the United States.

Eligibility – Buy Up LTD Benefit

All full-time employees in the United States who are actively at work and on regular payroll as of the beginning of the enrollment period for the coming plan year and working 25 or more hours per week or 1,300 or more hours annually are eligible, subject to the applicable waiting period (e.g. until being placed on Amica’s regular payroll). To qualify, an employee must be a citizen or permanent resident of the United States.

Elimination Period

The Elimination Period is the length of time of continuous disability which must be satisfied before you are eligible to receive benefits. LTD benefits would begin after the greater of 90 days or the end of accumulated Sick Leave. This is the Elimination Period.

You must be continuously disabled through your elimination period. Unum will treat your disability as continuous if your disability stops for 180 days or less during the elimination period. The days that you are not disabled will not count toward your elimination period.

Benefit Amount

Base Monthly LTD Benefit:

- 50% of your basic monthly earnings
- Maximum monthly \$10,000

“Monthly Earnings” means your gross annual income from Amica in effect on the January 1 (or the date you were placed on regular payroll if you were not eligible for coverage on January 1) prior to your date of disability divided by 12. It includes your total income before taxes, and any deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. It does not include income received from commissions, bonuses, overtime pay or any other extra compensation, or income received from sources other than Amica.

Buy-up Monthly LTD Benefit:

- An increase of the Base Monthly Benefit salary of 50% of your basic monthly earnings to 60% of your basic monthly earnings (i.e., instead of 50% of basic monthly earnings, the LTD benefit would be 60% of basic monthly earnings)
- The monthly maximum of \$10,000 remains the same and is not increased by the Buy-Up.

The total benefit payable to you on a monthly benefit basis (including all benefits provided under this plan) will not exceed 100% of your monthly earnings.

Your LTD benefit will be reduced by the amount of other income replacement benefits you receive for the same disability such as Social Security, Workers' Compensation, disability pension benefits and any other offsets provided in the new Unum LTD policy (e.g. other offsets for earnings and other kinds of income). Social Security benefits include the amount that you, your spouse and your children receive or are entitled to receive as disability payments because of your disability under the United States Social Security Act and the amount that you receive as retirement payments or the amount your spouse and children receive as retirement payments because you are receiving retirement payments under the United States Social Security Act.

Unum will not subtract from your gross disability payment income you receive from, but not limited to, the following

- 401(k) plans
- Profit sharing plans
- Thrift plans
- Tax sheltered annuities

- Stock ownership plans
- Non-qualified plans of deferred compensation
- Pension plans for partners
- Military pension and disability income plans
- Credit disability insurance
- Franchise disability income plans
- A retirement plan from another employer
- Individual retirement accounts (IRA)
- Individual disability income plans
- Accumulated sick leave plans

Taxation

Because your premiums are paid with **after-tax** dollars, ***any disability benefits received under the new Unum LTD policy are tax-free!***

Benefit Duration

The duration of benefits is based on your age when the disability occurs. Your LTD benefits are payable for the period during which you continue to meet the definition of disability up to age 65, but not less than 5 years. If your disability occurs at or after age 61, benefits would be paid for a reduced period of time as set forth in the new Unum LTD policy.

Disability

You will be considered disabled and eligible for benefits (subject to all applicable offsets) because of sickness or injury if:

you are limited from performing the material and substantial duties of your regular occupation; and

you have a 20% or more loss in indexed monthly earnings due to the same sickness or injury.

You must also be under the regular care of a physician for your disability in accordance with Unum's requirements for such care.

You will continue to receive benefits (subject to all applicable offsets) if:

- after benefits have been paid for 24 months, you are working in any occupation and continue to have a 20% or more loss in indexed monthly earnings due to your sickness or injury; or
- you are not working and, due to the same sickness or injury, are unable to perform the duties of any gainful occupation for which you are reasonably fitted by education, training, or experience.

Gainful Occupation

Gainful occupation means an occupation that is or can be expected to provide you with an income within 12 months of your return to work that exceeds:

- 80% of your indexed monthly earnings, if you are working
- 60% of your indexed monthly earnings, if you are not working

Rehabilitation and Return to Work Assistance

Unum has a vocational Rehabilitation and Return to Work Assistance program available to assist you in returning to work. If we determine you are eligible to participate in a Rehabilitation and Return to Work Assistance program, you must participate in order to continue to receive your monthly disability benefits. We will provide you with a written Rehabilitation and Return to Work Assistance plan developed specifically for you. This program may include but is not limited to the following benefits:

- coordination with your Employer to assist your return to work;
- adaptive equipment or job accommodations to allow you to work;
- vocational evaluation to determine how your disability may impact your employment options;
- job placement services;
- resume preparation;
- job seeking skills training; or
- education and retraining expenses for a new occupation.

If you are participating in a Rehabilitation and Return to Work Assistance program, we will also pay an additional disability benefit of 10% of your gross disability payment to a maximum of \$1,000 per month. In addition, we will make monthly payments to you for 3 months following the date your disability ends if we determine you are no longer disabled while:

- you are participating in a Rehabilitation and Return to Work Assistance program; and
- you are not able to find employment.

