

# STANDARD INSURANCE COMPANY

A Stock Life Insurance Company  
900 SW Fifth Avenue  
Portland, Oregon 97204-1282  
(503) 321-7000

## CERTIFICATE GROUP LIFE INSURANCE

---

Policyholder:	The State of Oregon by and through its Public Employees' Benefit Board
Policy Number:	606814-D
Effective Date:	January 1, 2012

---

A Group Policy has been issued to the Policyholder. We certify that you will be insured as provided by the terms of the Group Policy. If your coverage is changed by an amendment to the Group Policy, we will provide the Policyholder with a revised Certificate or other notice to be given to you.

**This policy includes an Accelerated Benefit. Death benefits will be reduced if an Accelerated Benefit is paid. The receipt of this benefit may be taxable and may affect your eligibility for Medicaid or other government benefits or entitlements. However, if you meet the definition of "terminally ill individual" according to the Internal Revenue Code Section 101, your Accelerated Benefit may be non-taxable. You should consult your personal tax and/or legal advisor before you apply for an Accelerated Benefit.**

Possession of this Certificate does not necessarily mean you are insured. You are insured only if you meet the requirements set out in this Certificate. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern.

"We", "us" and "our" mean Standard Insurance Company. "You" and "your" mean the Member. All other defined terms appear with the initial letter capitalized. Section headings, and references to them, appear in boldface type.



Chairman, President and CEO

GC899-LIFE

## Table of Contents

COVERAGE FEATURES .....	1
GENERAL POLICY INFORMATION .....	1
BECOMING INSURED .....	1
PREMIUM CONTRIBUTIONS.....	4
SCHEDULE OF INSURANCE .....	4
REDUCTIONS IN INSURANCE .....	5
OTHER BENEFITS.....	5
OTHER PROVISIONS.....	6
LIFE INSURANCE.....	7
A. Insuring Clause.....	7
B. Amount Of Life Insurance .....	7
C. Changes In Life Insurance.....	7
D. Repatriation Benefit .....	7
E. Suicide Exclusion: Life Insurance.....	8
F. When Life Insurance Becomes Effective .....	8
G. When Life Insurance Ends .....	9
H. Reinstatement Of Life Insurance .....	9
DEPENDENTS LIFE INSURANCE .....	10
A. Insuring Clause.....	10
B. Amount Of Dependents Life Insurance .....	10
C. Changes In Dependents Life Insurance.....	10
D. Suicide Exclusion: Dependents Life Insurance .....	10
E. Definitions For Dependents Life Insurance .....	11
F. Becoming Insured For Dependents Life Insurance .....	11
G. When Dependents Life Insurance Ends .....	12
ACTIVE WORK PROVISIONS .....	12
PORTABILITY OF INSURANCE .....	13
WAIVER OF PREMIUM.....	14
ACCELERATED BENEFIT.....	15
RIGHT TO CONVERT.....	16
CLAIMS.....	17
ASSIGNMENT.....	20
BENEFIT PAYMENT AND BENEFICIARY PROVISIONS .....	20
TIME LIMITS ON LEGAL ACTIONS .....	22
INCONTESTABILITY PROVISIONS.....	22
CLERICAL ERROR AND MISSTATEMENT.....	23
TERMINATION OR AMENDMENT OF THE GROUP POLICY .....	24
DEFINITIONS.....	24

## Index of Defined Terms

Accelerated Benefit, 15  
Active Work, Actively At Work, 12  
Annual Earnings, 24  
Annual Enrollment Period, 24  
  
Beneficiary, 21  
  
Child, 25  
Class Definition, 2  
Contributory, 25  
Conversion Period, 17  
  
Dependent, 11  
Dependents Life Insurance, 25  
  
Eligibility Waiting Period, 25  
Employer(s), 1  
Evidence Of Insurability, 25  
  
Group Policy, 25  
Group Policy Effective Date, 1  
Group Policy Number, 1  
Guarantee Issue Amount (for Optional Dependents Life Insurance), 2  
Guarantee Issue Amount (for Optional Employee Life Insurance), 2  
  
Injury, 25  
Insurance (for Accelerated Benefit), 16  
Insurance (for Right to Convert), 17  
Insurance (for Waiver Of Premium), 14  
  
Life Insurance, 25  
  
Maximum Conversion Amount, 6  
Member, 1  
Minimum Time Insured, 6  
  
Noncontributory, 25  
  
Physician, 25  
Policyholder, 1  
Pregnancy, 25  
Prior Plan, 25  
Proof Of Loss, 18  
  
Qualified Status Change, 25  
Qualifying Event, 17  
Qualifying Medical Condition, 15  
  
Recipient, 22  
Right To Convert, 16  
  
Sickness, 25  
Spouse, 25  
  
Totally Disabled, 14  
  
Waiting Period (for Waiver Of Premium), 14  
Waiver Of Premium, 14  
  
You, Your (for Right To Convert), 17

## COVERAGE FEATURES

This section contains many of the features of your group life insurance. Other provisions, including exclusions and limitations, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

---

### GENERAL POLICY INFORMATION

Group Policy Number: 606814-D

Type of Insurance Provided:

Life Insurance: Yes

Dependents Life Insurance: Yes  
*(LI.DEP.296)*

Policyholder: The State of Oregon by and through its Public Employees' Benefit Board

Employer(s): State of Oregon

Local Governments as defined by the Public Employees' Benefit Board's (PEBB) administrative rules and generally a city, county or special district in Oregon that voluntarily elects to be a PEBB Participating Organization.

Group Policy Effective Date: January 1, 2012

Policy Issued in: Oregon

---

### BECOMING INSURED

To become insured for Life Insurance you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Life Insurance** and **Active Work Provisions**. The Active Work requirement does not apply to Members who are retired on the Group Policy Effective Date. The requirements for becoming insured for coverages other than Life Insurance are set out in the text.

Definition of Member: You are a Member if you are:

1. An active employee of a PEBB Participating Organization as defined in Oregon Administrative Rules (OAR) 101-010-0005, who is regularly scheduled to work and who meets the terms of eligibility for insurance under the Group Policy outlined in the PEBB Administrative Rules; or
2. A retiree who retired under the Employer's retirement plan during the month of December 2001 and whose insurance as an active employee under the Policyholder's group life insurance plan terminated on or after January 1, 2002; or
3. A retiree of the Employer who retired under the Employer's retirement plan on or after January 1, 2002 and was insured as an active employee under the Policyholder's group life insurance plan immediately prior to retirement.

You are not a Member if you are:

1. A seasonal/intermittent employee;
2. An employee scheduled to work less than 90 days;
3. A temporary employee; or
4. A full-time member of the armed forces of any country.

Class Definition:

- Class 1: An active member of the Judicial Management Service\*
- Class 2: All other active Members
- Class 3: Retired Members

\* A member of the Judicial Management Service is defined as an administrator, principal assistant, secretary, attorney, elected official, judge, or other employee, including a legislative employee, who is excluded from collective bargaining because he or she works in a confidential or supervisory position.

