

STANDARD INSURANCE COMPANY

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

GROUP LIFE INSURANCE POLICY

| | |
|-----------------|------------------------|
| Policyholder: | University of Arkansas |
| Policy Number: | 750976-A |
| Effective Date: | January 1, 2015 |

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

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

STANDARD INSURANCE COMPANY

By



Chairman, President and CEO



Corporate Secretary

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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: | 750976-A |
| Type of Insurance Provided: | |
| Life Insurance: | Yes |
| Dependents Life Insurance: | Yes |
| Policyholder: | University of Arkansas |
| Employer(s): | University of Arkansas |
| Group Policy Effective Date: | January 1, 2015 |
| Policy Issued in: | Arkansas |

BECOMING INSURED

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

| | |
|-----------------------|--|
| Definition of Member: | You are a Member if you are: |
| | <ol style="list-style-type: none">1. An active employee participating in the Employer's benefit program who is:<ol style="list-style-type: none">a. Employed half-time or greater; andb. Regularly working at least 20 hours each week; or2. An employee who retires while covered under the Policyholder's group life insurance program and on the date of retirement has age and continuous years of service with the University of Arkansas equal to at least a total of seventy (70) and immediately prior to retirement has completed ten (10) or more consecutive years of continuous coverage under the Policyholder's group life insurance program or who has retired under an early retirement agreement approved by The Board of Trustees of the University of Arkansas. |

You are not a Member if you are:

1. A temporary or seasonal employee.
2. A leased employee.
3. An independent contractor.

Class Definition:

| | |
|----------|----------------|
| Class 1: | Active Members |
|----------|----------------|

| | |
|-----------------------------|--|
| Class 2: | Retired Members (This class does not include a Member who is covered under Waiver Of Premium.) |
| Eligibility Waiting Period: | You are eligible on the later of (A) the Group Policy Effective Date, or (B) the date determined as follows, provided you are benefits eligible on that date: |
| Active Members: | Plan 1 Life Insurance: on the date you become a Member. Plan 2 Life Insurance: The first day of the calendar month coinciding with or next following the date you become a Member. Dependents Life Insurance: See item F. 1. Eligibility in the Dependents Life Insurance section. |
| Retired Members: | The date you become a retired Member. |
| Evidence Of Insurability: | Required: <ul style="list-style-type: none"> a. For late application for Contributory insurance. b. For reinstatements if required. c. For Members and Dependents eligible but not insured under the Prior Plan. d. For any increase resulting from a plan or option change you elect. |

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

On Group Policy Effective Date

If you were insured or eligible to be insured for additional life insurance under the Prior Plan on December 31, 2014, certain Evidence Of Insurability requirements will be waived with respect to Plan 2 Life Insurance.

1. If you were insured under the Prior Plan on December 31, 2014, for an amount less than 3 times your Annual Earnings, requirement d. above will be waived if you apply for an increase in your Plan 2 Life Insurance up to 3 times your Annual Earnings between November 1, 2014 and December 1, 2014.
2. If you were not enrolled for additional life insurance and previously declined the opportunity to enroll in additional life insurance under the Prior Plan, you may elect Plan 2 Life Insurance up to 3 times your Annual Earnings between November 1, 2014 and December 1, 2014 without having to submit Evidence Of Insurability.

If your Spouse was insured or eligible to be insured for dependents life insurance under the Prior Plan on December 31, 2014 certain Evidence Of Insurability requirements will be waived with respect to Dependents Life Insurance.

1. If your Spouse was insured under the Prior Plan on December 31, 2014, for an amount less than \$20,000, requirement d. above will be waived if you apply for an increase in your Dependents Life Insurance for your Spouse between November 1, 2014 and December 1, 2014.
2. If your Spouse was eligible but not insured under the Prior Plan on December 31, 2014, requirements a. and c. above will be waived if you apply for any amount of Dependents Life Insurance for your Spouse between November 1, 2014 and December 1, 2014.
3. Evidence Of Insurability is not required for a Child to become insured for Dependents Life Insurance, or to increase the amount of the Child's Dependents Life Insurance, if you apply between November 1, 2014 and December 1, 2014.

