

# Standard Insurance Company

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

## Certificate: Group Life Insurance

Policyholder:	City of Seattle
Policy Number:	608217-D
Effective Date:	October 1, 1996

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.



President



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# Index of Defined Terms

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# 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.

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## General Policy Information

Group Policy Number:	608217-D
Type of Insurance Provided:	
Life Insurance:	Yes
Dependents Life Insurance:	Yes
Policyholder:	City of Seattle
Employer(s):	City of Seattle Seattle Housing Authority
Group Policy Effective Date:	October 1, 1996
Policy Issued In:	Washington

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## 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 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 one of the following: <ol style="list-style-type: none"><li>1. An active regularly appointed full-time or part-time employee of the Employer, regularly working at least 20 hours each week or 80 hours each calendar month*.</li><li>2. An active temporary employee in a benefits-eligible assignment regularly working at least 80 hours each calendar month.</li><li>3. An active employee of Seattle Public Library with a regular appointment for and on regular pay status at least 20 hours each week.</li></ol>
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You are not a Member if you are:

1. A temporary employee other than one described in 2. above.
2. A seasonal employee.
3. A full time member of the armed forces of any country.

\*This hourly requirement does not apply to a Member who ceases to work the required minimum number of hours due to an Employer-initiated temporary reduction in hours or furlough, provided the temporary reduction in hours or furlough begins on or after January 1, 2009, ends not later than December 31, 2014, and has a defined return to work date.

Annual Earnings during a temporary layoff or furlough will be based on the Annual Earnings in effect on the last full day of Active Work preceding the Member's temporary layoff or furlough.

Class Definition:

None

Eligibility Waiting Period:

You are eligible on the first day as a Member if that date is the first calendar day of the month designated/recognized as a business day for the City of Seattle, or as the first working day for the shift to which you are assigned, whichever is later.

If you become a Member after the above date, you are eligible on the first day of the following calendar month.

Evidence Of Insurability:

Required:

- a. For late application for Contributory insurance. This requirement will not apply to late application for Dependents Life Insurance for a Child.
- b. For Plan 1 Life Insurance in excess of \$10,000 if your evidence of insurability was disapproved (a) during the 1990 enrollment, or (b) during the enrollment for 1996 coverage.
- c. For Plan 2 Life Insurance which, when added to the amount of Plan 1 Life Insurance, exceeds \$1,000,000.
- d. For increases in Plan 2 Life Insurance due to a change in your selection of amounts. This requirement will not apply if you are insured for the maximum amount and you apply within 31 days after a change in your Annual Earnings.
- e. For Dependent Life Insurance in excess of \$50,000.
- f. For increases in Dependent Life Insurance for your Spouse due to a change in your selection of amounts.
- g. For reinstatements if required.

- h. For Members eligible but not insured under the Prior Plan.
  - i. For changing your insurance under Plan 1 from Option B to Option A.
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## Premium Contributions

Life Insurance:	Contributory
Dependents Life Insurance:	Contributory

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## Schedule Of Insurance

### Life Insurance:

#### Plan 1:

You may apply for Option A or Option B as follows:

Option A: Your Annual Earnings rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000, times 1.5.

Option B: Your Annual Earnings rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000, times 1.5. The maximum amount is \$50,000.

#### Plan 2:

Note: Members who are temporary employees are not eligible for Plan 2.

If you are insured for Plan 1, you may apply for any multiple of \$5,000, subject to a maximum amount of 4 times your Annual Earnings (rounded to the next lower multiple of \$5,000, if not already a multiple of \$5,000).

The amount of your Plan 1 Life Insurance plus the amount of your Plan 2 Life Insurance, if any, is subject to a maximum amount of \$2,500,000.

### Dependents Life Insurance:

Spouse: You may apply for any multiple of \$5,000 up to 50% of the amount of your Plan 2 Life Insurance.

Child: You may apply for one of the following Options:

Option 1: \$ 2,000

Option 2: 5,000

Option 3: 10,000

The amount of Dependents Life Insurance for your Spouse or Child Dependent may not exceed 50% of the amount of your Plan 2 Life Insurance.

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## Reductions In Insurance

Your insurance is not subject to reductions due to age.

