

# STANDARD INSURANCE COMPANY

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

## GROUP LIFE INSURANCE POLICY

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Policyholder:	State of Maryland
Policy Number:	642220-A
Effective Date:	January 1, 2003

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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 extended thereafter at the option of the Policyholder for two additional, successive one-year terms by the payment of the premium as set in the Life Insurance Services Contract on each renewal date.

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



President



Secretary

**NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS  
UNDER THE  
LIFE AND HEALTH INSURANCE GUARANTY CORPORATION SUBTITLE**

Residents of this state who purchase life insurance, annuities or health insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Maryland Life and Health Insurance Guaranty Association. The purpose of this is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the guaranty corporation will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the guaranty corporation 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.

The Maryland Life and Health Insurance Guaranty Corporation 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 Maryland. You should not rely on coverage by the Maryland Life and Health Insurance Guaranty Corporation in selecting an insurance company or in selecting an insurance policy.

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

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

**The Maryland Life and Health Insurance Guaranty Corporation  
9199 Reisterstown Road  
P.O. Box 671 - Suite 216C  
Owings Mills, Maryland 21117  
(410)-998-3907**

The state law that provides for this safety-net coverage is called the Life and Health Insurance Guaranty Corporation.

**The Corporation is not a department or unit of the State of Maryland and the liabilities or debts of the Life and Health Insurance Guaranty Corporation are not liabilities or debts of the State of Maryland.**

Following is a brief summary of this law's coverage, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the law or the rights or obligations of the guaranty corporation.

**COVERAGE**

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

## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are **not** protected by this corporation 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 was issued by a Health Maintenance Organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessment, or by an insurance exchange.

The corporation also does **not** provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance unless assumption certificates have been issued;
- interest rate yields that exceed an average rate;
- any portion of a policy or contract to the extent that it provided dividends;
- 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).

## **LIMITS ON AMOUNT OF COVERAGE.**

The statute also limits the amount that the corporation is obligated to pay. The corporation cannot pay more than the amount the insurance company would owe under a policy or contract. Also, with respect to any one life, regardless of the number of policies or contracts with the member insurer, the corporation will pay a maximum:

- \$300,000 in life insurance death benefits, but will not pay more than \$100,000 in life insurance cash surrender values;
- \$300,000 in health insurance benefits, including any net cash surrender and net cash withdrawal values; and
- \$100,000 in the present value of annuity benefits, including any net cash surrender and net cash withdrawal values.

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## COVERAGE FEATURES

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

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### GENERAL POLICY INFORMATION

Group Policy Number:	642220-A
Type of Insurance Provided:	
Life Insurance:	Yes
Dependents Life Insurance:	Yes
Policyholder:	State of Maryland
Employer (s):	State of Maryland
Group Policy Effective Date:	January 1, 2003
Policy Issued in:	Maryland

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### BECOMING INSURED

To become insured for Life Insurance you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Life Insurance** and **Active Work Requirements**. 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 one of the following:

1. An employee actively at work 20 hours per week and who is regularly paid salary or wages through an official State payroll center, including but not limited to:
  - a. Central Payroll Bureau;
  - b. Mass Transit Administration;
  - c. University of Maryland, including graduate assistants, and the Far East and European Division of the University of Maryland;
2. An employee whose status is temporary pending an examination;
3. An elected State official;
4. The Register of Wills or an employee of the register of wills;
5. The Clerk of Court or an employee of the office of clerk of court;
6. A board or commission member who is regularly paid salary or wages, and who works at least 50 percent of a normal work week;

7. An employee of political subdivisions which participate in the State's health insurance program by law;
8. An employee of an agency, commission or organization permitted to participate in the State's health insurance program by law;
9. A part-time employee working 50 percent or more of the normal work week and his/her designated dependents in accordance with Regulation .4B(2) of COMAR 17.04.13.04;
10. A contracted employee eligible for benefits provided by the Employer; or,
11. An employee who retired under the employer's retirement program who is eligible to participate in the Employer's benefit plan by law.

You are not a Member if you are a full time member of the armed forces of any country.

Class Definition:

Class 1: Active Members

Class 2: Retired Members

Eligibility Waiting Period:

You are eligible on one of the following dates:

If you are a Member on the Group Policy Effective Date, you are eligible on that date.

