

STANDARD INSURANCE COMPANY

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

GROUP LIFE INSURANCE POLICY

Policyholder:	California Teachers Association
Group Policy Number:	503000-C
Group Policy Effective Date:	September 1, 2007

The consideration for this Group Policy is the application of the Policyholder and the payment of premiums as provided herein.

Subject to the **Policyholder Provisions** and the **Incontestability Provisions**, this Group Policy (a) is issued for the Initial Rate Guarantee Period shown in the **Coverage Features**, and (b) may be renewed for successive renewal periods by the payment of the premium set by us on each renewal date. The length of each renewal period will be set by us, but will not be less than 12 months.

For purposes of effective dates and ending dates under this Group Policy, all days begin and end at 12:00 midnight Standard Time at the Policyholder's address.

This policy includes an Accelerated Benefit and Qualified Disability Benefit. Death benefits will be reduced if an Accelerated Benefit or Qualified Disability 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. Receipt of the Qualified Disability Benefit may also be taxable. You should consult your personal tax and/or legal advisor before you apply for an Accelerated Benefit or Qualified Disability Benefit.

All provisions on this and the following pages are part of this Group Policy. "You" and "your" mean the Participant. "We", "us", and "our" mean Standard Insurance Company. Other defined terms appear with their initial letters capitalized, and where they are defined, appear in boldface type. Additionally, section headings, and references to them, appear in boldface type.

STANDARD INSURANCE COMPANY

By



President



Secretary

EXHIBIT A

Attached to and made a part of Group Policy 503000-C issued to
California Teachers Association as Policyholder.

Premium Rates:

Active Participants

Basic Life and AD&D:

Monthly, Ninthly, Tenthly and Eleventhly Rate per insured Participant for Basic Life and Basic AD&D Insurance (combined Basic Life and Basic AD&D)								
	Plan N	Plan O	Plan P	Plan Q	Plan R	Plan S	Plan T	Plan U
Monthly	\$.80	\$1.60	\$2.40	\$3.20	\$4.00	\$4.80	\$6.40	\$8.00
Ninthly	\$1.07	\$2.13	\$3.20	\$4.27	\$5.33	\$6.40	\$8.53	\$10.67
Tenthly	\$.96	\$1.92	\$2.88	\$3.84	\$4.80	\$5.76	\$7.68	\$9.60
Eleventhly	\$0.87	\$1.75	\$2.62	\$3.49	\$4.36	\$5.24	\$6.98	\$8.73

Supplemental Life and AD&D Insurance:

Monthly, Ninthly, Tenthly and Eleventhly Rate per Participant for Supplemental Life and Supplemental AD&D Insurance (combined Supplemental Life and Supplemental AD&D)								
	Plan N	Plan O	Plan P	Plan Q	Plan R	Plan S	Plan T	Plan U
Monthly	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00
Ninthly	\$1.33	\$2.67	\$4.00	\$5.33	\$6.67	\$8.00	\$10.67	\$13.33
Tenthly	\$1.20	\$2.40	\$3.60	\$4.80	\$6.00	\$7.20	\$9.60	\$12.00
Eleventhly	\$1.09	\$2.18	\$3.27	\$4.36	\$5.45	\$6.55	\$8.73	\$10.91

Supplemental Plus Life and AD&D Insurance:

Monthly, Ninthly, Tenthly and Eleventhly Rate per insured Participant for Supplemental Plus Life and Supplemental Plus AD&D Insurance (combined Supplemental Plus Life and Supplemental Plus AD&D)								
	Plan N	Plan O	Plan P	Plan Q	Plan R	Plan S	Plan T	Plan U
Monthly	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00
Ninthly	\$1.33	\$2.67	\$4.00	\$5.33	\$6.67	\$8.00	\$10.67	\$13.33
Tenthly	\$1.20	\$2.40	\$3.60	\$4.80	\$6.00	\$7.20	\$9.60	\$12.00
Eleventhly	\$1.09	\$2.18	\$3.27	\$4.36	\$5.45	\$6.55	\$8.73	\$10.91

Dependents Life Insurance:

Monthly, Ninthly, Tenthly and Eleventhly Rate per insured Participant for Dependents Life and Dependents AD&D Insurance (combined Dependents Life and Dependents AD&D)		
	Plans N through U	
	Option 1	Option 2
Monthly	\$.35	\$1.00
Ninthly	\$.47	\$1.33
Tenthly	\$.42	\$1.20
Eleventhly	\$.38	\$1.09

Retired Participants

Basic Life:

Monthly Rate per insured Participant for Basic Life Insurance								
	Plan N	Plan O	Plan P	Plan Q	Plan R	Plan S	Plan T	Plan U
Monthly	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	\$12.00	\$16.00	\$20.00

Supplemental Life Insurance:

Monthly Rate per Participant for Supplemental Life Insurance								
	Plan N	Plan O	Plan P	Plan Q	Plan R	Plan S	Plan T	Plan U
Monthly	\$2.00	\$4.00	\$6.00	\$8.00	\$10.00	\$12.00	\$16.00	\$20.00

Dependents Life Insurance:

Monthly Rate per insured Participant for Dependents Life Insurance	
	Plans N, Plan O, Plan Q, Plan R, Plan S, Plan T or Plan U
Monthly	\$.50

CALIFORNIA LIFE AND HEALTH INSURANCE GUARANTEE ASSOCIATION ACT

SUMMARY DOCUMENT AND DISCLAIMER

Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guarantee Association ("CLHIGA"). The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guarantee Association will assess its other member insurance companies for the money to pay the claims of the insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Guarantee Association is not unlimited, however, as noted below, and is not a substitute for consumers' care in selecting insurers.

The California Life and Health Insurance Guarantee Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. **However, insurance companies and their agents are prohibited by law from using the existence of the guarantee association to induce you to purchase any kind of insurance policy.**

Policyholders with additional questions should first contact their insurer or agent or may then contact:

The California Life and Health Insurance Guarantee Association

PO Box 17319

Beverly Hills CA 90209-3319

OR

Consumer Services Division

California Department of Insurance

300 South Spring St, South Tower

Los Angeles CA 90013

The state law that provides for this safety-net coverage is called the California Life and Health Guarantee Association Act. Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

COVERAGE

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Guarantee Association if:

Their insurer was not authorized to do business in this state when it issued the policy or contract;

Their policy was issued by a health care service plan (HMO, Blue Cross, Blue Shield), a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;

They are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state.

The Guarantee Association also does not provide coverage for:

Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;

Employer or association plans, to the extent they are self-funded or uninsured;

Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;

Any policy of reinsurance unless an assumption certificate was issued;

Interest rate yields that exceed an average rate;

Any portion of a contract that provides dividends or experience rating credits.

LIMITS ON AMOUNT OF COVERAGE

The Act limits the Association to pay benefits as follows:

LIFE AND ANNUITY BENEFITS

80% of what the insurance company would owe under a policy or contract up to \$100,000 in cash surrender values,

\$100,000 in present value of annuities, or

\$250,000 in life insurance death benefits.

A maximum of \$250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

HEALTH BENEFITS

A maximum of \$200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the Act applies.

CALIFORNIA NOTICE OF COMPLAINT PROCEDURE

Should any dispute arise about your premium or about a claim that you have filed, write to the company that issued the group policy. If the problem is not resolved, you may also write to the State of California, Department of Insurance, Consumer Services Division, 300 S. Spring Street, South Tower, Los Angeles, CA 90013, or call toll-free 1-800-927-HELP, or (213) 897-8921 outside of California. This notice of complaint procedure is for information only and does not become a part or condition of this group policy/certificate.

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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.

GENERAL POLICY INFORMATION

Group Policy Number: 503000-C

Type of Insurance Provided:

Life Insurance: Yes

Accidental Death And Dismemberment (AD&D) Insurance: Yes

Dependents Life Insurance: Yes

Dependents Accidental Death And Dismemberment (AD&D) Insurance: Yes

Policyholder: California Teachers Association

Group ID Number: 10115779

Employer(s): A school district within the state of California which has elected to participate in the Policyholder's plan or another employer unit as mutually agreed upon by the Policyholder and us.

Group Policy Effective Date: September 1, 2007

Policy Issued in: California

BECOMING INSURED

To become insured for Life Insurance you must: (a) Be a Participant; (b) Be eligible; and (c) Meet the requirements in **Life Insurance** and **Active Work Provisions**. The Active Work requirement will not apply to Participants who are retired on the Group Policy Effective Date. The requirements to become insured for coverage other than Life Insurance are set out in the text.

Definition of Participant: You are a Participant if you are one of the following:

1. An active employee of an Employer who is working at least 20 scheduled hours a week and the Employer has negotiated to provide coverage under the Group Policy; or
2. A retired employee of an Employer who;
 - a. was covered under Plan N, O, P, Q, R, S, T or U under the Policyholder's group life insurance plan immediately prior to retirement; and
 - b. is eligible to receive benefits under the State Teachers Retirement System (STRS) or Public Employees Retirement System (PERS) and authorizes premium deductions.