PREMIUM CONTRIBUTIONS

Life Insurance:

| | |
|---------|--------------------------|
| Plan 1: | Class 1: Noncontributory |
| | Class 2: Contributory |
| Plan 2: | Contributory |

Dependents Life Insurance:

| | |
|---------|--------------|
| Spouse: | Contributory |
| Child: | Contributory |

Retired Members:

If your coverage is Contributory and has been continued under the Waiver Of Premium provision and is scheduled to end, you may apply for coverage as a retiree within 31 days following the date your coverage under the Waiver Of Premium provision ends. If you apply within 31 days and agree to pay premiums, you will not be required to submit Evidence Of Insurability and your retiree coverage will be effective on the day after your coverage under Waiver Of Premium ends.

If you do not apply within 31 days, your coverage under the Group Policy will end as provided under the Waiver Of Premium provision.

SCHEDULE OF INSURANCE

SCHEDULE OF LIFE INSURANCE

For you:

Life Insurance Benefit:

You will become insured under Plan 1 if you meet the requirements to become insured under the Group Policy.

If you are an active Member and insured under Plan 1, you may also become insured under any one option of Plan 2 if you meet the requirements to become insured under Plan 2 Life Insurance under the Group Policy. Plan 2 is a Contributory plan requiring premium contributions from Members.

You may be insured under Plan 1 and any one option of Plan 2 at any one time.

| | |
|-----------------|---|
| Plan 1 (basic): | Class 1: 1 times your Annual Earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum is \$50,000. The minimum amount is \$10,000. |
| | Class 2: \$10,000 |

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

| | |
|----------------------|---|
| Plan 2 (additional): | Class 1: Your choice of one of the following options: Option 1: 1 times your Annual Earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum amount is \$500,000. |
|----------------------|---|

Option 2: 2 times your Annual Earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum amount is \$500,000.

Option 3: 3 times your Annual Earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum amount is \$500,000.

Option 4: 4 times your Annual Earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum amount is \$500,000.

Class 2: None

The Repatriation Benefit:

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

For your Dependents:

Dependents Life Insurance Benefit:

Class 1: You may elect one of the following options. You must apply for the same option for your Spouse and Child.

Option 1:

Spouse: \$10,000

Child: \$5,000

Option 2:

Spouse: \$15,000

Child: \$7,500

Option 3:

Spouse: \$20,000

Child: \$10,000

Class 2: None

REDUCTIONS IN INSURANCE

Class 1: If you reach an age shown below, the amount of insurance will be the amount determined from the Schedule Of Insurance, multiplied by the appropriate percentage below:

Life Insurance:

| Age Of Member | Percentage |
|---------------|------------|
| 70 through 74 | 65% |
| 75 or over | 50% |

Your Dependents Life Insurance is not subject to reductions due to age.

Class 2: Your insurance is not subject to reductions due to age.

OTHER BENEFITS

Waiver Of Premium:

Class 1: Yes

Accelerated Benefit: Class 2: No
Class 1: Yes
Class 2: No

OTHER PROVISIONS

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

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

Suicide Exclusion: Applies to:
a. Plan 2 Life Insurance
b. Dependents Life Insurance on your Spouse

The maximum Leave Of Absence Periods are as follows:

1. If you are on a Leave Of Absence due to a sabbatical or other leave and receive at least one-quarter of the Annual Earnings paid to you immediately before the start of such leave, your Life Insurance may be continued to the end of 12 months, or, if earlier, the end of such leave.
2. If you are on a Leave Of Absence for the purpose of either full-time study for an advanced degree, or work in the field of education or research such as a Fulbright Award, foundation grant, or government project, and receive less than one-quarter of the Annual Earnings paid to you immediately before the start of such leave, your Life Insurance may be continued to the end of 12 months, or, if earlier, the end of such leave.
3. If you are on a Leave Of Absence due to a family or medical leave and continuation of insurance is required by a state-mandated family or medical leave act or law, your Life Insurance may be continued to the end of 12 months, or, if later, the period required by the state act or law.
4. If you are on any other Leave Of Absence, your Life Insurance may be continued to the end of 12 months, or if earlier, the period approved by your Employer.