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### Other Provisions

Waiver Of Premium:	No
Limits on Right To Convert if Group Policy terminates or is amended:	
Minimum Time Insured:	5 years
Maximum Conversion Amount:	\$2,000
Leave Of Absence Provision (See <b>Life Insurance</b> ):	Insurance may be continued during a sabbatical leave of absence scheduled to last 12 months or less.  Insurance may be continued during any other leave of absence scheduled to last 6 months or less.
Layoff Provision:	Insurance may be continued during a layoff for 6 months or less.
Continuity of Coverage:	Yes
Strike Continuation:	Yes. The Strike Continuation premium percentage is 100% of the Premium Rate.
Annual Earnings based on:	Earnings in effect on your last full day of Active Work.

# 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 satisfactory Proof Of Loss.

## B. Amount Of Life Insurance

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

## C. Changes In Life Insurance

Subject to 1 and 2 below, a change in your Life Insurance will become effective on the first day of the calendar month coinciding with or next following the date of change in classification, age, Annual Earnings, or other factor shown in the **Coverage Features**.

1. All increases in your Life Insurance are subject to the **Active Work Provisions**.
2. Insurance which requires Evidence Of Insurability as shown in the **Coverage Features** will become effective on the date we approve your Evidence Of Insurability.

## D. When Life Insurance Becomes Effective

The **Coverage Features** states whether your Life Insurance is Contributory or Noncontributory.

### 1. Noncontributory Life Insurance

Subject to the **Active Work Provisions**, your Noncontributory Life Insurance becomes effective on the date you become eligible.

### 2. Contributory Life Insurance

You must apply in writing for Contributory Life Insurance and agree to pay premiums. Subject to the **Active Work Provisions**, your Life Insurance becomes effective on:

- a. The date you become eligible, if you apply on or before that date;
- b. The date you apply, if you apply within 31 days after you become eligible; or
- c. The date specified by the Employer as the effective date for applications received during the Employer's designated enrollment period, if you apply more than 31 days after you become eligible (late application).

### 3. Insurance Subject To Evidence Of Insurability

Subject to the **Active Work Provisions**, insurance subject to Evidence Of Insurability becomes effective on the date we approve Evidence Of Insurability.

#### 4. Takeover Provisions

- a. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.
- b. You must submit satisfactory Evidence Of Insurability to become insured for Life Insurance if you were eligible under the Prior Plan for more than 31 days but were not insured.

#### E. When Life Insurance Ends

Life Insurance ends automatically on the earlier of:

1. The date the Group Policy terminates; or
2. The last day of the calendar month for which you made a premium contribution by payroll deduction, but not later than 60 days after your employment terminates. However, if you cease to be a Member because you are working less than the required minimum number of hours, your Life Insurance may be continued if you pay premiums during the following periods, unless it ends under 1 above.
  - a. During your disability retirement under the Employer's retirement plan, but not beyond 6 consecutive months following the date your employer last contributed for your insurance.
  - b. During a layoff of 6 months or less.
  - c. 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.
  - d. During any other scheduled leave of absence approved by your Employer in advance and in writing and lasting the Leave Of Absence Period shown in the **Coverage Features**.

#### F. 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 if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
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 insurance ends because you are on a federal or state-mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state-mandated family or medical leave act or law.

LILF.121X

# 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 satisfactory Proof Of Loss.

## B. Amount Of Dependents Life Insurance

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

## C. Changes in Dependents Life Insurance

A change in your Dependents Life Insurance will become effective on the first day of the calendar month coinciding with or next following the date of change in factors shown in the **Coverage Features**. Insurance which requires Evidence of Insurability as shown in the **Coverage Features** will become effective on the date we approve your Dependent's Evidence of Insurability.

## D. Definitions for Dependents Life Insurance

Dependent means the Member's Spouse or Child. Dependent does not include a full-time member of the armed forces of any country.

Spouse means the person to whom you are legally married and from whom you are not legally separated, or your domestic partner designated in the Affidavit of Marriage/Domestic Partnership on file with the Employer.

Child means your child or adopted child from live birth to age 26. Child includes the following, provided such person is eligible to be covered under the Employer's medical plan:

1. Your stepchild.
2. Your domestic partner's child.
3. A child for whom you have been awarded custody by a court of competent jurisdiction.
4. A child placed for adoption.

