

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

673



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
July 18, 2011

**SUBJECT:** Employee Basic Life Insurance, Accidental Death and Dismemberment (AD&D) Insurance, and Long Term Disability renewal rates; and Voluntary Additional Life Insurance, Spouse Life and Dependent Child Life Insurance renewal rates.

Departmental Concurrence

**RECOMMENDED MOTION:** That the Board of Supervisors 1) ratify and approve the renewal policy with Standard Insurance Company (Standard) for Basic Life Insurance, Accidental Death & Dismemberment (AD&D) and Long-Term Disability benefits, effective July 1, 2011 through June 30, 2013 (Attachment A - B); 2) approve the renewal policy with Standard for Voluntary Additional Life, Spouse Life, and Dependent Child Life, effective January 1, 2012 through December 31, 2013; 3) approve the Experience Rating Refund Agreement and Premium Renewal Rates for each plan (Attachment C - F); 4) authorize the Chairperson to sign four (4) copies of the agreement; and 5) retain one (1) copy of the signed agreement and return three (3) copies of the agreement to Human Resources for distribution.

**BACKGROUND:** On August 28, 2001, the Board approved Standard Life Insurance Company (the Standard) as one of the County's Life and AD&D carriers, and later approved the Standard as the County's LTD carrier.

*Barbara A. Olivier*  
\_\_\_\_\_  
Barbara A. Olivier  
Asst. County Executive Officer/Human Resources Dir.

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$2,170,692	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$1,476,071	Budget Adjustment:	No
	Annual Net County Cost:	\$1,476,071	For Fiscal Year:	2011/12

<b>SOURCE OF FUNDS:</b> Department and employee payroll deductions.	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

*Robert Tremaine*  
BY: \_\_\_\_\_  
Robert Tremaine

**County Executive Office Signature**

Dep't Recomm.:  Consent  Policy  Policy

Per Exec. Ofc.:  Consent  Policy

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: August 16, 2011

Kecia Harper-Ihem  
Clerk of the Board  
By: *Kecia Harper-Ihem*  
Deputy

EXC: HR

**Prev. Agn. Ref.:** 08/28/2001; 3.38 | **District:** All | **Agenda Number:**

**3.60**

**Background (continued):**

**Life Insurance (policy Attachment A)**

The Standard Basic Life insurance policy coverage in the amount of \$50,000 is employer paid and available to eligible Elected Officials, Management employees including Public Defenders, Confidential, Unrepresented, Deputy District Attorney Association, Law Enforcement Management Unit, and \$10,000 for Riverside Sheriffs' Association Public Safety. There are approximately 2,581 employees enrolled in the Basic Life plan.

Standard Voluntary Additional Basic Life, Spouse Life and Dependent Child Life insurances policies are available for employees to purchase. Employees may purchase additional life up to \$500,000, Spouse/Domestic Partner Life up to \$100,000 and Dependent Life up to \$10,000. There are approximately 834 employees enrolled in Additional Life, 424 enrolled in Spouse/Domestic Partner Life, and 342 enrolled in Dependent Child Life.

If approved, effective July 1, 2011, Standard will reduce the Basic Life insurance rate from 0.178 to 0.15 per \$1,000 of benefit which would represent a savings of 16%; and effective January 1, 2012, the Voluntary Additional Life and Spouse/Domestic Partner Life rates will also decrease by 16%. The renewal rates for the employer paid Basic Life, AD&D, and Dependent Life are guaranteed until June 30, 2013 and the employee Voluntary Additional Life, Spouse/Domestic Partner and Child Life rates are guaranteed until December 31, 2013.

Employees represented by the Service Employees International Union (SEIU) and the Laborers' International Union of North America (LIUNA) are eligible for Basic and Voluntary life insurance coverage under the County's insurance policy contract with Lincoln Financial Group (Lincoln). The Lincoln contract will expire January 1, 2013. The Standard policy was last marketed in calendar year 2001, and the Lincoln policy was last marketed in 2002. Both contracts allow for the County to terminate with notice at any time. Human Resources will initiate a Request for Proposal (RFP) in the near future for all life insurance coverage.

**Long-Term Disability (LTD)**

The County's LTD policy with Standard is employer paid and provides replacement income for eligible members listed in Attachment B.

The LTD policy has been amended to include changes required by the California Department of Insurance (CDI), to provide a broader definition of Total Disability by Own Occupation; include claim notice and filing requirements; and to remove LTD policy language that is no longer acceptable by the CDI.

Currently, the County provides this benefit to approximately 3,502 eligible employees. The LTD benefit is provided on a fully insured basis and provides income replacement up to 66 2/3% of qualified predisability earnings. There are no changes to the current LTD rate of 0.76% salary which includes an administrative fee. The renewal rate is guaranteed until June 30, 2013.

LTD was last marketed in calendar year 2001. The LTD contract allows the County to terminate with notice at any time. Human Resources will initiate an LTD Request for Proposal (RFP) in the near future.

**Experience Rating Refund Agreements**

The County's Basic Life (including employer paid Dependent Life), Accidental Life (including employee paid Dependent Life) and Long Term Disability each have separate Experience Rating Refund Agreements (Attachment C – E). The Experience Rating Refund Agreements provide a Claims Fluctuation Reserve (CFR) account. The CFR provides long term rate stabilization in the event of unexpected liability or claim experience fluctuation.

Human Resources will monitor the CFR and ensure that reserves are maintained at an appropriate level.

b7c

**STANDARD INSURANCE COMPANY**

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

**GROUP LIFE INSURANCE POLICY**

Policyholder:	County of Riverside
Policy Number:	641685-A
Effective Date:	September 1, 2001

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

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

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

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

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

STANDARD INSURANCE COMPANY

By

*Ronald E. Timpa*  
 President

*J. Craig B...*  
 Corporate Secretary

GP190-LIFE/S399

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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: 641685-A  
Type of Insurance Provided:  
Life Insurance: Yes  
Supplemental Life Insurance: Not applicable  
Dependents Life Insurance: Yes  
Accidental Death And Dismemberment  
(AD&D) Insurance: Yes  
Policyholder: County of Riverside  
Employer (s): County of Riverside  
Group Policy Effective Date: September 1, 2001  
Policy Issued in: California

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### BECOMING INSURED

To become insured for Life Insurance you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Life Insurance** and **Active Work Provisions**. The requirements for becoming insured for coverages other than Life Insurance are set out in the text.

Definition of Member: You are a Member if you are:

1. An active non-represented employee of the Employer; and
2. Regularly working half-time as defined by your Employer.

You are not a Member if you are:

1. A temporary or seasonal employee; or
2. A full time member of the armed forces of any country.

Class Definition:

Class 1: Members of Management, Confidential and Law Enforcement Management Bargaining Units, Prosecution Unit and Deputy Public Defender I, II, III, and IV

Class 2: Regional Park and Open Space District Members of the Supervisory Unit

Class 3: Members of the Supervisory Employees Bargaining Unit



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 first day of the calendar month coinciding with or next following the date you become a Member.

Evidence of Insurability:

Required:

- a. For late application for Contributory insurance.
- b. For reinstatements if required.
- c. For Members and Dependents eligible but not insured under the Prior Plan.
- d. For any Plan 2 Life Insurance Benefit in excess of the Guarantee Issue Amount of your combined Plan 1 and Plan 2 amounts, up to \$300,000. However, if you were insured under the Prior Plan for this amount or more on August 31, 2001, this requirement will be waived for you on September 1, 2001.
- e. For any Dependents Life Insurance Benefit in excess of the Guarantee Issue Amount of \$20,000. However, if your Spouse was insured under the Prior Plan for this amount or more on August 31, 2001, this requirement will be waived on September 1, 2001.
- f. For any elective increase in insurance.
- g. For becoming insured for any amount greater than the amount for which you were insured under the Prior Plan, if your insurance under the Prior Plan was limited because you did not provide evidence of insurability or because your evidence of insurability was not approved.

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### PREMIUM CONTRIBUTIONS

Life Insurance:

Plan 1: Noncontributory

Plan 2: Contributory

AD&D Insurance:

Noncontributory

Dependents Life Insurance:

Plan A: Noncontributory

Plan B: Contributory

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## SCHEDULE OF INSURANCE

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

If you are insured under Plan 1, you may also become insured under Plan 2 and Dependents Life Insurance if you and your Dependents meet the requirements to become insured under Plan 2 and Dependents Life Insurance under the Group Policy. Plan 2 and Dependents Life Insurance are Contributory plans requiring premium contributions from Members.

Your Dependents may be covered under both Plan A and Plan B. However, your Dependents must be covered for Plan A in order to apply for Plan B.

### SCHEDULE OF LIFE INSURANCE

For you:

Life Insurance Benefit:

Plan 1 (basic):	Class 1: \$50,000
	Class 2: \$20,000
	Class 3: \$10,000

Plan 2 (additional):	You may apply for Life Insurance in multiples of \$10,000, from \$10,000 to \$500,000.
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The Repatriation Benefit:	The expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed \$5,000 or 10% of the Life Insurance Benefit, whichever is less.
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For your Spouse:

Dependents Life Insurance Benefit:

Plan A:	\$1,500
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Plan B:	You may apply for Dependents Life Insurance on your Spouse in multiples of \$5,000, from \$5,000 to \$100,000.
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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:

Plan A:	\$1,500
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Plan B:	Your choice of \$5,000 or \$10,000
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The amount of Dependents Life Insurance for your Child may not exceed 50% of the amount of your Life Insurance.

## SCHEDULE OF AD&D INSURANCE

For you:

AD&D Insurance Benefit:	The amount of your AD&D Insurance Benefit is equal to the amount of your Plan 1 Life Insurance Benefit. The amount payable for certain Losses is less than 100% of the AD&D Insurance Benefit. See AD&D Table Of Losses.
Seat Belt Benefit:	The amount of the Seat Belt Benefit is the lesser of (1) \$10,000 or (2) the amount of AD&D Insurance Benefit payable for loss of life.
Career Adjustment Benefit:	The tuition expenses for training incurred by your Spouse within 36 months after the date of your death, exclusive of room and board, but not to exceed \$5,000 per year, or the cumulative total of \$10,000 or 25% of the AD&D Insurance Benefit, whichever is less.
Child Care Benefit:	The total child care expense incurred by your Spouse within 36 months after the date of your death for all Children under age 13, but not to exceed \$5,000 per year, or the cumulative total of \$10,000 or 25% of the AD&D Insurance Benefit, whichever is less.
Higher Education Benefit:	The tuition expenses incurred per Child within 4 years after the date of your death at an accredited institution of higher education, exclusive of room and board, but not to exceed \$5,000 per year, or the cumulative total of \$20,000 or 25% of the AD&D Insurance Benefit, whichever is less.

## AD&D TABLE OF LOSSES

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

Loss:	Percentage Payable:
a. Life	100%
b. One hand, one foot or sight of one eye	50%
c. Two or more of the Losses listed in b. above	100%

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

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## REDUCTIONS IN INSURANCE

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

Life and AD&D Insurance:

Age of Member	Percentage
65 through 69	65%

70 or over

50%

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### OTHER BENEFITS

Waiver Of Premium: Yes  
Accelerated Benefit: Yes

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### OTHER PROVISIONS

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

Minimum Time Insured: 5 years

Maximum Conversion Amount: \$2,000

Suicide Exclusion:

Applies to:

- a. Plan 2 Life Insurance
- b. Dependents Life Insurance
- c. AD&D Insurance

Leave Of Absence Period:

60 days

Strike Continuation:

Yes. The Strike Continuation premium percentage is 120%  
of the Premium Rate.

Insurance Eligible For Portability:

For you:

Life Insurance: Yes

Minimum combined amount: \$10,000

Maximum combined amount: \$300,000

For your Spouse:

Dependents Life Insurance: Yes

Minimum combined amount: \$5,000

Maximum combined amount: \$100,000

For your Child:

Dependents Life Insurance: Yes

Minimum combined amount: \$1,000

Maximum combined amount: \$5,000

For you:

AD&D Insurance: Yes

Minimum combined amount: \$10,000

Maximum combined amount: \$300,000  
Annual Earnings based on: Earnings in effect on your last full day of Active Work.

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### PREMIUM RATES AND RENEWALS

#### Premium Rates:

Plan 1 Life Insurance: \$0.178 monthly per \$1,000 of Life Insurance  
AD&D Insurance: \$0.028 monthly per \$1,000 of AD&D Insurance

Plan 2 Life Insurance and  
Plan B Dependents Life  
Insurance for your Spouse:

Age of Member On Last January 1      Monthly Rate Per  
Multiple of \$1,000

Under 30	\$0.082
30 through 34	0.085
35 through 39	0.102
40 through 44	0.162
45 through 49	0.265
50 through 54	0.441
55 through 59	0.732
60 through 64	0.868
65 or over	1.642

#### Dependents Life Insurance:

Plan A: \$0.60 monthly per Member electing Dependents Life Insurance, regardless of the number of Dependents covered.