You may not be a Participant if you are:

1. A student member of the California Teachers Association.
2. A retired annual member of California Teachers Association.
3. A full time member of the armed forces of any country.

Eligibility Date:

You are eligible on the later of the following dates:

1. The Group Policy Effective Date; and
2. The date you become a Participant.

Evidence of Insurability:

Required in all of the following instances:

- a. To become insured for Supplemental Life Insurance and/or Supplemental Plus Life Insurance.
- b. If you apply for Dependents Life Insurance more than 120 days after you become eligible for dependents coverage under the Policyholder's group life insurance plan, or you fail to make required premium contribution by the third month following the date you apply.
- c. To become insured for any amount greater than the amount for which the Participant or Dependent was insured under the Prior Plan, if the Participant or Dependent was insured under the Prior Plan.
- d. For any increase in Supplemental Life Insurance, Supplemental Plus Life Insurance or Dependents Life Insurance.
- e. For reinstatements if required.

Note: Evidence Of Insurability requirements will be waived as follows:

1. Evidence Of Insurability will not be required to become insured on September 1, 2007 for amounts for which you were insured on August 31, 2007 under the Prior Plan.
2. Evidence Of Insurability will not be required to become insured for amounts of Dependents Life Insurance for which you apply within 31 days following a Family Status Change and for which you make the required premium contribution by the third month following the date you apply. However, Evidence Of Insurability will be required to become insured for any amounts for which Evidence Of Insurability was submitted previously to us and was not approved, or for which Evidence Of Insurability is required under G. Reinstatement Of Life Insurance in **Life Insurance**.

PREMIUM CONTRIBUTIONS

Life Insurance:

Basic:	For active Participants, Noncontributory
	For retired Participants, Contributory
Supplemental:	Contributory
Supplemental Plus:	Contributory

AD&D Insurance:

Basic:	Noncontributory
Supplemental:	Contributory
Supplemental Plus:	Contributory

Dependents Life Insurance:

For active Participants, Contributory or Noncontributory,
as elected by your Employer

For retired Participants, Contributory

Dependents AD&D Insurance:

For active Participants, Contributory or Noncontributory,
as elected by your Employer

SCHEDULE OF INSURANCE

Please note: These benefits are based upon the coverage option under the Group Policy elected by your Employer.

SCHEDULE OF LIFE INSURANCE

Life Insurance Benefit
for active Participants:

Basic: Your Employer may provide coverage for its employees under one of the following Plans:

<i>Participant's Age On Date Death Occurs</i>	<i>Plan N</i>	<i>Plan O</i>	<i>Plan P</i>	<i>Plan Q</i>
Under 70	\$5,000	\$10,000	\$15,000	\$20,000
70 or over	\$2,500	\$5,000	\$7,500	\$10,000

<i>Participant's Age On Date Death Occurs</i>	<i>Plan R</i>	<i>Plan S</i>	<i>Plan T</i>	<i>Plan U</i>
Under 70	\$25,000	\$30,000	\$40,000	\$50,000
70 or over	\$12,500	\$15,000	\$20,000	\$25,000

Supplemental: The amount of your Supplemental Life Insurance, if elected, equals the amount of your Basic Life Insurance.

Supplemental Plus: The amount of your Supplemental Plus Life Insurance, if elected, equals the amount of your Supplemental Life Insurance. However, your Supplemental Plus Life Insurance ends when you become 65 years of age.

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.

Life Insurance Benefit
for retired Participants:

Basic: You may become insured as a retired Participant under the Plan for which you were insured as an active Participant on the day of your retirement, or for a lower amount. The amount of your Basic Life Insurance, if elected, is as follows:

<i>Participant's Age On Date Death Occurs</i>	<i>Plan N</i>	<i>Plan O</i>	<i>Plan P</i>	<i>Plan Q</i>
Under 60	\$1,650	\$3,300	\$4,950	\$6,600
60 through 64	\$1,050	\$2,100	\$3,150	\$4,200
65 through 69	\$700	\$1,400	\$2,100	\$2,800
70 through 74	\$450	\$900	\$1,350	\$1,800
75 or over	\$250	\$500	\$750	\$1,000

<i>Participant's Age On Date Death Occurs</i>	<i>Plan R</i>	<i>Plan S</i>	<i>Plan T</i>	<i>Plan U</i>
Under 60	\$8,250	\$9,900	\$13,200	\$16,500
60 through 64	\$5,250	\$6,300	\$8,400	\$10,500
65 through 69	\$3,500	\$4,200	\$5,600	\$7,000
70 through 74	\$2,250	\$2,700	\$3,600	\$4,500
75 or over	\$1,250	\$1,500	\$2,000	\$2,500

Supplemental:	If you were insured for Supplemental Life Insurance as an active Participant, you may apply for Supplemental Life Insurance for the Plan for which you were insured for under Basic Life Insurance.
Supplemental Plus:	None
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 AD&D INSURANCE

AD&D Insurance Benefit for active Participants:

Basic:	The amount of your Basic AD&D Insurance equals the amount of your Basic Life Insurance.
Supplemental:	The amount of your Supplemental AD&D Insurance equals the amount of your Supplemental Life Insurance.
Supplemental Plus	The amount of your Supplemental Plus AD&D Insurance equals the amount of your Supplemental Plus Life Insurance. However, your Supplemental Plus AD&D Insurance ends when you become 65 years of age.

AD&D Insurance Benefit for retired Participants	None
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The amount payable for certain Losses is less than 100% of the AD&D Insurance Benefit. See AD&D Table Of Losses on page 8.

SCHEDULE OF DEPENDENTS LIFE INSURANCE

Dependents Life Insurance Benefit for Spouse/Domestic Partner and Children of active Participants:

Basic:	Your Employer may elect to make coverage available under one or both of the following Options. If coverage is Contributory, you may apply for coverage under one or both of the Options.
Option 1:	\$1,500
Option 2:	The lesser of a) 50% of the Participant's Life Insurance, and b) \$5,000
Voluntary:	The lesser of a) 50% of the Participant's Life Insurance, and b) \$5,000

Dependents Life Insurance Benefit
for retired Participants:

You may become insured for Dependents Life Insurance as a retired Participant if you were insured for Dependents Life Insurance as an active Participant on the day of your retirement. You may apply for Dependents Life Insurance as follows:

<i>Participant's Age On Date Death Occurs</i>	<i>Spouse/Domestic Partner/Child(ren)</i>
Under 65	\$500
65 through 69	\$375
70 through 74	\$250
75 and over	\$125

The amount of Dependents Life Insurance for your Spouse/Domestic Partner or Child may not exceed 50% of the amount of your Life Insurance.

SCHEDULE OF DEPENDENTS AD&D INSURANCE

Dependents AD&D Insurance Benefit
for active Participants:

Basic: The amount of your Basic Dependents AD&D Insurance is equivalent to the amount of your Basic Dependents Life Insurance.

Voluntary: The amount of your Voluntary Dependents AD&D Insurance is equivalent to the amount of your Voluntary Dependents Life Insurance.

Dependents AD&D Insurance Benefit
for retired Participants: None

The amount of Dependents AD&D Insurance for your Spouse/Domestic Partner or Child may not exceed 50% of the amount of your AD&D Insurance.

The amount payable for certain Losses is less than 100% of the Dependents AD&D Insurance Benefit. See AD&D Table Of Losses on page 8.

ADDITIONAL AD&D BENEFITS

Seat Belt Benefit:

For you: The amount of the Seat Belt Benefit is the lesser of (1) \$10,000, or (2) the AD&D Insurance Benefit payable for the Loss.

For your Dependents: The amount of the Seat Belt Benefit is the lesser of (1) \$10,000, or (2) the Dependents AD&D Insurance Benefit payable for the Loss.

Air Bag Benefit:

For you: The amount of the Air Bag Benefit is the lesser of (1) \$5,000, or (2) the AD&D Insurance Benefit payable for Loss of your life.

Higher Education Benefit:

For you: The tuition expenses incurred per Child within 48 months after the date of Loss of your life at a licensed or accredited institution of higher education, exclusive of room and board, books, fees, supplies and other expenses, but not to exceed \$5,000 per year per qualified Child, or the cumulative total of \$20,000 or 40% of the AD&D Insurance Benefit, whichever is less.

For your Spouse/Domestic Partner: The tuition expenses incurred per Child within 48 months after the date of Loss of your Spouse/Domestic Partner's life at a licensed or accredited institution of higher education, exclusive of room and board, books, fees, supplies and other expenses, but not to exceed \$5,000 per year per qualified Child, or the cumulative total of \$20,000 or 40% of the Dependents AD&D Insurance Benefit, whichever is less.