Disabled Child means your child who, on and after the date on which Dependents Life Insurance would end because of the child's age, is continuously:

1. Incapable of self-sustaining employment because of mental retardation or physical handicap; and
2. Chiefly dependent upon you for support and maintenance, or institutionalized because of mental retardation or physical handicap.

Disabled Child includes your child age 26 or over who:

- a. On the day before the effective date of your Employer's coverage under the Group Policy was insured under the Prior Plan; and
- b. On and after the effective date of your Employer's coverage under the Group Policy continuously meets the requirements of 1 and 2 above.

You must give us proof of Disabled Child status on our forms and within 31 days after a) the date on which insurance would otherwise end because of the Child's age or b) the effective date of your Employer's coverage under the Group Policy if your child is a Disabled Child on that date. At reasonable intervals thereafter, we may require further proof, and have your Disabled Child examined at our expense.

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

##### 1. Eligibility

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

- a. The date your Life Insurance becomes effective; and
- b. The date you first acquire a Dependent.

##### 2. Effective Date

The **Coverage Features** states whether your Dependents Life Insurance is Contributory or Noncontributory.

##### a. Noncontributory Dependents Life Insurance

Subject to the **Active Work Provisions**, Noncontributory Dependents Life Insurance becomes effective on the date you become eligible to insure your Dependents.

##### b. Contributory Dependents Life Insurance

You must apply in writing for Contributory Dependents Life Insurance and agree to pay premiums. Subject to the **Active Work Provisions**, your Dependents Life Insurance becomes effective on:

- i. The date you become eligible, if you apply on or before that date.
- ii. The date you apply, if you apply within 31 days after you become eligible.
- iii. For a Spouse, the date we approve your Spouse's Evidence Of Insurability, if you apply more than 31 days after you become eligible (late application).
- iv. For a Child, the date specified by the Employer as the effective date for applications received during the Employer's designated enrollment period, if you apply more than 31 days after you become eligible.

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

##### c. Dependents Life Insurance Subject To Evidence Of Insurability

Insurance subject to Evidence of Insurability becomes effective on the date we approve Evidence Of Insurability.

#### F. 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 for reasons other than your death;
3. The date the Group Policy terminates, unless: (a) your Dependents Life Insurance continues under 1. above; or (b) you qualify for Waiver Of Premium;
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 date of your divorce or legal separation;
6. For any Dependent, the date the Dependent ceases to be a Dependent; and
7. For a domestic partner and the domestic partner's child, the date the domestic partner relationship is dissolved.
8. For a Disabled Child, 90 days after we mail you a request for proof of Disabled Child status, if proof is not given.

LI.DL.01X

## 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, vacation day, or comp time;
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.02X

## Continuity Of Coverage

### A. Waiver Of Active Work Requirement

If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, you can become insured on the effective date of your Employer's coverage without meeting the Active Work requirement. See **Active Work Provisions**.

### B. Payment Of Benefit

The benefits payable before you meet the Active Work requirement will be:

1. The benefits which would have been payable under the terms of the Prior Plan if it had remained in force; reduced by
2. Any benefits payable under the Prior Plan.

LICC.01

## Strike Continuation

Insurance may be continued for up to 6 months while you are absent from Active Work because of a strike, lockout or other general work stoppage caused by a labor dispute. Rules 1 through 4 below will apply.

1. When your compensation is suspended or terminated because of a work stoppage, your Employer will immediately notify you in writing of your rights under this provision. Your Employer will mail the notice to you at your last address on record with the Employer.
2. You must pay the entire premium for your insurance, including the Employer's share, if any, to your Employer on or before each Premium Due Date.
3. The premiums for your insurance during the work stoppage will equal a percentage of the premium rate in effect on the date the work stoppage began (see **Coverage Features**). We may change premium rates during the work stoppage according to the terms of the Group Policy.
4. Insurance continued under this provision will end on the earliest of:
  - a. Any Premium Due Date if you fail to make the required premium contribution to your Employer on or before that date.
  - b. The date you have been absent from Active Work for 6 months.
  - c. On the date you begin full-time employment with another employer.
  - d. At our option, on any Premium Due Date if less than 75% of the Members eligible to continue insurance under this provision make the required premium payment to the Employer.

LISK.01

## Accelerated Benefit

### A. Accelerated Benefit

If you incur a Qualifying Medical Condition before age 60 and while you are insured under the Group Policy, we will pay an Accelerated Benefit to you according to the terms of the Group Policy after we receive satisfactory Proof Of Loss. You must have at least \$10,000 of Insurance in effect to be eligible.