If you become a Member after the Group Policy Effective Date, you are eligible on the date you become a Member.

Evidence of Insurability:

Evidence of Insurability is required:

- a. For reinstatements if required.
- b. For amounts in excess of the Guarantee Issue Amount for Members and Dependents eligible but not insured under the Prior Plan.
- c. For any amount of Life Insurance in excess of the Guarantee Issue Amount of \$50,000. However, this requirement is waived on the Group Policy Effective Date for an amount equal to the amount of life insurance in effect under the Prior Plan on the day before the Group Policy Effective Date, if you apply on or before the Group Policy Effective Date.
- d. For any Dependents Life Insurance Benefit in excess of the Guarantee Issue Amount of \$25,000. However, this requirement is waived on the Group Policy Effective Date for an amount equal to the amount of life insurance in effect under the Prior Plan on the day before the Group Policy Effective Date, if you apply on or before the Group Policy Effective Date.

Enrollment and Changes in Coverage:

You may enroll for Life Insurance coverage and Dependents Life Insurance coverage within 60 days after you become a Member, during an Annual Enrollment or due to a Qualifying Life Event. You may not enroll at any other time. You may increase or decrease Life Insurance and Dependents Life Insurance at Annual Enrollment or due to a Qualifying Life Event. You may not increase or decrease Life Insurance or Dependents Life Insurance at any other time.

During your Employer's Annual Enrollment Period you may apply for the following:

1. If you are not insured for Life Insurance, you may apply for Life Insurance up to the Guarantee Issue Amount. If you apply for an amount in excess of the Guarantee Issue Amount, you must provide Evidence of Insurability.
2. If you are insured for Life Insurance, you may apply for an increase in your Life Insurance up to the Guarantee Issue Amount. If you apply for an increase in excess of the Guarantee Issue Amount, you must provide Evidence of Insurability.
3. If you are insured for Life Insurance, you may apply for Dependents Life up to the Guarantee Issue Amount. If you apply for an amount in excess of the Guarantee Issue Amount for your Spouse or Child, your Spouse or Child must provide Evidence of Insurability.
4. If you are insured for Life Insurance, you may apply for an increase in Dependents Life Insurance up to the Guarantee Issue Amount. If you apply for an increase in excess of the Guarantee Issue Amount for your Spouse or Child, your Spouse or Child must provide Evidence of Insurability.

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

In the event of a Qualifying Life Event you may apply for the following

1. If you are not insured for Life Insurance, you may apply for Life up to the Guarantee Issue Amount within 60 days of a Qualifying Life Event. If you apply for an increase in excess of the Guarantee Issue Amount, you must provide Evidence of Insurability.
2. If you are insured for Life Insurance, you may apply for an increase in your Life Insurance up to the Guarantee Issue Amount within 60 days of a Qualifying Life Event. If you apply for an increase in excess of the Guarantee Issue Amount, you must provide Evidence of Insurability.
3. If you are insured for Life Insurance, you may apply for Dependents Life up to the Guarantee Issue Amount within 60 days of a Qualifying Life Event. If you apply for an increase in excess of the Guarantee Issue Amount for your Spouse or Child, your Spouse or Child must provide Evidence of Insurability.
4. If you are insured for Life Insurance, you may apply for an increase in Dependents Life Insurance up to the Guarantee Issue Amount within 60 days of a Qualifying Life Event. If you apply for an increase in excess of the Guarantee Issue Amount for your Spouse or Child, your Spouse or Child must provide Evidence of Insurability.

Qualifying Life Event means a Change of Status as defined under your Employer's IRC Section 125 Cafeteria Plan. The change must be allowed by your Employer's IRC Section 125 Cafeteria Plan.

PREMIUM CONTRIBUTIONS

Life Insurance:	Contributory
Dependents Life Insurance:	Contributory



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## SCHEDULE OF INSURANCE

### SCHEDULE OF LIFE INSURANCE

You may become insured under any one option of Life Insurance if you meet the requirements to become insured under the Group Policy. Life Insurance and Dependents Life Insurance are Contributory plans requiring premium contributions from Members.