Plan B (Child only): \$0.35 monthly per \$5,000 of Dependents Life Insurance, regardless of the number of Dependents covered.

Premium Due Dates: September 1, 2001 and the first day of each calendar month thereafter.

Grace Period: 31 days

Initial Rate Guarantee Period: September 1, 2001 to September 1, 2004

Notice of Rate Change: 90 days

#### Minimum Participation:

Life Insurance:

Number: 10 insured Members

Percentage: Plan 1: 100% of eligible Members

Dependents Life Insurance:

Plan 2: 25% of eligible Members

75% of insured Members with eligible Dependents must elect to insure those Dependents

## LIFE INSURANCE

### A. Insuring Clause

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

### B. Amount Of Life Insurance

See the **Coverage Features** for the Life Insurance schedule.

### C. Changes In Life Insurance

#### 1. Increases

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

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

##### a. Increases Subject To Evidence Of Insurability

An increase in your Life Insurance subject to Evidence Of Insurability becomes effective on the date we approve your Evidence Of Insurability.

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

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

#### 2. Decreases

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

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

### D. Repatriation Benefit

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

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

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

### E. Suicide Exclusion: Life Insurance

The **Coverage Features** states which Life Insurance plan is subject to this suicide exclusion.

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

1. The amount payable will exclude the amount of your Life Insurance which is subject to this suicide exclusion and which has not been continuously in effect for at least 2 years on the date

of your death. In computing the 2-year period, we will include time you were insured under the Prior Plan.

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

F. When Life Insurance Becomes Effective

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

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 date we approve your Evidence Of Insurability.

2. Life Insurance not subject to Evidence Of Insurability

- a. Noncontributory Life Insurance

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

- b. Contributory Life Insurance

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

- (i) The date you become eligible if you apply on or before that date.

- (ii) The date you apply if you apply within 60 days after you become eligible.

Late application: Evidence Of Insurability is required if you apply more than 60 days after you become eligible.

3. Takeover Provision

- a. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.

- b. You must submit satisfactory Evidence Of Insurability to become insured for Life Insurance if you were eligible under the Prior Plan for more than 60 days but were not insured.

G. When Life Insurance Ends

Life Insurance ends automatically on the earliest of:

1. The date the last period ends for which you made a premium contribution, if your insurance is Contributory;
2. The date the Group Policy terminates;
3. The last day of the calendar month in which your employment terminates; and
4. The last day of the calendar month in which 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 a temporary layoff.
- d. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
- e. During any other scheduled leave of absence approved by your Employer in advance and in writing and lasting not more than the period shown in the **Coverage Features**.

H. Reinstatement Of Life Insurance

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

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

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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

1. Increases

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

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

a. Increases Subject To Evidence Of Insurability

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

b. Increases Not Subject To Evidence Of Insurability

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

An increase in your Dependents Life Insurance because of an increase in your Life Insurance becomes effective on the date your Life Insurance increases.

2. Decreases

A decrease in your Dependents Life Insurance because of a decrease in your Life Insurance becomes effective on the date your Life Insurance decreases.

D. Suicide Exclusion: Dependents Life Insurance

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

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

E. Definitions For Dependents Life Insurance

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

F. Becoming Insured For Dependents Life Insurance

1. Eligibility

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

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

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

The **Coverage Features** states whether your Dependents Life Insurance is Contributory or Noncontributory. Subject to the **Active Work Provisions**, your Dependents Life Insurance becomes effective as follows:

a. Dependents Life Insurance Subject To Evidence Of Insurability

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

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

b. Dependents Life Insurance Not Subject To Evidence Of Insurability

1. Noncontributory Dependents Life Insurance

Noncontributory Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on the later of:

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

2. Contributory Dependents Life Insurance

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 date your Life Insurance becomes effective if you apply on or before that date;
- ii. The date you become eligible to insure your Dependents if you apply on or before that date; and
- iii. The date you apply if you apply within 60 days after you become eligible.

Late Application: Evidence Of Insurability is required for each Dependent if you apply more than 60 days after you become eligible.

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

Each Dependent who was eligible under the Prior Plan for more than 60 days but was not insured must submit satisfactory Evidence Of Insurability to become insured for Dependents Life Insurance.

G. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

1. Five months after you die (no premiums will be charged for your Dependents Life Insurance during this time);
2. The date your Life Insurance ends;
3. The date the Group Policy terminates, or the date Dependents Life Insurance terminates under the Group Policy;
4. The date the last period ends for which you made a premium contribution, if your Dependents Life Insurance is Contributory;
5. For your Spouse, the last day of the calendar month following the date of your divorce;
6. For any Dependent, the last day of the calendar month in which the Dependent ceases to be a Dependent; and
7. For a Child who is Disabled, 90 days after we mail you a request for proof of Disability, if proof is not given.

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**ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE**

A. Insuring Clause

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

B. Definition Of Loss For AD&D Insurance

Loss means loss of life, hand, foot, or sight which:

1. Is caused solely and directly by an accident;
2. Occurs independently of all other causes; and
3. Occurs within 365 days after the accident.

With respect to a hand or foot, Loss means actual and permanent severance from the body at or above the wrist or ankle joint. With respect to sight, Loss means entire and irrecoverable loss of sight.

C. Amount Payable

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

D. Changes In AD&D Insurance

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

E. AD&D Insurance Exclusions

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

1. War or act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.
2. Suicide or other intentionally self-inflicted Injury, while sane or insane.
3. Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.
4. The voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a Physician.
5. Sickness or Pregnancy existing at the time of the accident.
6. Heart attack or stroke.
7. Medical or surgical treatment for any of the above.

F. Additional AD&D Benefits

Seat Belt Benefit

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

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

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

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

does not include a shoulder restraint alone.

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

#### Career Adjustment Benefit

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

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

1. You are insured under the Group Policy.
2. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
3. Your Spouse is, within 36 months after the date of your death, registered and in attendance at a professional or trades training program for the purpose of obtaining employment or increasing earnings.

No Career Adjustment Benefit will be paid if you have no surviving Spouse.

#### Child Care Benefit

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

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

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

No Child Care Benefit will be paid if you have no surviving Spouse.

#### Higher Education Benefit

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

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

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

The Higher Education Benefit will be paid annually to each Child who meets the requirements of item 3 above, for a maximum of 4 consecutive years beginning on the date of your death. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

#### G. Becoming Insured For AD&D Insurance

##### 1. Eligibility

You become eligible for AD&D Insurance on the date your Life Insurance is effective.

2. Effective Date

The **Coverage Features** states whether AD&D Insurance is Contributory or Noncontributory. Subject to the **Active Work Provisions**, AD&D Insurance becomes effective as follows:

a. Noncontributory AD&D Insurance

Noncontributory AD&D Insurance becomes effective on the date you become eligible.

b. Contributory AD&D Insurance

You must apply in writing for Contributory AD&D Insurance and agree to pay premiums. Contributory AD&D Insurance becomes effective on the later of:

(i) The date you become eligible if you apply on or before that date.

(ii) The first day of the calendar month coinciding with or next following the date you apply, if you apply after you become eligible.

H. When AD&D Insurance Ends

AD&D Insurance ends automatically on the earlier of:

1. The date your Life Insurance ends.
2. The date your Waiver Of Premium begins.
3. The date AD&D Insurance terminates under the Group Policy.

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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.

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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## 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 and your Dependents 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. AD&D benefits, if any, will be paid according to the terms of the Group Policy or the Group Life Portability Insurance Policy, but not both. In no event will the benefits paid exceed the amount in effect under the Group Policy on the day before your employment terminates.

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## **STRIKE CONTINUATION**

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

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

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## **WAIVER OF PREMIUM**

### **A. Waiver Of Premium Benefit**

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

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

### **B. Definitions For Waiver Of Premium**

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

### **C. Premium Payment**

Premium payment must continue until the later of:

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



D. Refund Of Premiums

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

E. Amount Of Insurance

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

1. Insurance will be reduced or terminated according to the Group Policy provisions in effect on the day before you become Totally Disabled.
2. If you become insured under a group life insurance plan that replaces the Group Policy while you are eligible for Waiver Of Premium, any death benefit payable under the Group Policy will be reduced by the amount payable under the replacement group life insurance plan.
3. If you receive an Accelerated Benefit, Insurance will be reduced according to the **Accelerated Benefit** provision.
4. The amount of Supplemental Life Insurance on your Spouse will be the lesser of:
  - a. The amount in effect on the day before you become Totally Disabled; and
  - b. The amount in effect one year before the date you become Totally Disabled.

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.

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## ACCELERATED BENEFIT

A. Accelerated Benefit

If you qualify for Waiver Of Premium and 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.

If your Insurance is scheduled to end within 24 months following the date you apply for the Accelerated Benefit, you will not be eligible for the Accelerated Benefit.

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

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

**B. Application For Accelerated Benefit**

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

**C. Amount Of Accelerated Benefit**

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

The Accelerated Benefit will be based on the amount of your Insurance on the date you apply for the Accelerated Benefit.

If the amount of your Insurance is scheduled to reduce within 12 months following the date you apply for the Accelerated Benefit, your Accelerated Benefit will be based on the reduced amount.

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.

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

**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 and Supplemental Life Insurance Benefit, if any, under the Group Policy.

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## 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, but excluding AD&D Insurance.
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.
5. 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.

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**.

However, if your Insurance ends or is reduced because of termination or amendment of the Group Policy, the limitations in 1 and 2 above will not apply to you provided that:

1. You are Totally Disabled on the date of such termination or reduction of your Insurance; and
2. You are not covered under a Waiver of Premium Benefit.

D. The Individual Policy

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

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

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

E. Death During The Conversion Period

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

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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.

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

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

C. Proof Of Loss

Proof Of Loss means written proof that a loss occurred:

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

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

D. Investigation Of Claim

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

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

E. Time Of Payment

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

F. Notice Of Decision On Claim

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

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

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

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

G. Review Procedure

If all or part of a claim is denied, the claimant must request a review in writing within 60 days after receiving notice of the denial.

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

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

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## ASSIGNMENT

If the amount of your Life Insurance is less than \$25,000, you may not make an assignment.

If the amount of your Life Insurance is \$25,000 or more, you may make an absolute assignment of all your Life and AD&D Insurance, subject to 1 through 8 below.

1. All insurance under the Group Policy, including AD&D Insurance, is assignable. Dependents Life Insurance is not assignable.
2. You may not make a collateral assignment.
3. The assignment must be absolute and irrevocable. It must transfer all rights, including:
  - a. The right to change the Beneficiary;
  - b. The right to buy an individual life insurance policy on your life under **Right To Convert**; and
  - c. The right to receive accidental dismemberment benefits.
  - d. The right to apply for and receive an Accelerated Benefit.

4. The assignment will apply to all of your Life and AD&D Insurance in effect on the date of the assignment or becoming effective after that date.
5. The assignment may be to any person permitted by law.
6. The assignment will have no effect unless it is: made in writing, signed by you, and delivered to the Policyholder or Employer in your lifetime. Neither we, the Policyholder, nor the Employer are responsible for the validity, sufficiency or effect of the assignment.
7. All accidental dismemberment benefits will be paid to the assignee. All death benefits will be paid according to the beneficiary designation on file with the Policyholder or Employer, and the **Benefit Payment And Beneficiary Provisions**.
8. The assignment will not change the Beneficiary, unless the assignee later changes the Beneficiary. Any payment we make according to the beneficiary designation on file with the Policyholder or Employer, and the **Benefit Payment And Beneficiary Provisions** will fully discharge us to the extent of the payment.

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

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### **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. AD&D Insurance benefits payable for Losses other than Loss of Life will be paid to the person who suffers the Loss for which benefits are payable. Any such benefits remaining unpaid at that person's death will be paid according to the provisions for payment of a death benefit.
3. The benefits below will be paid to you if you are living.
  - a. AD&D Insurance benefits payable because of the death of your Dependent.
  - b. Dependents Life Insurance benefits.
  - c. Supplemental Life Insurance benefits payable because of the death of your Spouse.
  - d. Accelerated Benefits.
4. Dependents Life Insurance benefits and AD&D Insurance benefits payable because of the death of your Dependent which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.
  - a. The children of the Dependent.
  - b. The parents of the Dependent.
  - c. The brothers and sisters of the Dependent.
  - d. Your estate.
5. Supplemental Life Insurance benefits payable because of the death of your Spouse which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.
  1. The children of your Spouse.
  2. The parents of your Spouse.