Child Care Expense Benefit

If you are disabled and participating continuously in a Rehabilitation and Return to Work Assistance program and are incurring child care expenses for your dependent children, you may receive the Child Care Expense Benefit: \$250 per child, per month to a maximum of \$1,000 per month for all eligible children combined to reimburse your incurred expenses. Eligible dependent children are defined as those who are:

- under the age of 15; or
- incapable of providing their own care on a daily basis due to their own physical handicap or mental retardation.

Waiver of Premium

You will not be required to pay LTD premiums as long as you are receiving LTD benefits.

LifePhases

Unum's LifeBalance® program is a comprehensive resource designed to provide fast and convenient answers and advice on a wide variety of topics ranging from severe to everyday problems. Available to you and your family members, LifeBalance provides 24 hour access to professional advice - even face-to-face sessions when needed. Every inquiry is answered by an experienced, masters-level consultant who can help in a variety of ways including: telephone consultations, personalized searches and referrals, educational materials, Tips-on-Tape™, Library-by-Mail™, and LifeBalance Online. Some of the topics addressed are parenting and child care, older adults, legal and financial issues, emotional well-being, and education.

Transition Insurance Options makes it easy for you to access an array of individual insurance products at preferred prices (subject to availability) when you change employers or retire.

The Universal Access Card, available to you and your family members, is a convenient, easy-to-use single source of information about Unum's support services.

assist america®

A 24-hour network of emergency medical and legal resources offers valuable protection for you and your family when traveling more than 100 miles from home. With just one call, you have access to a global network of highly qualified professionals trained to manage any travel emergency. (Note that spouses traveling on business are not eligible.)

Pre-existing Condition Exclusion

The new Unum LTD policy has a pre-existing condition exclusion (in addition to the active at work requirement discussed above).

You have a pre-existing condition under the new Unum policy if:

- you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the 3 months just prior to your effective date of coverage; or
- you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the 3 months just prior to your effective date of coverage; and
the disability begins in the first 12 months after your effective date of coverage.

Unum may pay a benefit if your disability results from a pre-existing condition if you were in active employment and insured under the new Unum policy on its effective date of January 1, 2008 and insured by the prior Unum policy at the time of change to the new Unum policy (December 31, 2007) and you satisfy the following pre-existing condition provision under: 1) the new Unum policy; or 2) the prior Unum policy, if benefits would have been paid had that policy remained in force. If you do not satisfy Item 1 or 2 above, Unum will not make any payments of benefits.

If you satisfy Item 1, Unum will determine your payments according to the new Unum policy provisions.

If you only satisfy Item 2, Unum will administer your claim according to the new Unum policy provisions. However, your payment will be the lesser of:

- a. the monthly benefit that would have been payable under the terms of the prior Unum policy if it had remained in force; or
- b. the monthly payment under the new Unum policy.

Instances When Benefits Would Not Be Paid

Benefits would not be paid for disabilities caused by, contributed to by, or resulting from:

- intentionally self-inflicted injuries;
- active participation in a riot;
- war, declared or undeclared, or any act of war;
- conviction of a crime under state or federal law;
- loss of professional license, occupational license, or certification;
- pre-existing conditions (see above).

Unum will not pay a benefit for any period of disability during which you are incarcerated.

Termination of Coverage

Your coverage under the policy ends on the earliest of the following:

- The date the policy or plan is cancelled;
- The date you no longer are in an eligible group;
- The date your eligible group is no longer covered;
- The last day of the period for which you made any required contributions;
- The last day you are in active employment except as provided under the covered layoff or leave of absence provision.

Unum will provide coverage for a payable claim which occurs while you are covered under the policy or plan.

How to Apply

Current active full-time employees who work 25 or more hours a week or 1,300 hours or more a year and are on the regular payroll as of **October 1, 2007**, should enroll during the PeopleSoft Open Enrollment period. After that date you will only be able to enroll in the buy-up at future annual enrollments. If you had a prior opportunity to enroll during a previous open enrollment but declined and are now enrolling, a new pre-existing exclusion period will apply.

Effective Date of Coverage

For eligible employees who enroll on a timely basis during the PeopleSoft Open Enrollment period discussed above, the effective date of coverage is 1/1/2008. For

employees who become eligible after this date, please see your Plan Administrator for your effective date.

Delayed Effective Date of Coverage

Insurance will be delayed if you are not in active employment because of an injury, sickness, temporary layoff, or leave of absence on the date that insurance would otherwise become effective.

Questions

If you should have any questions about your coverage, please contact Unum at 1-800-628-6096.

This plan highlight is a summary provided to help you understand your insurance coverage from Unum. Details may differ from state to state. Please refer to your certificate booklet for your complete plan description. **If the terms of this plan highlight summary or your certificate differ from your policy, the policy will govern.**

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Underwritten by: Unum Life Insurance Company of America 2211 Congress Street, Portland, Maine 04122 [Web Site](#), tel. no. 800-628-6096

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Rates for LTD Insurance

For **2008**, all employees participating in the buy-up are subject to the monthly rates in the table below. The rates include what Amica will pay on your behalf for base LTD coverage. If you elect the buy-up plan, you will be responsible for the difference. Your individual rate will be shown on your PeopleSoft open enrollment site.

Rates per \$100 of Covered Payroll	
Age	Rate
<25	0.41
25-29	0.41
30-34	0.42
35-39	0.44
40-44	0.47
45-49	0.54
50-54	0.59
55-59	0.66
60-64	0.70

65-69	0.72
70+	0.92

To calculate your buy-up rate, [click here](#).