For you:

Life Insurance Benefit: You may apply for Life Insurance in multiples of \$10,000, from \$10,000 to \$300,000.

For your Spouse:

Dependents Life Insurance Benefit: You may apply for Dependents Life Insurance for your Spouse in multiples of \$5,000, from \$5,000 to a maximum of the lesser of \$150,000 or 50% of your Life Insurance Benefit.

The amount of Dependents Life Insurance for your Spouse may not exceed 50% of the amount of your Life Insurance.

For your Child:

Dependents Life Insurance Benefit: You may apply for Dependents Life Insurance for your Child(ren) in multiples of \$5,000, from \$5,000 to a maximum of the lesser of \$150,000 or 50% of your Life Insurance Benefit.

The amount of Dependents Life Insurance for your Child may not exceed 50% of the amount of your Life Insurance.

While Dependents Life Insurance is in effect, a newborn Child or newly adopted Child is automatically insured for \$5,000 during the first 60 days. However, if you do not apply to continue Dependents Life Insurance within that 60 day period, insurance for the newborn or adopted Child will end automatically at the end of that period.

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## REDUCTIONS IN INSURANCE

For Active Employees:

Your insurance will not be reduced due to age.

For Employees who retire on and after January 1, 1995:

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	Percentage
65 through 69	65%
70 through 74	45%
75 through 79	30%
80 and over	20%



75 or over 48.94

Dependents Life Insurance:

For your Spouse:

Age of Insured On Last January 1	Monthly Rate Per Multiple of \$5,000
Under age 30	\$ 0.62
30 through 34	0.68
35 through 39	0.84
40 through 44	1.24
45 through 49	1.92
50 through 54	2.87
55 through 59	4.45
60 through 64	6.82
65 through 69	9.92
70 through 74	15.60
75 or over	15.60

For your Child:

\$0.95 monthly per \$5,000 of Dependents Life Insurance for  
your Child

Premium Due Dates:

As governed by the Life Insurance Services Contract

Grace Period:

60 days

Initial Rate Guarantee Period:

January 1, 2003 to January 1, 2006

Notice of Rate Change:

60 days

## **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, as defined in the **Claims** section, satisfactory to us. Proof of Loss includes, but is not limited to, a death certificate.

### 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 later of:

- (i) The pay period ending date for which the first deduction for your increased amount of Life Insurance is taken following the date we approve your Evidence Of Insurability;
- (ii) The pay period ending date for which the first deduction for your increased amount of Life Insurance is taken, if your increase is due to a Qualifying Life Event; and
- (iii) The beginning of the next plan year following the date you apply, if you apply during the Annual Enrollment Period.

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

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

- (i) The pay period ending date for which the first deduction for your increased amount of Life Insurance is taken, if your increase is due to a Qualifying Life Event;
- (ii) The beginning of the next plan year following the date you apply, if you apply during the Annual Enrollment Period; and
- (iii) The pay period ending date for which the first deduction for your increased amount of Life Insurance is taken, if your increase is due to a change in your classification, age or Annual Earnings.

#### 2. Decreases

A decrease in your Life Insurance becomes effective on the next available pay period ending date following the date the Policyholder or your Employer receives and processes your written request for the decrease or following the date of a change in your classification, age or Annual Earnings.

### D. When Life Insurance Becomes Effective

Your Life Insurance is Contributory.

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 later of:

- a. The pay period ending date for which the first deduction for your Life Insurance is taken following the date we approve your Evidence Of Insurability;
- b. The pay period ending date for which the first deduction for your Life Insurance is taken, if you apply due to a Qualifying Life Event; and
- c. The beginning of the next plan year following the date you apply, if you apply during the Annual Enrollment Period.

2. Life Insurance Not Subject To Evidence Of Insurability

Life Insurance not subject to Evidence Of Insurability becomes effective on:

- a. The pay period ending date for which the first deduction for your Life Insurance is taken, if you apply within 60 days of when you first become eligible for insurance;
- b. The pay period ending date for which the first deduction for your Life Insurance is taken, if you apply due to a Qualifying Life Event;
- c. The beginning of the next plan year following the date you apply, if you apply during the Annual Enrollment Period; and
- d. The pay period ending date for which the first deduction for your Life Insurance is taken, if your increase is due to a change in your classification, age or Annual Earnings.