3. The brothers and sisters of your Spouse.
4. Your estate.
6. Additional Benefits will be paid as follows:

The Child Care Benefit will be paid to your surviving Spouse. No Child Care Benefit will be paid if you have no Spouse.

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

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

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

#### B. Naming A Beneficiary

Beneficiary means a person you name to receive death benefits.

You may name one or more Beneficiaries. Two or more surviving Beneficiaries will share equally, unless you specify otherwise. You may name or change Beneficiaries at any time without the consent of a Beneficiary.

Your Beneficiary designation must be the same for Plan 1 (basic) Life Insurance and AD&D Insurance death benefits. Your Beneficiary designations for Plan 1 (basic) Life Insurance and Plan 2 (additional) Life Insurance may be different.

You must name or change Beneficiaries in writing. Your designation:

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

If we approve it, a written designation signed and dated by you under the 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 \$10,000, we will pay it in a lump sum.

### 2. Standard Secure Access Checking Account

If the amount payable to a Recipient is \$10,000 or more, we will deposit it into a Standard Secure Access checking account which:

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

### 3. Installments

Payment to a Recipient may be made in installments if:

- a. The amount payable is \$10,000 or more;
- b. The Recipient chooses; and
- c. We agree.

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

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## **ALLOCATION OF AUTHORITY**

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

Our authority includes, but is not limited to:

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



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

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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.

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### **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.

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

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

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

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

LI.TA.OT.1

### DEFINITIONS

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

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. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Annual Earnings does not include:

1. Bonuses.

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

Child means:

1. Your unmarried child from live birth through age 22; or
2. Your unmarried child who meets either of the following requirements:
  - a. The child is insured under the Group Policy and, on and after the date on which insurance would otherwise end because of the Child's age, is continuously Disabled.
  - b. The child was insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy and was Disabled on that day, and is continuously Disabled thereafter.

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

- i. Your adopted child; or
- ii. Your stepchild, if living in your home;

Your child is Disabled if your child is:

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

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

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

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

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

Evidence Of Insurability means an applicant must:

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

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

Injury means an injury to your body.

Life Insurance means life insurance under the Group Policy.

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

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

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

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

Sickness means your sickness, illness, or disease.

Spouse means a person to whom you are legally married. Spouse does not include a person who is a full-time member of the armed forces of any country.

Supplemental Life Insurance means supplemental life insurance, if any, under the Group Policy.

(BASE) LI.DF.OT.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 Premium Rates for Supplemental Life Insurance upon 31 days written notice, but not more often than once in any calendar year.

We may change any other Premium Rates when:

1. A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations; or
2. Factors material to underwriting the risk we assumed under the Group Policy, including, but not limited to, number of persons insured, age, Annual Earnings, gender and occupational classification, change by 25% or more; or
3. We and the Policyholder mutually agree to change Premium Rates.

Except as provided above, Premium Rates will not be changed during the Initial Rate Guarantee Period shown in the **Coverage Features**. Thereafter, except as provided above, we may change Premium Rates upon advance written notice to the Policyholder. The minimum advance notice is shown in the **Coverage Features** as Notice of Rate Change. Any such change in Premium Rates may be made effective on any Premium Due Date, but no such change will be made more than once in any contract year. Contract years are successive 12 month periods computed from the end of the Initial Rate Guarantee Period.

### D. Payment Of Premiums

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

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

E. Grace Period And Termination For Nonpayment

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

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

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

F. Termination For Other Reasons

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

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

We may terminate the Group Policy as follows:

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

The minimum advance notice of such termination by us is the same as the Notice of Rate Change stated in the **Coverage Features**.

G. Premium Adjustments

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

H. Experience Rating

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

I. Certificates

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

J. Records And Reports

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

**K. 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.

**L. Notice Of Suit And Indemnification**

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

The Policyholder and Employer are liable for their own negligent, intentional or wrongful acts or omissions, and those of any insurance broker/agent or administrator acting for or on behalf of either of them, arising from or connected with the administration of the Group Policy. The Policyholder and Employer will indemnify and hold us harmless from any and all contractual or extra-contractual claims, demands, losses, costs and expenses, including interest, penalties and attorney's fees, which we may incur or suffer as a result of any such negligent intentional or wrongful acts.

**M. Entire Contract, Changes**

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

The Group Policy may be changed in whole or in part. No change in the Group Policy will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. No agent has authority to change the Group Policy or to waive any of its provisions.

**N. Effect On Workers' Compensation, State Disability Insurance**

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

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

ALI99

**CALIFORNIA LIFE AND HEALTH INSURANCE GUARANTEE ASSOCIATION ACT**

**SUMMARY DOCUMENT AND DISCLAIMER**

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

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

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

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

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

**The California Life and Health Insurance Guarantee Association**

**PO Box 17319**

**Beverly Hills CA 90209-3319**

**OR**

**Consumer Services Division**

**California Department of Insurance**

**300 S Spring St, 14th Fl**

**Los Angeles CA 90013**

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

**COVERAGE**

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

## **EXCLUSIONS FROM COVERAGE**

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

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

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

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

The Guarantee Association also does not provide coverage for:

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

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

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

Any policy of reinsurance unless an assumption certificate was issued;

Interest rate yields that exceed an average rate;

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

## **LIMITS ON AMOUNT OF COVERAGE**

The Act limits the Association to pay benefits as follows:

### **LIFE AND ANNUITY BENEFITS**

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

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

\$250,000 in life insurance death benefits.

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

### **HEALTH BENEFITS**

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

### **PREMIUM SURCHARGE**

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



**CALIFORNIA NOTICE OF COMPLAINT PROCEDURE**

**Should any dispute arise about your premium or about a claim that you have filed, write to the company that issued the group policy. If the problem is not resolved, you may also write to the State of California, Department of Insurance, Consumer Services Division, 300 S. Spring Street, 14th FL, Los Angeles, CA 90013, or call toll-free 1-800-927-HELP (4357). This notice of complaint procedure is for information only and does not become a part or condition of this group policy/certificate.**



**GROUP POLICY AMENDMENT NO. 1**

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective August 1, 2003, the Premium Rates and Renewals portion of the **Coverage Features** is  
amended to provide the following:

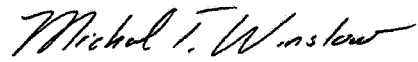
Initial Rate Guarantee Period: September 1, 2001 to January 1, 2005

STANDARD INSURANCE COMPANY

By



President



Secretary

**GROUP POLICY AMENDMENT NO. 2**

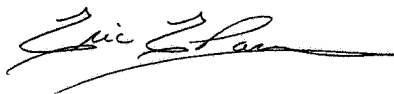
Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective November 1, 2003, the Premium Rates and Renewals portion of the **Coverage Features** is amended to provide the following:


Notice of Rate Change: 180 days

STANDARD INSURANCE COMPANY

By



President



Secretary

### GROUP POLICY AMENDMENT NO. 3

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective September 1, 2001, and subject to the **Active Work Provisions**, the Group Policy is amended as follows:

1. The Becoming Insured portion of the **Coverage Features** is amended to provide the following Class Definition:

Class Definition:

- |          |   |
|----------|---|
| Class 1: | Members of Management, Confidential and Law Enforcement Management Bargaining Units, Prosecution Unit and Deputy Public Defender I, II, III, and IV |
| Class 2: | Regional Park and Open Space District Members of the Supervisory Unit   |
| Class 3: | Members of the Supervisory Employees Bargaining Unit  |
| Class 4: | Members of the Public Safety Unit   |

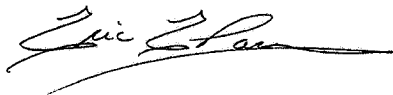
2. The Schedule of Insurance portion of the **Coverage Features** is amended to provide the following Plan 1 Life Insurance Benefit:

Life Insurance Benefit:

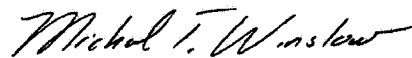
- |                 |                           |
|-----------------|---------------------------|
| Plan 1 (basic): | Class 1: \$50,000         |
|                 | Class 2: \$20,000         |
|                 | Classes 3 and 4: \$10,000 |

STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 4

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective August 1, 2002, and subject to the **Active Work Provisions**, the Group Policy is amended as follows:

1. The Becoming Insured portion of the **Coverage Features** is amended to provide the following Definition of Member and Class Definition:

Definition of Member:

You are a Member if you are:

1. An active non-represented Management, Confidential or Law Enforcement Management Bargaining Unit, Prosecution Unit, Deputy Public Defender I, II, III, and IV or Public Safety Unit employee of the Employer; and
2. Regularly working half-time as defined by your Employer.

You are not a Member if you are:

1. A temporary or seasonal employee; or
2. A full time member of the armed forces of any country.

Class Definition:

Class 1: Members of Management, Confidential and Law Enforcement Management Bargaining Units, Prosecution Unit and Deputy Public Defender I, II, III, and IV

Class 2: Members of the Public Safety Unit

2. The Schedule of Insurance portion of the **Coverage Features** is amended to provide the following Plan 1 Life Insurance Benefit:

Life Insurance Benefit:

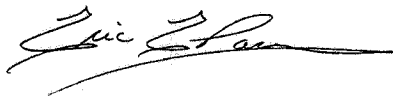
Plan 1 (basic):

Class 1: \$50,000

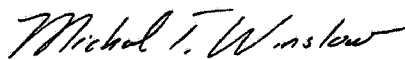
Class 2: \$10,000

STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 5

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

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

1. The Becoming Insured portion of the **Coverage Features** is amended to provide the following Evidence of Insurability:

Evidence of Insurability:

Required:

- a. For late application for Contributory insurance. However, subject to the Guarantee Issue Amount, this requirement will be waived if you apply for Dependents Life Insurance within 60 days following a Family Status Change.
- b. For reinstatements if required.
- c. For Members and Dependents eligible but not insured under the Prior Plan. However, subject to the Guarantee Issue Amount, this requirement will be waived if you apply for Dependents Life Insurance within 60 days following a Family Status Change.
- d. For any Plan 2 Life Insurance Benefit in excess of the Guarantee Issue Amount of your combined Plan 1 and Plan 2 amounts, up to \$300,000. However, if you were insured under the Prior Plan for this amount or more on August 31, 2001, this requirement will be waived for you on September 1, 2001.
- e. For any Dependents Life Insurance Benefit in excess of the Guarantee Issue Amount of \$20,000. However, if your Spouse was insured under the Prior Plan for this amount or more on August 31, 2001, this requirement will be waived on September 1, 2001.
- f. For any elective increase in insurance.
- g. For becoming insured for any amount greater than the amount for which you were insured under the Prior Plan, if your insurance under the Prior Plan was limited because you did not provide evidence of insurability or because your evidence of insurability was not approved.

**Note:** Evidence of Insurability requirements d., e., and f. will be waived if you apply for an increase in insurance coverage equal to one increment during an Annual Enrollment Period.

2. The **Definitions** section is amended by the addition of the following:

Annual Enrollment Period means the period designated each year when an employee may change insurance options elected.

Family Status Change means family status change as defined in your Employer's Section 125 cafeteria plan.

3. The definition of Spouse as shown in the **Definitions** sections is amended to read as follows:

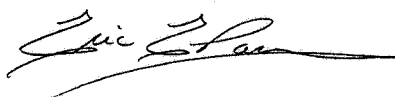
Spouse means:

1. A person to whom you are legally married; or
2. Your Domestic Partner. Domestic Partner means an individual recognized as such under California State law.

For purposes of insurance under the Group Policy, Spouse does not include a person who is a full-time member of the armed forces of any country or a person from whom you are divorced or legally separated.

STANDARD INSURANCE COMPANY

By



President



Secretary



## GROUP POLICY AMENDMENT NO. 6

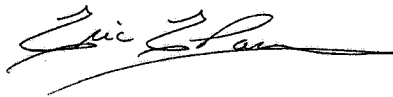
Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective January 1, 2005, the Group Policy is amended as follows:

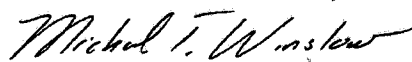
1. The Group Policy is amended to provide an open enrollment period for Plan 2 (additional) Life Insurance and Plan B Dependents Life Insurance for your Spouse from January 1, 2005 through January 31, 2005 for Members and Dependents who were eligible but not insured for Plan 2 (additional) Life Insurance or Plan B Dependents Life Insurance for your Spouse on December 1, 2004. Members applying during this open enrollment period will be eligible for \$50,000 (Guarantee Issue Amount) and \$10,000 (Guarantee Issue Amount) for their Spouse without submitting Evidence of Insurability. However, if insurance was limited because the Member or Spouse did not provide Evidence of Insurability or because Evidence of Insurability was not approved, then the Member or Spouse is not eligible for insurance without submitting satisfactory Evidence of Insurability.
2. The Group Policy is amended to provide an open enrollment period for Plan 2 (additional) Life Insurance and Plan B Dependents Life Insurance for your Spouse from January 1, 2005 through January 31, 2005 for Members and Dependents who were insured for Plan 2 (additional) Life Insurance or Plan B Dependents Life Insurance for your Spouse on December 1, 2004. Members applying during this open enrollment period will be eligible for an increase in Plan 2 (additional) Life Insurance equal to one increment of coverage (\$10,000), and an increase in Plan B Dependents Life Insurance for your Spouse equal to one increment of coverage (\$5,000) without submitting Evidence of Insurability. However, if insurance was limited because the Member or Spouse did not provide Evidence of Insurability or because Evidence of Insurability was not approved, then the Member or Spouse is not eligible for an increase in insurance without submitting satisfactory Evidence of Insurability.
3. Life Insurance not subject to Evidence of Insurability which is applied for during the open enrollment period becomes effective February 1, 2005.

### STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 7

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective July 1, 2004, and subject to the **Active Work Provisions**, the Group Policy is amended as follows:

1. The Becoming Insured portion of the **Coverage Features** is amended to provide the following Definition of Member and Class Definition:

Definition of Member:

You are a Member if you are:

1. An active non-represented Management, Confidential or Law Enforcement Management Bargaining Unit, Prosecution Unit, Deputy Public Defender I, II, III, and IV, Judge or Public Safety Unit employee of the Employer; and
2. Regularly working half-time as defined by your Employer.

You are not a Member if you are:

1. A temporary or seasonal employee; or
2. A full time member of the armed forces of any country.

Class Definition:

Class 1: Members of Management, Confidential and Law Enforcement Management Bargaining Units, Prosecution Unit, Deputy Public Defender I, II, III, and IV, and Judges

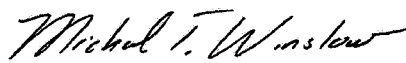
Class 2: Members of the Public Safety Unit

STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 8

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective on the appropriate date shown below, and subject to the **Active Work Provisions**, the Group Policy is amended as follows:

1. Effective May 1, 2003, the Becoming Insured portion of the **Coverage Features** is amended to provide the following Definition of Member and Class Definition:

Definition of Member:

You are a Member if you are:

1. An active non-represented Management, Confidential or Law Enforcement Management Bargaining Unit, Prosecution Unit, or Public Safety Unit employee of the Employer; and
2. Regularly working half-time as defined by your Employer.

You are not a Member if you are:

1. A temporary or seasonal employee; or
2. A full time member of the armed forces of any country.

Class Definition:

Class 1: Members of Management, Confidential and Law Enforcement Management Bargaining Units, and Prosecution Unit

Class 2: Members of the Public Safety Unit

2. Effective July 1, 2004, Group Policy Amendment No. 7 never came into effect.
3. Effective July 1, 2004, the Becoming Insured portion of the **Coverage Features** is amended to provide the following Definition of Member and Class Definition:

Definition of Member:

You are a Member if you are:

1. An active non-represented Management, Confidential or Law Enforcement Management Bargaining Unit, Prosecution Unit, Judge or Public Safety Unit employee of the Employer; and
2. Regularly working half-time as defined by your Employer.

You are not a Member if you are:

1. A temporary or seasonal employee; or
2. A full time member of the armed forces of any country.

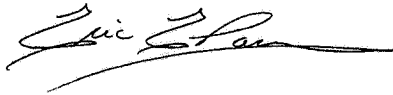
Class Definition:

Class 1: Members of Management, Confidential and Law Enforcement Management Bargaining Units, Prosecution Unit, and Judges

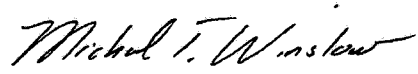
Class 2: Members of the Public Safety Unit

STANDARD INSURANCE COMPANY

By



President



Secretary

**GROUP POLICY AMENDMENT NO. 9**

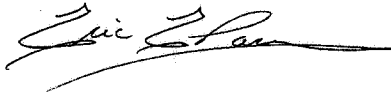
Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective September 1, 2006, the Group Policy is amended as follows:

1. The renewal date of the Group Policy next following January 1, 2007 will be July 1, 2009, and renewal dates thereafter will occur on July 1.
2. Premium Rate changes for Contributory insurance due to a renewal will become effective on the January 1 next following the renewal date.

STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 10

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective December 7, 2006, the Becoming Insured portion of the **Coverage Features** is amended to provide the following Definition of Member and Class Definition:

Definition of Member:

You are a Member if you are:

1. An active non-represented Management, Confidential or Law Enforcement Management Bargaining Unit, Prosecution Unit, Judge hired prior to August 1, 2003 or Public Safety Unit employee of the Employer; and
2. Regularly working half-time as defined by your Employer.

You are not a Member if you are:

1. An employee of the Superior Court for the County of Riverside, other than a Judge hired prior to August 1, 2003;
2. A temporary or seasonal employee; or
3. A full time member of the armed forces of any country.


Class Definition:

Class 1: Members of Management, Confidential and Law Enforcement Management Bargaining Units, Prosecution Unit, and Judges hired prior to August 1, 2003


Class 2: Members of the Public Safety Unit

STANDARD INSURANCE COMPANY

By



President



Secretary

## GROUP POLICY AMENDMENT NO. 11

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective May 1, 2007, the Group Policy is amended as follows:

1. Item A.4. of the **Portability Of Insurance** section is amended to read as follows:
  4. You must apply in writing and pay the first premium directly to us at our Home Office within 60 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.  
(L.I.TP.OT.1X)
2. That part of C. When Portable Insurance Becomes Effective of the **Portability Of Insurance** section which reads:

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.

is amended to read as follows:

Portable group insurance will become effective the day after your employment with your Employer terminates, if you apply within 60 days after the date your employment terminates.

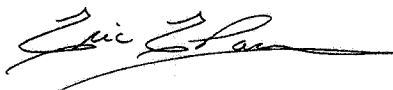
(L.I.TP.OT.1X)
3. Item B.1. of the **Right To Convert** section is amended to read as follows:
  1. Conversion Period means the 60-day period after the date of any Qualifying Event.  
(L.I.RC.CA.1X)
4. Part E. Death During The Conversion Period of the **Right To Convert** section is amended to read as follows:

E. Death During The Conversion Period

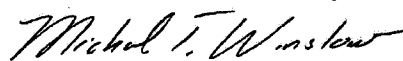
If you die within the first 31 days of the Conversion Period, we will pay a death benefit equal to the maximum amount you had a Right To Convert, whether or not you applied for an individual policy. The benefit will be paid according to the **Benefit Payment And Beneficiary Provisions**.  
(L.I.RC.CA.1X)

STANDARD INSURANCE COMPANY

By



President



Secretary

**GROUP POLICY AMENDMENT NO. 12**

Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective September 1, 2001, the Premium Rates And Renewals portion of the **Coverage Features** is amended to provide the following Dependents Life Insurance, Plan A:

Dependents Life Insurance:

Plan A: \$0.60 monthly per Member with one or more Dependents

STANDARD INSURANCE COMPANY

By



President



Corporate Secretary



**GROUP POLICY AMENDMENT NO. 13**

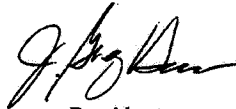
Attached to and made a part of Group Policy 641685-A issued to  
County of Riverside as Policyholder.

Effective May 1, 2009, the Premium Rates And Renewals portion of the **Coverage Features** is  
amended to provide the following Grace Period:


Grace Period: 45 days

STANDARD INSURANCE COMPANY

By



President



Corporate Secretary



May 20, 2011

County of Riverside  
 Attn: Benefits Manager  
 4080 Lemon St  
 Riverside CA 92502-1569

Re: Long Term Disability  
 Group Policy 641685-B

This letter is to acknowledge the County of Riverside's acceptance of their new Long Term Disability policy with Department of Insurance changes. Please refer to Section 4 of the renewal e-binder to view the new LTD policy and for additional details surrounding the changes.

After your review and by signing below, you are indicating your acceptance of the new LTD policy.

Accepted by: Bob Buster  
 Title: CHAIRMAN, BOARD OF SUPERVISORS BOB BUSTER  
 Company: County of Riverside  
 Date: AUG 16 2011

Sincerely,

Louise Gregory  
 National Accounts Underwriter  
 Employee Benefits Division  
 Standard Insurance Company

ATTEST:

KECIA HARPER-IHEM, Clerk

By

DEPUTY

cc: AON CONSULTING INS SRVCS  
 Los Angeles Employee Benefits Sales and Service Office

AUG 16 2011 3.60

## Request for Group Insurance Amendment

Standard Insurance Company  
900 SW Fifth Avenue  
Portland, OR 97204-1282

Employee Benefits Consultant: **Mickey Rosendahl**  
Employee Benefits Service Representative: **Teresa Lollar**  
Employee Benefits Sales and Service Office: **Los Angeles EBSSO**

---

Employer Name: **County of Riverside**  
Group Number: **641685**

As an authorized representative of the Employer, I request that Standard Insurance Company ("The Standard") amend the above Employer's coverage under the Group Policy to make the following change(s):

**Modify the Definition of Disability for Public Defenders (only) to include: 60 Month Own Specialty with Own Occupation to Age 65.**

**Modify the Class 1 Definition to read: Law Enforcement Executive Management Unit Members; Services Employees International Union (SEIU) Supervisory Unit Members; Deputy Coroner I and II; Senior Deputy Coroner; Correctional Counselors; and Supervising Correctional Counselors.**

**There is no rating impact for this change.**

I request that the amendment become effective on July 1, 2011. I understand that the amendment will not become effective unless approved and issued by The Standard.

I request that the amendment be approved by The Standard subject to The Standard's usual underwriting requirements, including, if applicable, Evidence of Insurability or a Pre-existing Condition provision.

I understand that the amendment, if approved by The Standard, will be issued in the policy language customarily used by The Standard.

I understand that any increase in Insurance for a Member who is not Actively At Work all day on the Member's last regular work day before the scheduled effective date of the amendment will be deferred until the first day after the Member completes one full day of Active Work.

I request that the amendment, if approved and issued by The Standard, become effective by its terms without any further acceptance by the Employer, and that a copy of this Request for Group Insurance Amendment form be attached to and made a part of the amendment.

Sign Name: Bob Buster Title: **CHAIRMAN, BOARD OF SUPERVISORS**  
Authorized Representative

Print Name: BOB BUSTER Date: AUG 16 2011

ATTEST:

KECIA HARPER-JHEM, Clerk

By Bob Buster  
DEPUTY

**STANDARD INSURANCE COMPANY**

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

**CERTIFICATE****GROUP LONG TERM DISABILITY INSURANCE**

Arranged for and recommended by County of Riverside  
 as an important part of its benefit program for employees.

<b>Policyholder:</b>	Fleet National Bank, Trustee of The Standard Insurance Company Group Insurance Trust	<b>Employer:</b>	County of Riverside
<b>Policy Number:</b>	638213-T	<b>Group Number</b>	641685-B
<b>Policy Effective Date:</b>	August 1, 1999	<b>Employer Effective Date:</b>	September 1, 2001

The Group Policy has been issued to the Policyholder. The Employer has joined the Standard Insurance Company Group Insurance Trust and been approved for group long term disability insurance coverage under the Group Policy. The Group Policy contains numerous optional and variable provisions. The Employer selects the options and variables it requests be approved for its employees. The options and variables we have approved for the Employer's coverage under the Group Policy are contained in the Statement Of Coverage we provided to the Employer. Only those provisions of the Group Policy which appear in the Statement Of Coverage will apply to the Employer's coverage under the Group Policy.

We certify that you will be insured according to the terms of your Employer's coverage under the Group Policy. If the terms of this Certificate differ from the terms of your Employer's coverage under the Group Policy, the latter will govern. If your insurance is changed by an amendment to your Employer's coverage under the Group Policy, we will provide the Employer with a revised Certificate or other notice to be given to you.

Possession of this Certificate does not necessarily mean you are insured. You are insured only if you meet the requirements set out in this Certificate.

The terms "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.

President

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## COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) insurance. Other provisions, including exclusions, limitations, and Deductible Income, 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: 638213-T

Policyholder: Fleet National Bank, Trustee of the Standard Insurance Company Group Insurance Trust  
One Constitution Plaza, 14th Floor  
Hartford, CT 06115

Employer: County of Riverside

Group Number: 641685-B

Group Policy Effective Date: August 1, 1999

Employer Effective Date: September 1, 2001

Policy Issued in: Rhode Island

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Member means a citizen or resident of the United States or Canada and one of the following:

1. A regular or permanent part-time non-represented employee of the Employer Actively At Work at least 20 hours each week; or
2. An Elected Official.

For purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as the person is capable of Active Work on those days.

Member does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

#### Class Definitions:

Class 1: Law Enforcement Supervisory/Management Unit Members; Supervisory Unit Members; Judges hired prior to August 1, 2003; Deputy Coroner I and II; Senior Deputy Coroner; Correctional Counselors; and Supervising Correctional Counselors

Class 2: Exempt Management; Deputy Public Defenders I, II, III and IV; Deputy District Attorneys; At-Will Un-represented Management; Confidential, and other Un-represented Members

Class 3: Elected Officials

---

### SCHEDULE OF INSURANCE

Eligibility Waiting Period: You are eligible on the first day of the calendar month following the date you become a Member.

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



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Own Occupation Period: The first 24 months for which LTD Benefits are paid.  
Any Occupation Period: From the end of the Own Occupation Period to the end of the Maximum Benefit Period.

---

LTD Benefit: 66 2/3% of the first \$15,000 of your Predisability Earnings, reduced by Deductible Income.

Maximum LTD Benefit: \$10,000 before reduction by Deductible Income.

Minimum LTD Benefit: \$100 or 15% of your LTD Benefit before reduction by Deductible Income, whichever is greater.

Benefit Waiting Period: Class 1: 60 days

Class 2 and 3: 30 days

Maximum Benefit Period:

Class 1 and 2: Determined by your age when Disability begins, as follows:

Age Maximum Benefit Period

61 or younger ..... To age 65, or 3 years 6 months, if longer.

62 ..... 3 years 6 months

63 ..... 3 years

64 ..... 2 years 6 months

65 ..... 2 years

66 ..... 1 year 9 months

67 ..... 1 year 6 months

68 ..... 1 year 3 months

69 or older ..... 1 year

Class 3: The longer of 24 months or the duration of the remaining term of office.

## INSURING CLAUSE

If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy after we receive Proof Of Loss satisfactory to us.

(TRUST) LT.IC.OT.2

## BECOMING INSURED

To become insured you must be a Member, complete your Eligibility Waiting Period, and meet the requirements in **Active Work Provisions** and **When Your Insurance Becomes Effective**.

Member means a citizen or resident of the United States or Canada and one of the following:

1. A regular or permanent part-time non-represented employee of the Employer Actively At Work at least 20 hours each week; or
2. An Elected Official.

For purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as the person is capable of Active Work on those days.

Member does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

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

(VAR MBR DEF) LT.BL.OT.1

## WHEN YOUR INSURANCE BECOMES EFFECTIVE

### A. When Insurance Becomes Effective

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

#### 1. Insurance Subject To Evidence Of Insurability

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

#### 2. Insurance Not Subject To Evidence of Insurability

The **Coverage Features** states whether insurance is Contributory or Noncontributory.

##### a. Noncontributory Insurance

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

##### b. Contributory Insurance

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

- i. The date you become eligible if you apply on or before that date; or
- ii. The date you apply if you apply within 31 days after you become eligible.

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

B. Takeover Provisions

1. 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.
2. You must submit satisfactory Evidence Of Insurability to become insured if you were eligible for insurance under the Prior Plan for more than 31 days but were not insured.

C. Evidence Of Insurability Requirement

Evidence Of Insurability satisfactory to us is required:

- a. For late application for Contributory insurance.
- b. For Members eligible but not insured under the Prior Plan.
- c. For reinstatements if required.

Providing Evidence Of Insurability means you must:

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

(VAR EO) LT.EF.OT.1

### ACTIVE WORK PROVISIONS

A. Active Work Requirement

You must be capable of Active Work on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are incapable of Active Work because of Physical Disease, Injury, Pregnancy or Mental Disorder on the day before the scheduled effective date of your insurance, your insurance 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 with reasonable continuity the Material Duties of your Own Occupation at your Employer's usual place of business.

B. Changes In Insurance

This Active Work requirement also applies to any increase in your insurance.

LT.AW.OT.1

### CONTINUITY OF COVERAGE

If your Disability is subject to the Preexisting Condition Exclusion, LTD Benefits will be payable if:

1. You were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy;
2. You became insured under the Group Policy when your insurance under the Prior Plan ceased;
3. You were continuously insured under the Group Policy from the effective date of your insurance under the Group Policy through the date you became Disabled from the Preexisting Condition; and
4. Benefits would have been payable under the terms of the Prior Plan if it had remained in force, taking into account the preexisting condition exclusion, if any, of the Prior Plan.

For such a Disability, the amount of your LTD Benefit will be the lesser of:

- a. The monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force; or
- b. The LTD Benefit payable under the terms of your Employer's coverage under the Group Policy, but without application of the Preexisting Condition Exclusion.

Your LTD Benefits for such a Disability will end on the earlier of the following dates:

- a. The date benefits would have ended under the terms of the Prior Plan if it had remained in force; or
- b. The date LTD Benefits end under the terms of your Employer's coverage under the Group Policy.

(TRUST\_PK) LT.CC.OT.2

### **WHEN YOUR INSURANCE ENDS**

Your insurance ends automatically on the earliest of:

1. The date the last period ends for which a premium contribution was made for your insurance.
2. The date the Group Policy terminates.
3. The date your Employer's coverage under the Group Policy terminates.
4. The date your employment terminates.
5. The date you cease to be a Member. However, your insurance will be continued during the following periods when you are absent from Active Work, unless it ends under any of the above.
  - a. During the first 90 days of a temporary or indefinite administrative or involuntary leave of absence or sick leave, provided your Employer is paying you at least the same Predisability Earnings paid to you immediately before you ceased to be a Member. A period when you are absent from Active Work as part of a severance or other employment termination agreement is not a leave of absence, even if you are receiving the same Predisability Earnings.
  - b. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
  - c. During any other temporary leave of absence approved by your Employer in advance and in writing and scheduled to last 30 days or less. A period of Disability is not a leave of absence.

(TRUST) LT.EN.OT.2

### **WAIVER OF PREMIUM**

We will waive payment of premium for your insurance while LTD Benefits are payable.

LT.WP.OT.1

### **REINSTATEMENT OF INSURANCE**

If your insurance ends, you may become insured again as a new Member. However, the following will apply:

1. If you cease to be a Member because of a covered Disability, your insurance will end; however, if you become a Member again immediately after LTD Benefits end, the Eligibility Waiting Period will be waived and, with respect to the condition(s) for which LTD Benefits were payable, the Preexisting Condition Exclusion will be applied as if your insurance had remained in effect during that period of Disability.

2. If your insurance ends because you cease to be a Member for any reason other than a covered Disability, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
3. If your insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
4. If your insurance ends because you are on a federal or state-mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state-mandated family or medical leave act or law.
5. The Preexisting Conditions Exclusion will be applied as if insurance had remained in effect in the following instances:
  - a. If you become insured again within 90 days.
  - b. If required by federal or state-mandated family or medical leave act or law and you become insured again immediately following the period allowed under the family or medical leave act or law.
6. In no event will insurance be retroactive.

LT.RE.OT.1

### **DEFINITION OF DISABILITY**

You are Disabled if you meet the following definitions during the periods they apply:

- A. Own Occupation Definition Of Disability.
  - B. Any Occupation Definition Of Disability.
  - C. Partial Plus Disability Definition.
- A. Own Occupation Definition Of Disability

During the Benefit Waiting Period and the Own Occupation Period you are required to be Disabled only from your Own Occupation.

You are Disabled from your Own Occupation if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder:

1. You are unable to perform with reasonable continuity the Material Duties of your Own Occupation; and
2. You suffer a loss of at least 20% in your Indexed Predisability Earnings when working in your Own Occupation.

Note: You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license.

During the Own Occupation Period you may work in another occupation while you meet the Own Occupation Definition Of Disability. However, you will no longer be Disabled when your Work Earnings from another occupation meet or exceed 80% of your Indexed Predisability Earnings. Your Work Earnings may be Deductible Income. See **Return To Work Provisions** and **Deductible Income**.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as the occupation you are regularly performing for your Employer when Disability begins. In determining your Own Occupation, we are not limited to looking at the way you perform your job for your Employer, but we may also look at the way the occupation is generally performed in the national economy. If your Own Occupation

involves the rendering of professional services and you are required to have a professional or occupational license in order to work, your Own Occupation is as broad as the scope of your license.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

**B. Any Occupation Definition Of Disability**

During the Any Occupation Period you are required to be Disabled from all occupations.

You are Disabled from all occupations if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of Any Occupation.

Any Occupation means any occupation or employment which you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 60% of your Indexed Predisability Earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

**C. Partial Plus Disability Definition**

During the Any Occupation Period, you are Partially Disabled when you work in an occupation but, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to earn 80% or more of your Indexed Predisability Earnings, in that occupation and in all other occupations for which you are reasonably fitted by education, training and experience.

Your Work Earnings may be Deductible Income. See **Return To Work Provisions** and **Deductible Income**.

Your Own Occupation Period and Any Occupation Period are shown in the **Coverage Features**.

LT2.DD.06

## **RETURN TO WORK PROVISIONS**

**A. Return To Work Responsibility**

During the Own Occupation Period no LTD Benefits will be paid for any period when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period no LTD Benefits will be paid for any period when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

**B. Return To Work Incentive**

You may serve your Benefit Waiting Period while working if you meet the Own Occupation Definition Of Disability.

You are eligible for the Return To Work Incentive on the first day you work after the Benefit Waiting Period if LTD Benefits are payable on that date. The Return To Work Incentive changes 12 months after that date, as follows:

1. During the first 12 months, your Work Earnings will be Deductible Income as determined in a., b. and c:
    - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your Work Earnings to that amount.
    - b. Determine 100% of your Indexed Predisability Earnings.
    - c. If a. is greater than b., the difference will be Deductible Income.
  2. After those first 12 months, 50% of your Work Earnings will be Deductible Income.
- C. Work Earnings Definition

Work Earnings means your gross monthly earnings from work you perform while Disabled, plus the earnings you could receive if you worked as much as you are able to, considering your Disability, in work that is reasonably available:

- a. In your Own Occupation during the Own Occupation Period; and
- b. In Any Occupation during the Any Occupation Period.

Work Earnings includes earnings from your Employer, any other employer, or self-employment, and any sick pay, vacation pay, annual or personal leave pay or other salary continuation earned or accrued while working.

Earnings from work you perform will be included in Work Earnings when you have the right to receive them. If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings we:

1. Will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis.
2. Will not be limited to the taxable income you report to the Internal Revenue Service.
3. May ignore expenses under section 179 of the IRC as a deduction from your gross earnings.
4. May ignore depreciation as a deduction from your gross earnings.
5. May adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine your Work Earnings by averaging your earnings over the most recent three-month period. During the Own Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 80% of your Indexed Predisability Earnings. During the Any Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 60% of your Indexed Predisability Earnings.

LT.RW.OT.1

### **REASONABLE ACCOMMODATION EXPENSE BENEFIT**

If you return to work in any occupation for any employer, not including self-employment, as a result of a reasonable accommodation made by such employer, we will pay that employer a Reasonable Accommodation Expense Benefit of up to \$25,000, but not to exceed the expenses incurred.

The Reasonable Accommodation Expense Benefit is payable only if the reasonable accommodation is approved by us in writing prior to its implementation.

LT.RA.OT.1

### REHABILITATION PLAN PROVISION

While you are Disabled you may qualify to participate in a Rehabilitation Plan. Rehabilitation Plan means a written plan, program or course of vocational training or education that is intended to prepare you to return to work.

To participate in a Rehabilitation Plan you must apply on our forms or in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to approve your Rehabilitation Plan.

An approved Rehabilitation Plan may include our payment of some or all of the expenses you incur in connection with the plan, including:

- a. Training and education expenses.
- b. Family care expenses.
- c. Job-related expenses.
- d. Job search expenses.

LT.RH.OT.1

### TEMPORARY RECOVERY

You may temporarily recover from your Disability and then become Disabled again from the same cause or causes without having to serve a new Benefit Waiting Period. Temporary Recovery means you cease to be Disabled for no longer than the applicable Allowable Period. See **Definition Of Disability**.

#### A. Allowable Periods

1. During the Benefit Waiting Period: a total of 30 days of recovery.
2. During the Maximum Benefit Period: 180 days for each period of recovery.

#### B. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Periods, the following will apply.

1. The Predisability Earnings used to determine your LTD Benefit will not change.
2. The period of Temporary Recovery will not count toward your Benefit Waiting Period, your Maximum Benefit Period or your Own Occupation Period.
3. No LTD Benefits will be payable for the period of Temporary Recovery.
4. No LTD Benefits will be payable after benefits become payable to you under any other disability insurance plan under which you become insured during your period of Temporary Recovery.
5. Except as stated above, the provisions of the Group Policy will be applied as if there had been no interruption of your Disability.