Career Adjustment Benefit:

For you: The tuition expenses for training incurred by your Spouse/Domestic Partner within 48 months after the date of Loss of your life, exclusive of room and board, books, fees, supplies and other expenses, but not to exceed \$5,000 per year, or the cumulative total of \$20,000 or 40% of the AD&D Insurance Benefit, whichever is less.

For your Spouse/Domestic Partner: The tuition expenses for training you incur within 48 months after the date of Loss of your Spouse/Domestic Partner's life, exclusive of room and board, books, fees, supplies and other expenses, but not to exceed \$5,000 per year, or the cumulative total of \$20,000 or 40% of the Dependents AD&D Insurance Benefit, whichever is less.

Child Care Benefit:

For you: The total child care expense incurred by a Guardian within 36 months after the date of your death for all Children under age 13, but not to exceed \$5,000 per year, or the cumulative total of \$10,000 or 25% of the AD&D Insurance Benefit, whichever is less.

Occupational Assault Benefit:

For you: The lesser of (1) \$25,000, or (2) 50% of the AD&D Insurance Benefit otherwise payable for the Loss.

Public Transportation Benefit:

For you: The lesser of (1) \$200,000, or (2) 100% of the AD&D Insurance Benefit otherwise payable for the Loss of your life.

AD&D TABLE OF LOSSES

The amount payable is a percentage of the AD&D Insurance Benefit or Dependents AD&D Insurance Benefit in effect on the date of the accident and is determined by the Loss suffered as shown in the following table:

Loss:	Percentage Payable:
a. Life	100%
b. One hand or one foot	50%
c. Sight in one eye, speech, or hearing	50%
d. Two or more of the Losses listed in b. and c. above	100%
e. Thumb and index finger of the same hand	25%*
f. One finger	5%*
g. Quadriplegia	100%
h. Hemiplegia	100%
i. Paraplegia	100%
j. Coma for Participant	1% per month of the remainder of the AD&D Insurance Benefit payable for Loss of life after reduction by any AD&D Insurance Benefit paid for any other Loss as a result of the same accident. Payments for coma will not exceed a maximum of 30 months.
k. Coma for Dependent	1% per month of the remainder of the Dependents AD&D Insurance Benefit payable for Loss of life after reduction by any Dependents AD&D Insurance Benefit paid for any other Loss as a result of the same accident. Payments for coma will not exceed a maximum of 30 months.

* No AD&D Insurance Benefit or Dependents AD&D Insurance Benefit will be paid for Loss of a finger if it is a thumb or index finger for which an AD&D Insurance Benefit or Dependents AD&D Insurance Benefit is already payable. No AD&D Insurance Benefit or Dependents AD&D Insurance will be paid for Loss of a finger or Loss of the thumb and index finger of the same hand if an AD&D Insurance Benefit or Dependents AD&D Insurance is payable for the Loss of that entire hand.

No more than 100% of your AD&D Insurance or Dependents AD&D Insurance will be paid for all Losses resulting from one accident.

OTHER BENEFITS

Waiver of Premium:	Yes, for active Participants
Accelerated Benefit:	Yes, for active Participants
Qualified Disability Benefit:	Yes, for active Participants

OTHER PROVISIONS

Approved Leave Of Absence Period:	12 months
Continuity of Coverage:	Yes
Insurance Eligible For Portability:	
For you:	
Life Insurance:	Yes
Minimum amount:	\$10,000
Maximum amount:	\$300,000
For your Spouse/Domestic Partner:	
Dependents Life Insurance:	Yes
Minimum amount:	\$5,000
Maximum amount:	\$100,000
For your Child:	
Dependents Life Insurance:	Yes
Minimum amount:	\$1,000
Maximum amount:	\$5,000
For you:	
AD&D Insurance:	Yes
Minimum amount:	\$10,000
Maximum amount:	\$300,000

PREMIUM RATES AND RENEWALS

Premium Rates:	Premium rates are shown in Exhibit A attached to the Group Policy.
Premium Due Dates:	
For Participants who pay premiums monthly:	September 1, 2007 and the first day of each calendar month thereafter.
For Participants who pay premiums ninthly, tenthly or eleventhly:	September 1, 2007 and the first of each applicable calendar month thereafter as determined by your

Employer and agreed to by us and authorized through your payroll deduction.

Grace Period:	60 days (without interest)
Initial Rate Guarantee Period:	Three years
Extended Rate Guarantee Period:	Up to two additional years. See Policyholder Provisions .
Notice of Rate Change:	240 days
Minimum Participation:	
Life Insurance:	
Number:	10 insured Participants
Percentage:	100% of eligible Participants
Dependents Life Insurance:	75% of insured Participants with eligible Dependents must elect to insure those Dependents

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

Subject to the **Active Work Provisions**, changes in your Life Insurance become effective as follows:

- a. An increase in Supplemental Life Insurance or Supplemental Plus Life Insurance due to a change in your Employer's Plan selection is effective on the first day of the calendar month following the date we approve your Evidence Of Insurability, provided the required premium contribution has been made for that month.
- b. A change in Basic Life Insurance or decrease in Supplemental Life Insurance or Supplemental Plus Life Insurance due to a change in your Employer's Plan selection is effective on the first day of the next calendar month.
- c. A decrease in your Life Insurance because of a change in your age becomes effective on the date of the change in age.

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.

E. When Life Insurance Becomes Effective

1. For active Participants

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

You must apply in writing for Supplemental Life and Supplemental Plus Life Insurance and agree to pay premiums. Subject to the **Active Work Provisions**, your Life Insurance becomes effective on the later of (a) the date you become eligible, and (b) the following applicable date:

- a. Insurance Subject To Evidence Of Insurability (see **Coverage Features** for the Evidence Of Insurability requirements)

Life Insurance amounts subject to Evidence Of Insurability become effective on the first day of the calendar month following the date we approve your Evidence Of Insurability, provided the required premium contribution has been made for that month.

- b. Insurance Not Subject To Evidence of Insurability

Life Insurance amounts not subject to Evidence Of Insurability and for which you apply within 31 days following a Family Status Change become effective on the later of (a) the

date of the Family Status Change, and (b) the first day of the calendar month following the date you apply, provided the required premium contribution has been made for that month.

Life Insurance amounts not subject to Evidence Of Insurability and for which you apply at any other time become effective on the first day of the calendar month following the date you apply, provided the required premium contribution has been made for that month.

2. For retired Participants

If you wish to be insured under the Group Policy as a retired Participant, you must:

- a. Be insured under the Group Policy as an active Participant on the day of your retirement;
- b. Apply in writing for Life Insurance within 120 days following your retirement;
- c. Authorize premium deductions from your STRS or PERS benefits; and
- d. Make the required premium contributions by the third month following the date you apply.

If you meet the requirements of a. through d. above, your Life Insurance as a retired Participant will be effective on the first day of the calendar month for which the required premium contribution has been made. If you do not meet the requirements of a. through d. above, you may not become insured under the Group Policy as a retired Participant.

F. When Life Insurance Ends

Life Insurance ends automatically on the earliest of:

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 date your Employer's participation under the Group Policy is terminated;
4. For Supplemental Plus Life Insurance the earlier of (a) the date you reach age 65, and (b) the date of your retirement;
5. The date your employment terminates, unless you are covered as a retired Participant; and
6. The first day of the calendar month following the date you cease to be a Participant. However, if you cease to be an active Participant because you are working less than the required minimum number of hours, your Life Insurance may be continued with premium payment during the following periods, unless it ends under 1 through 5 above.
 - a. During the first 90 days of a temporary layoff.
 - b. 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.
 - c. During any other scheduled leave of absence approved by your Employer in advance and in writing and lasting not more than the period shown in the **Coverage Features**.

G. Reinstatement Of Life Insurance

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

1. If your Life Insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again. This requirement will not apply to you if your coverage ended involuntarily during an approved leave of absence not due to Total Disability, a period you were temporarily laid off, or a labor dispute, and you apply for coverage within 120 days after you return to Active Work.
2. If you are a retired Participant and your Life Insurance ends because you fail to make a required premium contribution, you may not 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, and you become a Participant 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.

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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

A change in Dependents Life Insurance amount because of a change in your Life Insurance amount becomes effective on the date of the change in your Life Insurance.

D. Becoming Insured For Dependents Life Insurance

1. For active Participants

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.

While your Dependents Life Insurance is in effect, each new Dependent becomes insured immediately. If you are not insured for Dependents Life Insurance, a newborn or adopted child will be covered for 31 days (see E. below).