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

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

Insurance Eligible For Portability:

For you:

Life Insurance Yes
Minimum amount: \$10,000
Maximum amount: \$600,000

For your Spouse:

| | |
|---------------------------|-----------|
| 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: | \$10,000 |

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

PREMIUM RATES AND RENEWALS

Premium Rates:

Plan 1 Life Insurance:

| | |
|----------|---|
| Class 1: | \$0.130 monthly per \$1,000 of Life Insurance |
| Class 2: | \$0.833 monthly per \$1,000 of Life Insurance |

Plan 2 Life Insurance:

| Current Age of Member | Monthly Rate Per Multiple of \$1,000 |
|-----------------------|---|
| Under 30 | \$ 0.040 |
| 30 through 34 | 0.056 |
| 35 through 39 | 0.064 |
| 40 through 44 | 0.080 |
| 45 through 49 | 0.120 |
| 50 through 54 | 0.184 |
| 55 through 59 | 0.344 |
| 60 through 64 | 0.528 |
| 65 through 69 | 1.016 |
| 70 or over | 1.640 |

Dependents Life Insurance:

| | |
|-----------|--|
| Option 1: | \$2.71 monthly per Member electing Dependents Life Insurance, regardless of Dependents covered |
| Option 2: | \$4.07 monthly per Member electing Dependents Life Insurance, regardless of Dependents covered |
| Option 3: | \$5.42 monthly per Member electing Dependents Life Insurance, regardless of Dependents covered |

Premium Due Dates: January 1, 2015 and the first day of each calendar month thereafter.

Grace Period: 60 days

Initial Rate Guarantee Period: January 1, 2015 to January 1, 2018

Notice of Rate Change: 180 days

Minimum Participation:

Life Insurance:

Number: 10 insured Members

Percentage: Plan 1 (basic): 100% of Members eligible for Plan 1

Plan 2 (additional): 25% of Members eligible for Plan 2

Dependents Life Insurance: 25% of insured Members 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

1. Increases

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

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

a. Increases Subject To Evidence Of Insurability

An increase in your Life Insurance subject to Evidence Of Insurability becomes effective on the first day of the calendar month following the date we approve your Evidence Of Insurability.

b. Increases Not Subject To Evidence Of Insurability

An increase in your Life Insurance not subject to Evidence Of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date you apply for an elective increase or the date of change in your classification, age or Annual Earnings.

2. Decreases

A decrease in your Life Insurance because of your retirement becomes effective on the first day of the pay period coinciding with or next following the date you retire.

A decrease in your Life Insurance because of a change in your age or Annual Earnings becomes effective on the first day of the calendar month coinciding with or next following the date of the change.

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

D. Repatriation Benefit

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

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

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

E. Suicide Exclusion: Life Insurance

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

1. The amount payable will exclude the amount of your Life Insurance which is subject to this

suicide exclusion and which has not been continuously in effect for at least 2 years on the date of your death. In computing the 2-year period, we will include time you were insured under the Prior Plan.

2. We will refund all premiums paid for that portion of your Life Insurance which is excluded from payment under this suicide exclusion.

F. When Life Insurance Becomes Effective

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

Retired Members:

If you apply for Life Insurance on or before your retirement date, or within 31 days of your retirement date, your Life Insurance as a retiree will become effective on the first day of the pay period coinciding with or next following the date you retire.