LT.TR.OT.1



## WHEN LTD BENEFITS END

Your LTD Benefits end automatically on the earliest of:

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date benefits become payable under any other LTD plan under which you become insured through employment during a period of Temporary Recovery.
5. The date you fail to provide proof of continued Disability and entitlement to LTD Benefits.

LT.BE.OT.1

## PREDISABILITY EARNINGS

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work. Any subsequent change in your earnings after that last full day of Active Work will not affect your Predisability Earnings.

Predisability Earnings means your monthly rate of earnings from your Employer, including:

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), 408(p), or 457 deferred compensation arrangement; or
  - b. An executive nonqualified deferred compensation arrangement.
2. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Predisability Earnings does not include:

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

If you are paid on an annual contract basis, your monthly rate of earnings is one-twelfth (1/12th) of your annual contract salary.

If you are paid hourly, your monthly rate of earnings is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, but not more than 173 hours. If you do not have regular work hours, your monthly rate of earnings is based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), but not more than 173 hours.

LT2.PD.07X

## DEDUCTIBLE INCOME

Subject to **Exceptions To Deductible Income**, Deductible Income means:

1. Sick pay, annual or personal leave pay, severance pay, or other salary continuation, including donated amounts and vacation pay paid to you by your Employer, if it exceeds the amount found in a., b., and c.
  - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your sick pay or other salary continuation to that amount.
  - b. Determine 100% of your Indexed Predisability Earnings.
  - c. If a. is greater than b., the difference will be Deductible Income.
2. Your Work Earnings, as described in the **Return To Work Provisions**.
3. Any amount you receive or are eligible to receive because of your disability, including amounts for partial or total disability, whether permanent, temporary, or vocational, under any of the following:
  - a. A workers' compensation law;
  - b. The Jones Act;
  - c. Maritime Doctrine of Maintenance, Wages, or Cure;
  - d. Longshoremen's and Harbor Worker's Act; or
  - e. Any similar act or law.
4. Any amount you, your spouse, or your child under age 18 receive or are eligible to receive because of your disability or retirement under:
  - a. The Federal Social Security Act;
  - b. The Canada Pension Plan;
  - c. The Quebec Pension Plan;
  - d. The Railroad Retirement Act; or
  - e. Any similar plan or act.

Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefit are Deductible Income.

Benefits your spouse or a child receives or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence. The term "child" has the meaning given in the applicable plan or act.
5. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
6. Any amount you receive or are eligible to receive because of your disability under another group insurance coverage.
7. Any disability or retirement benefits you receive or are eligible to receive under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members. You and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan.

If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income for life with no survivors benefit will be Deductible Income, even if you choose a different option.

8. Any earnings or compensation included in Predisability Earnings which you receive or are eligible to receive while LTD Benefits are payable.
9. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law.
10. Any amount you receive or are eligible to receive from or on behalf of a third party because of your disability, whether by judgement, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.
11. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed.

(NO OTHR OFFST\_PUB\_WITH 3RD) LT.DLOT.1X

### **EXCEPTIONS TO DEDUCTIBLE INCOME**

Deductible Income does not include:

1. Any cost of living increase in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical, or surgical expense.
3. Reasonable attorneys fees incurred in connection with a claim for Deductible Income.
4. Benefits from any individual disability insurance policy.
5. Early retirement benefits under the Federal Social Security Act which are not actually received.
6. Group credit or mortgage disability insurance benefits.
7. Accelerated death benefits paid under a life insurance policy.
8. Benefits from the following:
  - a. Profit sharing plan.
  - b. Thrift or savings plan.
  - c. Deferred compensation plan.
  - d. Plan under IRC Section 401(k), 408(k), 408(p), or 457.
  - e. Individual Retirement Account (IRA).
  - f. Tax Sheltered Annuity (TSA) under IRC Section 403(b).
  - g. Stock ownership plan.
  - h. Keogh (HR-10) plan.

(PUB\_NO OTHR OFFST) LT.ED.OT.1

## **RULES FOR DEDUCTIBLE INCOME**

### **A. Monthly Equivalents**

Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you actually receive the Deductible Income in another month.

If you are paid Deductible Income in a lump sum or by a method other than monthly, we will determine your LTD Benefit using a prorated amount. We will use the period of time to which the Deductible Income applies. If no period of time is stated, we will use a reasonable one.

### **B. Your Duty To Pursue Deductible Income**

You must pursue Deductible Income for which you may be eligible. We may ask for written documentation of your pursuit of Deductible Income. You must provide it within 60 days after we mail you our request. Otherwise, we may reduce your LTD Benefits by the amount we estimate you would be eligible to receive upon proper pursuit of the Deductible Income.

### **C. Pending Deductible Income**

We will not deduct pending Deductible Income until it becomes payable. You must notify us of the amount of the Deductible Income when it is approved. You must repay us for the resulting overpayment of your claim.

### **D. Overpayment Of Claim**

We will notify you of the amount of any overpayment of your claim under any group disability insurance policy issued by us. You must immediately repay us. You will not receive any LTD Benefits until we have been repaid in full. In the meantime, any LTD Benefits paid, including the Minimum LTD Benefit, will be applied to reduce the amount of the overpayment. We may charge you interest at the legal rate for any overpayment which is not repaid within 30 days after we first mail you notice of the amount of the overpayment.

**LT.RU.OT.1**

## **SUBROGATION**

If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.

If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees. If suit or action is filed, we may record a notice of payments of LTD Benefits, and such notice shall constitute a lien on any judgement recovered.

If you or your legal representative fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgement recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, shall be paid to you or as the court may direct.

**LT.SG.OT.1**

## **SURVIVORS BENEFIT**

If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivors Benefit according to 1 through 4 below.

1. The Survivors Benefit is a lump sum equal to 6 times your LTD Benefit without reduction by Deductible Income.
2. The Survivors Benefit will first be applied to reduce any overpayment of your claim.
3. The Survivors Benefit will be paid at our option to any one or more of the following:
  - a. Your surviving Spouse;
  - b. Your surviving unmarried children, including adopted children, under age 25;
  - c. Your surviving Spouse's unmarried children, including adopted children, under age 25; or
  - d. Any person providing the care and support of any person listed in a., b., or c. above.
4. No Survivors Benefit will be paid if you are not survived by any person listed in a., b., or c. above.

(MULTPL) LT.SB.OT.1X

## **BENEFITS AFTER INSURANCE ENDS OR IS CHANGED**

During each period of continuous Disability, we will pay LTD Benefits according to the terms of your Employer's coverage under the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:

1. Any amendment to the Group Policy or your Employer's coverage under the Group Policy that is effective after you become Disabled.
2. Termination of the Group Policy or your Employer's coverage under the Group Policy after you become Disabled.

(TRUST) LT.BA.OT.2

## **EFFECT OF NEW DISABILITY**

If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled. However, 1 and 2 apply.

1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period.
2. The **Disabilities Excluded From Coverage, Disabilities Subject To Limited Pay Periods, and Limitations** sections will apply to the new cause of Disability.

LT.ND.OT.1

## **DISABILITIES EXCLUDED FROM COVERAGE**

### **A. War**

You are not covered for a Disability caused or contributed to by War or any act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.

### **B. Intentionally Self-Inflicted Injury**

You are not covered for a Disability caused or contributed to by an intentionally self-inflicted Injury, while sane or insane.

C. Preexisting Condition

1. Definition

Preexisting Condition means a mental or physical condition whether or not diagnosed or misdiagnosed:

- a. For which you have done or for which a reasonably prudent person would have done any of the following:
  - i. Consulted a physician or other licensed medical professional;
  - ii. Received medical treatment, services or advice;
  - iii. Undergone diagnostic procedures, including self-administered procedures;
  - iv. Taken prescribed drugs or medications;
- b. Which, as a result of any medical examination, including routine examination, was discovered or suspected;

at any time during the 90-day period just before your insurance becomes effective.

2. Exclusion

You are not covered for a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you:

- a. Have been continuously insured under the Group Policy for 12 months; and
- b. Have been Actively At Work for at least one full day after the end of that 12 months.

However, the Preexisting Condition Exclusion period will be reduced by any continuous period of insurance under an Employer-sponsored short term disability plan immediately prior to the date you become a Member.

D. Loss Of License Or Certification

You are not covered for a Disability caused or contributed to by the loss of your professional license, occupational license or certification.

E. Violent Or Criminal Conduct

You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.

(WITH PRUDENT) LT.XD.OT.1X

**DISABILITIES SUBJECT TO LIMITED PAY PERIODS**

A. Mental Disorders, Substance Abuse and Other Limited Conditions

Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by any one or more of the following, or medical or surgical treatment of one or more of the following:

1. Mental Disorders;
2. Substance Abuse; or
3. Other Limited Conditions.

However, if you are confined in a Hospital solely because of a Mental Disorder at the end of the 24 months, this limitation will not apply while you are continuously confined.

Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome, regardless of cause (including any biological or biochemical disorder or imbalance of the brain) or the presence of physical symptoms. Mental Disorder includes, but is not limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders.

Substance Abuse means use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.

Other Limited Conditions means chronic fatigue conditions (such as chronic fatigue syndrome, chronic fatigue immunodeficiency syndrome, post viral syndrome, limbic encephalopathy, Epstein-Barr virus infection, herpesvirus type 6 infection, or myalgic encephalomyelitis), any allergy or sensitivity to chemicals or the environment (such as environmental allergies, sick building syndrome, multiple chemical sensitivity syndrome or chronic toxic encephalopathy), chronic pain conditions (such as fibromyalgia, reflex sympathetic dystrophy or myofascial pain), carpal tunnel or repetitive motion syndrome, temporomandibular joint disorder, or craniomandibular joint disorder.

However, Other Limited Conditions does not include neoplastic diseases, neurologic diseases, endocrine diseases, hematologic diseases, asthma, allergy-induced reactive lung disease, tumors, malignancies, or vascular malformations, demyelinating diseases, or lupus.

Hospital means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged, and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

**B. Rules For Disabilities Subject To Limited Pay Periods**

1. If you are Disabled as a result of a Mental Disorder or any Physical Disease or Injury for which payment of LTD Benefits is subject to a limited pay period, and at the same time are Disabled as a result of a Physical Disease, Injury, or Pregnancy that is not subject to such limitation, LTD Benefits will be payable first for conditions that are subject to the limitation.
2. No LTD Benefits will be payable after the end of the limited pay period, unless on that date you continue to be Disabled as a result of a Physical Disease, Injury, or Pregnancy for which payment of LTD Benefits is not limited.

LT.LP.OT.1

**LIMITATIONS**

**A. Care Of A Physician**

You must be under the ongoing care of a Physician in the appropriate specialty as determined by us during the Benefit Waiting Period. No LTD Benefits will be paid for any period of Disability when you are not under the ongoing care of a Physician in the appropriate specialty as determined by us.

**B. Return To Work Responsibility**

During the Own Occupation Period no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but elect not to work.

C. Rehabilitation Program

No LTD Benefits will be paid for any period of Disability when you are not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by us unless your Disability prevents you from participating.

D. Foreign Residency

Payment of LTD Benefits is limited to 12 months for each period of continuous Disability while you reside outside of the United States or Canada.

E. Imprisonment

No LTD Benefits will be paid for any period of Disability when you are confined for any reason in a penal or correctional institution.

LT.LM.OT.1

## 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, you may submit your claim in a letter to us. The letter should include the date disability began, and the cause and nature of the disability.

B. Time Limits On Filing Proof Of Loss

You must give us Proof Of Loss within 90 days after the end of the Benefit Waiting Period. If you cannot do so, you must give it to us as soon as reasonably possible, but not later than one year after that 90-day period. If Proof Of Loss is filed outside these time limits, your claim will be denied. These limits will not apply while you lack legal capacity.

C. Proof Of Loss

Proof Of Loss means written proof that you are Disabled and entitled to LTD Benefits. Proof Of Loss must be provided at your expense.

For claims of Disability due to conditions other than Mental Disorders, we may require proof of physical impairment that results from anatomical or physiological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

D. Documentation

Completed claims statements, a signed authorization for us to obtain information, and any other items we may reasonably require in support of a claim must be submitted at your expense. If the required documentation is not provided within 60 days after we mail our request, your claim may be denied.

E. Investigation Of Claim

We may investigate your claim at any time.

At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend LTD Benefits if you fail to attend an examination or cooperate with the examiner.

F. Time Of Payment

We will pay LTD Benefits within 60 days after you satisfy Proof Of Loss.



LTD Benefits will be paid to you at the end of each month you qualify for them. LTD Benefits remaining unpaid at your death will be paid to the person(s) receiving the Survivors Benefit. If no Survivors Benefit is paid, the unpaid LTD Benefits will be paid to your estate.

