

Marge Strum (Closed Class)

New Hampton Community School District  
New Hampton, Iowa

**THE LAFAYETTE LIFE INSURANCE COMPANY**  
1905 Teal Road, P.O. Box 7007  
Lafayette, Indiana 47903  
(800) 443-8793

**GROUP TERM LIFE INSURANCE CERTIFICATE**  
*Please read this Certificate carefully.*

**PARTICIPANT: New Hampton Community School District**

**CONTRACT NUMBER: GN80123**

The Lafayette Life Insurance Company issues this Certificate to describe the insurance benefits offered under the Group Contract referenced above, to certain eligible Employees of the Participant.

This Certificate is not a contract for insurance. This Certificate summarizes the provisions, limitations and exclusions of the Group Contract, and is subject to the terms of the Contract.

All periods of time under the Contract will begin and end at 12:01 A.M. local time at the Policyholder's address.



President



Secretary

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**SECTION 1 - SCHEDULE OF BENEFITS  
BENEFIT DESCRIPTION**

Carrier ID #: GN80123                      Group #: 013126                      Policy #: 6609  
Group Name:                      New Hampton Community School District  
Group Effective Date:                      July 1, 2007

Class:    05)    Marge Strum (Closed Class)

Basic Life:    N/A    Basic AD&D:    \$30,000

Supplemental Life:    N/A    Supplemental AD&D:    N/A

Dependent Life:    N/A

Guarantee Issue Amount: All Employees applying for amounts in excess of the Basic AD&D Guaranteed Issue Amount of \$30,000 must submit Evidence of Insurability.

Waiting Period: Date of Hire

Reductions and Terminations: All amounts of Basic AD&D Insurance in force reduce by 67% at age 65, rounded to the next higher \$1,000; reduce by 67% of the remaining amount at age 70, rounded to the next higher \$1,000; and terminate upon your retirement

Eligibility: Under SECTION 4 ELIGIBILITY FOR, AND EFFECTIVE DATE OF, INSURANCE of the Certificate, under the subsection entitled ELIGIBILITY, the phrase An Employee becomes eligible for insurance under the Contract: as well as items 1., 2., and 3. are hereby deleted in their entirety and replaced with:

An Employee becomes eligible for insurance under the Contract when the Employee has satisfied the Waiting Period as stated in the Schedule of Benefits.

Individual Terminations: Under SECTION 5 TERMINATION AND REINSTATEMENT PROVISIONS, under TERMINATION OF INSURANCE, the phrase An Insured will cease to be insured under the Contract at 12:01A.M. on the earliest of the following: is deleted in its entirety and is replaced with:

An Insured will cease to be insured under the Contract at 12:01A.M. on the end of the coverage month following the earliest of the dates listed below:

Under SECTION 5 TERMINATION AND REINSTATEMENT PROVISIONS, under TERMINATION OF INSURANCE, under An Insured will cease to be insured under the Contract at 12:01A.M. on the end of the coverage month following the earliest of the dates listed below: , item 6. is hereby deleted in its entirety and replaced with:

6. the day You are no longer Actively Employed except under the following circumstances:
  - a. If Active Employment ceases due to a temporary layoff or an approved leave of absence (other than FMLA), insurance may be continued with premium payment for up to 3 months after last day of active work.
  - b. If Active Employment ceases due to sickness, injury or pregnancy, insurance may be continued with premium payment for up to 12 months after last day of active work.
  - c. If Active Employment ceases due to retirement or termination of employment after fulfillment of contract, insurance may be continued with premium payment through last day of contract.
  - d. If Active Employment ceases while You are on a leave of absence under the Family Medical Leave Act, insurance will continue with premium payment until the later of the leave period required by the Act or the leave period required by applicable state law. Coverage terminates at end of the leave if the employee does not return from the Family Medical Leave Act.

Any leave of absence, including a family or medical leave of absence described above, must be approved in advance in writing by the Participating Employer if Your insurance is to be continued.

Seat Belt Benefit: Under SECTION 7 ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE , the following subsection is hereby added:

#### SEAT BELT BENEFIT

SEAT BELT means a properly installed seat belt, lap and shoulder restraint, or other restraint approved by the National Highway Traffic Safety Administration.

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

The Lafayette Life Insurance Company will pay an additional accidental death benefit, called the Seat Belt Benefit if you die as a result of an Automobile accident while wearing a Seat Belt at the time of the accident. The following rules apply:

1. The Seat Belt Benefit equals 20% of your full amount of AD&D Insurance subject to a maximum benefit of \$100,000.
2. The Lafayette Life Insurance Company must receive satisfactory written proof that your death resulted from an Automobile accident and that you were wearing a Seat Belt at the time of the accident. A copy of the police accident report must be submitted with the claim.

This benefit will not be paid if you were legally intoxicated as defined by applicable laws, violating traffic laws, racing, stunt-driving, test-driving, or engaging in other similar activity during the accident.

Weekly Disability Income Insurance: The section entitled SECTION 8 - WEEKLY DISABILITY INCOME INSURANCE is hereby deleted in its entirety.

#### Attached Riders:

#### **This Contract Provides:**

**RENEWABLE LEVEL BENEFIT TERM LIFE INSURANCE  
APPLICABLE FACE AMOUNT PAYABLE AT DEATH OF INSURED  
NO CASH VALUES  
PREMIUMS MAY INCREASE  
NON-PARTICIPATING: NO DIVIDENDS ARE PAYABLE**

## SECTION 2 - DEFINITIONS

The terms listed below, when used in this Certificate, shall have the following defined meanings.

**ACTIVE EMPLOYMENT** - means the Employee must be a permanent Employee present and performing all of his normal job duties at the Participants principal place of business, excluding the Employee's personal residence, for a minimum of 20 hours per week.