If you do not apply within 31 days of your retirement date, you may not become insured for Life Insurance as a retiree. If your Life Insurance ends for any reason while you are a retiree, you may not become insured again as a retiree under the Group Policy.

Active Members:

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

1. Life Insurance subject to Evidence Of Insurability

Life Insurance subject to Evidence Of Insurability becomes effective on the first day of the calendar month following the date we approve your Evidence Of Insurability.

2. Life Insurance not subject to Evidence Of Insurability

- a. Noncontributory Life Insurance

Noncontributory Life Insurance not subject to Evidence Of Insurability becomes effective on the date you become eligible.

- b. Contributory Life Insurance

You must apply in writing for Contributory Life Insurance and agree to pay premiums. Contributory Life Insurance not subject to Evidence Of Insurability becomes effective on:

- (i) The date you become eligible if you apply on or before that date.
- (ii) The first day of the calendar month following the date you apply if you apply within 31 days after you become eligible.

Late application: Evidence Of Insurability is required if you apply more than 31 days after you become eligible.

3. Takeover Provision

- a. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.
- b. Except for the open enrollment period from November 1, 2014 through December 1, 2014, you must submit satisfactory Evidence Of Insurability to become insured for Life Insurance if you were eligible under the Prior Plan for more than 31 days but were not insured.

G. 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. For Retired Members:

Plan 1 Life Insurance does not end solely because of your retirement;

The amount of Plan 1 Life Insurance available after retirement is shown in the Schedule Of Insurance portion of the **Coverage Features**; and

Plan 2 Life Insurance ends on the first day of the pay period coinciding with or next following the date you retire;

4. For Active Members, the date your employment terminates, unless you are covered as a retired Member; and
5. The date you cease to be a Member. However, if you cease to be a Member because you are working less than the required minimum number of hours, your Life Insurance will be continued with premium payment during the following periods, unless it ends under 1 through 4 above.
 - a. While your Employer is paying you at least the same Annual Earnings paid to you immediately before you ceased to be a Member.
 - b. While your ability to work is limited because of Sickness, Injury, or Pregnancy.

If you are Totally Disabled and you are not eligible for Waiver Of Premium (see **Waiver Of Premium**), your Life Insurance will continue, while you remain Totally Disabled, for a period of six months, but not beyond the date the Group Policy terminates. This applies even if your employment terminates.
 - c. During the first 60 days of:
 - (1) A temporary layoff; or
 - (2) A strike, lockout, or other general work stoppage caused by a labor dispute between your collective bargaining unit and your Employer.
 - d. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
 - e. During any other 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**.

H. Reinstatement Of Life Insurance

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

1. If your Life Insurance ends because you cease to be a Member, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
2. If your Life Insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
3. If you exercised your Right To Convert, you must provide Evidence Of Insurability to become insured again.
4. If your Life Insurance ends because you are on a federal or state-mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state-mandated family or medical leave act or law.

DEPENDENTS LIFE INSURANCE

A. Insuring Clause

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

B. Amount Of Dependents Life Insurance

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

C. Changes In Dependents Life Insurance

1. Increases

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

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

a. Increases Subject To Evidence Of Insurability

An increase in your Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the first day of the calendar month following date we approve that Dependent's Evidence Of Insurability.

b. Increases Not Subject To Evidence Of Insurability

An increase in your Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date you apply if you apply for an elective increase.

D. Suicide Exclusion: Dependents Life Insurance

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

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

E. Definitions For Dependents Life Insurance

Dependent means your Spouse or Child.

F. Becoming Insured For Dependents Life Insurance

1. Eligibility

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

- a. The first day of the calendar month following the date you become a Member; and
- b. The date you first acquire a Dependent.

A Member may not be insured as both a Member and a Dependent. A Child may not be insured by more than one Member.