Eligibility Waiting Period:

You are eligible for coverage under this Group Policy on the later of (a) the Group Policy Effective Date, and (b) the following applicable date:

Elected officials and appointed officials:

The first day of the calendar month following the month in which you take the oath of office.

Retired Members:

The date you retire.

All other Members:

The date you become a Member.

Evidence Of Insurability:

Required:

- a. For late application for Optional Employee Life Insurance and Optional Dependents Life Insurance (you apply more than 30 days after becoming eligible).
- b. For reinstatements if required.
- c. For Members eligible but not insured under the Prior Plan.
- d. For Optional Dependents Life Insurance for Spouses eligible but not insured for optional spouse life insurance under the Prior Plan.
- e. For any Optional Employee Life Insurance Benefit in excess of the Guarantee Issue Amount of \$100,000.
- f. For any Optional Dependents Life Insurance Benefit for your Spouse in excess of the Guarantee Issue Amount of \$20,000.
- g. For any elective increase in Optional Employee Life Insurance or Optional Dependents Life Insurance.
- h. For you or your Spouse to become insured for amounts greater than the amounts for which you were insured under the Prior Plan, if insurance was limited

because evidence of insurability was not provided or was not approved.

Note: Evidence Of Insurability is waived as shown below.

1. On January 1, 2012: Evidence Of Insurability will not be required to become insured under the Group Policy on January 1, 2012 for amounts of insurance equal to or less than the amounts of insurance in effect on December 31, 2011 under the Prior Plan.
2. Reinstatement: If your insurance ends because you cease to be a Member and you become a Member again within 12 months, Evidence Of Insurability will not be required to become insured again for amounts that are equal to or less than the amounts that ended, provided you apply for such amounts within 30 days after you become eligible, and you did not exercise your Right To Convert.
3. Re-employment after Retirement: If you become a Class 1 or 2 Member again within 12 months following your retirement, you will not be required to submit Evidence Of Insurability to become insured as a Class 1 or 2 Member for amounts of coverage equal to or less than the amounts of your coverage in effect immediately prior to your retirement.
4. Both Member and Spouse insured as Members:
  - a. If you cease to be a Member and remain eligible for coverage as a Spouse, Evidence Of Insurability is not required for you to become insured for (or increase coverage by) an amount of Optional Dependents Life Insurance equal to or less than the amount of your Optional Employee Life Insurance that ended. However, application for such coverage must be made within 30 days after you cease to be insured as a Member and the total amount of your Optional Dependents Life Insurance must not exceed the maximum amount shown in the Schedule Of Insurance.
  - b. If your Optional Employee Life Insurance ends because your Spouse ceases to be a Member, Evidence Of Insurability is not required for you to become insured for (or increase coverage by) an amount of Optional Employee Life Insurance equal to or less than the amount of your Optional Dependents Life Insurance that ended. However, application for such coverage must be made within 30 days after your Spouse ceases to be insured as a Member and the total amount of your Optional Employee Life Insurance must not exceed the maximum amount shown in the Schedule Of Insurance.
5. Class 1 Members who move to Class 2: Evidence Of Insurability will be waived on the date you become a Class 2 Member for an amount of Optional Employee Life Insurance equal to the amount of your Basic Life Insurance in effect as a Class 1 Member on the day before you became a Class 2 Member (rounded to the next higher multiple of \$20,000, if not already a multiple of \$20,000).

**Certain Evidence Of Insurability Requirements Will Be Waived.** Your insurance is subject to all other terms of the Group Policy.

**One Time Open Enrollment Period: March 1, 2016 through March 31, 2016**

If you are insured for Optional Employee Life Insurance for an amount less than \$100,000, certain Evidence Of Insurability requirements will be waived with respect to Optional Employee Life Insurance during the One Time Open Enrollment Period.

If you are insured for Optional Employee Life Insurance for an amount less than the Guarantee Issue Amount, requirement g. above will be waived for you if you apply for an increase in your Optional Employee Life Insurance in increments of \$20,000 up to the Guarantee Issue Amount during your Employer's One Time Open Enrollment Period. However, Evidence Of Insurability is required to become insured for any Optional Employee Life Insurance Benefit that exceeds the Guarantee Issue Amount.

---

## PREMIUM CONTRIBUTIONS

Basic Life Insurance:	Noncontributory
Optional Employee Life Insurance:	Contributory
Basic Dependents Life Insurance:	
Spouse and Children:	Contributory*
Optional Dependents Life Insurance:	
Spouse only:	Contributory

\* Premium contributions will not be required for Basic Dependents Life Insurance while your only insured Child is disabled, as defined by the Policyholder.

---

## SCHEDULE OF INSURANCE

### SCHEDULE OF LIFE INSURANCE

You will become insured for Basic Life Insurance if you are an active Member and meet the requirements to become insured under the Group Policy.

You may become insured for Optional Employee Life Insurance if you are an active or retired Member and meet the requirements to become insured for Optional Employee Life Insurance. Optional Employee Life Insurance is a Contributory plan requiring premium contributions from Members.

#### Basic Life Insurance Benefit:

For Class 1 Members:	1 times your Annual Earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000.
For Class 2 Members:	\$5,000
For Class 3 Members:	None

#### Optional Employee Life Insurance Benefit:

For Class 1 and 2 Members:	You may apply for Optional Employee Life Insurance in multiples of \$20,000, from \$20,000 to \$600,000.
For Class 3 Members:	Within 30 days following your retirement, you may apply for Optional Employee Life Insurance in multiples of \$2,500, from \$2,500 to \$200,000. Your Optional Employee Life Insurance Benefit may not exceed 50% of the combined amount of your Basic Life Insurance and Optional Employee Life Insurance in effect on the day before your retirement.

You may not be insured as both an active Member and a retired Member.

The Repatriation Benefit:	The expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed \$5,000 or 10% of the Life Insurance Benefit, whichever is less.
---------------------------	---

## SCHEDULE OF DEPENDENTS LIFE INSURANCE

If you are an active Member, you may apply for Basic Dependents Life Insurance for your Spouse and Children and/or you may apply for Optional Dependents Life Insurance for your Spouse. Basic Dependents Life Insurance and Optional Dependents Life Insurance are Contributory plans requiring premium contributions from Members.

Basic Dependents Life Insurance  
Benefit for your Spouse and Children:

For Class 1 and 2 Members:	Spouse and Child: \$5,000
For Class 3 Members:	None

Optional Dependents Life Insurance  
Benefit for your Spouse only:

For Class 1 and 2 Members:	You may apply for Optional Dependents Life Insurance for your Spouse in multiples of \$20,000 from \$20,000 to \$400,000. However, if your Spouse is insured as both a Spouse and a Member, the combined amount of your Spouse's Optional Employee Life Insurance and Optional Dependents Life Insurance may not exceed \$600,000.
For Class 3 Members:	None

Note: Optional Dependents Life Insurance will end if your Spouse becomes a Class 3 Member.