**ANNUAL EARNINGS** - means Your gross annual salary from the Participant in effect immediately before the date of loss. Annual Earnings do not include bonuses, overtime pay and extra compensation, including, but not limited to, consulting fees and director's fees. Annual Earnings include commissions averaged over the 12-month period immediately preceding the date of loss.

**APPLICATION** - means:

1. the written application for the Contract signed by the Policyholder;
2. The Participant s Trust Application, including any supplements and/or amendments thereto;
3. the written applications, including any Evidence of Insurability, of the Employees requesting coverage for themselves and/or their Dependents: or
4. any written application for reinstatement of the Contract, signed by the Participant.

**BENEFICIARY** - means the person(s) or other entity designated by You, on a form satisfactory to Us, to receive any benefits becoming payable under the terms of the Contract upon Your death. Benefits will be paid in accordance with the BENEFICIARY AND PAYMENT OF BENEFITS and the FACILITY OF PAYMENT provisions located in SECTION 6 - LIFE INSURANCE.

**CERTIFICATE** - means the written document, including all amendments, endorsements and riders, issued by Us to the Participant for delivery by the Participant to each Certificateholder setting forth a summary of:

1. the insurance benefits to which an Insured is entitled;
2. to whom such benefits are payable;
3. any Dependent Insurance; and
4. any limitations, exclusions, or requirements that may apply to the Contract.

This Certificate is not part of the Contract.

**CERTIFICATEHOLDER, YOU OR YOUR** - means an Employee who is insured under the Contract.

**COMPANY, WE, US AND OUR** - means The Lafayette Life Insurance Company, Lafayette, Indiana.

**CONTRACT** - means the group insurance policy for term life insurance and all riders, endorsements or amendments thereto.

**CONTRACT EFFECTIVE DATE** - means the date the Contract became effective.

**CONTRIBUTORY** - means that you must pay all or part of the premiums, such payments are:

1. made directly to the Participant; and
2. forwarded to the Company.

**DEPENDENT** - means:

1. the spouse to whom You are legally married;
2. Your unmarried children from their 14th day of age up to and including their 19th birthday; and
3. Your unmarried child who is at least 19 years old but no more than 23 years old, if such child:
  - a. is enrolled as a full-time student at an accredited school, college or university; and
  - b. is not employed on a full-time basis

Child includes an adopted child, stepchild or foster child who depends on You for support. Dependent does not mean anyone who:

1. lives outside the United States;
2. is in the armed forces of any country; or
3. has coverage under the Contract as a Certificateholder or Dependent of another person.

**DEPENDENT INSURANCE** - means the insurance coverage for Your Dependents who are eligible to be insured under the Contract.

**EMPLOYEE** - means a person who is employed directly by the Participant for pay, in the conduct of the Participant's regular business at the Participant's principal place of business, other than the Employee's personal residence. A sole proprietor, partner (in the case of a partnership), or shareholder (in the case of a corporation) shall only be considered to be an Employee if such person is engaged in the conduct of the Participant's regular business, for pay, at the Participant's principal place of business.

**EMPLOYER** a sole proprietorship, partnership, or corporation which becomes a participant in the trust by:

1. completing a Participant's Trust Application; and
2. having the Participant's Trust Application accepted by us.

**EVIDENCE OF INSURABILITY** - means written proof of an Employee's or Dependent's medical history.

**HE, HIS, HIM** refer to both genders.

**HOME OFFICE** - means Our offices at 1905 Teal Road, Lafayette, Indiana, 47903.

**INJURY** - means a trauma to the body from an external force which is evidenced by a visible bruise or wound. A visible bruise or wound shall also be said to exist in the case of an Injury which is internal and shown by autopsy.

**INSURED** - means You and/or Your Dependents insured under the Contract.

**NON-CONTRIBUTORY** means insurance for which the Participant pays the entire premium.

**PARTICIPANT** an employer who:

1. has subscribed to the trust;
2. has executed the proper Participant's Trust Application; and
3. has ten or more insured employees.

**PARTICIPANT'S EFFECTIVE DATE** means the date the Participant's Insurance under the Contract becomes effective, as shown on the Participant's Trust Application.

**PARTICIPANT'S TRUST APPLICATION** document outlining provisions and coverage provided under the policy.

**POLICYHOLDER** - means the trustee and owner of the group Contract.

**RETIRED or RETIRES** - mean the earliest of any one of the following occurrences:

1. the date the Insured ceases working in accordance with his employer's retirement benefit and/or pension plan;
2. the date the Insured is approved to receive retirement benefits under any federal (including, but not limited to, the U.S. Social Security Act, as amended, and/or the Veterans Administration), state, county, municipal or association retirement plan;
3. the date the Insured draws and/or receives benefits from any pension plan, fund or other similar program, whether or not provided by the Insured's employer; or
4. the first day of the month in which the Insured attains age 65 and is not in Active Employment for any reason.

If an Insured is not at work for any reason, including an approved absence, illness or disability or Total Disability, on the date he retires, the date the Insured Retires shall also be deemed to be the date such Insured's employment terminates.

**SICKNESS** - means illness, disease, pregnancy or Complications of Pregnancy, as defined below. The Sickness must begin after the Insured's effective date under the Contract.

*COMPLICATIONS of PREGNANCY* means any or all of the following conditions which are made worse by, occur during, or are caused by pregnancy: acute nephritis, nephrosis, cardiac decompensation, missed abortion, hyperemesis gravidarum, ectopic pregnancy that is ended, non-elective Cesarean section, pre-eclampsia, gestational diabetes, spontaneous end of pregnancy which occurs when a viable birth is not possible, and other medical problems of similar severity.