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.

E. When Life Insurance Ends

Life Insurance ends automatically on the earliest of:

1. The pay period ending date for which the last deduction for Life Insurance was taken;
2. The date the Group Policy terminates;
3. The date your employment terminates, unless your insurance is continued under the **Retirement Continuation Provision**; and
4. 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 3 above.
  - a. While your Employer is paying you at least the same Annual Earnings paid to you immediately before you ceased to be a Member.
  - b. While your ability to work is limited because of Sickness, Injury, or Pregnancy.

- c. During the first 60 days of:
  - (i) A temporary layoff; or
  - (ii) 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**.

F. Reinstatement Of Life Insurance

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

1. If your Life Insurance ends because you cease to be a Member, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
2. If your Life Insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again, unless you are applying for an amount up to the Guarantee Issue Amount.
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.

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## **DEPENDENTS LIFE INSURANCE**

A. Insuring Clause

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

B. Amount Of Dependents Life Insurance

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

C. Changes In Dependents Life Insurance

a. Increases Subject To Evidence Of Insurability

An increase in your Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the later of:

- (i) The pay period ending date for which the first deduction for your Dependents Life Insurance is taken following the date we approve your Dependent's Evidence Of Insurability;
- (ii) The pay period ending date for which the first deduction for your increased amount of Dependents Life Insurance is taken, if your increase is due to a Qualifying Life Event; and
- (iii) The beginning of the next plan year following the date you apply, if you apply during the

Annual Enrollment Period.

b. Increases Not Subject To Evidence Of Insurability

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

- (i) The pay period ending date for which the first deduction for your increased amount of Dependents Life Insurance is taken, if your increase is due to a Qualifying Life Event;
- (ii) The beginning of the next plan year following the date you apply, if you apply during the Annual Enrollment Period; and
- (iii) The pay period ending date for which the first deduction for your increased amount of Dependents Life Insurance is taken, if your increase is due to a change in your classification, age or Annual Earnings.

2. Decreases

A decrease in your Dependents Life Insurance becomes effective on the next available pay period ending date for which the last deduction for Dependents Life Insurance was taken following the date the Policyholder or your Employer receives and processes your written request for the decrease or following the date of a change in your classification, age or Annual Earnings.

D. Definitions For Dependents Life Insurance

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

E. Becoming Insured For Dependents Life Insurance

1. Eligibility

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

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

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

2. Effective Date

Dependents Life Insurance is Contributory. 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:

- (i) The pay period ending date for which the first deduction for your Dependents Life Insurance is taken following the date we approve your Dependent's Evidence Of Insurability;
- (ii) The pay period ending date for which the first deduction for your Dependents Life Insurance is taken, if you apply due to a Qualifying Life Event; and
- (iii) The beginning of the next plan year following the date you apply, if you apply during the Annual Enrollment Period.

b. Dependents Life Insurance Not Subject To Evidence Of Insurability

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

- (i) The pay period ending date for which the first deduction for your Dependents Life Insurance is taken, if you apply within 60 days of when you first become eligible for insurance;
- (ii) The pay period ending date for which the first deduction for your Dependents Life Insurance is taken, if your increase is due to a Qualifying Life Event;
- (iii) The beginning of the next plan year following the date you apply, if you apply during the Annual Enrollment Period; and
- (iv) The pay period ending date for which the first deduction for your Dependents Life Insurance is taken, if your increase is due to a change in your classification, age or Annual Earnings.

c. Dependents Life Insurance for Newborn and Adopted Children

A newborn Child is automatically insured from the moment of birth. An adopted Child is automatically insured from the time of placement, including while living with you during a period of probation. However, you must apply and agree to pay premiums for Dependents Life Insurance for a newborn or adopted Child within 60 days after the date insurance under this provision is effective. If you do not apply, Dependents Life Insurance for the newborn or adopted Child will end automatically at the end of that 60 day period.

d. Takeover Provision

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.

F. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

1. The date you die;
2. The date your Life Insurance ends;
3. The date the Group Policy terminates, or the date Dependents Life Insurance terminates under the Group Policy;
4. The date the last period ends for which you made a premium contribution, if your Dependents Life Insurance is Contributory;
5. For your Spouse, the date of your divorce;
6. For any Dependent, the date the Dependent ceases to be a Dependent; and
7. For a Child who is Disabled, when the medical insurer or state medical director determines the Child is no longer disabled.

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## 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 or other location determined by your Employer.

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.

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## CONTINUITY OF COVERAGE

### A. Waiver Of Active Work Requirement

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

### B. Payment Of Benefit

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

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

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## PORTABILITY OF INSURANCE

### A. Portability Of Insurance

If your insurance under the Group Policy ends because your employment with your Employer terminates, you may be eligible to buy portable group insurance coverage as shown in the **Coverage Features** for yourself without submitting Evidence Of Insurability. To be eligible you must satisfy the following requirements:

1. On the date your employment terminates, you must be able to perform with reasonable continuity the material duties of at least one gainful occupation for which you are reasonably fitted by education, training and experience.

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

2. On the date your employment terminates, you are under age 65.

3. On the date your employment terminates, 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 employment terminates. 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 employment terminates.

#### C. When Portable Insurance Becomes Effective

Portable group insurance will become effective the day after your employment with your Employer terminates, if you apply within 31 days after the date your employment terminates.

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

LI.TP.OT.1

### **RETIREMENT CONTINUATION PROVISION**

Insurance may be continued during your retirement under your Employer's retirement program. See **Coverage Features** for the insurance which may be continued under this provision. Rules 1 through 3 below will apply.

1. You must apply in writing to the Employer for a continuation of insurance on or before the date of your retirement and agree to pay any premiums required by your Employer.
2. Insurance under this provision will end on the earliest of:
  - a. Any Premium Due Date if you fail to make the required premium contribution to your Employer on or before that date.
  - b. The date the Group Policy terminates.
  - c. For any Dependent:
    - (i) The Premium Due Date following the date the Dependent ceases to be a Dependent.
    - (ii) The date the Member's insurance ends.
3. You are not eligible for Waiver Of Premium or the Accelerated Benefit if you become Totally Disabled while your insurance is continued under this provision.

LI.RT.03X

## **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 as an active Member and under age 60;
2. You complete your Waiting Period; and
3. You give us 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. Totally Disabled means that, as a result of Sickness, accidental Injury, or Pregnancy, you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonably fitted by education, training and experience.
3. Waiting Period means the 270 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. Refunds will be paid to you.

### 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.

(ELIG 60\_TERMS 65) LI.WP.MD.2X

### **ACCELERATED BENEFIT**

#### A. Accelerated Benefit

For the purposes of the **Accelerated Benefit** provision, "you" means the Member and the Member's insured Spouse.

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 6 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 50% of your Insurance. The maximum Accelerated Benefit is \$150,000. 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.

#### 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.

**LI.AB.MD.IX**

## **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. At least one plan will be available in an amount to which you may convert.

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**.

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## CLAIMS

A. Filing A Claim

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

B. 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.

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. Proof of Loss includes, but is not limited to, a death certificate. No benefits will be provided until we receive Proof Of Loss.

#### D. Investigation Of Claim

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

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

#### E. Time Of Payment

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

#### F. Notice Of Decision On Claim

We will evaluate a claim for benefits promptly after we receive it. 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.

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; 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 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 within 60 days after receiving notice of the denial.

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. 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. If the 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.

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.

The Group Policy does not provide voluntary alternative dispute resolution options.

(REV PRIV WRDG) LI.CL.MD.4

## **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. An absolute assignment must be irrevocable. It must transfer all rights, including:
  - a. The right to change the Beneficiary; and
  - b. The right to buy an individual life insurance policy on your life under **Right To Convert**.
  - c. The right to apply and receive an Accelerated Benefit.
3. The assignment will apply to all of your Life Insurance in effect on the date of the assignment or becoming effective after that date.
4. The assignment may be to any person other than the Policyholder.
5. 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.
6. 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**.
7. 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.
8. You may not make a collateral assignment.