---

## REDUCTIONS IN INSURANCE

If you are a Class 1 or Class 2 Member, your insurance will not be reduced because of your age.

If you are a Class 3 Member and you reach an age shown below, the amount of insurance will be the amount determined from the Schedule Of Insurance, multiplied by the appropriate percentage below:

Optional Employee Life Insurance for Class 3 Members:

Age Of Member	Percentage
65 through 69	65%
70 through 74	50%
75 or over	35%

---

## OTHER BENEFITS

Waiver Of Premium: Yes, for Class 1 and Class 2 Members only

(LI.WAIVER.899)

Accelerated Benefit: Yes, for Class 1 and Class 2 Members and their Spouses

(LI.AB.899)

Insurance Eligible For Portability Of Insurance: Optional Employee Life Insurance and Optional Dependents Life Insurance



---

## OTHER PROVISIONS

Limits on Right To Convert if  
Group Policy terminates  
or is amended:

Minimum Time Insured: 5 years  
Maximum Conversion Amount: \$10,000

Suicide Exclusion: Applies to:  
a. Optional Employee Life Insurance  
b. Optional Dependents Life Insurance

*(LI.SUI.296)*

Annual Earnings based on: Earnings in effect on your last full day of Active Work.

The maximum Leave Of Absence Periods are as follows:

1. For Members employed by the Oregon University System: If you are on a Leave Of Absence due to a sabbatical or to conduct special research, your Life Insurance may be continued to the end of 15 months, or, if earlier, the end of such leave.
2. For all Members: If you are on a Leave Of Absence, your Life Insurance may be continued to the end of 12 months, or if earlier, the period approved by your Employer.

Leave Of Absence means a period when you are absent from Active Work during which your Life Insurance under the Group Policy will continue and employment will be deemed to continue, solely for the purposes of determining when your Life Insurance ends, provided the required premiums for you are remitted and such a leave of absence for you is approved by your Employer and set forth in a written document that is dated on or before the leave is to start and shows that you are scheduled to return to Active Work.

During a Leave Of Absence your Life Insurance will be based on the amount that was in effect on your last day of Active Work immediately before the start of your Leave Of Absence.

## LIFE INSURANCE

### A. Insuring Clause

If you die while insured for Life Insurance, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

### B. Amount Of Life Insurance

See the **Coverage Features** for the Life Insurance schedule.

### C. Changes In Life Insurance

#### 1. Increases

You must apply in writing for any elective increase in your Life Insurance.

Subject to the **Active Work Provisions**, an increase in your Life Insurance becomes effective as follows:

##### a. Increases Subject To Evidence Of Insurability

An elective increase in Life Insurance subject to Evidence Of Insurability becomes effective on the following applicable date:

- (i) The latest of the first day of the calendar month following the date your application is received by your Employer, the date of the Qualified Status Change, and the first day of the calendar month following the date we approve your Evidence Of Insurability, if you apply within 30 days of a Qualified Status Change.
- (ii) The later of the beginning of the next plan year following the date you apply, and the first day of the calendar month following the date we approve your Evidence Of Insurability, if you apply during an Annual Enrollment Period.

##### b. Increases Not Subject To Evidence Of Insurability

An increase in your Life Insurance due to a change in your classification or Annual Earnings is effective on the date of the change in classification or Annual Earnings.

An elective increase in your Life Insurance not subject to Evidence Of Insurability becomes effective on:

- (i) The later of the first day of the calendar month following the date your application is received by your Employer or the date of the Qualified Status Change, if you apply within 30 days of a Qualified Status Change.
- (ii) The beginning of the next plan year following the date you apply, if you apply during an Annual Enrollment Period.

#### 2. Decreases

A decrease in your Life Insurance due to a change in your classification, age or Annual Earnings is effective on the date of the change in classification, age or Annual Earnings.

Any other decrease in your Life Insurance becomes effective on the first day of the calendar month following the date the Policyholder or your Employer receives your written request for the decrease.

### D. Repatriation Benefit

The amount of the Repatriation Benefit is shown in the **Coverage Features**.

We will pay a Repatriation Benefit if all of the following requirements are met.

1. A Life Insurance Benefit is payable because of your death.
2. You die more than 200 miles from your primary place of residence.
3. Expenses are incurred to transport your body to a mortuary near your primary place of residence.

*(LI.REPAT.296)*

E. Suicide Exclusion: Life Insurance

If your death results from suicide or other intentionally self-inflicted Injury, while sane or insane, 1 and 2 below apply.

1. The amount payable will exclude the amount of your Life Insurance which is subject to this suicide exclusion and which has not been continuously in effect for at least 2 years on the date of your death. In computing the 2-year period, we will include time you were insured under the Prior Plan.
2. We will refund all premiums paid for that portion of your Life Insurance which is excluded from payment under this suicide exclusion.

*(LI.SUI.296)*

F. When Life Insurance Becomes Effective

Subject to the **Active Work Provisions**, your Life Insurance becomes effective as follows:

1. Basic Life Insurance

Your Basic Life Insurance is effective on the date you become eligible, if the Schedule Of Insurance provides a Basic Life Insurance benefit for your class.

2. Optional Employee Life Insurance

You must apply in writing for Optional Employee Life Insurance and agree to pay premiums. You may apply for Optional Employee Life Insurance within 30 days following the date you become eligible, within 30 days of a Qualified Status Change or during an Annual Enrollment Period.

a. Optional Employee Life Insurance subject to Evidence Of Insurability

Optional Employee Life Insurance subject to Evidence Of Insurability becomes effective on the later of the date you become eligible and the following applicable date:

- (i) The later of the first day of the calendar month following the date your application is received by your Employer and the first day of the calendar month following the date we approve your Evidence Of Insurability, if you apply within 30 days after you become eligible.
- (ii) The latest of the first day of the calendar month following the date your application is received by your Employer, the date of the Qualified Status Change, and the first day of the calendar month following the date we approve your Evidence Of Insurability, if you apply within 30 days of a Qualified Status Change.
- (iii) The later of the beginning of the next plan year following the date you apply, and the first day of the calendar month following the date we approve your Evidence Of Insurability, if you apply during an Annual Enrollment Period.

b. Optional Employee Life Insurance *not* subject to Evidence Of Insurability

Optional Employee Life Insurance not subject to Evidence Of Insurability becomes effective on the later of the date you become eligible and the following applicable date:

- (i) The first day of the calendar month following the date your application is received by your Employer, if you apply within 30 days after you become eligible.
- (ii) The later of the first day of the calendar month following the date your application is received by your Employer or the date of the Qualified Status Change, if you apply within 30 days of a Qualified Status Change.
- (iii) The beginning of the next plan year following the date you apply, if you apply during an Annual Enrollment Period.