Complications of Pregnancy **do not** include: false labor, occasional spotting, rest prescribed by a Physician, morning sickness, leg cramps or similar conditions that are associated with a difficult pregnancy but not classified as a distinct Complication of Pregnancy.

**TOTAL DISABILITY and TOTALLY DISABLED** - mean that, because of an Injury or Sickness which:

1. began after the Participant's Effective Date; and
2. while You were insured under the Contract; and
3. for which You are under the regular care and attendance of a Physician,

You cannot perform the material and substantial duties of Your own or any other occupation for compensation or profit for which You are or become qualified by training, education or experience.

If You:

1. are employed as a pilot, co-pilot and/or crew of an aircraft, the loss of a pilot's license or any other license or certificate shall not, in itself, constitute Total Disability; or
2. hold a professional license, the mere loss of such license shall not, in itself, constitute Total Disability.

**WAITING PERIOD** - means the period of time an Employee must wait before becoming eligible to apply for insurance under the Contract, as shown on the Schedule of Benefits page.

## **SECTION 3 - GENERAL PROVISIONS**

### **THE CONTRACT**

The entire contract consists of:

1. the Contract, including any endorsements, amendments and/or riders; and
2. all Applications, including, but not limited to, the copy of the Application of the Policyholder attached to the Contract.

All statements made by the Policyholder, Participants and Insureds are deemed to be representations and not warranties.

The provisions of the Contract may be changed or waived only by a duly authorized officer of the Company and only in writing. Changes may be made only:

1. if the policyholder and We agree;
2. between Us and a Participant;
3. by a written endorsement executed by Us.

Except as otherwise provided in a writing signed by both the Policyholder or Participant and the Company and made a part of the Contract, a change, when made, shall be binding on all Insureds. The Company will not be bound by any promise or representation made to any person who is not a duly authorized officer of the Company or who is acting outside the scope of his authority as an officer for the Company. No agent or broker has any authority to change the Contract, extend the time for payment of any premium or waive any provision of the Contract.

### **GOVERNING LAW**

The entire contract shall be governed by the laws of the state in which it was delivered.

### **CONFORMITY WITH STATE STATUTES**

Any provision of the Contract which conflicts with the laws of the state in which the Contract was delivered is amended to conform to the minimum requirements of such laws.

### **INCONTESTABILITY**

The Contract may not be contested after it has been in force for 2 years after the Contract Effective Date. However, it may be contested at any time for nonpayment of premium or for fraudulent misrepresentation.

No statement made by any Insured relating to his or his Dependent's insurability shall be used to contest the validity of an Insured's coverage after the Insured's coverage has been in force prior to the contest for a period of 2 years during the Insured's lifetime (or Dependent's lifetime, if applicable). Any statement used in a contest must be in writing and signed by the Insured, or on the Insured's behalf, and a copy of any such statement must be given to the Insured or the Insured's beneficiary.

### **NOTICE OF CLAIM**

A written notice of claim providing enough information to identify the Insured must be sent to Us at Our Home Office within twenty (20) days after the date of occurrence of the event for which claim is being made, or as soon thereafter as reasonably possible.

If the Contract includes a Waiver of Premium benefit for Life Insurance, please refer to the separate Notice of Claim and Proof of Claim requirements contained in that section for that benefit.

## **CLAIM FORMS**

When We receive notice of claim, We will send the claimant the forms to be used in filing proof of claim. If We do not send these forms within 15 days, the claimant may meet the requirements for proof of claim as long as he sends written proof satisfactory to Us detailing the nature, occurrence and extent of the loss within the time limit stated in the PROOF OF CLAIM provision below.

## **PROOF OF CLAIM**

Written proof of claim satisfactory to Us must be sent to Us at Our Home Office within 90 days after the date of the event for which claim is made. A claim will not be reduced or denied if it was not possible to send the proof within this time; however, proof of claim must be sent as soon as reasonably possible. In any case, the required proof must be sent to Us no later than one year after the 90 day period specified above, unless the claimant was legally incapacitated.

If the Contract includes a Waiver of Premium benefit for Life Insurance, please refer to the separate Notice of Claim and Proof of Claim requirements contained in that section for that benefit.

## **INFORMATION**

We, or Our designated contractors, may obtain from any relevant person or entity information relating to a claim for benefits. We may also furnish information to other entities providing similar benefits.

Each Participant shall maintain its own records of transactions relating to the Contract, including, but not limited to:

1. the names of all Insureds;
2. the Beneficiary(ies) of each Certificateholder;
3. the date upon which each Insured became insured under the Contract; and
4. the effective date of any change in an Insured's insurance under the Contract.

The Participant will furnish Us with a copy of such records and will immediately report to Us any change in such records. We have the right to inspect any records of the Participant which We deem relevant to the administration of the Contract and the adjudication of claims hereunder. We may inspect such records during the Participant's normal business hours.

You and/or Your Dependents shall be enrolled on forms approved by Us. Certificates will not be issued until enrollment forms are received and approved by Us.

In furnishing information to Us, the Participant **is not** acting as Our agent. No information known to the Participant shall constitute notice or knowledge to Us until it is actually received in writing at Our Home Office.

Errors of a Participant in furnishing information will not invalidate insurance which should have become effective; and Participant reporting errors will not continue, extend or create insurance which should have terminated or for which the Employee or Dependent was not eligible under the Contract. Premiums shall be paid, credited or offset as appropriate when such errors are detected.

## **LEGAL ACTIONS**

No claimant may sue for payment of claims within 60 days after the date proof of claim is sent as required, or more than 3 years (5 years in Kansas and Tennessee, 6 years in South Carolina and the applicable statute of limitations in the State of Florida) after the time proof of claim is required.