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

LI.AS.03X



## **BENEFIT PAYMENT AND BENEFICIARY PROVISIONS**

### A. Payment Of Benefits

1. Except as provided in item 6 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.
4. Dependents Life Insurance benefits payable because of the death of your Dependent which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.
  - a. The children of the Dependent.
  - b. The parents of the Dependent.
  - c. Your estate.

### B. Naming A Beneficiary

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

If you name two or more Beneficiaries in a class:

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

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

You must name or change Beneficiaries in writing.

Your designation:

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

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

C. Simultaneous Death Provision

If a Beneficiary or a person in one of the classes listed 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.
2. Your children.
3. Your parents.
4. Your brothers and sisters.
5. Your estate.

E. Methods Of Payment

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

1. Lump Sum

If the amount payable to a Recipient is less than \$25,000, we will pay it in a lump sum.

2. Standard Secure Access Checking Account

If the amount payable to a Recipient is \$25,000 or more, we will deposit it into a Standard Secure Access checking account which:

- a. Bears interest;
- b. Is owned by the Recipient;
- c. Is subject to the terms and conditions of a confirmation certificate which will be given to the Recipient; and
- d. Is fully guaranteed by us.

3. Installments

Payment to a Recipient may be made in installments if:

- a. The amount payable is \$25,000 or more;
- b. The Recipient chooses; and
- c. We agree.

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

(NO FB) LI.BB.MD.3X

## **ALLOCATION OF AUTHORITY**

Benefits will be provided only if we decide in our discretion that you are entitled to them. This discretionary authority includes determining eligibility for benefits and interpreting the terms of the Group Policy.

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## **TIME LIMITS ON LEGAL ACTIONS**

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

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

**LI.TL.OT.1**

## **INCONTESTABILITY PROVISIONS**

### **A. Incontestability Of Insurance**

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

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

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

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

### **B. Incontestability Of Group Policy**

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

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

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

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

**LI.IN.OT.2**

## **CLERICAL ERROR, AGENCY, AND MISSTATEMENT**

### **A. Clerical Error**

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

1. Cause a person to become insured.

2. Invalidate insurance otherwise validly in force.
3. Continue insurance otherwise validly terminated.

#### B. Agency

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.

LI.CE.OT.1

### **TERMINATION OR AMENDMENT OF THE GROUP POLICY**

The Group Policy may be terminated by us or the Policyholder according to the terms of the Life Insurance Services Contract. 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 the Policyholder 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.

LI.TA.OT.1

### **DEFINITIONS**

Annual Earnings means your annual rate of earnings from your Employer. Your Annual Earnings will be based on your earnings in effect on your last full day of Active Work unless a different date applies (see 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. Shift differential pay.
3. 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. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan.
5. Any other extra compensation.

Child means:

An unmarried child of an employee until the end of the calendar year in which the child becomes

19. An unmarried child means:

1. A blood descendent of the first degree (i.e., son or daughter),
2. A legally adopted child,
3. A step-child permanently residing with the employee and supported 50% or more by the employee, or
4. A child permanently residing with the employee and supported 50% or more by the employee, if the child is descended from or placed in legal guardianship of the employee.

An unmarried child 19 years or older who is incapable of self-support because of mental or physical incapacity given that:

1. The condition leading to the incapacity began before the child's 19th birthday (or 25th if a full time student),
2. The incapacity is permanent as determined by the medical insurance carrier or the state medical director, and
3. The child resides permanently with the employee and is supported 50% or more by the employee.

An unmarried child who is attending an accredited educational institution full-time until the end of the calendar year in which the child turns 25 or the end of the month in which the child ceases to be a full-time student, whichever occurs first.

Contributory means you pay 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. Spouse does not include a person who is a full-time member of the armed forces of any country.

**LI.DF.MD.1X**

## **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 any 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. We are entitled to be paid premium for insurance under the Group Policy 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.

#### 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.

The Group Policy may also be terminated according to the terms of the Life Insurance Services Contract.

#### G. Premium Adjustments

Premium adjustments involving a return of unearned premiums to the Policyholder will be not be limited to any time period.

#### H. Certificates

We will issue certificates to the insured Members showing the coverage under the Group Policy, to whom benefits are payable and the rights and conditions of conversion. 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.