G. When Life Insurance Ends

Life Insurance ends automatically on the earliest of the following dates:

1. The date the last period ends for which a premium was paid for your Life Insurance.
2. The date the Group Policy terminates.
3. The last day of the calendar month in which your employment terminates\*, unless you are covered as a retired Member.
4. The last day of the calendar month in which you cease to be a Member.\* However, if you cease to be a Member because you are working less than the required minimum number of hours, your Life Insurance will be continued with premium payment during the following periods, unless it ends under 1 through 3 above.
  - a. While your Employer is paying you at least the same Annual Earnings paid to you immediately before you ceased to be a Member.
  - b. While your ability to work is limited because of Sickness, Injury, or Pregnancy.
  - c. During the first 90 days in which your Employer mandates that you involuntarily work less than half-time.
  - d. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
  - e. During any other temporary Leave Of Absence approved by your Employer in advance and in writing, but not to exceed the applicable Leave Of Absence Period shown in the **Coverage Features**.

\* If premium payment for the next calendar month is made to us prior to the date your employment terminates or prior to the date you cease to be a Member, Life Insurance will end on the last day of the calendar month following the month in which your employment terminates or you cease to be a Member.

H. Reinstatement Of Life Insurance

If your Life Insurance ends, you may become insured again as a new Member. However, 1 through 4 below will apply.

1. If your Life Insurance ends because you cease to be a Member and you later become a Member again working half-time, you will be eligible for insurance under the Group Policy on the first day of the calendar month following the month in which you become a Member again.
2. If your Life Insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
3. If you exercised your Right To Convert, you must provide Evidence Of Insurability to become insured again.
4. If your Life Insurance ends because you are on a federal or state-mandated family or medical leave of absence or on a military leave of absence, and you become a Member again immediately following the end of the leave, your insurance will be reinstated as of the first day

of the calendar month in which you become a Member and meet the Active Work requirement.

(REPAT\_SUIC ALL\_FAM STAT\_ANNUAL ENROL) LILF.OR.3X

## DEPENDENTS LIFE INSURANCE

### A. Insuring Clause

If your Dependent dies while insured for Dependents Life Insurance, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

### B. Amount Of Dependents Life Insurance

See the **Coverage Features** for the amount of your Dependents Life Insurance.

### C. Changes In Dependents Life Insurance

#### 1. Increases

You must apply in writing for any elective increase in your Dependents Life Insurance.

Subject to the **Active Work Provisions**, an increase in your Dependents Life Insurance becomes effective as follows:

#### a. Increases Subject To Evidence Of Insurability

An elective increase in Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the following applicable date:

- (i) The latest of the first day of the calendar month following the date your application is received by your Employer, the date of the Qualified Status Change, and the first day of the calendar month following the date we approve the Dependent's Evidence Of Insurability, if you apply within 30 days of a Qualified Status Change.
- (ii) The later of the beginning of the next plan year following the date you apply, and the first day of the calendar month following the date we approve the Dependent's Evidence Of Insurability, if you apply during an Annual Enrollment Period.

#### b. Increases Not Subject To Evidence Of Insurability

An elective increase in your Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on:

- (i) The later of the first day of the calendar month following the date your application is received by your Employer or the date of the Qualified Status Change, if you apply within 30 days of a Qualified Status Change.
- (ii) The beginning of the next plan year following the date you apply, if you apply during an Annual Enrollment Period.

#### 2. Decreases

An elective decrease in your Dependents Life Insurance becomes effective on the first day of the calendar month following the date the Policyholder or your Employer receives your written request for the decrease.

### D. Suicide Exclusion: Dependents Life Insurance

If a Dependent's death results from suicide or other intentionally self-inflicted Injury, while sane or insane, 1 and 2 below will apply.

1. The amount payable will exclude the amount of Dependents Life Insurance which is subject to this suicide exclusion and which has not been continuously in effect for at least 2 years on the date of death. In computing the 2-year period, we will include time insured under the Prior Plan.

2. We will refund all premiums paid for Dependents Life Insurance which is excluded from payment under this suicide exclusion which we determine are attributable to that Dependent.

*(Ll.DSUI.296)*

#### E. Definitions For Dependents Life Insurance

Dependent means your Spouse or Child. Dependent does not include a person who is a full-time member of the armed forces of any country.

#### F. Becoming Insured For Dependents Life Insurance

##### 1. Eligibility

You become eligible to insure your Dependents on the later of:

- a. The date you become eligible for Life Insurance; and
- b. The date you first acquire a Dependent.

A Member may be insured as both a Member and a Dependent. A Child may be insured by more than one Member.

##### 2. Effective Date

You must apply in writing for Dependents Life Insurance and agree to pay premiums. You may apply for Dependents Life Insurance within 30 days following the date you become eligible for Dependents Life Insurance, within 30 days of a Qualified Status Change or during an Annual Enrollment Period.

Subject to the **Active Work Provisions**, your Dependents Life Insurance becomes effective as follows:

##### a. Dependents Life Insurance subject to Evidence Of Insurability

Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the later of the date you become insured for Basic Life Insurance and the following applicable date:

- (i) The later of the first day of the calendar month following the date your application is received by your Employer and the first day of the calendar month following the date we approve the Dependent's Evidence Of Insurability, if you apply within 30 days after you become eligible for Dependents Life Insurance.
- (ii) The latest of the first day of the calendar month following the date your application is received by your Employer, the date of the Qualified Status Change, and the first day of the calendar month following the date we approve the Dependent's Evidence Of Insurability, if you apply within 30 days of a Qualified Status Change.
- (iii) The later of the beginning of the next plan year following the date you apply, and the first day of the calendar month following the date we approve the Dependent's Evidence Of Insurability, if you apply during an Annual Enrollment Period.

##### b. Dependents Life Insurance *not* subject to Evidence Of Insurability

Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on the later of the date you become insured for Basic Life Insurance and the following applicable date:

- (i) The first day of the calendar month following the date your application is received by your Employer, if you apply within 30 days after you become eligible for Dependents Life Insurance.

(ii) The later of the first day of the calendar month following the date your application is received by your Employer or the date of the Qualified Status Change, if you apply within 30 days of a Qualified Status Change.

(iii) The beginning of the next plan year following the date you apply, if you apply during an Annual Enrollment Period.

c. While your Basic Dependents Life Insurance is in effect, each new Dependent becomes insured immediately.

d. Takeover Provision

Each Dependent who was eligible under the Prior Plan for more than 30 days but was not insured must submit satisfactory Evidence Of Insurability to become insured for Dependents Life Insurance.