If any time stated in the Contract for giving notice or proof of claim, or beginning legal action, is less than that permitted by the laws of the state in which the Contract was delivered, then such limit shall be extended to the minimum period of time required by such laws.

## **MISSTATEMENT OF AGE OR SEX**

If the age or sex of an Insured has been misstated, We will adjust the proceeds and/or premiums due under the Contract. If adjusted, the proceeds will be the amount that the premiums paid would have purchased at the correct age and/or sex.

## **AUTOPSY AND PHYSICAL EXAMINATION**

We, at Our own expense, have the right to have a physician of Our choice examine an Insured as often as reasonably necessary while such Insured has a claim pending. We also have the right, at Our own expense, to have an autopsy performed, unless prohibited by law.

## **PREMIUMS**

The first month's premium must be paid to put coverage under the Contract in force. Premiums are due monthly, unless the Company agrees to another mode. The premium due date is shown in the Participant's Trust Application.

## **GRACE PERIOD**

The Company allows 31 days after the due date for a Participant to pay any premium, except for the first. During the days of grace, this insurance remains in force. This insurance terminates if the premium is not paid within this period. The Participant will be responsible for premiums during the grace period.

## **PREMIUMS SUBJECT TO CHANGE**

Premiums for the Contract may not be changed during the first twelve months after a Participant's Effective Date, unless the terms of the Contract are changed, in which case any change in premium will take effect concurrent with the change to the Contract. Otherwise, We have the right to change the premium at any time so long as We give the Participant thirty-one days advance written notice of any change in premium. New premium rates will take effect on the next premium due date following the notice of change.

Premium adjustments resulting in a refund of unearned premium must be requested by the Participant within 12 months of the date in which such premium adjustment was effective.

## **RIGHT TO RECOVERY**

If any payment made by Us under the Contract is more than the correct amount due hereunder, We may recover the overpayment from the person or entity to whom the benefits were paid.

## **APPOINTMENT OF BROKER**

If a Participant appoints an insurance broker to procure or administer the Contract, We may give all notices contemplated by the Contract to such broker. We must receive written evidence of such appointment from the Participant. After receipt of such written evidence, notice to, and communications from, the broker will be deemed dealings between Us and the Participant. An affiliate, subsidiary or employer of the Participant may not exercise the rights of the Participant. The Participant, or its broker when appointed by the Participant, will be the exclusive agent for any subsidiary, affiliate, employer, employee and/or any other person covered under the Contract, in matters concerning the Contract.

## **WORKER'S COMPENSATION NOT AFFECTED**

The Contract does not take the place of, nor does it affect, any requirements for worker's compensation coverage.

## SECTION 4 - ELIGIBILITY FOR, AND EFFECTIVE DATE OF, INSURANCE

### ELIGIBILITY

An Employee becomes eligible for insurance under the Contract:

1. on the Participant's Effective Date, if the Employee has completed at least 90 days of Active Employment;
2. on the first day of the month coincident with or next following the 90 day period after the Participant's Effective Date, if the Employee was hired within 90 days preceding the Participant's Effective Date; or
3. on the first day of the month coincident with or next following the completion of 90 days of Active Employment after the Participant's Effective Date, if the Employee was hired after the Participant's Effective Date.

Any Employee not in Active Employment on the date such Employee would otherwise become eligible for insurance under the Contract will become eligible after returning to an Active Employment status for one working day.

#### Eligibility for Dependent Insurance

Dependent Insurance is offered to You if You are eligible for such insurance under the Contract and have elected life insurance coverage for Your Dependents. A Dependent will be eligible for Dependent Insurance under the Contract on the latest of:

1. the Participant's Effective Date;
2. the date You become eligible for Dependent Insurance under the Contract; or
3. the date You first acquire a Dependent.

### EFFECTIVE DATE OF INSURANCE

To become insured under the Contract, an eligible Employee must make written Application for insurance with Us through the Participant on a form satisfactory to Us. Upon Our approval of an Employee's Application, insurance coverage will be effective on the later of: (i) 12:01 A.M. on the date requested by the Employee; or (ii) the first day of the month after We approve the Application.

If an Application is not received by Us within 31 days of the date the Employee first became eligible to apply for insurance under the Contract, that Employee will be deemed a late enrollee and must submit an Application and Evidence of Insurability to Us for approval. Any costs incurred in connection with the Evidence of Insurability shall be the responsibility of the Employee. Insurance coverage will then become effective on the date designated by Us.

The effective date of insurance for an Employee, or the effective date of any change in the amount of an Insured's insurance, will be delayed if the Employee is not in Active Employment. Insurance coverage under the Contract, and any changes in any amount of coverage hereunder, will be effective on the date the Employee returns to an Active Employment status.

#### Effective Date of Dependent Insurance

You must make written Application, and submit Evidence of Insurability if Application is made more than 31 days after the Certificateholder first became eligible to apply, for each Dependent in order to obtain Dependent Insurance under the Contract.

Dependent Insurance will commence on the latest of:

1. the date You become insured under the Contract, if written Application and Evidence of Insurability if required, for each Dependent were received and approved by Us prior to such date; or
2. the date You first acquire a Dependent and makes written Application and submits Evidence of Insurability, if required, to Us for such Dependent and the Application is approved by Us.

If a Dependent is disabled due to a Sickness or Injury and is confined at home, in a hospital, a nursing or convalescent home, or elsewhere on the date such Dependent's insurance would otherwise commence under the Contract, insurance coverage for that Dependent shall commence on the first day of the month coincident with or next following the date the Dependent is no longer confined or disabled.