Clerical error by the Policyholder will not:

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

As governed by the Life Insurance Services Contract

#### 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. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard Insurance Company from any liability arising from or related to any negligence, error, omission, misrepresentation or dishonesty of any of them or their representatives, agency or employees.

K. Notice Of Suit

The Policyholder or Employer shall promptly give us written notice of any lawsuit or other legal proceedings they become aware of that arise under the Group Policy.

L. Entire Contract

The Group Policy, the application of the Policyholder and the Life Insurance Services Contract between the parties constitute the entire contract. A copy of the application and the Life Insurance Services Contract are attached to the Group Policy when issued. In the event of a conflict between any of these documents, the Life Insurance Services Contract shall control.

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.

(NO DIV) LI.PO.MD.4X

**ALI99X**



**GROUP POLICY AMENDMENT NO. 1**

Attached to and made a part of Group Policy 642220-A issued to  
State of Maryland as Policyholder.

Effective January 1, 2003, the Group Policy is amended to provide that the Active Work requirement does not apply on the Group Policy Effective Date, subject to the following: (1) The Member is not eligible for the Waiver Of Premium benefit or Accelerated Benefit until meeting the Active Work requirement; and (2) If the Member is eligible for benefits under the Prior Plan, the Member will not be eligible for benefits under the Group Policy until the Member meets the Active Work requirement and is no longer eligible for extended benefits under the Prior Plan.

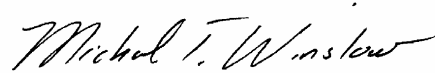
This amendment is presented with the Group Policy.

STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 2

Attached to and made a part of Group Policy 642220-A issued to  
State of Maryland as Policyholder.

Effective January 1, 2005 and subject to the **Active Work Provisions**, the Group Policy is amended as follows:

The definition of Child in the **Definitions** section is amended to read as follows:

Child means:

An unmarried child of an employee until the end of the calendar year of that child's 19<sup>th</sup> birthday (or 23<sup>rd</sup> if a full time student). An unmarried child means:

1. A blood descendent of the first degree (i.e., son or daughter),
2. A legally adopted child,
3. A step-child permanently residing with the employee and supported 50% or more by the employee, or
4. A child permanently residing with the employee and supported 50% or more by the employee, if the child is descended from or placed in legal guardianship of the employee.

An unmarried child 19 years or older who is incapable of self-support because of mental or physical incapacity given that:

1. The condition leading to the incapacity began before the end of the calendar year of that child's 19th birthday (or 23rd if a full time student),
2. The incapacity is permanent as determined by the medical insurance carrier or the state medical director, and
3. The child resides permanently with the employee and is supported 50% or more by the employee.

An unmarried child who is attending an accredited educational institution full-time until the end of the calendar year in which the child turns 23 or the end of the month in which the child ceases to be a full-time student, whichever occurs first.


**LI.DF.MD.1X**

STANDARD INSURANCE COMPANY

By



President



Secretary

**GROUP POLICY AMENDMENT NO. 3**

Attached to and made a part of Group Policy 642220-A issued to  
State of Maryland as Policyholder.

Effective July 1, 2006 the Premium Rates and Renewals portion of the **Coverage Features** is amended  
to provide the following Initial Rate Guarantee Period:

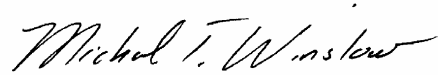
Initial Rate Guarantee Period:            January 1, 2003 to July 1, 2006

STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 4

Attached to and made a part of Group Policy 642220-A issued to  
State of Maryland as Policyholder.

Effective January 1, 2003, the Reductions in Insurance portion of the **Coverage Features** is amended to provide the following:

For Active Employees:

Your insurance will not be reduced due to age.

For Employees who retire on and after January 1, 1995:

If you reach an age shown below, the amount of insurance for you and your dependents will be the amount determined from the Schedule of Insurance, multiplied by the appropriate percentage below:

Life Insurance:

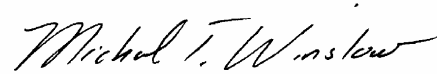
Age	Percentage
65 through 69	65%
70 through 74	45%
75 through 79	30%
80 and over	20%

STANDARD INSURANCE COMPANY

By



President



Secretary