#### G. Notice Of Decision On Claim

You will receive a written decision on your claim within a reasonable time after we receive your claim.

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

If we deny any part of your claim, you will receive a written notice of denial containing:

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

#### H. Review Procedure

If all or part of your claim is denied, you may request a review. You must request a review in writing within 60 days after receiving notice of the denial.

You may send us written comments or other items to support your claim, and may review any non-privileged information that relates to your request for review.

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

#### I. Assignment

The rights and benefits under the Group Policy are not assignable.

LT.CL.OT.1

### **ALLOCATION OF AUTHORITY**

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

Our authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
3. The right to determine:
  - a. Eligibility for insurance;
  - b. Entitlement to benefits;
  - c. The amount of benefits payable; and

- d. The sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

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

LT.AL.OT.1

### **TIME LIMITS ON LEGAL ACTIONS**

No action at law or in equity may be brought until 60 days after you have given us 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.

LT.TL.OT.1

### **INCONTESTABILITY PROVISIONS**

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

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

No misrepresentation will be used to reduce or deny a claim or contest the validity of insurance 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.

After insurance has been in effect for two years during the lifetime of the insured, we will not use a misrepresentation to reduce or deny the claim, unless it was a fraudulent misrepresentation.

#### **B. Incontestability Of The Group Policy Or Employer Coverage Under The Group Policy**

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

No misrepresentation by the Policyholder or your 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 or your Employer's coverage under the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

(TRUST) LT.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 under the Group Policy otherwise validly in force.
3. Continue insurance under the Group Policy otherwise validly terminated.
4. Cause an Employer to obtain coverage under the Group Policy.

### **B. Agency**

Your Employer acts on their own behalf as your agent, and not as our agent. Your Employer has 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.

### **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.

(TRUST) LT.CE.OT.2

## **TERMINATION OR AMENDMENT OF GROUP POLICY OR EMPLOYER COVERAGE**

The Group Policy may be terminated, changed or amended in whole or in part by us or the Policyholder according to the terms of the Group Policy. Any such change or amendment may apply to current or future Employers and Members covered under the Group Policy or to any separate classes or categories thereof. An Employer's coverage under the Group Policy may be terminated, changed or amended in whole or in part by us or the Employer according to the terms of the Group Policy.

We may change the Group Policy or any Employer's coverage under 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 or Employer's consent.

An Employer may terminate coverage under the Group Policy in whole, and may terminate insurance for any class or group of Members, at any time by giving us written notice. Insurance will terminate automatically for nonpayment of premium.

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

(TRUST) LT.TA.OT.2

## DEFINITIONS

Benefit Waiting Period means the period you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable for the Benefit Waiting Period. See **Coverage Features**.

Contributory means insurance is elective and Members pay all or part of the premium for insurance.

CPI-W means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

Employer means an employer (including approved affiliates and subsidiaries) participating in the Standard Insurance Company Group Insurance Trust for which coverage under the Group Policy is approved in writing by us.

Group Policy with respect to the Policyholder means the group LTD insurance policy issued by us to the Policyholder and identified by the Group Policy Number. Group Policy with respect to an Employer means only those provisions of the Group Policy, including the options and variables requested by the Employer, we have approved for that Employer with respect to its eligible employees. The Employer's coverage under the Group Policy is described in the Statement Of Coverage provided by us to the Employer.

Indexed Predisability Earnings means your Predisability Earnings adjusted by the rate of increase in the CPI-W. During your first year of Disability, your Indexed Predisability Earnings are the same as your Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability by increasing the previous year's Indexed Predisability Earnings by the rate of increase in the CPI-W for the prior calendar year. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings will not decrease, even if the CPI-W decreases.

Injury means an injury to the body.

LTD Benefit means the monthly benefit payable to you under the terms of your Employer's coverage under the Group Policy.

Maximum Benefit Period means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Benefit Waiting Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. See **Coverage Features**.

Noncontributory means (a) insurance is nonelective and the Policyholder or Employer pay the entire premium for insurance; or (b) the Policyholder or Employer require all eligible Members to have insurance and to pay all or part of the premium for insurance.

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

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 long term disability 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 your Employer's coverage under the Group Policy.

Spouse means:

1. A person to whom you are legally married and from whom you are not legally separated, or
2. Your Domestic Partner. Domestic Partner means an individual with whom you have completed an affidavit of declaration of domestic partnership, submitted that affidavit to the Employer, and files that affidavit for public record if required by law.

Statement Of Coverage means the statement we provide to an Employer describing the coverage under the Group Policy we have approved with respect to its eligible employees and identified by the Group Number.

(TRUST) LT.DF.OT.2x

CA/LTDC2000X (TRUST)

**EXPERIENCE RATING REFUND AGREEMENT**

A part of  
Group Policy 641685-A issued to County of Riverside  
as Policyholder.

Standard and the Policyholder hereby establish an Experience Rating Refund Agreement and Claims Fluctuation Reserve Account (CFR Account) in connection with **Noncontributory** Life Insurance ((Plan 1 Life Insurance and Plan A Dependents Life Insurance) under the Group Policy in accordance with the following provisions:

**CALCULATING THE EXPERIENCE RATING REFUND**

The Experience Rating Refund is the lesser of the following amounts:

Amount for all Computation Periods =  $(A \times C) - D + E$ ; and

Amount for the current Computation Period =  $B \times C$ ; where:

A = The Balance for All Computation Periods, which is:

Earned Premium for all Computation Periods, minus the sum of:

Paid Claims for all Computation Periods  
Claims Reserves at the end of the current Computation Period  
Conversion Charges for all Computation Periods  
Retention for all Computation Periods

B = The Balance for the Current Computation Period, which is:

Earned Premium for the current Computation Period, minus the sum of:

Paid Claims for the current Computation Period  
Net change in Claims Reserves during the current Computation Period  
Conversion Charges for the current Computation Period  
Retention for the current Computation Period

C = Credibility Factor. The Credibility Factor is determined by the credibility formula currently adopted by Standard.

D = The Experience Rating Refunds, if any, which have been paid for any Computation Period.

E = The amount of any withdrawals by Standard from a CFR Account, if any.

## DEPOSITS AND WITHDRAWALS

If the calculation results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account. Any amount not so deposited will be paid to the Policyholder.

If the calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

Withdrawals from the CFR Account are limited as follows:

- a. The amount withdrawn by Standard to serve as additional premium for a Computation Period shall not exceed the lesser of the following amounts:
  - (1) The negative amount resulting from the Experience Rating Refund calculation; or
  - (2) The amount in the CFR Account at the end of the Computation Period.
- b. Effective as of the first day of the calendar month next following 30 days written notice to Standard and a subsequent Experience Rating Refund calculation, the Policyholder may withdraw any part of the amount on deposit in excess of one-half the total annual premium for Noncontributory Life Insurance for the contract year ending on the preceding anniversary of the Group Policy Effective Date.

## TERMINATION OF GROUP POLICY

An Experience Rating Refund calculation will be performed after the Group Policy terminates, and again 12 months following termination of the Group Policy.

If either Experience Rating Refund calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

If the Experience Rating Refund calculation initially performed after the policy terminates results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account.

If the Experience Rating Refund performed 12 months following termination of the Group Policy results in a positive amount, no additional deposits will be made to the CFR Account and such amounts will not be paid to the Policyholder.

Any amount remaining on deposit in the CFR Account following the final Experience Rating Refund will be paid to the Policyholder.

If any premium due under the Group Policy remains unpaid at the termination of the Group Policy, a portion of the amount in the CFR Account sufficient to pay such premium will be applied automatically to pay such premium. Any amount thereafter tendered to pay such premium shall be credited to the amount on deposit in the CFR Account.

## DEFINITIONS

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

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

Paid Claims equals  $a + b$ , where:

- a = Claims paid
- b = legal fees, expenses, settlements and judgments paid in connection with lawsuits relating to claims

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

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

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

Retention equals  $a + b + c + d$ , where:

- a = Commissions paid
- b = Premium tax incurred
- c = Expenses and charges as determined according to the formulae adopted by Standard and any other variable expenses incurred and applied to this Group Policy
- d = Risk and contingency charges as determined according to the formulae adopted by Standard

Computation Period means the Initial Rate Guarantee Period and each successive renewal period thereafter. If the renewal date is changed by amendment, the Computation Period will be adjusted accordingly. A Computation Period automatically ends on the date the Group Policy terminates. A final Computation Period is the 12 month period following termination of the Group Policy.

## CONDITIONS

1. An Experience Rating Refund calculation will be performed at the end of each Computation Period.
2. Any change in the claims reserves formula and the Conversion Charge formula will bear a direct relationship to Standard's actual claims experience or to published insurance industry claim experience.
3. If, for the Initial Rate Guarantee Period or for any succeeding Computation Period, the Experience Rating Refund is zero or a negative figure, no Experience Rating Refund will be paid for that Computation Period.
4. Payment of the Experience Rating Refund (if applicable) will be made by Standard on or before the later of the following dates:
  - a. 60 days after the end of the Computation Period.
  - b. The date upon which all outstanding premium due has been received by Standard.
5. Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund into a claims fluctuation reserve or premium deposit account.
6. Funds held on deposit in the CFR Account shall constitute a part of Standard's general corporate funds to be so used and invested by Standard.



7. The amount on deposit in the CFR Account shall earn interest annually at such rate as Standard may declare on such funds. Each deposit will begin to bear interest on the date it is deposited, and interest will be added to and become a part of the amount on deposit at such time as may be determined by Standard but not less than once each year.
8. Except as provided in 9. below:
  - a. Standard shall make deposits to, and withdrawals from, the CFR Account only in accordance with the provisions of this Agreement; and
  - b. The Policyholder may make withdrawals from the CFR Account only in accordance with the provisions of this Agreement.
9. Either the Policyholder or Standard may at any time make a deposit, or withdraw all or any part of the amount on deposit, upon mutual agreement evidenced in writing and signed by the Policyholder and Standard.
10. Except as provided in this Agreement, all terms of the Group Policy apply.
11. Standard will provide the Policyholder detailed information concerning the component formulae of the Experience Rating Refund upon written request.

This Agreement is effective September 1, 2001.

By Bob Buster Dated AUG 16 2011  
 Policyholder

**CHAIRMAN, BOARD OF SUPERVISORS  
 BOB BUSTER**

STANDARD INSURANCE COMPANY

ATTEST:  
 KECIA HARPER-IHEM, Clerk  
 By Kecia Harper-Ihem  
 DEPUTY

By

Eric L. ...  
 President

Michael T. Winston  
 Secretary

**EXPERIENCE RATING REFUND AGREEMENT**

A part of  
Group Policy 641685-A issued to County of Riverside  
as Policyholder.

Standard and the Policyholder hereby establish an Experience Rating Refund Agreement and Claims Fluctuation Reserve Account (CFR Account) in connection with **Contributory** Life Insurance (Plan 2 Life Insurance and Plan B Dependents Life Insurance) under the Group Policy in accordance with the following provisions:

**CALCULATING THE EXPERIENCE RATING REFUND**

The Experience Rating Refund is the lesser of the following amounts:

Amount for all Computation Periods =  $(A \times C) - D + E$ ; and

Amount for the current Computation Period =  $B \times C$ ; where:

A = The Balance for All Computation Periods, which is:

Earned Premium for all Computation Periods, minus the sum of:

Paid Claims for all Computation Periods  
Claims Reserves at the end of the current Computation Period  
Conversion Charges for all Computation Periods  
Retention for all Computation Periods

B = The Balance for the Current Computation Period, which is:

Earned Premium for the current Computation Period, minus the sum of:

Paid Claims for the current Computation Period  
Net change in Claims Reserves during the current Computation Period  
Conversion Charges for the current Computation Period  
Retention for the current Computation Period

C = Credibility Factor. The Credibility Factor is determined by the credibility formula currently adopted by Standard.

D = The Experience Rating Refunds, if any, which have been paid for any Computation Period.

E = The amount of any withdrawals by Standard from a CFR Account, if any.

## DEPOSITS AND WITHDRAWALS

If the calculation results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account. Any amount not so deposited will be paid to the Policyholder.

If the calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

Withdrawals from the CFR Account are limited as follows:

- a. The amount withdrawn by Standard to serve as additional premium for a Computation Period shall not exceed the lesser of the following amounts:
  - (1) The negative amount resulting from the Experience Rating Refund calculation; or
  - (2) The amount in the CFR Account at the end of the Computation Period.
- b. Effective as of the first day of the calendar month next following 30 days written notice to Standard and a subsequent Experience Rating Refund calculation, the Policyholder may withdraw any part of the amount on deposit in excess of one-half the total annual premium for Contributory Life Insurance for the contract year ending on the preceding anniversary of the Group Policy Effective Date.