#### G. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

1. Five months after you die (no premiums will be charged for your Dependents Life Insurance during this time);
2. The date your Life Insurance ends;
3. The date the Group Policy terminates, or the date Dependents Life Insurance terminates under the Group Policy;
4. The date the last period ends for which you made a premium contribution, if your Dependents Life Insurance is Contributory;
5. For your Spouse, the last day of the calendar month in which you are divorced, or the date of termination of your Domestic Partner relationship;
6. For any Dependent, the last day of the calendar month in which the Dependent ceases to be a Dependent; and
7. For a Child who is disabled, 90 days after you receive a request for proof of disability, if proof is not given.

*(LI.DEP.296)*

(SP & CH\_DOM\_SUIC ALL\_FAM STAT\_ANNUAL ENROL) LI.DL.OR.4X

### ACTIVE WORK PROVISIONS

If you are incapable of Active Work because of Sickness, Injury or Pregnancy on the day before the scheduled effective date of your insurance or an increase in your insurance, your insurance or increase will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing the material duties of your own occupation at your Employer's usual place of business. You will also meet the Active Work requirement if:

1. You were absent from Active Work because of a regularly scheduled day off, holiday, or vacation day;
2. You were Actively At Work on your last scheduled work day before the date of your absence; and
3. You were capable of Active Work on the day before the scheduled effective date of your insurance or increase in your insurance.

LI.AW.OT.1

## PORTABILITY OF INSURANCE

### A. Portability Of Insurance

You may continue your Insurance if your employment with your Employer terminates, subject to the following:

1. You must be able to perform with reasonable continuity the material duties of at least one gainful occupation for which you are reasonably fitted by education, training and experience on the date your employment terminates.
2. Termination of your employment is not due to retirement.
3. Insurance continued under Waiver Of Premium may not be continued under this provision.
4. Insurance means your Optional Employee Life Insurance and Optional Dependents Life Insurance.

In the event of your death, your Spouse may continue Optional Dependents Life Insurance.

### B. Application And Premium Payment

To continue Insurance under this provision you must apply in writing and pay the first Portability Premium to us within 60 days after the date your employment terminates.

### C. Amount Of Insurance

The amount you may continue is the amount in effect on the date your employment terminates. You may continue any lesser amount for you and your Spouse in multiples of \$20,000.

The amount of Insurance you continue under this provision cannot be increased.

The amount of your Insurance will be reduced or terminated according to the terms of the Group Policy in effect on the date your employment terminates.

### D. When Insurance Ends

Insurance continued under this provision ends automatically on the earliest of:

1. The date the last period ends for which you made a premium contribution.
2. The date you become a full-time member of the armed forces of any country.
3. For your Spouse, the date of your divorce, unless coverage is required under the terms of a court-ordered separation, or termination of your Domestic Partner relationship.
4. The date you become insured as a Member under the Group Policy.
5. For your Spouse, the date you become insured as a Member under the Group Policy.
6. The date coverage would otherwise end under the Group Policy.

### E. Group Policy Provisions

Except as provided above, Insurance continued under this provision is subject to all other terms of the Group Policy. With respect to any notice you are required to provide to the Policyholder or your Employer under other provisions of the Group Policy, such notice must be provided to us while your Insurance is continued.

*(LI.PORT.296)*

LI.PY.OR.2X



## WAIVER OF PREMIUM

### A. Waiver Of Premium Benefit

Insurance will be continued without payment of premiums while you are Totally Disabled if:

1. You become Totally Disabled while insured under the Group Policy and under age 60;
2. You complete your Waiting Period; and
3. You give us satisfactory Proof Of Loss.

We may have you examined at our expense at reasonable intervals. Any such examination will be conducted by specialists of our choice.

### B. Definitions For Waiver Of Premium

1. Insurance means your Life Insurance and Dependents Life Insurance under the Group Policy, but not including insurance continued under the Portability Of Insurance provision.
2. Totally Disabled means that, as a result of Sickness, accidental Injury, or Pregnancy, you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonably fitted by education, training and experience.
3. Waiting Period means the 180 consecutive day period beginning on the date you become Totally Disabled. Waiver Of Premium begins when you complete the Waiting Period.

### C. Premium Payment

Premium payment must continue until the later of:

1. The date you complete your Waiting Period; and
2. The date we approve your claim for Waiver Of Premium.

### D. Refund Of Premiums

We will refund up to 12 months of the premiums that were paid for Insurance after the date you become Totally Disabled.

### E. Amount Of Insurance

The amount of Insurance eligible for Waiver Of Premium is the amount in effect on the day before you become Totally Disabled. However, the following will apply:

1. If you become insured under a group life insurance plan that replaces the Group Policy while you are eligible for Waiver Of Premium, any death benefit payable under the Group Policy will be reduced by the amount payable under the replacement group life insurance plan.
2. If you receive an Accelerated Benefit, Insurance will be reduced according to the **Accelerated Benefit** provision.

*(LI.WAIVER.300)*

### F. Effect Of Death During The Waiting Period

If you die during the Waiting Period and are otherwise eligible for Waiver Of Premium, the Waiting Period will be waived.

### G. Termination Or Amendment Of The Group Policy

Insurance will not be affected by termination or amendment of the Group Policy after you become Totally Disabled.

### H. When Waiver Of Premium Ends

Waiver Of Premium ends on the earliest of:

1. The date you cease to be Totally Disabled;
2. 90 days after the date we mail you a request for additional Proof Of Loss, if it is not given;
3. The date you fail to attend an examination or cooperate with the examiner; and
4. With respect to the amount of Insurance which an insured has converted, the effective date of the individual life insurance policy issued to the insured.

*(LI.WAIVER.899)*

(ELIG 60\_NO RED) LI.WP.OR.2X

## ACCELERATED BENEFIT

### A. Accelerated Benefit

If you give us satisfactory proof of having a Qualifying Medical Condition while you are insured under the Group Policy, you may have the right to receive during your lifetime a portion of your Insurance as an Accelerated Benefit. You must have at least \$10,000 of Insurance in effect to be eligible.

If your Insurance is scheduled to end within 24 months following the date you apply for the Accelerated Benefit, you will not be eligible for the Accelerated Benefit.

Qualifying Medical Condition means you are terminally ill as a result of an illness or physical condition which is reasonably expected to result in death within 12 months.

We may have you examined at our expense in connection with your claim for an Accelerated Benefit. Any such examination will be conducted by one or more Physicians of our choice.

### B. Application For Accelerated Benefit

You must apply for an Accelerated Benefit. To apply you must give us satisfactory Proof Of Loss on our forms. Proof Of Loss must include a statement from a Physician that you have a Qualifying Medical Condition.

### C. Amount Of Accelerated Benefit

You may receive an Accelerated Benefit of up to 75% of your Insurance. The maximum Accelerated Benefit is \$450,000. The minimum Accelerated Benefit is \$5,000 or 10% of your Insurance, whichever is greater.

If the amount of your Insurance is scheduled to reduce within 24 months following the date you apply for the Accelerated Benefit, your Accelerated Benefit will be based on the reduced amount.