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

You must apply in writing for Contributory Dependents Life Insurance and agree to pay premiums. Subject to the **Active Work Provisions**, Contributory Dependents Life Insurance becomes effective on the later of (a) the date you become eligible for Dependents Life Insurance, and (b) the following applicable date:

- a. Insurance Subject To Evidence Of Insurability (see **Coverage Features** for the Evidence Of Insurability requirements)

Dependents Life Insurance subject to Evidence Of Insurability become effective on the first day of the calendar month following the date we approve the Dependent's Evidence Of Insurability, provided the required premium contribution has been made for that month.

- b. Insurance Not Subject To Evidence of Insurability

Dependents Life Insurance not subject to Evidence Of Insurability and for which you apply within 31 days following a Family Status Change become effective on the later of (a) the date of the Family Status Change, and (b) the first day of the calendar month following the date you apply, provided the required premium contribution has been made for that month.

Dependents Life Insurance not subject to Evidence Of Insurability and for which you apply at any other time become effective on the first day of the calendar month following the date you apply, provided the required premium contribution has been made for that month.

2. For retired Participants

If you wish to be insured for Dependents Life Insurance as a retired Participant, you must:

- a. Be insured for Dependents Life Insurance as an active Participant on the day of your retirement;
- b. Apply in writing for Dependents Life Insurance within 120 days following your retirement;
- c. Authorize premium deductions from your STRS or PERS benefits; and
- d. Make the required premium contributions by the third month following the date you apply.

If you meet the requirements of a. through d. above, your Dependents Life Insurance as a retired Participant will be effective on the first day of the calendar month for which the required premium contribution has been made. If you do not meet the requirements of a. through d. above, you may not become insured for Dependents Life Insurance as a retired Participant.

While your Dependents Life Insurance is in effect, each new Dependent becomes insured immediately. If you are not insured for Dependents Life Insurance, a newborn or adopted child will be covered for 31 days (see E. below).

E. Dependent Life Insurance for Newborn And Adopted Children

A newborn Child is automatically insured from the moment of birth. An adopted Child is automatically insured from the time of placement. If you do not otherwise have Dependents Life Insurance in place for your Child(ren), you must apply in writing within 31 days after the date Dependent Life Insurance under this provision is effective for your newborn or adopted Child. If you do not apply, Dependent Life Insurance under this provision for the newborn or adopted Child will end automatically after that 31 day period.

F. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

1. Two years after you die (no premiums will be charged for your Dependents Life Insurance during this time). However, coverage for your Spouse/Domestic Partner will not be continued beyond the date your surviving Spouse/Domestic Partner remarries or enters a Domestic Partner relationship.
2. The date your Life Insurance ends (except as continued in 1. above).
3. The date the Group Policy terminates, or the date Dependents Life Insurance terminates under the Group Policy (except as provided in 1. above).
4. The date the last period ends for which a premium was paid for your Dependents Life Insurance (except as provided in 1. above).
5. For your Spouse/Domestic Partner, the date of your divorce or termination of your Domestic Partner relationship.
6. For any Dependent, the date the Dependent ceases to be a Dependent.
7. For a Child who is Disabled, 90 days after we mail you a request for proof of Disability, if proof is not given.

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ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

A. Insuring Clause

If you have an accident, including accidental exposure to adverse conditions, while insured for AD&D Insurance, and the accident results in a Loss, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

B. Definition Of Loss For AD&D Insurance

Loss means loss of life, hand, foot, finger, thumb and index finger of the same hand, sight, speech, hearing in both ears, coma and Quadriplegia, Hemiplegia or Paraplegia which meets all of the following requirements:

1. Is caused solely and directly by an accident.
2. Occurs independently of all other causes.
3. Occurs within 365 days of the accident.
4. With respect to Loss of life, is evidenced by a certified copy of the death certificate.
5. With respect to all other Losses, is certified by a Physician in the appropriate specialty as determined by us.

With respect to Loss of life, death will be presumed if you disappear and the disappearance:

1. Is caused solely and directly by an accident that reasonably could have caused Loss of life;
2. Occurs independently of all other causes; and
3. Continued for a period of 365 days after the date of the accident, despite reasonable search efforts.

With respect to a **hand** or **foot**, **Loss** means actual and permanent severance from the body at or above the wrist or ankle joint, whether or not surgically reattached.

With respect to a **finger** or the **thumb and index finger of the same hand**, **Loss** means actual and permanent severance from the body at or above the metacarpophalangeal joints.

With respect to **sight**, **Loss** means entire, uncorrectable, and irrecoverable loss of sight in one eye.

With respect to **speech**, **Loss** means entire, uncorrectable, and irrecoverable loss of audible speech.

With respect to **hearing**, **Loss** means entire, uncorrectable, and irrecoverable loss of hearing in both ears.

With respect to Quadriplegia, Hemiplegia, and Paraplegia, Loss must be permanent, complete, and irreversible.

Quadriplegia means total paralysis of both upper and lower limbs. **Hemiplegia** means total paralysis of the upper and lower limbs on the same side of the body. **Paraplegia** means total paralysis of both lower limbs.

With respect to **coma**, **Loss** means a profound state of mental unconsciousness with no evidence of appropriate responses to stimulation, lasting for at least 30 consecutive days.

C. Amount Payable

See **Coverage Features** for the AD&D Insurance schedule. The amount payable is a percentage of the AD&D Insurance Benefit in effect on the date of the accident and is determined by the Loss suffered. See AD&D Table Of Losses in the **Coverage Features**.

D. Changes In AD&D Insurance

Changes in your AD&D Insurance will become effective on the date your Life Insurance changes.

E. AD&D Insurance Exclusions

No AD&D Insurance benefit is payable if the accident or Loss is caused or contributed to by any of the following:

No AD&D Insurance benefit is payable if the accident or Loss is caused or contributed to by any of the following:

1. War or act of War. **War** means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.
2. Suicide or other intentionally self-inflicted Injury, while sane or insane.
3. Committing or attempting to commit an assault or felony.
4. Physical Disease (including but not limited to heart attack or stroke), Mental Disorder or Pregnancy.
5. Bacterial infections (except infections which occur with and through a cut or wound at the time of the accident).
6. Medical or surgical treatment for any of the above (except surgical treatment required by the accident and performed within 90 days after the accident).

F. Additional AD&D Benefits

Seat Belt Benefit

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

We will pay a Seat Belt Benefit if all of the following requirements are met:

1. You suffer a Loss as a result of an Automobile accident for which an AD&D Insurance Benefit is payable for the Loss; and
2. You are wearing and properly utilizing a Seat Belt System at the time of the accident, as evidenced by a police accident report.

Seat Belt System means a properly installed combination lap and shoulder restraint system that meets the Federal Vehicle Safety Standards of the National Highway Traffic Safety Administration. Seat Belt System will include a lap belt alone, but only if the Automobile did not have a combination lap and shoulder restraint system when manufactured. Seat Belt System does not include a shoulder restraint alone.

Automobile means a motor vehicle licensed for use on public highways.

Air Bag Benefit

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

We will pay an Air Bag Benefit if all of the following requirements are met:

1. You die as a result of an Automobile accident for which a Seat Belt Benefit is payable for Loss of your life.
2. The Automobile is equipped with an Air Bag System that was installed as original equipment by the Automobile manufacturer and has received regular maintenance or scheduled replacement as recommended by the Automobile or Air Bag manufacturer.
3. You are seated in the driver's or a passenger's seating position intended to be protected by the Air Bag System and the Air Bag System deploys, as evidenced by a police accident report.

Air Bag System means an automatically inflatable passive restraint system that is designed to provide automatic crash protection in front or side impact Automobile accidents and meets the Federal Vehicle Safety Standards of the National Highway Traffic Safety Administration.

Automobile means a motor vehicle licensed for use on public highways.

Higher Education Benefit

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

We will pay a Higher Education Benefit to your Child if all of the following requirements are met:

1. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
2. Your Child is, within 12 months after the date of Loss of your life, registered and in full-time attendance at a licensed or accredited institution of higher education beyond high school.

The Higher Education Benefit will be paid annually to each Child who meets the requirements of item 2 above, for a maximum of 48 consecutive months beginning on the date of Loss of your life. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

Career Adjustment Benefit

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

We will pay a Career Adjustment Benefit to your Spouse/Domestic Partner if all of the following requirements are met:

1. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
2. Your Spouse/Domestic Partner is, within 48 months after the date of Loss of your life, registered and in attendance at a professional or trades training program for the purpose of obtaining employment or increasing earnings.

The Career Adjustment Benefit will be paid annually to a Spouse/Domestic Partner who meets the requirements of item 2 above, for a maximum of 48 consecutive months beginning on the date of Loss of your life. No Career Adjustment Benefit will be paid if you have no surviving Spouse/Domestic Partner.