If a Dependent is confined in a penal facility, including, but not limited to, a police lockup, county or city jail, state or federal prison, reformatory, halfway house, juvenile correction center, or other such similar facility, or who is under house arrest on the date such Dependent's insurance would otherwise commence under the Contract, insurance coverage for that Dependent shall commence on the first day of the month coincident with or next following the date of the Dependent's final release and discharge from such confinement.

## **SECTION 5 - TERMINATION AND REINSTATEMENT PROVISIONS**

### **TERMINATION OF INSURANCE**

A Participant's insurance under this Contract will cease:

1. if premiums have not been paid within 31 days after they are due;
2. if the Participant, without good and sufficient cause, fails to perform, in good faith, its duties pertaining to the Contract;
3. on the date the Company or the Participant designates, provided 31 days written notice is given to the other party;
4. if the Participant changes to an industry classification which does not meet the Company's requirements; or
5. the Contract terminates;

An Insured will cease to be insured under the Contract at 12:01 A.M. on the earliest of the following:

1. the date the Contract terminates;
2. the date the Participant's insurance under the Contract ceases;
3. the date the Insured is no longer eligible for insurance under the Contract;
4. the last day for which premium has been paid;
5. the date Your employment terminates;
6. the day You are no longer in Active Employment due to a labor dispute, including, but not limited to, any strike, work slowdown, or lockout;
7. the date the Insured Retires;
8. the day the Insured enters the armed forces of any country or international authority on a full-time basis;

Dependent Insurance will automatically terminate on the earliest of any one of the following dates:

1. the date the Contract terminates;
2. the date the Participant's insurance under the Contract ceases;
3. the day You request Dependent Insurance be canceled;
4. the last day for which premium for Dependent Insurance has been paid;
5. the day Your coverage terminates;
6. the day the Dependent is no longer a Dependent, as defined herein; or
7. the day Dependent Insurance is terminated under the Contract.

The Company will honor all valid claims that arise prior to the termination date

### **TERMINATION OF CONTRACT**

The Policyholder may terminate the Contract on any premium due date by giving 31 days advance written notice to Us at Our Home Office of such termination.

We may terminate the Contract on any premium due date by giving 31 days advance written notice to the Policyholder of such termination.

### **REINSTATEMENT OF CONTRACT**

If the insurance under the Contract terminates because the Participant has not paid the required premium by the end of its grace period, the Participant may apply for reinstatement of the Contract. The Participant must request an application for reinstatement from Us, and submit the completed Application, together with all past due premiums and the current month's premium, to Us within the time limit set forth on such Application.

If We choose to reinstate the Participant's insurance under the Contract, the insurance hereunder will resume as of the date the Participant's insurance under Contract terminated.

If We choose not to reinstate the Participant's insurance under the Contract, We will notify the Participant of such decision in writing and return any unearned premium submitted with such application for reinstatement.

## SECTION 6 - LIFE INSURANCE

### LIFE INSURANCE BENEFIT

Upon receipt of written proof, satisfactory to Us, of an Insured's death, We will pay the amount of insurance shown on the Schedule of Benefits page for the Insured in accordance with the BENEFICIARY AND PAYMENT OF BENEFITS and the FACILITY OF PAYMENT provisions below.

#### ASSIGNMENT

You may absolutely assign to any other person or entity, except to the Participant, all or any part of the incidents of ownership held by You under the Contract including, but not limited to, the right to designate a Beneficiary and the right to have an individual policy issued in accordance with the CONVERSION provisions below. The assignment must be in writing, in a form satisfactory to Us, and received by Us at Our Home Office during Your lifetime. Upon receipt by Us, a properly completed assignment shall be effective as of the date it was signed by You, subject to any action taken or payment made by Us prior to the receipt of such assignment by Us at Our Home Office. We do not guarantee the validity of any assignment. Dependent Insurance may not be assigned. Collateral assignments, by whatever named described, are not permitted.

#### BENEFICIARY and PAYMENT of BENEFITS

Any life insurance benefits becoming due upon a Your death will be payable to Your Beneficiary. Any benefits becoming due under the Dependent Insurance are payable to You if You survive the Dependent. If You do not survive the Dependent, We shall make payment to the Beneficiary. If no Beneficiary survives You and Your Dependent, benefits coming due under the Dependent's Insurance may be paid by Us, at Our option, in accordance with the FACILITY OF PAYMENT provisions below.

If You name more than one Beneficiary, and do not direct otherwise in writing as part of the designation the interest of each, We shall make payment in equal shares to the surviving Beneficiaries. If no Beneficiary survives, or if no Beneficiary has been named, We, at Our option, may make payment in accordance with the FACILITY OF PAYMENT provisions below.

You may designate a Beneficiary by doing so in writing and in a form acceptable to Us. Any such designation or change must be filed with Us. You may change any irrevocable Beneficiary and designate a new Beneficiary by doing so in writing and in a form acceptable to Us and filed with Us at Our Home Office. Any payment made to the Beneficiary named in Our records, prior to Our receipt at Our Home Office of a properly executed change of Beneficiary, shall release and fully and finally discharge Us to the extent of the payment. Otherwise, Beneficiary designations received by Us will be effective from the date signed by You.

Any Beneficiary designation made by You shall remain in force until changed by You in the manner stated above. Reinstated insurance will be governed by the previous designation unless otherwise changed. Benefits becoming payable during Your lifetime are payable to the You.

#### FACILITY of PAYMENT

If no Beneficiary was named or if no named Beneficiary survives You, We may, at Our option, make payment to one or more of the following persons, separately or in combination, as We may choose:

1. the executor or administrator of the Your estate;
2. Your surviving spouse;
3. Your surviving child or children, in equal shares;
4. Your surviving parent or parents, in equal shares;
5. Your surviving brothers and sisters, in equal shares; or
6. any person equitably entitled to payment by reason of having paid the Insured's funeral or other expenses incident to the Insured's last Sickness, not exceed \$500.00

Any payment made as provided in this provision will fully and finally discharge Us from any and all liability to the extent of the payment made.