The Accelerated Benefit will be paid to you once in your lifetime in a lump sum. If you recover from your Qualifying Medical Condition after receiving an Accelerated Benefit, we will not ask you for a refund.

### D. Effect On Insurance And Other Benefits

For any purpose other than premium payment, the amount of your Insurance after payment of the Accelerated Benefit will be the greater of the amounts in (1) and (2) below; however, if you assign your rights under the Group Policy, the amount of your Insurance will be the amount in (2) below.

- (1) 10% of the amount of your Insurance as if no Accelerated Benefit had been paid; or

(2) The amount of your Insurance as if no Accelerated Benefit had been paid; minus  
The amount of the Accelerated Benefit; minus  
An interest charge calculated as follows:

A times B times C divided by 365 = interest charge.

A = The amount of the Accelerated Benefit.

B = The monthly average of our variable policy loan interest rate.

C = The number of days from payment of the Accelerated Benefit to the earlier of (1) the date you die, and (2) the date you have a Right To Convert.

Note: If you assign your rights under the Group Policy, the amount of your Insurance after payment of the Accelerated Benefit will be the amount in (2) above.

#### E. Exclusions

No Accelerated Benefit will be paid if:

1. All or part of your Insurance must be paid to your Child(ren), or your Spouse or former Spouse as part of a court approved divorce decree, separate maintenance agreement, or property settlement agreement.
2. You are married and live in a community property state unless you give us a signed written consent from your Spouse.
3. You have made an assignment of all or part of your Insurance unless you give us a signed written consent from the assignee.
4. You have filed for bankruptcy, unless you give us written approval from the Bankruptcy Court for payment of the Accelerated Benefit.
5. You are required by a government agency to use the Accelerated Benefit to apply for, receive, or continue a government benefit or entitlement.
6. You have previously received an Accelerated Benefit under the Group Policy.

#### F. Definitions For Accelerated Benefit

Insurance means your Basic Life Insurance, Optional Employee Life Insurance and Optional Dependents Life Insurance, if any, under the Group Policy, but not including insurance continued under the Portability Of Insurance provision.

You and your mean the Member or the Spouse.

*(LI.AB.899)*

**LI.AB.OR.5X**

## **RIGHT TO CONVERT**

#### A. Right To Convert

You may buy an individual policy of life insurance without Evidence Of Insurability if:

1. Your Insurance ends or is reduced due to a Qualifying Event; and
2. You apply in writing and pay us the first premium during the Conversion Period.

Except as limited under C. Limits On Right To Convert, the maximum amount you have a Right To Convert is the amount of your Insurance which ended.

#### B. Definitions For Right To Convert

1. Conversion Period means the 60-day period after the date of any Qualifying Event.
2. Insurance means your Life Insurance and Dependents Life Insurance under the Group Policy, including insurance continued under Waiver Of Premium.
3. Qualifying Event means termination or reduction of your Insurance for any reason except:
  - a. The Member's failure to make a required premium contribution.
  - b. Payment of an Accelerated Benefit.
4. You and your mean any person insured under the Group Policy.

C. Limits On Right To Convert

If your Insurance ends or is reduced because of termination or amendment of the Group Policy, 1 and 2 below will apply.

1. You may not convert Insurance which has been in effect for less than the Minimum Time Insured. See **Coverage Features**.
2. The maximum amount you have a Right To Convert is the lesser of:
  - a. The amount of your Insurance which ended, minus any other group life insurance for which you become eligible during the Conversion Period; and
  - b. The Maximum Conversion Amount. See **Coverage Features**.

D. The Individual Policy

You may select any form of individual life insurance policy we issue to persons of your age, except:

1. A term insurance policy;
2. A universal life policy;
3. A policy with disability, accidental death, or other additional benefits; or
4. A policy in an amount less than the minimum amount we issue for the form of life insurance you select.

The individual policy of life insurance will become effective on the day after the end of the Conversion Period. We will use our published rates for standard risks to determine the premium.

E. Death During The Conversion Period

If you die during the Conversion Period, we will pay a death benefit equal to the maximum amount you had a Right To Convert, whether or not you applied for an individual policy. The benefit will be paid according to the **Benefit Payment And Beneficiary Provisions**.

LI.RC.OT.IX

## CLAIMS

A. Filing A Claim

Claims should be filed on our forms. If we do not provide our forms within 15 days after they are requested, the claim may be submitted in a letter to us.

B. Time Limits On Filing Proof Of Loss

Proof Of Loss must be provided within 90 days after the date of the loss. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period.

Proof Of Loss for Waiver Of Premium must be provided within 12 months after the end of the Waiting Period. We will require further Proof Of Loss at reasonable intervals, but not more often than once a year after you have been continuously Totally Disabled for two years.

If Proof Of Loss is filed outside these time limits, the claim will be denied. These limits will not apply while the Member or Beneficiary lacks legal capacity.

#### C. Proof Of Loss

Proof Of Loss means written proof that a loss occurred:

1. For which the Group Policy provides benefits;
2. Which is not subject to any exclusions; and
3. Which meets all other conditions for benefits.

Proof Of Loss includes any other information we may reasonably require in support of a claim. Proof Of Loss must be in writing and must be provided at the expense of the claimant. No benefits will be provided until we receive Proof Of Loss satisfactory to us.

#### D. Investigation Of Claim

We may have you examined at our expense at reasonable intervals. Any such examination will be conducted by specialists of our choice.

We may have an autopsy performed at our expense, except where prohibited by law.

#### E. Time Of Payment

We will pay benefits within 60 days after Proof Of Loss is satisfied.

#### F. Notice Of Decision On Claim

We will evaluate a claim for benefits promptly after we receive it, and within 30 days after receipt of your claim, we will send written notification we have received it. With respect to all claims except Waiver Of Premium claims (or other benefits based on disability), within 90 days after we receive the claim we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for an additional 90 days. We will render a written decision or request an extension no later than 30 days after our receipt of Proof Of Loss.

With respect to Waiver Of Premium claims (or other benefits based on disability), we will evaluate a claim for benefits promptly after we receive it, and within 30 days after receipt of your claim we will send written notification we have received it. Within 45 days after we receive the claim, we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for 30 days. We will render a written decision or request an extension no later than 30 days after our receipt of Proof Of Loss.

Before the end of this extension period we will send the claimant: (a) a written decision on the Waiver Of Premium claim (or other benefits based on disability); or (b) a notice that we are extending the period to decide the claim for an additional 30 days. If an extension is due to the claimant's failure to provide information necessary to decide the Waiver Of Premium claim (or other benefits based on disability), the extended time period for deciding the claim will not begin until the claimant provides the information or otherwise responds.

If we extend the period to decide the claim, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

If we request additional information, the claimant will have 45 days to provide the information. If the claimant does not provide the requested information within 45 days, we may decide the claim based on the information we have received.