Child Care Benefit

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

We will pay a Child Care Benefit to a Guardian if all of the following requirements are met:

1. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
2. The Guardian pays a licensed child care provider who is not a member of your family or the Guardian's family for child care provided to your Child(ren) under age 13 within 36 months of Loss of your life.
3. The child care is necessary in order for the Guardian to work or to obtain training for work or to increase earnings.

No Child Care Benefit will be paid if there is no Guardian.

Guardian means a person with whom your Child(ren) live(s) who is (a) your Spouse/Domestic Partner, or (b) a court appointed legal guardian of your Child(ren).

Occupational Assault Benefit

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

We will pay an Occupational Assault Benefit if all of the following requirements are met:

1. While Actively At Work you suffer a Loss for which an AD&D Insurance Benefit is payable.
2. The Loss is the result of an act of physical violence against you that is punishable by law and is evidenced by a police report.

Public Transportation Benefit

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

We will pay a Public Transportation Benefit if all of the following requirements are met:

1. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
2. The accident occurs while you are a fare-paying passenger riding on Public Transportation or in a Taxicab.

Public Transportation means a public passenger conveyance operated by a licensed common carrier for the transportation of the general public for a fare and operating on regular passenger routes with a definite schedule of departures and arrivals.

Taxicab means a motor vehicle permitted in accordance with applicable law that is used primarily to carry passengers for a fare (calculated on the basis of an initial fee, distance traveled, waiting time or combination of these) where the destination and route traveled may be controlled by such passengers.

G. Becoming Insured For AD&D Insurance

1. Eligibility

If you are an active Participant, you become eligible for AD&D Insurance on the date you become eligible for Life Insurance.

2. Effective Date

Subject to the **Active Work Provisions**, your AD&D Insurance becomes effective on the date your Life Insurance is effective.

H. When AD&D Insurance Ends

AD&D Insurance ends automatically on the earliest of:

1. The date your Life Insurance ends.
2. The date the last period ends for which a premium was paid for your AD&D Insurance.
3. The date your Waiver Of Premium begins.
4. The date AD&D Insurance terminates under the Group Policy.
5. The date you retire.

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DEPENDENTS ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

A. Insuring Clause

If your Dependent has an accident, including accidental exposure to adverse conditions, while insured for Dependents AD&D Insurance, and the accident results in a Loss, we will pay benefits according to the terms of the Group Policy after we receive satisfactory Proof Of Loss.

B. Definition Of Loss For Dependents AD&D Insurance

Loss means loss of life, hand, foot, finger, thumb and index finger of the same hand, sight, speech, hearing in both ears, coma and Quadriplegia, Hemiplegia or Paraplegia which meets all of the following requirements:

1. Is caused solely and directly by an accident.
2. Occurs independently of all other causes.
3. Occurs within 365 days of the accident.
4. With respect to Loss of life, is evidenced by a certified copy of the death certificate.
5. With respect to all other Losses, is certified by a Physician in the appropriate specialty as determined by us.

With respect to Loss of life, death will be presumed if the Dependent disappears and the disappearance:

1. Is caused solely and directly by an accident that reasonably could have caused Loss of life;
2. Occurs independently of all other causes; and
3. Continued for a period of 365 days after the date of the accident, despite reasonable search efforts.

With respect to a **hand** or **foot**, **Loss** means actual and permanent severance from the body at or above the wrist or ankle joint, whether or not surgically reattached.

With respect to a **finger** or the **thumb and index finger of the same hand**, **Loss** means actual and permanent severance from the body at or above the metacarpophalangeal joints.

With respect to **sight**, **Loss** means entire, uncorrectable, and irrecoverable loss of sight in one eye.

With respect to **speech**, **Loss** means entire, uncorrectable, and irrecoverable loss of audible speech.

With respect to **hearing**, **Loss** means entire, uncorrectable, and irrecoverable loss of hearing in both ears.

With respect to Quadriplegia, Hemiplegia, and Paraplegia, Loss must be permanent, complete, and irreversible.

Quadriplegia means total paralysis of both upper and lower limbs. **Hemiplegia** means total paralysis of the upper and lower limbs on the same side of the body. **Paraplegia** means total paralysis of both lower limbs.

With respect to **coma**, **Loss** means a profound state of mental unconsciousness with no evidence of appropriate responses to stimulation, lasting for at least 30 consecutive days.

C. Amount Payable

See **Coverage Features** for the Dependents AD&D Insurance schedule. The amount payable is a percentage of the Dependents AD&D Insurance Benefit in effect on the date of the accident and is determined by the Loss suffered. See AD&D Table Of Losses in the **Coverage Features**.

D. Changes In Dependents AD&D Insurance

Changes in Dependents AD&D Insurance will become effective on the date your Dependents Life Insurance changes.

E. Dependents AD&D Exclusions

No Dependents AD&D Insurance benefit is payable if the Loss is caused or contributed to by any of the following:

1. War or act of War. **War** means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.
2. Suicide or other intentionally self-inflicted Injury, while sane or insane.
3. Committing or attempting to commit an assault or felony.
4. Physical Disease (including but not limited to heart attack or stroke), Mental Disorder or Pregnancy.
5. Bacterial infections (except infections which occur with and through a cut or wound at the time of the accident).
6. Medical or surgical treatment (except surgical treatment required by the accident and performed within 90 days after the accident).

F. Additional Dependents AD&D Benefits

Seat Belt Benefit

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

We will pay a Seat Belt Benefit if all of the following requirements are met:

1. Your Dependent suffers a Loss as a result of an Automobile accident for which a Dependents AD&D Insurance Benefit is payable; and
2. Your Dependent is wearing and properly utilizing a Seat Belt System at the time of the accident, as evidenced by a police accident report.

Seat Belt System means a properly installed combination lap and shoulder restraint system that meets the Federal Vehicle Safety Standards of the National Highway Traffic Safety Administration. Seat Belt System will include a lap belt alone, but only if the Automobile did not have a combination lap and shoulder restraint system when manufactured. Seat Belt System does not include a shoulder restraint alone.

Automobile means a private passenger motor vehicle licensed for use on public highways.

Higher Education Benefit

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

We will pay a Higher Education Benefit to your Child if all of the following requirements are met:

1. Your Spouse/Domestic Partner is insured for Dependents AD&D Insurance under the Group Policy.
2. Your Spouse/Domestic Partner dies as a result of an accident for which a Dependents AD&D Insurance Benefit is payable for Loss of life.
3. Your Child is, within 12 months after the date of Loss of your Spouse/Domestic Partner's life, registered and in full-time attendance at a licensed or accredited institution of higher education beyond high school.

The Higher Education Benefit will be paid annually to each Child who meets the requirements

of item 3 above, for a maximum of 48 consecutive months beginning on the date of Loss of your Spouse/Domestic Partner's life. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

Career Adjustment Benefit

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

We will pay a Career Adjustment Benefit to you if all of the following requirements are met:

1. Your Spouse/Domestic Partner is insured for Dependents AD&D Insurance under the Group Policy.
2. Your Spouse/Domestic Partner dies as a result of an accident for which a Dependents AD&D Insurance Benefit is payable for Loss of life.
3. Within 48 months after the date of Loss of your Spouse/Domestic Partner's life, you are registered and in attendance at a professional or trades training program for the purpose of obtaining employment or increasing earnings.

The Career Adjustment Benefit will be paid annually to you if you meet the requirements of item 3 above, for a maximum of 48 consecutive months beginning on the date of Loss of your Spouse/Domestic Partner's life. No Career Adjustment Benefit will be paid if you are not living.

G. When Dependents AD&D Insurance Becomes Effective

1. Eligibility

If you are an active Participant, you become eligible for Dependents AD&D Insurance on the date your Dependents Life Insurance is effective.

2. Effective Date

Subject to the **Active Work Provisions**, Dependents AD&D Insurance becomes effective on the date your Dependents Life Insurance is effective.

H. When Dependents AD&D Insurance Ends

Your Dependents AD&D Insurance ends automatically on the earliest of:

1. The date your Dependents Life Insurance ends.
2. The date Dependents AD&D Insurance terminates under the Group Policy.
3. The date the last period ends for which a premium was paid for your Dependents AD&D Insurance.
4. For your Spouse/Domestic Partner, the date of your divorce or termination of your Domestic Partner relationship.
5. For any Dependent, the date the Dependent ceases to be a Dependent.
6. For a Child who is Disabled, 90 days after we mail you a request.
7. The date your Waiver Of Premium begins.
8. The date you retire.

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ACTIVE WORK PROVISIONS

If you are incapable of Active Work because of Physical Disease, Injury, Pregnancy or Mental Disorder on the scheduled effective date of your insurance or an increase in your insurance, your insurance or

increase will not become effective until you complete one full day of Active Work as an eligible Participant.

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 scheduled effective date of your insurance or increase in your insurance.