2. Effective Date

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

a. Dependents Life Insurance Subject To Evidence Of Insurability

Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the later of:

1. The date your Life Insurance becomes effective; and
2. The first day of the calendar month coinciding with or next following the date we approve the Dependent's Evidence Of Insurability.

b. Dependents Life Insurance Not Subject To Evidence Of Insurability

You must apply in writing for Dependents Life Insurance and agree to pay premiums. Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on the latest of:

1. The date your Life Insurance becomes effective if you apply on or before that date;
2. The date you become eligible to insure your Dependents if you apply on or before that date; and
3. The first day of the calendar month following the date you apply if you apply within 31 days after you become eligible.

Late Application: Evidence Of Insurability is required for each Dependent if you apply more than 31 days after you become eligible.

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

d. Takeover Provision

Except for the open enrollment period from November 1, 2014 through December 1, 2014, each Dependent who was eligible under the Prior Plan for more than 31 days but was not insured must submit satisfactory Evidence Of Insurability to become insured for Dependents Life Insurance.

G. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

1. Five months after you die (no premiums will be charged for your Dependents Life Insurance during this time);
2. The date your Life Insurance ends;
3. The date the Group Policy terminates, or the date Dependents Life Insurance terminates under the Group Policy;
4. The date the last period ends for which you made a premium contribution;
5. For your Spouse, the date of your divorce; and
6. For any Dependent, the date the Dependent ceases to be a Dependent.

ACTIVE WORK PROVISIONS

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

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

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

CONTINUITY OF COVERAGE

A. Waiver Of Active Work Requirement

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

B. Payment Of Benefit

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

1. The benefits which would have been payable under the terms of the Group Policy; reduced by
2. Any benefits payable under the Prior Plan.

PORTABILITY OF INSURANCE

A. Portability Of Insurance

If your insurance under the Group Policy terminates or is reduced, 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 insurance under the Group Policy terminates or is reduced, 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 insurance under the Group Policy terminates or is reduced, you are under age 80.
3. On the date your insurance under the Group Policy terminates or is reduced, 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 under the Group Policy terminates or is reduced. 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 Employer's 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 insurance under the Group Policy terminates or is reduced.

C. When Portable Insurance Becomes Effective

Portable group insurance will become effective on the day after your insurance under the Group Policy terminates or is reduced, if you apply within 31 days after the date your insurance under the Group Policy terminates or is reduced.

If death occurs within 31 days after the date your insurance under the Group Policy terminates or is reduced, life insurance benefits, if any, will be paid according to the terms of the Group Policy in effect on the date your insurance under the Group Policy terminates or is reduced, and not the terms of the Group Life Portability Insurance Policy.

WAIVER OF PREMIUM

A. Waiver Of Premium Benefit

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

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

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

B. Definitions For Waiver Of Premium

1. Insurance means all your insurance under the Group Policy
2. Waiting Period means the 180 consecutive day period beginning on the date you become Totally Disabled. Waiver Of Premium begins when you complete the Waiting Period.

C. Premium Payment

Premium payment must continue until the later of:

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

D. Refund Of Premiums

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

E. Amount Of Insurance

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

1. 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, Insurance will be reduced according to the **Accelerated Benefit** provision.

F. Effect Of Death During The Waiting Period

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

G. Termination Or Amendment Of The Group Policy

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

H. When Waiver Of Premium Ends

Waiver Of Premium ends on the earliest of:

1. The date you cease to be Totally Disabled;
2. 90 days after the date we mail you a request for additional Proof Of Loss, if it is not given;
3. The date you fail to attend an examination or cooperate with the examiner;
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.

ACCELERATED BENEFIT

A. Accelerated Benefit

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

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

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

B. Application For Accelerated Benefit

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

C. Amount Of Accelerated Benefit

You may receive an Accelerated Benefit of up to 75% of your Insurance. The maximum Accelerated Benefit is \$500,000. The minimum Accelerated Benefit is \$5,000 or 10% of your Insurance, whichever is greater.

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

D. Effect On Insurance And Other Benefits

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

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

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

The amount of the Accelerated Benefit; minus

An interest charge calculated as follows:

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

A = The amount of the Accelerated Benefit.