If a person to whom proceeds are payable is a minor or is, in Our sole opinion, legally incapable of giving a valid release, and no conservator or guardian of the estate has been appointed, We may, at Our sole discretion:

1. hold such payment until a conservator or guardian of the estate eligible to receive the funds is duly appointed by the appropriate court;
2. make payment to the person who satisfies the legal requirements for receipt of the property payable to the person entitled to the proceeds; or
3. make payment to the person who, in Our sole opinion, is then assuming the obligation of the recipient's principal care and support.

Payment under item 3, above, for a minor child may not exceed the maximum amount allowed by state law. Any payments made by Us in accordance with this provision shall fully and finally discharge Us from any and all liability to the extent of the payments so made.

## **CONVERSION PRIVILEGE**

1. If all or any part of an Insured's life insurance terminates while the Contract is in force because:
  - a. You are no longer an Employee of the Participant; or
  - b. You are no longer a member of a class of Employees eligible for life insurance under the Contract;

and such life insurance is not replaced with any other type of life insurance, the Insured may convert, without Evidence of Insurability, the amount of life insurance so terminated, less any amount of group life insurance the Insured may be eligible for within 31 days after his life insurance under the Contract terminates, to an individual policy.

2. If all or any part of an Insured's life insurance terminates while the Contract is in force, and after the Insured has been continuously insured under the Contract for at least five years, because:
  - a. the Contract is terminated; or
  - b. the Contract is amended and no longer provides the Insured with life insurance,

and such life insurance is not replaced with any other type of life insurance, the Insured may convert, without Evidence of Insurability, the lesser of: (i) the amount of life insurance so terminated less any amount of group life insurance the Insured may become eligible for within 31 days after his life insurance under the Contract terminates; or (ii) \$2,000.00.

To obtain an individual life insurance policy, the Insured must apply in writing to Us using the proper forms. The completed application and first premium must be received by Us at Our Home Office within 31 days after the Insured's life insurance under the Contract was terminated. The premium for the individual policy will be based on Our then customary rate applicable to the individual life insurance policy, the face amount of the individual life insurance policy, the class of risk to which the Insured belongs and the age attained by the Insured on the effective date of the individual life insurance policy.

In the event the Insured dies within the conversion period, the amount of life insurance which qualifies for conversion to an individual life insurance policy will be payable under the Contract even if no application or payment of the first premium for the individual life insurance policy has been made.

The Policyholder must give an Insured notice of this Conversion Privilege at least fifteen days prior to the expiration of the thirty-one day conversion period described above. In the event notice is not given to the Insured within this fifteen day period, the period in which such Insured may apply for an individual life insurance policy under this Conversion Privilege shall be increased to fifteen days after the Insured does receive notice. However, in no event shall such increase in time in which the Insured may apply for an individual life insurance policy under this Conversion Privilege extend beyond sixty days after the expiration of the original thirty-one day conversion period. For purposes of this Conversion Privilege written notice presented to the Insured, or to the Insured's personal representative, in person or by mail to the Insured or to the Insured's personal representative at his/her last known address shall be deemed sufficient notice.

## **SUPPLEMENTAL LIFE INSURANCE**

### **ELIGIBILITY**

All Employees who have applied for, or are insured for, Life Insurance under the Contract are eligible to apply for Supplemental Life Insurance.

#### *Amount of Supplemental Life Insurance*

Eligible Employees may apply for Supplemental Life Insurance in the amounts shown on the Schedule of Benefits page.

### **EFFECTIVE DATES OF SUPPLEMENTAL LIFE INSURANCE**

If an Application for Supplemental Life Insurance is not made by the Employee and received by Us within 31 days of the date the Employee first became eligible to apply for Supplemental Life Insurance under this Contract, that Employee must submit an Application and Evidence of Insurability to Us for approval. Any costs incurred in connection with the Evidence of Insurability shall be the responsibility of the Employee. We reserve the right to require medical Evidence of Insurability on any late enrollee applying for Supplemental Life Insurance coverage. Supplemental Life Insurance coverage will then become effective on the date designated by Us.

The effective date of Supplemental Life Insurance for an Employee, or the effective date of any change in the amount of an Insured's Supplemental Life Insurance, will be delayed if the Employee is not in Active Employment. Supplemental Life Insurance coverage under this Contract, and any changes in the amount of coverage hereunder, will be effective on a date agreed upon by the Employer and the Insurance Company.

## WAIVER OF PREMIUM -

In the event You become Totally Disabled, Your Life Insurance coverage may be continued without payment of premium from the date Your Total Disability began if:

1. the Total Disability began after the Participants Effective Date; and
2. the Total Disability began while You were under the Contract; and
3. the Total Disability began before You attained age 60; and
4. the Total Disability has continued for at least [9] consecutive months; and
5. notice and proof of claim satisfactory to Us are furnished as described below.

If an application for the Waiver of Premium benefit is approved by Us, all premiums for Life Insurance coverage on You which becomes due after the date the Total Disability began will be waived, so long as You:

1. remain Totally Disabled; and
2. continue to qualify for this benefit; and
3. continue to submit proof of Total Disability satisfactory to Us as We may require.

If premium has been paid to Us for any period for which the waiver benefit has been approved, such premium will be refunded to the Participant by Us. **Premiums for any AD&D Insurance, Supplemental Life Insurance, or Dependent Insurance shall not be waived.**

### Amount of Insurance

The amount of Life Insurance on You for which premiums may be waived under this provision in the event You become Totally Disabled shall be the amount of Life Insurance in effect for You on the date immediately preceding the date Your Total Disability began, less any amount of Life Insurance converted by You under the Conversion provision.