If we deny any part of the claim, we will send the claimant a written notice of denial containing:

1. The reasons for our decision.
2. Reference to the parts of the Group Policy on which our decision is based.
3. A description of any additional information needed to support the claim.
4. Information concerning the claimant's right to a review of our decision.

#### G. Review Procedure

If all or part of a claim is denied, the claimant may request a review. The claimant must request a review in writing:

1. Within 180 days after receiving notice of the denial of a claim for Waiver Of Premium (or other benefits based on disability);
2. Within 60 days after receiving notice of the denial of any other claim.

The claimant may send us written comments or other items to support the claim. The claimant may review and receive copies of any non-privileged information that is relevant to the request for review. There will be no charge for such copies. Our review will include any written comments or other items the claimant submits to support the claim.

We will review the claim promptly after we receive the request. With respect to all claims except Waiver Of Premium claims (or other benefits based on disability), within 60 days after we receive the request for review we will send the claimant: (a) a written decision on review; or (b) a notice that we are extending the review period for 60 days.

With respect to Waiver Of Premium claims (or other benefits based on disability), within 45 days after we receive the request for review, we will send the claimant: (a) a written decision on review; or (b) a notice that we are extending the review period for 45 days.

If an extension is due to the claimant's failure to provide information necessary to decide the claim on review, the extended time period for review of the claim will not begin until the claimant provides the information or otherwise responds.

If we extend the review period, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim on review; and (c) any additional information we need to decide the claim.

If we request additional information, the claimant will have 45 days to provide the information. If the claimant does not provide the requested information within 45 days, we may conclude our review of the claim based on the information we have received.

With respect to Waiver Of Premium claims (or other benefits based on disability), the person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgement and will not be subordinate to that person. The claimant may request the names of medical or vocational experts who provided advice to us about a claim for Waiver Of Premium (or other benefits based on disability).

If we deny any part of the claim on review, the claimant will receive a written notice of denial containing:

1. The reasons for our decision.
2. Reference to the parts of the Group Policy on which our decision is based.
3. Information concerning the claimant's right to receive, free of charge, copies of non-privileged documents and records relevant to the claim.

## ASSIGNMENT

If the amount of your Life Insurance is less than \$25,000, you may not make an assignment.

If the amount of your Life Insurance is \$25,000 or more, you may make an absolute assignment of all your Life Insurance, subject to 1 through 8 below.

1. All insurance under the Group Policy, except Dependents Life Insurance, is assignable.
2. You may not make a collateral assignment.
3. The assignment must be absolute and irrevocable. It must transfer all rights, including:
  - a. The right to change the Beneficiary;
  - b. The right to buy an individual life insurance policy on your life under **Right To Convert**; and
  - c. The right to apply for and receive an Accelerated Benefit.
4. The assignment will apply to all of your Life Insurance in effect on the date of the assignment or becoming effective after that date.
5. The assignment may be to any person permitted by law.
6. The assignment will have no effect unless it is: made in writing, signed by you, and delivered to the Policyholder or Employer in your lifetime. Neither we, the Policyholder, nor the Employer are responsible for the validity, sufficiency or effect of the assignment.
7. All death benefits will be paid according to the beneficiary designation on file with the Policyholder or Employer, and the **Benefit Payment And Beneficiary Provisions**.
8. The assignment will not change the Beneficiary, unless the assignee later changes the Beneficiary. Any payment we make according to the beneficiary designation on file with the Policyholder or Employer, and the **Benefit Payment And Beneficiary Provisions** will fully discharge us to the extent of the payment.

You may not make an assignment which is contrary to the rules in 1 through 8 above.

(ALLOWED) LI.AS.OT.2X

## BENEFIT PAYMENT AND BENEFICIARY PROVISIONS

### A. Payment Of Benefits

1. Except as provided in items 4 and 5 below, benefits payable because of your death will be paid to the Beneficiary you name. See B through E of this section.
2. The benefits below will be paid to you if you are living.
  - a. Dependents Life Insurance benefits.
  - b. Accelerated Benefits.
3. Dependents Life Insurance benefits payable because of the death of your Dependent which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.
  - a. Your Spouse.
  - b. Your children.
  - c. Your parents.
  - d. Your estate.

4. The Repatriation Benefit will be paid to the person who incurs the transportation expenses.
5. If the Beneficiary has made an assignment of all or part of the benefit to a mortuary or funeral home (assignee), we will make a check for that portion of the benefit jointly payable to the Beneficiary and the assignee. The amount paid by us under the assignment will in no event exceed the amount due to the Beneficiary. The check will be sent to the assignee.

#### B. Naming A Beneficiary

Beneficiary means a person you name to receive death benefits. You may name one or more Beneficiaries.

If you name two or more Beneficiaries in a class:

1. Two or more surviving Beneficiaries will share equally, unless you provide for unequal shares.
2. If you provide for unequal shares in a class, and two or more Beneficiaries in that class survive, we will pay each surviving Beneficiary his or her designated share. Unless you provide otherwise, we will then pay the share(s) otherwise due to any deceased Beneficiary(ies) to the surviving Beneficiaries pro rata based on the relationship that the designated percentage or fractional share of each surviving Beneficiary bears to the total shares of all surviving Beneficiaries.
3. If only one Beneficiary in a class survives, we will pay the total death benefits to that Beneficiary.

You may name or change Beneficiaries at any time without the consent of a Beneficiary.

You may name or change Beneficiaries in writing. Writing includes a form signed by you; or a verification from us, or our designated agent, the Policyholder, the Policyholder's designated agent, the Employer, or the Employer's designated agent of an electronic or telephonic designation made by you.

Your designation:

1. Must be dated;
2. Must be delivered to us, our designated agent, the Policyholder, the Policyholder's designated agent, the Employer, or the Employer's designated agent; during your lifetime.
3. Must relate to the insurance provided under the Group Policy; and
4. Will take effect on the date it is delivered or, if a telephonic or electronic designation, verified by us, our designated agent, the Policyholder, the Policyholder's designated agent, the Employer, or the Employer's designated agent.

If we approve it, a designation, which meets the requirements of a Prior Plan, will be accepted as your Beneficiary designation under the Group Policy.

#### C. Simultaneous Death Provision

If a Beneficiary or a person in one of the classes listed in item D. No Surviving Beneficiary dies on the same day you die, or within 15 days thereafter, benefits will be paid as if that Beneficiary or person had died before you, unless Proof Of Loss with respect to your death is delivered to us before the date of the Beneficiary's death.

#### D. No Surviving Beneficiary

If you do not name a Beneficiary, or if you are not survived by one, benefits will be paid in equal shares to the first surviving class of the classes below.

1. Your Spouse. (See **Definitions**)
2. Your children.



3. Your parents.
4. Your estate.

E. Methods Of Payment

Recipient means a person who is entitled to benefits under this **Benefit Payment and Beneficiary Provisions** section.