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

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

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

E. Exclusions

No Accelerated Benefit will be paid if:

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

F. Definitions For Accelerated Benefit

Insurance means your Life Insurance Benefit under the Group Policy.

RIGHT TO CONVERT

A. Right To Convert

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

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

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

B. Definitions For Right To Convert

1. Conversion Period means the 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.
3. Qualifying Event means termination or reduction of your Insurance for any reason except:
 - a. The Member's failure to make a required premium contribution.
 - b. Payment of an Accelerated Benefit.
4. You and your mean any person insured under the Group Policy.

C. Limits On Right To Convert

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

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

D. The Individual Policy

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

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

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

E. Death During The Conversion Period

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

CLAIMS

A. Filing A Claim

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

B. Time Limits On Filing Proof Of Loss

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

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

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

C. Proof Of Loss

Proof Of Loss means written proof that a loss occurred:

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

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

D. Investigation Of Claim

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

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

E. Time Of Payment

We will pay benefits within 30 days after Proof Of Loss is satisfied.

F. Notice Of Decision On Claim

We will evaluate a claim for benefits promptly after we receive it. With respect to all claims except Waiver Of Premium claims (or other benefits based on disability), within 90 days after we receive the claim we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for an additional 90 days.

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

If we extend the period to decide the claim, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim; (c) an explanation of the

standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

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

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

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

G. Review Procedure

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

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

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

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

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

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

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

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

With respect to Waiver Of Premium claims (or other benefits based on disability), the person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical 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. Information concerning the claimant's right to receive, free of charge, copies of non-privileged documents and records relevant to the claim.

ASSIGNMENT

You may make an absolute assignment of all your Life Insurance, subject to 1 through 8 below.

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

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

BENEFIT PAYMENT AND BENEFICIARY PROVISIONS

A. Payment Of Benefits

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

- c. The brothers and sisters of the Dependent.
- d. Your estate.

4. 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 for your Plan 1 Life Insurance and Plan 2 Life Insurance.

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 your Plan 1 Life Insurance and Plan 2 Life Insurance may be different.

You may name a Beneficiary for your Plan 1 Life Insurance and Plan 2 Life Insurance. If you do not name a Beneficiary for each of your Plan 1 Life Insurance and Plan 2 Life Insurance, death benefits payable due to your death for that Plan will be paid in accordance with D. No Surviving Beneficiary, below. Two or more named surviving Beneficiaries will share equally, unless specified otherwise.

Any payment we make according to the Beneficiary designation on file with the Policyholder or Employer will fully discharge us to the extent of the payment for each line of coverage and each death benefit which has been paid.

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

Your designation:

1. Must be dated;
2. Must be delivered to the Policyholder or Employer during your lifetime;
3. Must relate to the insurance provided under the Group Policy; and
4. Will take effect on the date it is delivered to the Policyholder or Employer.

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

C. Simultaneous Death Provision

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

D. No Surviving Beneficiary

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

1. Your Spouse. (See **Definitions**)
2. Your children.
3. Your parents.
4. Your 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 at a rate equal to the 13-week Treasury Bill (T-Bill) auction rate, but not to exceed 5%;
- b. Is owned by the Recipient;
- c. Is subject to the terms and conditions of a confirmation certificate which will be given to the Recipient; and
- d. Is fully guaranteed by us.

3. Installments

Payment to a Recipient may be made in installments if:

- a. The amount payable is \$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.

ALLOCATION OF AUTHORITY

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

Our authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;

3. The right to determine:
 - a. Eligibility for insurance;
 - b. Entitlement to benefits;
 - c. Amount of benefits payable;
 - d. Sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

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

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.

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.