## TERMINATION OF GROUP POLICY

An Experience Rating Refund calculation will be performed after the Group Policy terminates, and again 12 months following termination of the Group Policy.

If either Experience Rating Refund calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

If the Experience Rating Refund calculation initially performed after the policy terminates results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account.

If the Experience Rating Refund performed 12 months following termination of the Group Policy results in a positive amount, no additional deposits will be made to the CFR Account and such amounts will not be paid to the Policyholder.

Any amount remaining on deposit in the CFR Account following the final Experience Rating Refund will be paid to the Policyholder.

If any premium due under the Group Policy remains unpaid at the termination of the Group Policy, a portion of the amount in the CFR Account sufficient to pay such premium will be applied automatically to pay such premium. Any amount thereafter tendered to pay such premium shall be credited to the amount on deposit in the CFR Account.

## DEFINITIONS

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

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

Paid Claims equals  $a + b$ , where:

- a = Claims paid
- b = legal fees, expenses, settlements and judgments paid in connection with lawsuits relating to claims

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

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

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

Retention equals  $a + b + c + d$ , where:

- a = Commissions paid
- b = Premium tax incurred
- c = Expenses and charges as determined according to the formulae adopted by Standard and any other variable expenses incurred and applied to this Group Policy
- d = Risk and contingency charges as determined according to the formulae adopted by Standard

Computation Period means the Initial Rate Guarantee Period and each successive renewal period thereafter. If the renewal date is changed by amendment, the Computation Period will be adjusted accordingly. A Computation Period automatically ends on the date the Group Policy terminates. A final Computation Period is the 12 month period following termination of the Group Policy.

## CONDITIONS

1. An Experience Rating Refund calculation will be performed at the end of each Computation Period.
2. Any change in the claims reserves formula and the Conversion Charge formula will bear a direct relationship to Standard's actual claims experience or to published insurance industry claim experience.
3. If, for the Initial Rate Guarantee Period or for any succeeding Computation Period, the Experience Rating Refund is zero or a negative figure, no Experience Rating Refund will be paid for that Computation Period.
4. Payment of the Experience Rating Refund (if applicable) will be made by Standard on or before the later of the following dates:
  - a. 60 days after the end of the Computation Period.
  - b. The date upon which all outstanding premium due has been received by Standard.
5. Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund into a claims fluctuation reserve or premium deposit account.
6. Funds held on deposit in the CFR Account shall constitute a part of Standard's general corporate funds to be so used and invested by Standard.

7. The amount on deposit in the CFR Account shall earn interest annually at such rate as Standard may declare on such funds. Each deposit will begin to bear interest on the date it is deposited, and interest will be added to and become a part of the amount on deposit at such time as may be determined by Standard but not less than once each year.
8. Except as provided in 9. below:
  - a. Standard shall make deposits to, and withdrawals from, the CFR Account only in accordance with the provisions of this Agreement; and
  - b. The Policyholder may make withdrawals from the CFR Account only in accordance with the provisions of this Agreement.
9. Either the Policyholder or Standard may at any time make a deposit, or withdraw all or any part of the amount on deposit, upon mutual agreement evidenced in writing and signed by the Policyholder and Standard.
10. Except as provided in this Agreement, all terms of the Group Policy apply.
11. Standard will provide the Policyholder detailed information concerning the component formulae of the Experience Rating Refund upon written request.

This Agreement is effective September 1, 2001.

By Bob Buster Dated AUG 16 2011

Policyholder  
**BOB BUSTER**  
 CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:  
 KECIA HARPER-IHEM, Clerk  
 By Kecia Harper-Ihem  
 DEPUTY

STANDARD INSURANCE COMPANY

By

Eric L. ...  
 President

Michael T. Winslow  
 Secretary

**EXPERIENCE RATING REFUND AGREEMENT**

A part of  
Group Policy 641685-B issued to County of Riverside  
as Policyholder.

Standard and the Policyholder hereby establish an Experience Rating Refund Agreement and Claims Fluctuation Reserve Account (CFR Account) in connection with Noncontributory Long Term Disability Insurance under the Group Policy in accordance with the following provisions:

**CALCULATING THE EXPERIENCE RATING REFUND**

The Experience Rating Refund is the lesser of the following amounts:

Amount for all Computation Periods =  $(A \times C) - D + E$ ; and

Amount for the current Computation Period =  $B \times C$ ; where:

A = The Balance for All Computation Periods, which is:

Earned Premium for all Computation Periods, minus the sum of:

Paid Claims for all Computation Periods  
Claims Reserves at the end of the current Computation Period  
Retention for all Computation Periods

B = The Balance for the Current Computation Period, which is:

Earned Premium for the current Computation Period, minus the sum of:

Paid Claims for the current Computation Period  
Net change in Claims Reserves during the current Computation Period  
Retention for the current Computation Period

C = Credibility Factor. The Credibility Factor is determined by the credibility formula currently adopted by Standard.

D = The Experience Rating Refunds, if any, which have been paid for any Computation Period.

E = The amount of any withdrawals by Standard from a CFR Account, if any.

**DEPOSITS AND WITHDRAWALS**

If the calculation results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account. Any amount not so deposited will be paid to the Policyholder.

If the calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

Withdrawals from the CFR Account are limited as follows:

- a. The amount withdrawn by Standard to serve as additional premium for a Computation Period shall not exceed the lesser of the following amounts:
  - (1) The negative amount resulting from the Experience Rating Refund calculation; or
  - (2) The amount in the CFR Account at the end of the Computation Period.
- b. Effective as of the first day of the calendar month next following 30 days written notice to Standard and a subsequent Experience Rating Refund calculation, the Policyholder may withdraw any part of the amount on deposit in excess of one-half the total annual premium for Noncontributory Long Term Disability Insurance for the contract year ending on the preceding anniversary of the Group Policy Effective Date.

### TERMINATION OF GROUP POLICY

An Experience Rating Refund calculation will be performed after the Group Policy terminates, and again 12 months following termination of the Group Policy.

If either Experience Rating Refund calculation results in a negative amount, Standard may, at its sole discretion, make a withdrawal from the CFR Account and apply it as additional premium for the Computation Period.

If the Experience Rating Refund calculation initially performed after the policy terminates results in a positive amount, Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund in the CFR Account.

If the Experience Rating Refund performed 12 months following termination of the Group Policy results in a positive amount, no additional deposits will be made to the CFR Account and such amounts will not be paid to the Policyholder.

Any amount remaining on deposit in the CFR Account following the final Experience Rating Refund will be paid to the Policyholder.

If any premium due under the Group Policy remains unpaid at the termination of the Group Policy, a portion of the amount in the CFR Account sufficient to pay such premium will be applied automatically to pay such premium. Any amount thereafter tendered to pay such premium shall be credited to the amount on deposit in the CFR Account.

### DEFINITIONS

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

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

Paid Claims equals  $a + b + c$ , where:

- a = Claims paid, including benefits paid and costs incurred under any provision of the Group Policy
- b = legal fees, expenses, settlements and judgments paid in connection with lawsuits relating to claims
- c = Payments of the Employer's share of Social Security and Medicare tax by Standard

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

- a = IBNR: claims incurred but not reported
- b = Outstanding claims: claims or portions of claims which have been approved but have not been paid
- c = Active claims
- d = Pending claims

Retention equals  $a + b + c + d$ , where:

- a = Commissions paid
- b = Premium tax incurred
- c = Expenses and charges as determined according to the formulae adopted by Standard and any other variable expenses incurred and applied to this Group Policy
- d = Risk and contingency charges as determined according to the formulae adopted by Standard

Computation Period means the Initial Rate Guarantee Period and each successive renewal period thereafter. If the renewal date is changed by amendment, the Computation Period will be adjusted accordingly. A Computation Period automatically ends on the date the Group Policy terminates. A final Computation Period is the 12 month period following termination of the Group Policy.

## CONDITIONS

1. An Experience Rating Refund calculation will be performed at the end of each Computation Period.
2. Any change in the claims reserves formula will bear a direct relationship to Standard's actual claims experience or to published insurance industry claim experience.
3. If, for the Initial Rate Guarantee Period or for any succeeding Computation Period, the Experience Rating Refund is zero or a negative figure, no Experience Rating Refund will be paid for that Computation Period.
4. Payment of the Experience Rating Refund (if applicable) will be made by Standard on or before the later of the following dates:
  - a. 60 days after the end of the Computation Period.
  - b. The date upon which all outstanding premium due has been received by Standard.
5. Standard may, at its sole discretion, elect to deposit all or a portion of the Experience Rating Refund into a claims fluctuation reserve or premium deposit account.
6. Funds held on deposit in the CFR Account shall constitute a part of Standard's general corporate funds to be so used and invested by Standard.
7. The amount on deposit in the CFR Account shall earn interest annually at such rate as Standard may declare on such funds. Each deposit will begin to bear interest on the date it is deposited, and interest will be added to and become a part of the amount on deposit at such time as may be determined by Standard but not less than once each year.
8. Except as provided in 9. below:
  - a. Standard shall make deposits to, and withdrawals from, the CFR Account only in accordance with the provisions of this Agreement; and



- b. The Policyholder may make withdrawals from the CFR Account only in accordance with the provisions of this Agreement.
- 9. Either the Policyholder or Standard may at any time make a deposit, or withdraw all or any part of the amount on deposit, upon mutual agreement evidenced in writing and signed by the Policyholder and Standard.
- 10. Except as provided in this Agreement, all terms of the Group Policy apply.
- 11. Standard will provide the Policyholder detailed information concerning the component formulae of the Experience Rating Refund upon written request.

This Agreement is effective September 1, 2001.

By Bob Buster Dated AUG 16 2011  
Policyholder

**BOB BUSTER**  
**CHAIRMAN, BOARD OF SUPERVISORS**

STANDARD INSURANCE COMPANY

By

ATTEST:  
KECIA HARPER-IHEM, Clerk  
By Kecia Harper-Ihem  
DEPUTY

Eric Egan  
President

Michael T. Winslow  
Secretary



May 20, 2011

County of Riverside  
 Attn: Benefits Manager  
 4080 Lemon St  
 Riverside CA 92502-1569

Re: Renewal Confirmation for Group Policy 641685

Thank you for allowing Standard Insurance Company to provide quality products to support your employees' insurance needs. We are pleased to renew your policy with continued coverage and services.

The purpose of this letter is to acknowledge the County of Riverside's acceptance of The Standard's 2011 renewal offer.

The Basic Life/AD&D, Dependent Life and Long Term Disability renewal offer is effective July 1, 2011, through June 30, 2013 at the following rates:

<i>Insurance Coverage</i>	<i>Through 06/30/11</i>	<i>Effective 07/01/11</i>
Basic Term Life	\$0.178 Per \$1000 of Benefit	\$0.150 Per \$1000 of Benefit
Basic AD&D	\$0.028 Per \$1000 of Benefit	\$0.028 Per \$1000 of Benefit
Dependents Life (A) – Spouse and Child	\$0.600 Per Member, Required	\$0.600 Per Member, Required
Long Term Disability	0.71 Percent of Insured Earnings	0.71 Percent of Insured Earnings

The Additional Life, Spouse Life and Dependent Child Life renewal offer is effective January 1, 2012, through December 31, 2013 at the following rates:

<i>Insurance Coverage</i>	<i>Through 12/31/11</i>		<i>Effective 01/01/2012</i>	
Additional Life and Spouse Life:	<b>Age-Graded Rates Per \$1000 of Benefit</b>		<b>Age-Graded Rates Per \$1000 of Benefit</b>	
	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
	Under 30	\$0.040	Under 30	\$0.030
	30-34	\$0.050	30-34	\$0.040
	35-39	\$0.060	35-39	\$0.050
	40-44	\$0.090	40-44	\$0.080
	45-49	\$0.140	45-49	\$0.120
	50-54	\$0.230	50-54	\$0.190
	55-59	\$0.430	55-59	\$0.360
	60-64	\$0.540	60-64	\$0.450
65+	\$1.270	65+	\$1.070	

Dependents Life (B) – Child only      \$0.35 Per \$5000 of benefit, Elective      \$0.35 Per \$5000 of benefit, Elective

By signing below, you are indicating your acceptance of the above renewal offer.

Accepted by: Bob Buster  
 Title: CHAIRMAN, BOARD OF SUPERVISORS BOB BUSTER  
 Company: County of Riverside  
 Date: AUG 16 2011

Sincerely,

*Louise Gregory*

Louise Gregory  
 National Accounts Underwriter  
 Employee Benefits Division  
 Standard Insurance Company

ATTEST:  
 KECIA HARPER-JHEM, Clerk  
 By *[Signature]*  
 DEPUTY

cc: AON CONSULTING INS SRVCS  
 Los Angeles Employee Benefits Sales and Service Office

AUG 16 2011 3.60