In no event shall the amount of Your insurance be increased while You are Totally Disabled or have a claim for the Waiver of Premium benefit pending or after the claim is approved. However, if Your Life Insurance would otherwise reduce or terminate for any reason under the provisions of the Contract, the amount of Life Insurance for which premiums are waived under this benefit provision shall also reduce or terminate accordingly.

### Notice of Claim for Waiver of Premium Benefit

The Waiver of Premium benefit will not be approved without written notice of claim being given to Us while You are living and during the continuance of Your Total Disability. No premium will be waived if Your Total Disability began more than one year before We were given written notice. However, if it is not reasonably possible to give Us written notice within one year, the delay will not reduce the benefit if notice is given to Us as soon as it is reasonably possible to do so.

### Proof of Claim for Waiver of Premium Benefit

Before the Waiver of Premium benefit can be approved, written proof of claim satisfactory to Us must be received by Us:

1. while the Contract is in effect ;and
2. during Your lifetime; and
3. no later than 12 months after the date Your Total Disability began.

The proof must establish that You are Totally Disabled and that Your Total Disability:

1. began after the Participant s Effective Date; and
2. began while You were insured under the Contract; and
3. began before You attained age 60; and
4. has continued for at least [9] consecutive months.

You and the Participant are responsible for submitting the required proof to Us within the applicable time limits. It is not Our responsibility to ask for such proof or to remind You and/or the Participant to submit such proof.

We have the right to require that You be examined by a physician of Our choice as often as reasonably necessary while You have a claim pending for the Waiver of Premium benefit. However, after two (2) years of Total Disability, We may only require proof of Total Disability, satisfactory to Us, once a year. The cost of any such examination will be paid for by Us.

#### Proof of Continued Total Disability

We may require proof of continued Total Disability, satisfactory to Us, to be submitted upon request.

#### Termination of Waiver of Premium Benefit

The Waiver of Premium Benefit will end upon the earliest of any of the following events:

1. the date You are no longer Totally Disabled;
2. the date Your employment with the Participant terminates;
3. the date You Retire;
4. the last day of the period for which proof of Total Disability, satisfactory to Us, was received by Us;
5. the date You refuse or fail to have an examination required by Us; or
- [6. the date the Contract or the Participant s insurance under the Contract terminates [;or]]
- [7. the day You attain age [65] ;]

You must notify Us in writing within 31 days after Your Total Disability ends. Failure to provide timely notification to Us will release Us from all obligations to pay any amount under the Contract if You later die.

## **CONTINUATION OF LIFE INSURANCE COVERAGE**

If You become Totally Disabled while insured under the Contract, Your Life Insurance coverage will be continued by Us for a period of 9 months from the date Your Total Disability began, so long as:

1. Your Total Disability began after the Participant s Effective Date; and
2. Your Total Disability began after Your effective date under the Contract; and
3. We receive timely payment of the required premium; and
4. notice and proof of loss are received by Us within the required time limits.

In no event shall any continuation of life insurance under this provision extend beyond the earlier of:

1. the date You are approved for any other extension of coverage which may be provided under the Contract; or
2. the date the Contract or the Participant s insurance under this Contract terminates.

The amount of Life Insurance to be continued under this benefit provision for You if You are Totally Disabled will be the amount of Life Insurance in effect on You on the date immediately preceding the date Your Total Disability began, less any amount of Life Insurance You convert under the Conversion provision. In no event shall the amount of Your insurance be increased while You are Totally Disabled. However, if Your insurance would otherwise reduce or terminate for any reason under the provisions of the Contract, the amount of Life Insurance continued hereunder shall also reduce or terminate accordingly.

## SECTION 7 - ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

In the event You suffer an Injury and sustain a loss:

1. after the Participant s Effective Date; and
2. while insured under the Contract; and
3. within 365 days of such Injury,

We will pay the following accidental death and dismemberment ("AD&D") benefit to You or, if You do not survive the Injury, to Your Beneficiary, in accordance with the BENEFICIARY AND PAYMENT OF BENEFITS and the FACILITY OF PAYMENT provisions of the Contract:

### TYPE OF LOSS

### AMOUNT OF BENEFIT

Life; both hands or feet; sight in both eyes; one hand and one foot; one hand or one foot and sight in one eye

Full amount of AD&D Insurance as shown on the Schedule of Benefits page

One hand, one foot or sight in one eye

One-half of the full amount of AD&D Insurance as shown on the Schedule of Benefits page

Loss of hand or foot means loss by complete severance, without reattachment, at or above the wrist or ankle joint. Loss of sight means total blindness which is not recoverable.

The total amount payable for all losses resulting from Injuries sustained in any one accident shall not exceed the full amount of AD&D Insurance as shown on the Schedule of Benefits page.

### **EXCLUSIONS AND LIMITATIONS**

AD&D benefits are not payable for any loss caused by, contributed to by, or resulting from, either directly or indirectly:

1. suicide, attempted suicide, or intentionally self-inflicted Injury, while sane or insane;
2. Sickness, bodily or mental infirmity or disease, or any diagnosis or treatment therefor;
3. participation in an insurrection or riot;
4. a state of war or any act of war, declared or undeclared, whether or not the Insured is in the armed forces;
5. committing or attempting to commit an assault or felony;
6. any entry into the body of poison, gas, alcohol or a controlled substance, drug, medication or sedative, unless taken as prescribed by a physician;
7. not wearing a safety helmet when operating or riding as a passenger on any two- or three-wheeled motorized vehicle or any type of all-terrain vehicle;
8. not properly utilizing a seatbelt or other safety restraint system when operating or riding as a passenger in a motor vehicle;
9. engaging in ultrahazardous activities such as, but not limited to, sky diving, hang gliding, auto racing, dirt bike racing or mountain climbing; or
10. travel or flight in, or descent from, any kind of aircraft, including balloons and gliders (except as a fare paying passenger on a regularly scheduled commercial route or chartered flight), or travel in any aircraft not holding a current airworthiness certificate or as a pilot, crew member or participant in training. The term "crew member" includes, but is not limited to, any person designated as a member of the flight crew or anyone who performs any functions involving either the aircraft or the flight of the aircraft at any time.