Qualifying Medical Condition means you are terminally ill, with a life expectancy of less than 24 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 \$500,000. 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 because of age within 24 months following the date you apply for the Accelerated Benefit, your Accelerated Benefit will be based on the reduced amount.

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.

The Accelerated Benefit will be paid to you once in your lifetime. The Accelerated Benefit will be paid to you 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:

$A \text{ times } B \text{ times } C \text{ divided by } 365 = \text{interest charge.}$

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.

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 Life Insurance under the Group Policy.

Physician means a licensed M.D. or D.O., other than yourself, acting within the scope of the license.

G. Resolution Of Disputes Over A Qualifying Medical Condition

Pursuant to "The Washington Regulation on Accelerated Life Insurance Benefits" (WAC 284-26-600 through WAC 284-23-730), you may have the right to mediation or binding arbitration of any dispute over whether you have incurred a Qualifying Medical Condition.

LIAB.120X

## 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 during the Conversion Period and pay us the first premium by the applicable due date.

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 31-day period after the date of any Qualifying Event.
2. Insurance means all your insurance under the Group Policy.
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.

The time periods contained in the incontestability provision of the individual policy of life insurance will be credited with the last continuous period you were insured under the Group Policy.

### 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.25X

## 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.

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.

#### 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

The claimant will receive a written decision on a claim within a reasonable time after we receive the claim.

If the claimant does not receive our decision within 90 days after we receive the claim, the claimant will have an immediate right to request a review as if the claim had been denied.

If we deny any part of the claim, 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. A description of any additional information needed to support the claim; and
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 must request a review in writing within 60 days after receiving notice of the denial.

The claimant may send us written comments or other items to support the claim, and may review any nonprivileged information that relates to the request for review.

We will review the claim promptly after we receive the request. We will send notice of our decision within 60 days after we receive the request, or within 120 days if special circumstances require an extension. We will state the reasons for our decision and refer to the relevant parts of the Group Policy.

LI.CL.01X

# Assignment

The rights and benefits under the Group Policy cannot be assigned.

LIAS.01

## Benefit Payment And Beneficiary Provisions

### A. Payment Of Benefits

Benefits payable because of your death will be paid to the Beneficiary you name. See B through E of this section.

The benefits below will be paid to you if you are living.

1. Dependents Life Insurance benefits.
2. Accelerated Benefits.

Dependents Life Insurance benefits which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.

1. The children of the Dependent.
2. The parents of the Dependent.
3. The brothers and sisters of the Dependent.
4. Your estate.

### 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 must name or change Beneficiary in writing. Writing includes a form signed by you or a verification from the Policyholder or Employer of an electronic or telephonic designation made by you.

Your designation:

1. Must be dated;
2. Must be delivered to the Policyholder or Employer 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 to the Policyholder or Employer.

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 dies on the same day you die, or within 15 days thereafter, benefits will be paid as if that Beneficiary 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.
2. Your children.
3. Your parents.
4. Your brothers and sisters.
5. 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, or more than 10,000 and the Recipient chooses, 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 and the Recipient chooses, we will deposit it into a Standard Secure Access checking account which:

- a. Bears interest;
- 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.

LI.BB.09X

## **Allocation of Authority**

Except for those functions which the Group Policy specifically reserves to the Policyholder, we have full and exclusive authority to control and manage the Group Policy, to administer claims, and to interpret the Group Policy and resolve all questions arising in the administration, interpretation, and application of the Group Policy.

Our authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
3. The right to determine:
  - a. Eligibility for insurance;
  - b. Entitlement to benefits;
  - c. Amount of benefits payable;
  - d. Sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

LI.AL.01

## **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.01

# Incontestability Provisions

## A. Incontestability Of Insurance

Any statement made to obtain 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.

## 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.01

## Definitions

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 unless a different date applies (see **Coverage Features**). Annual Earnings includes:

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

However, with respect to Plan 1 Insurance for part-time Members, Annual Earnings means 2,088 times your hourly rate of pay.

Annual Earnings does not include:

1. Bonuses.
2. Commissions.
3. Overtime pay.
4. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
5. Any other extra compensation.

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.

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.

Sickness means your sickness, illness, or disease.

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