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CONTINUITY OF COVERAGE

A. Waiver Of Active Work Requirement

If you were insured under the Prior Plan on the day before the Group Policy Effective Date, you can become insured on the Group Policy Effective Date 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.

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PORTABILITY OF INSURANCE

A. Portability Of Insurance

If your insurance under the Group Policy ends because:

1. Your employment with your Employer terminates; or
2. Your occupation changes so that you are no longer eligible under the Group Policy

you may be eligible to buy portable group insurance coverage as shown in the **Coverage Features** for yourself and your Dependents without submitting Evidence Of Insurability.

To be eligible you must satisfy the following requirements:

1. On the date your employment terminates or your occupation changes so that you are no longer eligible under the Group Policy, 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.

(If you are unable to meet this requirement, see the **Right To Convert** and **Waiver of Premium** provisions for other options that may be available to you under the Group Policy.)

2. On the date your employment terminates or your occupation changes so that you are no longer eligible under the Group Policy you are under age 65.
3. On the date your employment terminates or your occupation changes so that you are no longer eligible under the Group Policy, you must have been continuously insured under the

Group Policy for at least 12 consecutive months. In computing the 12 consecutive month period, we will include time insured under the Prior Plan.

4. You must apply in writing and pay the first premium directly to us at our Home Office within 31 days after the date your insurance ends. You must purchase portable group life insurance coverage for yourself in order to purchase any other insurance eligible for portability.

This portable group insurance will be provided under a master Group Life Portability Insurance Policy we have issued to the Standard Insurance Company Group Insurance Trust. If approved, the certificate you will receive will be governed under the terms of the Group Life Portability Insurance Policy and will contain provisions that differ from your coverage under the Group Policy.

B. Amount Of Portable Insurance

The minimum and maximum amounts that you are eligible to buy under the Group Life Portability Insurance Policy are shown in the **Coverage Features**. You may buy less than the maximum amounts in increments of \$1,000.

The combined amounts of insurance purchased under this Portability Of Insurance provision and the **Right To Convert** provision cannot exceed the amount in effect under the Group Policy on the day before your employment terminates or your occupation changes so that you are no longer eligible under the Group Policy.

C. When Portable Insurance Becomes Effective

Portable group insurance will become effective the day after your employment with your Employer terminates or your occupation changes so that you are no longer eligible under the Group Policy, if you apply within 31 days after the date your employment terminates or your occupation changes so that you are no longer eligible under the Group Policy.

If death occurs within 31 days after the date insurance ends under the Group Policy, life insurance benefits, if any, will be paid according to the terms of the Group Policy in effect on the date your employment terminates or your occupation changes so that you are no longer eligible under the Group Policy, and not the terms of the Group Life Portability Insurance Policy. AD&D benefits, if any, will be paid according to the terms of the Group Policy or the Group Life Portability Insurance Policy, but not both. In no event will the benefits paid exceed the amount in effect under the Group Policy on the day before your employment terminates or your occupation changes so that you are no longer eligible under the Group Policy.

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 3 below will apply.

1. You must pay the entire premium for your insurance on or before each Premium Due Date.
2. The premiums for your insurance during the work stoppage will equal the premium rate in effect on the date the work stoppage began. We may change premium rates during the work stoppage according to the terms of the Group Policy.
3. 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 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 Participants eligible to continue insurance under this provision make the required premium payment.

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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; and
2. 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 all your insurance under the Group Policy, except AD&D Insurance and Dependents AD&D Insurance.
2. **Totally Disabled** means:
 - a. As a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the material duties of Any Occupation for which you are reasonably fitted by education, training and experience; or
 - b. You are receiving disability benefits under a group disability policy issued by us to the Policyholder or California Teachers Association Economic Benefits Trust.
3. **Any Occupation** means any occupation or employment which you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 60% of your annual earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation.

C. Premium Payment

Premium payment must continue until 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 you become Totally Disabled. However, the following will apply:

1. Insurance will be reduced or terminated according to the Group Policy provisions in effect on the day before you become Totally Disabled.
2. 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.
3. If you receive an Accelerated Benefit or Qualified Disability Benefit, Insurance will be reduced according to the **Accelerated Benefit** provision or **Qualified Disability Benefit** provision, as applicable.

F. 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.

G. 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;
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; and
5. The date you reach age 65.

H. Temporary Recovery

You may temporarily recover from your Total Disability and then become Totally Disabled again from the same cause or causes. **Temporary Recovery** means you cease to be Totally Disabled for no longer than the applicable Allowable Period.

1. The Allowable Period is a total of 60 days of recovery.
2. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Period, the following will apply:

- a. The amount of Insurance will not increase.
- b. No premium will be waived for the period of Temporary Recovery.
- c. You will not be eligible for Waiver Of Premium after you qualify for waiver of premium under any other life insurance plan under which you become insured through employment during your period of Temporary Recovery.
- d. You will not qualify for any change in Insurance caused by a change in your plan or your status as a member of a class.
- e. If you exercise your Right To Convert during the period of Temporary Recovery, you will not be eligible for Waiver Of Premium unless you first surrender to us the converted individual policy of life insurance.
- f. Except as stated above, the provisions of the Group Policy will be applied as if there had been no interruption of your Total Disability.

(ELIG 60_TERMS 65) LI.WP.OT.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.

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 80% of your Insurance. The maximum Accelerated Benefit is \$320,000.

The Accelerated Benefit will be paid 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:

- (1) The amount of your Insurance as if no Accelerated Benefit had been paid; minus
- (2) The amount of the Accelerated Benefit.

Your AD&D Insurance, if any, is not affected by payment of the Accelerated Benefit.

E. Payment Of Premium

If you qualify for Waiver Of Premium, no premium payment is required. Otherwise, premiums will be based on the amount of your Insurance in effect before payment of the Accelerated Benefit.

F. 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/Domestic Partner or former Spouse/Domestic Partner as part of a court approved divorce decree, separate maintenance agreement, or property settlement agreement.
2. You are married or in a Domestic Partner relationship and live in a community property state unless you give us a signed written consent from your Spouse/Domestic Partner.
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 or Qualified Disability Benefit under the Group Policy.

You may not receive both an Accelerated Benefit and a Qualified Disability Benefit.

G. Definitions For Accelerated Benefit

Insurance means your Life Insurance under the Group Policy.

LI.AB.OT.IX

QUALIFIED DISABILITY BENEFIT

A. Qualified Disability Benefit

If you give us satisfactory proof of having a Qualifying Disabling Condition while you are insured under the Group Policy, you may have the right to receive during your lifetime a Qualified Disability Benefit.

Qualifying Disabling Condition means you are unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance.

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

B. Application For Qualified Disability Benefit

You must apply for a Qualified Disability 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 Disabling Condition.

C. Amount Of Qualified Disability Benefit

You may receive a Qualified Disability Benefit of up to 60% of your Insurance, to a maximum of \$240,000.

The Qualified Disability Benefit will be paid to you once in your lifetime in a lump sum. If you recover from your Qualifying Disabling Condition after receiving a Qualified Disability 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 Qualified Disability Benefit will be:

- (1) The amount of your Insurance as if no Qualified Disability Benefit had been paid; minus
- (2) The amount of the Qualified Disability Benefit.

Your AD&D Insurance, if any, is not affected by payment of the Qualified Disability Benefit.

E. Payment Of Premium

Premiums will be based on the amount of your Insurance in effect before payment of the Qualified Disability Benefit.

F. Exclusions

No Qualified Disability Benefit will be paid if:

1. All or part of your Insurance must be paid to your Child(ren), or your Spouse/Domestic Partner or former Spouse/Domestic Partner as part of a court approved divorce decree, separate maintenance agreement, or property settlement agreement.
2. You are married or in a Domestic Partner relationship and live in a community property state unless you give us a signed written consent from your Spouse/Domestic Partner.
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 Qualified Disability Benefit.
5. You are required by a government agency to use the Qualified Disability Benefit to apply for, receive, or continue a government benefit or entitlement.

6. You have previously received an Accelerated Benefit or Qualified Disability Benefit under the Group Policy.

You may not receive both an Accelerated Benefit and a Qualified Disability Benefit.

G. Definitions For Qualified Disability Benefit

1. **Insurance** means your Life Insurance under the Group Policy.
2. **Activities Of Daily Living** means Bathing, Contenance, Dressing, Eating, Toileting, or Transferring.
3. **Bathing** means washing oneself, whether in the tub or shower or by sponge bath, with or without the help of adaptive devices.
4. **Contenance** means voluntarily controlling bowel and bladder function, or, if incontinent, maintaining a reasonable level of personal hygiene.
5. **Dressing** means putting on and removing all items of clothing, footwear, and medically necessary braces and artificial limbs.
6. **Eating** means getting food and fluid into the body, whether manually, intravenously, or by feeding tube.
7. **Toileting** means getting to and from and on and off the toilet, and performing related personal hygiene.
8. **Transferring** means moving into or out of a bed, chair or wheelchair, with or without adaptive devices.
9. **Hands-on Assistance** means the physical assistance of another person without which the insured would be unable to perform the Activity Of Daily Living.
10. **Standby Assistance** means the presence of another person within arm's reach of the insured that is necessary to prevent, by physical intervention, injury to the insured while the insured is performing the Activity Of Daily Living (such as being ready to catch the insured if the insured falls while getting into or out of the bathtub or shower as part of Bathing, or being ready to remove food from the insured's throat if the insured chokes while Eating).