CLERICAL ERROR AND MISSTATEMENT

A. Clerical Error

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

1. Cause a person to become insured;
 2. Invalidate insurance under the Group Policy otherwise validly in force; or
 3. Continue insurance under the Group Policy otherwise validly terminated.
- B. The Policyholder and your Employer act on their own behalf as your agent, and not as our agent.
- C. Misstatement Of Age

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

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

TERMINATION OR AMENDMENT OF THE GROUP POLICY

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

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

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder's consent.

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

DEFINITIONS

Annual Earnings is defined as follows:

- A. Staff professionals with at least a 9-month appointment, but less than a 12-month appointment:

Annual Earnings means 1/12th of your base annual salary in effect just prior to your last full day of Active Work. This figure is then annualized to arrive at your "annual earnings". It includes your total base compensation before taxes. It is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan or flexible spending account. It does not include summer earnings or income received from commissions, bonuses, overtime pay, shift differential or any other extra compensation, or income received from sources other than your Employer.

- B. All other Members:

Annual Earnings means your annual rate of earnings from your Employer. Your Annual Earnings will be based on your annual base income in effect on your last full day of Active Work unless a different date applies (see the **Coverage Features**). Annual Earnings includes:

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

Annual Earnings does not include:

1. Bonuses.
2. Commissions.
3. Overtime pay.
4. Shift differential pay.
5. Stock options or stock bonuses.
6. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
7. Any other extra compensation.

Child means:

1. Your child from live birth to age 26; or
2. Your Disabled child who is continuously incapable of self-sustaining employment because of mental or physical handicap; and chiefly dependent upon you for support and maintenance or institutionalized because of mental retardation or physical handicap.

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

1. Your adopted child;
2. Your stepchild, foster child, dependent grandchild, if living in your home; or
3. A child living in your home for whom you are the court appointed legal guardian.

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

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

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

Evidence Of Insurability means an applicant must:

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

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

Injury means an injury to your body.

Life Insurance means life insurance under the Group Policy.

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

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

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

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

Sickness means your sickness, illness, or disease.

Spouse means a person to whom you are legally married. However, for purposes of insurance under the Group Policy, Spouse does not include a person from whom you are divorced.

Totally Disabled means that, as a result of Sickness, accidental Injury, or Pregnancy, you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonably fitted by education, training and experience.

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. Contributions From Members

The Policyholder determines the amount, if any, of each Member's contribution toward the cost of insurance under the Group Policy.

C. Changes In Premium Rates

We may change Premium Rates 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. Factors material to underwriting the risk we assumed under the Group Policy, including, but not limited to, number of persons insured, age, Annual Earnings, gender and occupational classification, change by 25% or more; 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, we may change Premium Rates upon advance written notice to the Policyholder. The minimum advance notice is shown in the **Coverage Features** as Notice of Rate Change. Any such change in Premium Rates may be made effective on any Premium Due Date, but no such change will be made more than once in any contract year. Contract years are successive 12 month periods computed from the end of the Initial Rate Guarantee Period.

D. Payment Of Premiums

All premiums are due on the Premium Due Dates shown in the **Coverage Features**.

Each premium is payable on or before its Premium Due Date directly to us at our home office. The payment of each premium as it becomes due will maintain the Group Policy in force until the next Premium Due Date.

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 the premium is not paid during the Grace Period, the Group Policy will terminate automatically at the end of the Grace Period.

The Policyholder is liable for premium for insurance under the Group Policy during the Grace Period. We may charge interest at the legal rate for any premium which is not paid during the Grace Period, beginning with the first day after 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 as follows:

1. On any Premium Due Date if the number of persons insured is less than the Minimum Participation shown in the **Coverage Features**.
2. On any Premium Due Date if we determine that the Policyholder has failed to promptly furnish any necessary information requested by us, or has failed to perform any other obligations relating to the Group Policy.

The minimum advance notice of such termination by us is 60 days.

G. Premium Adjustments

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

H. Certificates

We will furnish to the Policyholder for delivery to each insured Member a Certificate showing the coverage under the Group Policy. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern.