1. Lump Sum

If the amount payable to a Recipient is less than \$10,000, we will pay it in a lump sum.

2. Standard Secure Access Checking Account

If the amount payable to a Recipient is \$10,000, or more, we will deposit it into a Standard Secure Access checking account which:

- a. Bears interest at a rate equal to the 13-week Treasury Bill (T-Bill) auction rate, but not to exceed 5%;
- b. Is owned by the Recipient;
- c. Is subject to the terms and conditions of a confirmation certificate which will be given to the Recipient; and
- d. Is fully guaranteed by us.

3. Installments

Payment to a Recipient may be made in installments if:

- a. The amount payable is \$10,000 or more;
- b. The Recipient chooses; and
- c. We agree.

To the extent permitted by law, the amount payable to the Recipient will not be subject to any legal process or to the claims of any creditor or creditor's representative.

(NO\_FB\_REPAT\_ELECT/TEL DESIG\_WITH DEF SP\_WITH REV SSA\_SPOUSE DEF TERM\_THIRD PARTY DESIG) LI.BB.OT.6X

### TIME LIMITS ON LEGAL ACTIONS

No action at law or in equity may be brought until 60 days after we have been given Proof Of Loss. No such action may be brought more than three years after the earlier of:

1. The date we receive Proof Of Loss; and
2. The time within which Proof Of Loss is required to be given.

LI.TL.OT.1

### INCONTESTABILITY PROVISIONS

A. Incontestability Of Insurance

Any statement made to obtain or to increase insurance is a representation and not a warranty.

No misrepresentation will be used to reduce or deny a claim unless:

1. The insurance would not have been approved if we had known the truth; and
2. We have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

We will not use a misrepresentation to reduce or deny a claim after the insured's insurance has been in effect for two years during the lifetime of the insured.

**B. Incontestability Of Group Policy**

Any statement made by the Policyholder or Employer to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or Employer will be used to deny a claim or to deny the validity of the Group Policy unless:

1. The Group Policy would not have been issued if we had known the truth; and
2. We have given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums.

**LI.IN.OT.2**

## **CLERICAL ERROR AND MISSTATEMENT**

**A. Clerical Error**

Clerical error by the Policyholder, your Employer, or their respective employees or representatives will not:

1. Cause a person to become insured;
2. Invalidate insurance under the Group Policy otherwise validly in force; or
3. Continue insurance under the Group Policy otherwise validly terminated.

**B. The Policyholder and your Employer act on their own behalf and on your behalf, and not as our agent.**

**C. Misstatement Of Age**

If a person's age has been misstated, we will make an equitable adjustment of premiums, benefits, or both. The adjustment will be based on:

1. The amount of insurance based on the correct age; and
2. The difference between the premiums paid and the premiums which would have been paid if the age had been correctly stated.

**D. Misstatement Of Tobacco Use**

If a person's use of tobacco has been misstated, we have the rights in 1 and 2 below:

1. The right to rescind that person's insurance subject to **Incontestability Provisions**. We will return the premium paid for that person's insurance.
2. The right to make an equitable adjustment of premiums, benefits, or both. The adjustment will be based on:
  - a. The amount of insurance based on the correct tobacco use status; and
  - b. The difference between the premiums paid and the premiums which would have been paid if the tobacco use status had been correctly stated.

**LI.CE.OT.2X**

## TERMINATION OR AMENDMENT OF THE GROUP POLICY

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium. The Policyholder may terminate the Group Policy in whole and may terminate insurance for any class or group of Members, at any time by giving us written notice.

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern. The Policyholder, your Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy. If the Policyholder does not approve a change in the Group Policy within ten (10) business days of being notified of a change in the Group Policy due to a change in law or regulation, the Group Policy will terminate automatically on the next Premium Due Date. Other changes to the Group Policy in whole or in part may be made by mutual agreement between the Policyholder and us.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups thereof.

LI.TA.OT.IX

## DEFINITIONS

Annual Enrollment Period means the period designated each year by the Policyholder when you may change insurance elections.

Annual Earnings means your annual rate of earnings from your Employer.

Your Annual Earnings will be based on your earnings in effect on your last full day of Active Work. Annual Earnings includes:

1. Contributions you make through a salary reduction agreement with your Employer to:
  - a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), or 457 deferred compensation arrangement; or
  - b. An executive nonqualified deferred compensation arrangement.
2. Grant assistance wages.
3. Stipends.
4. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Annual Earnings does not include:

1. Bonuses.
2. Overtime pay.
3. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
4. Your State Paid Benefit Dollars in excess of your premiums for medical insurance, dental insurance and the first \$50,000 of group life insurance.
5. Any other extra compensation.

If you are paid hourly, your annual rate of earnings is 12 times your hourly pay rate multiplied by the average number of hours you worked per month during the preceding 3 calendar months (or during your period of employment if less than 3 months), but not more than 173 hours per month.

Child means any child who meets the terms of eligibility outlined in the PEBB Administrative Rules. It is intended that the Child of a Domestic Partner be entitled to the same benefits under this Group Policy as the Child of a Member or the Member's spouse.

Contributory means you pay all or part of the premium for insurance.

Dependents Life Insurance means dependents life insurance, if any, under the Group Policy.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance. See **Coverage Features**.

Evidence Of Insurability means an applicant must:

1. Complete and sign our medical history statement;
2. Sign our form authorizing us to obtain information about the applicant's health;
3. Undergo a physical examination, if required by us, which may include blood testing; and
4. Provide any additional information about the applicant's insurability that we may reasonably require.

Group Policy means the group life insurance policy issued by us to the Policyholder and identified by the Group Policy Number.

Injury means an injury to your body.

Life Insurance means life insurance under the Group Policy.

Noncontributory means the Policyholder or Employer pays the entire premium for insurance.

Physician means a licensed M.D. or D.O., acting within the scope of the license. Physician does not include you or your Spouse, or the brother, sister, parent or child of either you or your Spouse.

Pregnancy means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

Prior Plan means your Employer's group life insurance plan in effect on the day before the effective date of your Employer's coverage under the Group Policy and which is replaced by the Group Policy.

Qualified Status Change means qualified change in status, as defined by the Policyholder.

Sickness means your sickness, illness, or disease.

Spouse means:

1. A person to whom you are legally married; or
2. Your Domestic Partner. Domestic Partner means a person:
  - a. With whom you have a Certificate of Registered Domestic Partnership;
  - b. With whom you have completed an affidavit of domestic partnership that meets the criteria set forth in the Policyholder's rules, and you have submitted that affidavit to the Employer; or
  - c. Recognized as your domestic partner under applicable law.

For purposes of insurance under the Group Policy, Spouse does not include a person who is a full-time member of the armed forces of any country or a person from whom you are divorced or from whom you have terminated a Domestic Partner relationship.

(BASE\_NO STOCK\_DOM ENHNCD) LI.DF.OR.5X

ALIC99X