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.
3. 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, including insurance continued under Waiver Of Premium, but excluding AD&D Insurance and Dependents AD&D Insurance.
3. **Qualifying Event** means termination or reduction of your Insurance for any reason except:
 - a. The Participant's failure to make a required premium contribution.
 - b. Payment of an Accelerated Benefit or Qualified Disability Benefit.

4. **You** and **your** mean any person insured under the Group Policy.
5. **Totally Disabled** means that, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonable fitted for education, training and experience.

C. 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.

D. 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**.

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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. 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. It is the claimant's responsibility to provide us Proof Of Loss, which must be in writing.

C. Time Limits On Filing Proof Of Loss

Proof Of Loss must be given to us within 90 days after the date of the Loss. If that is not possible, it must be given to us 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 given to us within 12 months after the date your Total Disability begins. 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.

With respect to coma, we will require Proof Of Loss of the comatose condition at reasonable intervals. If proof is not given to us within 31 days, benefits payable for coma will end.

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

D. Investigation Of Claim

At our expense, we may have you examined at reasonable intervals 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 the claim promptly after it is filed. With respect to all claims except Waiver Of Premium (or other benefits based on disability) claims, 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.

With respect to Waiver Of Premium (or other benefits based on disability) claims, 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. Before the end of this extension period we will send the claimant: (a) a written decision on Waiver Of Premium (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 (or other benefits based on disability) claim, 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 requested information is not provided within 45 days, we may decide the claim based on the information we have received.

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. Reference to any internal rule or guideline relied upon in deciding a Waiver Of Premium (or other benefits based on disability).
4. A description of any additional information needed to support the claim.
5. Information concerning the right to a review of our decision.
6. Information regarding the claimant's rights to appeal under the CTA Advisory Panel on Endorsed Services.

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. Our review will include any written comments or other items the claimant submits 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.

We will review the claim promptly after we receive the request. With respect to all claims except Waiver Of Premium (or other benefits based on disability) claims, 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 (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 Waiver Of Premium (or other benefits based on disability) claims 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 judgment, 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 judgment 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. Reference to any internal rule or guideline relied upon in deciding a Waiver Of Premium (or other benefits based on disability) claim.
4. Information concerning the right to receive, free of charge, copies of non-privileged documents and records relevant to the claim.
5. Information concerning the claimant's right to a review of our decision by the CTA Advisory Panel on Endorsed Services.

If you are a member of California Teachers Association whose claim was denied on review and you disagree or are dissatisfied with the decision on the claim, a written complaint may be filed with the CTA Advisory Panel on Endorsed Services. The complaint must be filed within 180 days after receiving notice of the denial, unless the CTA Advisory Panel on Endorsed Services grants an extension. The CTA Advisory Panel on Endorsed Services will review the complaint, and may uphold or reverse our decision.

The CTA Advisory Panel on Endorsed Services will investigate and review the member's request for review in accordance with its established procedures at the next scheduled meeting. Meetings are scheduled three times per year. A signed Complaint Review Request Form must be received at least 15 business days prior to a scheduled meeting. Requests received less than 15 business days prior to a scheduled meeting will be reviewed at the following scheduled meeting. A written decision will

be sent to the member within 5 days of the CTA Advisory Panel on Endorsed Services meeting where the claim was reviewed.

The CTA Complaint Review Request Form for the CTA Advisory Panel on Endorsed Services may be obtained by contacting:

California Teachers Association
Risk Management/Member Benefits Department
P.O. Box 921
Burlingame CA 94011-0921
(650) 552-5200

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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 and AD&D Insurance, subject to 1 through 8 below.

1. All insurance under the Group Policy, including AD&D Insurance, is assignable. Dependents Life Insurance and Dependents AD&D Insurance is not assignable.
2. You may not make a collateral or partial 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**;
 - c. The right to receive accidental dismemberment benefits; and
 - d. The right to apply for and receive an Accelerated Benefit or Qualified Disability Benefit.
4. The assignment will apply to all insurance on you 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 us in your lifetime. Neither we, nor the Policyholder are responsible for the validity, sufficiency or effect of the assignment.
7. All accidental dismemberment benefits will be paid to the assignee. All death benefits will be paid according to the beneficiary designation on file with us, 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 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.

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BENEFIT PAYMENT AND BENEFICIARY PROVISIONS

A. Payment Of Benefits

1. Except as provided in item 5. below, benefits payable because of your death or coma will be paid to the Beneficiary you name. See B through E of this section. Benefits for coma will cease after the comatose condition has ceased, whether by death, recovery, or any other change of condition.
2. AD&D Insurance and Dependents AD&D Insurance benefits payable for Losses other than Loss of life or coma will be paid to the person who suffers the Loss for which benefits are payable. Any such benefits remaining unpaid at that person's death will be paid according to the provisions for payment of a death benefit.
3. The benefits below will be paid to you if you are living.
 - a. Dependents AD&D Insurance benefits payable because of the death of your Dependent.
 - b. Dependents Life Insurance benefits.
 - c. Accelerated Benefits.
 - d. Qualified Disability Benefits.
4. Dependents Life Insurance benefits and Dependents AD&D 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/Domestic Partner.
 - b. Your children.
 - c. Your estate.
5. Additional Benefits will be paid as follows:

The Child Care Benefit will be paid to a Guardian. No Child Care Benefit will be paid if there is no Guardian.

The Career Adjustment Benefit will be paid to your surviving Spouse/Domestic Partner. No Career Adjustment Benefit will be paid if you have no Spouse/Domestic Partner.

The Higher Education Benefit will be paid annually to each eligible Child. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

The Repatriation Benefit will be paid to the person who incurs the transportation expenses.

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.

Your Beneficiary designations for Life Insurance and AD&D Insurance death benefits may be different.

You must name or change Beneficiaries in writing. Writing includes a form signed by you or a verification from us of an electronic designation made by you.

Your designation:

1. Must be dated;
2. Must be delivered to us 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 us.

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 below 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/Domestic Partner.
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 \$25,000, we will pay it in a lump sum.

2. Standard Secure Access Checking Account

If the amount payable to a Recipient is \$25,000, or more, 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 \$25,000 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.

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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, AGENCY, AND MISSTATEMENT

A. Clerical Error

Clerical error by the Policyholder, or 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.
3. Continue insurance under the Group Policy otherwise validly terminated.

B. 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.

C. Agency

The Policyholder and your Employer act on their own behalf as your agent, and not as our agent. The Policyholder and your Employer have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.

LI.CE.OT.1

TERMINATION OR AMENDMENT OF THE GROUP POLICY

The Group Policy may be terminated by us or the Policyholder according to its terms. The Policyholder may terminate the Group Policy in whole, and may terminate insurance for any class or group of Participants, 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, or 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, or with the Policyholder's consent.

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

LI.TA.OT.1

DEFINITIONS

AD&D Insurance means accidental death and dismemberment insurance under the Group Policy.

Child means:

1. Your unmarried child from birth through age 20 (through age 22 if a registered student in full time attendance at a licensed or accredited educational institution); or
2. Your unmarried child who meets either of the following requirements:

- a. The child is insured under the Group Policy and, on and after the date on which insurance would otherwise end because of the Child's age, is continuously Disabled.
- b. The child was insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy and was Disabled on that day, and is continuously Disabled thereafter.

Child includes any of the following, if they otherwise meet the definition of Child:

- i. Your natural child for whom a birth certificate or fetal death certificate has been issued;
- ii. Your adopted child or a child who has been physically placed in your home by a licensed placement agency for the purpose of adoption;
- iii. The child of your Spouse/Domestic Partner; or
- iv. Any other child related to you by blood or marriage.

The child must be living with you in a regular parent-child relationship and dependent upon you for support and maintenance. With respect to iv. above, a regular parent-child relationship does not exist if either of the child's parents resides with you.

Your child is Disabled if your child is:

1. Continuously 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.

Except as provided in 2.b. above, you must give us proof your Child is Disabled on our forms 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 Disabled on that date. At reasonable intervals thereafter, we may require further proof, and have your Child examined at our expense.

Contributory means insurance is elective and Participants pay all of the premiums for insurance.

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

Dependents AD&D Insurance means dependents accidental death and dismemberment insurance under the Group Policy.