I. Records And Reports

The Policyholder or Employer will furnish on our forms all information reasonably necessary to administer the Group Policy. We have the right at all reasonable times to inspect the payroll and other records of the Policyholder or Employer which relate to insurance under the Group Policy.

J. Agency And Release

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 behalf of Standard Insurance Company. The Policyholder, 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. Under Article 12, Section 12 of the Arkansas Constitution, the Policyholder and each Employer, as sovereign entities, may not enter into a covenant or agreement to hold a party harmless or to indemnify from liability. However, with respect to loss, expense, damage, liability,

claims or demands either at law or in equity for actual or alleged injuries to persons or property arising out of any negligent act or omission by the Policyholder, each Employer, or their representatives, agents or employees, the Policyholder agrees with Standard that: (a) it will cooperate with Standard in the defense of any action or claim brought against Standard seeking the foregoing damages or relief; (b) it will in good faith cooperate with Standard should Standard present any claims of the foregoing nature against Policyholder to the Claims Commission of the State of Arkansas; (c) it will not take any action to frustrate or delay the prompt hearing on claims of the foregoing nature by the said Claims Commission and will make reasonable efforts to expedite said hearing; provided, however, the Policyholder reserves its right to assert in good faith all claims and defenses available to it in any proceedings in said Claims Commission or other appropriate forum. The foregoing shall not be construed as or constitute a waiver of the sovereign immunity of the State of Arkansas or its entities thereof, including the Policyholder; nor shall it constitute a waiver of the legal requirements for filing a claim against the State of Arkansas, its entities, or Policyholder, including the legal requirement that any and all claims against the State of Arkansas, its entities, or Policyholder must be filed with the Arkansas State Claims Commission. The obligations of this paragraph shall survive the expiration or termination of this Group Policy.

K. 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.

L. 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.

M. 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.

The following pages include information required by the Arkansas Insurance Department, and are not part of the Group Policy.

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

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

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association ("Guaranty 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 this state. You should not rely on coverage by the Arkansas Life and Health Insurance Guaranty Association in selecting an insurance company or in purchasing an insurance policy or contract.

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 non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

**The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Little Rock, Arkansas 72201**

**Arkansas Insurance Department
1200 West Third St
Little Rock, Arkansas 72201-1904**

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

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or disability 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 policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons owning such policies are **NOT** protected by the Guaranty Association if:

- 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 insurer was not authorized to do business in this state;
- Their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does **NOT** provide coverage for:

- Any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.
- Any policy of reinsurance (unless an assumption certificate was issued);
- Interest rate yields that exceed an average rate;
- Dividends and voting rights and experience rating credits;
- Credits given in connection with the administration of a policy by a group contractholder;
- Employers' plans to the extent they are self-funded (that is not insured by an insurance company, even if an insurance company administers them);
- Unallocated annuity contracts (which give rights to group contractholders, not individuals);
- Unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC")(whether the FPBC is yet liable or not);
- Portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- Portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- Obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- Contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 in life and annuity benefits and \$500,000 in health insurance benefits - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within these overall limits, the Association will not pay more than \$300,000 in disability and long term care benefits, \$500,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values -again, no matter how many policies and contracts there were with the same company, and no matter how many

different types of coverages. There is a \$1,000,000 limit with respect to any contractholder for unallocated annuity benefits, irrespective of the number of contracts held by the contractholder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

**STATE OF ARKANSAS
REQUIRED POLICY INFORMATION**

Name, Address, and Telephone
Number of the Insurance Company

Standard Insurance Company
P.O. Box 711
Portland, OR 97207

(971) 321-7000

Name, Address, and Telephone
Number of the Agent or Broker:

For Employee Benefits sales representative name contact:

Standard Insurance Company
P.O. Box 711
Portland, OR 97207

(971) 321-7000

Insurance Department Address
and Telephone Number

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

(501) 371-2640 or (800) 852-5494