## SECTION 8 - WEEKLY DISABILITY INCOME INSURANCE

### WEEKLY BENEFIT

Upon receipt of proof satisfactory to the Company that You are Totally Disabled, We will pay the Weekly Benefit to You after the Elimination Period up to the Maximum Benefit Period so long as You remain Totally Disabled, is under the regular care and attendance of a Physician, and continues to qualify for this benefit.

#### Definitions

In addition to the definitions listed in SECTION 2 - DEFINITIONS of the Contract, the following terms shall have the meanings ascribed to them below when used in connection with the Weekly Benefit:

**BASIC WEEKLY EARNINGS** means Your gross weekly rate of earnings from the Participant in effect immediately before the date Total Disability begins. Basic Weekly Earnings do not include bonuses, overtime pay and extra compensation.

**ELIMINATION PERIOD** means the period of consecutive days which: (i) begins on the first day You are under a Physician's care for a Total Disability; and (ii) ends on the day before benefits begin, as shown on the Schedule of Benefits page.

**HOSPITAL** means an institution constituted, licensed and operated as set forth in the laws that apply to Hospitals in the state in which the Contract is delivered, which:

1. provides room, board and nursing care for all its patients on a 24-hour basis; and
2. has a staff of one or more Physicians available at all times; and
3. has on its premises the facilities necessary for the diagnosis, care and treatment of a Sickness or Injury; and
4. is fully accredited by the Joint Commission on Accreditation of Health Care Organizations.

**HOSPITAL CONFINEMENT** means admission to a Hospital for a minimum 24 consecutive hour period, for which You are charged room and board.

**MAXIMUM BENEFIT PERIOD** means the amount of time for which the Weekly Benefit is payable for each separate, unrelated period of Total Disability, as shown on the Schedule of Benefits page.

**PHYSICIAN** means a person who is not an Employee or Insured, or the spouse, daughter, son, father, mother, grandparent, sister, brother or any other relative of any Employee or Insured and who:

1. is licensed to practice medicine, prescribe and administer drugs or to perform surgery; or
2. is legally qualified as a medical practitioner and required to be recognized as a Physician according to the insurance rules and regulations of the state in which the Contract is delivered.

**WEEKLY BENEFIT** means the amount shown on the Schedule of Benefits page payable to You when You become Totally Disabled and qualify for this benefit. In no event shall the Weekly Benefit be payable beyond the Maximum Benefit Period for any one period of Total Disability.

## **RECURRENT DISABILITY**

A Total Disability will be treated as a continuance of a previous Total Disability if, after receiving benefits under this Weekly Disability Income Benefit, You return to Active Employment for less than 30 consecutive working days.

If You return to Active Employment for 30 consecutive working days or more, a Total Disability will be treated as a separate, unrelated Total Disability and a new benefit period for such Total Disability shall commence. You must complete another Elimination Period before benefits under this provision shall be payable.

The benefit period for any one period of Total Disability shall not exceed the Maximum Benefit Period as shown on the Schedule of Benefits page.

## **EXCLUSIONS AND LIMITATIONS**

Benefits under this provision are not payable for any period of disability for which You are not under the regular care and attendance of a Physician, or for any loss caused by, contributed to by, or resulting from, either directly or indirectly:

1. attempted suicide, or intentionally self-inflicted Injury, while sane or insane;
2. participation in an insurrection or riot;
3. a state of war or any act of war, declared or undeclared, whether or not the Insured is in the armed forces;
4. committing or attempting to commit an assault or felony;
5. any entry into the body of poison, gas, alcohol or a controlled substance, drug, medication or sedative, unless taken as prescribed by a physician;
6. any disability or disease due to sickness or Injury arising out of the course of employment, or for which benefits under the Worker's Compensation Act, Occupational Disease Act or similar law providing benefits is payable;
7. engaging in ultrahazardous activities such as, but not limited to, sky diving, hang gliding, auto racing, dirt bike racing or mountain climbing; or
8. travel or flight in, or descent from, any kind of aircraft, including balloons and gliders (except as a fare paying passenger on a regularly scheduled commercial route or chartered flight), or travel in any aircraft not holding a current airworthiness certificate or as a pilot, crew member or participant in training. The term "crew member" includes, but is not limited to, any person designated as a member of the flight crew or anyone who performs any functions involving either the aircraft or the flight of the aircraft at any time.

## **SUBROGATION**

When benefits have been paid under this provision for any Sickness, Injury or other condition caused by a third party, We have the right to be reimbursed from any recovery You obtain as a result of the alleged negligence. We are entitled to any recovery even if such recovery does not fully satisfy the judgment, settlement or underlying claim for damages or fully compensate You. If You are not fully compensated, We shall be reimbursed on a pro-rata basis.

We may take whatever legal action it sees fit against a third party to recover the benefits paid under this provision. This will not affect Your right to pursue other forms of recovery, unless You or Your legal representative consent otherwise.

You shall advise Us of a claim or suit against a third party or insurance carrier within 60 days of the action. We have the right to Your full cooperation. You are to provide Us with whatever information, assistance, and/or records We may require to enforce its rights under this provision.