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

Domestic Partner means:

1. A person recognized as your domestic partner under California state law; or
2. An individual over the age of 18 whom you consider to be a life partner, provided that the individual (a) is capable of consenting to a domestic partnership; (b) is not related by blood in a way that would prevent him or her from marrying you; and (c) is living with you in a condition of financial interdependence, in that you and the individual are liable to third parties for any obligations incurred by one or the other for the common necessities of life, such as food, shelter and medical care.

Neither you nor your Domestic Partner may have a similar relationship with any other person, nor be legally married to another person.

Eligibility Date means the date you become eligible for insurance under the Group Policy. 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.

Family Status Change means any of the following events:

1. Your marriage, divorce or legal separation; or initiation or dissolution of a Domestic Partner relationship.
2. The birth of your Child.
3. The adoption of a Child by you.
4. The death of your Spouse/Domestic Partner and/or Child.
5. The commencement or termination of your Spouse/Domestic Partner's employment.
6. A change in employment from full-time to part-time by you, your Spouse/Domestic Partner.

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.

Physical Disease means a physical disease, entity, or process that produces structure or functional changes in your body as diagnosed by a Physician.

Physician means a licensed medical practitioner acting within the scope of the license. Physician does not include you or your Spouse/Domestic Partner, or the brother, sister, parent or child of either you or your Spouse/Domestic Partner.

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

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

Spouse means a person to whom you are legally married.

POLICYHOLDER PROVISIONS

A. Premiums

The premium due on each Premium Due Date is the sum of the premiums for all persons then insured. Premium Rates are shown in the **Coverage Features**.

B. Changes In Premium Rates

We may change Premium Rates at any time when:

1. A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations; or
2. Administration expenses are increased because the Policyholder requests additional services. Such services include, but are not limited to, special printing, travel, systems enhancements

and development, mailings and billing sub-codes. In lieu of any increase in Premium Rates we will provide the Policyholder with other options, including but not limited to, changes in benefit amounts and/or policy provisions, withdrawal of funds from the Policyholder's Claims Fluctuation Reserve account, or other measures to control expected costs; or

3. We and the Policyholder mutually agree to change Premium Rates.

Except as provided above, Premium Rates will not be changed during the Initial Rate Guarantee Period shown in the **Coverage Features**.

Thereafter, except as provided above and in C. below, we may change Premium Rates upon advance written notice to the Policyholder and in accordance with 1. through 3. below. The minimum advance notice is shown in the **Coverage Features** as Notice of Rate Change.

1. A change in Premium Rates may be made effective on the September 1 following advance written notice of 240 days. However, except as provided in 2. below, an increase in Premium Rates will not become effective for any Contract Year for which Premium Rates previously have been agreed upon in writing by us.

Contract Years are successive 12 month periods computed from the end of the Initial Rate Guarantee Period.

2. We may change Premium Rates if Material Factors change by 25% or more during a renewal period for which Premium Rates previously had been guaranteed for more than 12 months. The change in Premium Rates will become effective on the September 1 following advance written notice of 240 days.

Material Factors are factors (a) which are material to underwriting the risk we assumed under all group employer-paid life and accidental death and dismemberment insurance policies issued to the Policyholder, and (b) which were specifically identified in writing by us and presented to the Policyholder prior to the current renewal period.

3. In lieu of any increase in Premium Rates we will provide the Policyholder with other options, including but not limited to, changes in benefit amounts and/or policy provisions, withdrawal of funds from the Policyholder's Claims Fluctuation Reserve account, or other measures to control expected costs.

C. Extended Rate Guarantee

The first year of the Extended Rate Guarantee Period will apply if, on the date 10 months before the last day of the Initial Rate Guarantee Period, the amount determined from each of the formulas in 1. and 2. is positive.

The second year of the Extended Rate Guarantee Period will apply if, on the date 10 months before the end of the first year of the Extended Rate Guarantee Period, the amount determined under each of the formulas in 1. and 2. is positive.

1. A - B, where:

A = 80% of Earned Premium since the Group Policy Effective Date.

B = The sum of:

- i) Paid Claims since the Group Policy Effective Date.
- ii) Claim Reserves.
- iii) Conversion Charges since the Group Policy Effective Date.

2. C - D where:

C = 80% of Earned Premium for the preceding 12 calendar months.

D = The sum of:

- i) Paid Claims for the preceding 12 calendar months.
- ii) The net change in Claims Reserves for the preceding 12 calendar months (or for the period the Group Policy has been in force, if less than 12 months).
- iii) Conversion Charges for the preceding 12 calendar months.

Earned Premium equals $a + b - c$, where:

- a = Paid premiums
- b = Increase or decrease in uncollected premium
- c = Increase or decrease in advance premium

Paid Claims equals $a + b$, where:

- a = Claims paid, including benefits paid under any provisions of the Group Policy
- b = Legal fees, expenses, settlements and judgments paid in connection with lawsuits relating to claims

Claims Reserves equals reserves for $a + b + c + d$, where:

- a = IBNR: claims incurred but not reported
- b = Claims approved under the Waiver Of Premium provision
- c = Outstanding claims: claims or portions of claims which have been reported but have not been paid
- d = Pending claims under the Waiver Of Premium provision

Conversion Charges means the amount charged for converting Life Insurance to an individual life insurance policy under the Right To Convert provision.

D. Payment Of Premiums

With respect to Noncontributory insurance, Employers will pay premium to us at our home office by each Premium Due Date or by the end of the following Grace Period.

With respect to Contributory insurance, Employers will collect premium by means of payroll deduction or directly from Participants, and will send the aggregate of such premium to us at our home office by each Premium Due Date or by the end of the following Grace Period. The State Teachers Retirement System (STRS) and the Public Employees Retirement System (PERS) will deduct premium from STRS and PERS benefits paid to retired Participants, and will send the aggregate of such premium to us at our home office by each Premium Due Date or by the end of the following Grace Period.

The payment of premium to us as provided above will maintain a Participant's coverage in force until the end of the Grace Period, unless the Participant's coverage otherwise ends under the terms of the Group Policy.

The Policyholder will not be responsible for the collection of premium from Participants or payment to us of premiums due under the Group Policy.

E. Grace Period And Termination For Nonpayment

If a premium is not paid on or before its Premium Due Date, it may be paid during the following Grace Period. The length of the Grace Period is shown in the **Coverage Features**. The Group Policy will remain in force during the Grace Period.

If premium equal to at least 50% of the amount due on any Premium Due Date under all group employer-paid life and accidental death and dismemberment insurance policies issued to the Policyholder is not paid during the Grace Period, the Group Policy will terminate automatically on the second August 31st next following the end of the Grace Period.

F. Termination For Other Reasons

The Policyholder may terminate the Group Policy by giving us written notice. The effective date of termination will be the later of:

1. The date stated in the notice; and
2. The date we receive the notice.

We may terminate the Group Policy on the second August 31st next following the date we have provided written notice of termination to the Policyholder if:

1. The number of persons insured is less than the Minimum Participation Number or less than the Minimum Participation Percentage shown in the **Coverage Features**; or
2. The Policyholder or Employer has failed to furnish as soon as reasonably possible any material information requested by us, or has failed to perform any other material obligations relating to the Group Policy.

G. Experience Rating

The Group Policy will be experience rated as long as premiums do not fall below \$25,000 per year. Any experience rating refund is calculated according to our customary underwriting guidelines and will be paid to the Policyholder. The experience rating formulae are available to the Policyholder upon request.

H. Premium Adjustments

Premium adjustments involving a return of unearned premiums will be limited to the 12 months just before the date we receive a request for premium adjustment.

I. Certificates

We will issue certificates to Employers showing the coverage under the Group Policy. The Employer will distribute a certificate to each insured Participant. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern.

J. Records And Reports

The Policyholder or Employer will furnish on our forms all information reasonably necessary to administer the Group Policy.

K. Agency

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on our behalf. The Policyholder and Employer and such individuals have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.

L. Notice Of Suit

The Policyholder or Employer shall promptly give us written notice of any lawsuit or other legal proceedings arising under the Group Policy of which the Policyholder or Employer is aware. We shall promptly give the Policyholder written notice of any lawsuit or other legal proceedings arising under the Group Policy.

M. Entire Contract, Changes

The Group Policy and the application of the Policyholder constitute the entire contract between the parties. A copy of the Policyholder's application is attached to the Group Policy when issued.

The Group Policy may be changed in whole or in part. No change in the Group Policy 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. No agent has authority to change the Group Policy or to waive any of its provisions.

N. Effect On Workers' Compensation, State Disability Insurance

The coverage provided under the Group Policy is not a substitute for coverage under a workers' compensation or state disability income benefit law and does not relieve the Employer of any obligation to provide such coverage.

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