

**GENERAL PURPOSES AND LIMITATION OF THE  
KANSAS LIFE AND HEALTH  
INSURANCE GUARANTY ASSOCIATION  
K.S.A. 40-3001 et seq.**

**DISCLAIMER**

THE KANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION MAY NOT PROVIDE COVERAGE FOR ALL OR A PORTION OF THIS POLICY. IF COVERAGE IS PROVIDED IT MAY BE SUBJECT TO SUBSTANTIAL LIMITATIONS OR EXCLUSIONS, AND IS DEPENDENT UPON CONTINUED RESIDENCE IN KANSAS. THEREFORE, YOU SHOULD NOT RELY UPON COVERAGE BY THE KANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION IN SELECTING AN INSURANCE COMPANY OR IN SELECTING AN INSURANCE POLICY. INSURANCE COMPANIES AND THEIR AGENTS ARE PROHIBITED BY LAW FROM USING THE EXISTENCE OF THE KANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION IN SELLING ANY FORM OF AN INSURANCE POLICY. EITHER THE KANSAS LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION OR THE KANSAS INSURANCE DEPARTMENT WILL RESPOND TO ANY QUESTIONS YOU MAY HAVE REGARDING THIS DOCUMENT.

**THE KANSAS LIFE AND HEALTH  
INSURANCE GUARANTY ASSOCIATION  
2909 SW Maupin Lane  
Topeka, Kansas 66614-5335**

**THE KANSAS INSURANCE DEPARTMENT  
420 Southwest Ninth Street  
Topeka, Kansas 66612-1678**

This is a summary of the basic provisions of the Kansas Life and Health Insurance Guaranty Association Act. It is only a summary, and does not provide an in-depth analysis of that act. Nothing in this summary modifies the rights of persons who are protected by the act, or the rights or duties of the association.

The purpose of the Kansas Life and Health Insurance Guaranty Association Act is to protect certain individuals who purchase life insurance, annuities or health insurance in Kansas. The act provides for the establishment of a funding mechanism to pay benefits or provide insurance coverage to individuals when a life or health insurance company is unable to meet its obligations by reason of insolvency or financial impairment.

However, not all individuals with a right to recover under life or health insurance policies are protected by the act. An individual is only provided protection when the individual, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, is the beneficiary, assignee or payee of a covered policy or contract holder, and when:

1. the individual, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, is the beneficiary, assignee or payee of a covered policy or contractholder,
2. the individual policy or contractholder is a resident of the state of Kansas,
3. the individual is not a resident of the state of Kansas, but only with respect to an annuity contract which has been awarded pursuant to a judgment or settlement in a medical malpractice liability action,
4. the individual is not a resident of the State of Kansas, but only under all of the following conditions:
  - a. the impaired or insolvent insurer was a Kansas domestic insurer; and

- b. the insurer never had a license to do business in the state in which the individual resides; and
- c. the state in which the individual resides has an association similar to this state's; and
- d. the individual is not eligible for coverage by the association of the state in which the individual resides.

Additionally, the association may not provide coverage for the entire amount the individual expects to receive from the policy. The association does not provide coverage for any portion of the policy where the individual has assumed the risk, for any policy of reinsurance, for interest rates that exceed a specified average rates, for employers' plans that are self-funded, for parts of plans that provide dividends or credits in connection with the administration of the policy, for policies sold by companies not authorized to do business in Kansas, for any unallocated annuity contract or for policies or contracts that provide benefits under Medicare Part C or Part D. Also, the association will not provide coverage where any guaranty protection is provided to the individual under the laws of the insolvent or impaired insurer's state of domicile.

The act also limits the amount the association is obligated to pay individuals on various policies to those limits in effect on the date the association became liable for that impaired or insolvent insurer. The association does not pay more than the amount of the contractual obligation of the insurance company. Regardless of the number of policies or contracts the association is not obligated to pay amounts over \$300,000 in life insurance death benefits; \$100,000 in net cash surrender and net cash withdrawal values for life insurance; \$100,000 in health insurance benefits, including any net cash surrender and net cash withdrawal values; \$250,000 in the present value of annuity benefits, including net cash surrender and net cash withdrawal values, unless the annuity contract is awarded pursuant to a judgment or settlement agreement in a medical malpractice liability action; or more than \$300,000 in the aggregate for the above coverages with respect to any one life.

**TRUE COPY**

# STANDARD INSURANCE COMPANY

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

## GROUP LIFE INSURANCE POLICY

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Policyholder:	Kansas Public Employees Retirement System Board of Trustees
Policy Number:	753781-A
Effective Date:	July 1, 2016

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

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

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

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

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

STANDARD INSURANCE COMPANY

By



Chairman, President and CEO



Corporate Secretary

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## COVERAGE FEATURES

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

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### GENERAL POLICY INFORMATION

Group Policy Number:	753781-A
Type of Insurance Provided:	
Life Insurance:	Yes
Dependents Life Insurance:	Yes
Policyholder:	Kansas Public Employees Retirement System Board of Trustees
Employer(s):	Any employer that has affiliated with or is in the process of affiliating with the Kansas Public Employees Retirement System (KPERs) and that has elected to participate under the Group Policy pursuant to K.S.A. 74-4927(7).
Group Policy Effective Date:	July 1, 2016
Policy Issued in:	Kansas

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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:
	<ol style="list-style-type: none"><li>1. An active employee of the Employer who is one of the following:<ol style="list-style-type: none"><li>a. A member of KPERs;</li><li>b. A member of the Retirement System for Judges;</li><li>c. An unclassified employee of a Kansas Board of Regents institution who participates in the KBOR retirement plan;</li><li>d. An employee of the University of Kansas Hospital Authority;</li><li>e. A member of Kansas Police and Firemen's Retirement System (KP&amp;F); or</li><li>f. A certain "state officer" who has chosen, as allowed in K.S.A. 74-4911f, to participate in the State's alternative defined contribution plan for such state officers; and</li></ol></li><li>2. Working at least:<ol style="list-style-type: none"><li>a. 630 hours each year for an employee participating in KPERs under K.S.A. 74-4931 <i>et seq.</i>; and</li></ol></li></ol>

- b. 1000 hours each year for any other employee.

You are not a Member if you are:

- 1. A temporary or seasonal employee.
- 2. A leased employee.
- 3. An independent contractor.
- 4. A full time member of the armed forces of any country.

Class Definition:

Class 1: All Members other than Kansas Police and Firemen's Retirement System members (KP&F)

Class 2: Members of Kansas Police and Firemen's Retirement System

Eligibility Waiting Period:

You are eligible on one of the following dates:

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

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

Evidence Of Insurability:

Required:

- a. For late application for Contributory insurance for you or your Spouse.
- b. For reinstatements if required.
- c. For Members and Dependent Spouses eligible but not insured for Contributory Life Insurance under the Prior Plan.
- d. For any Plan 2 Life Insurance Benefit in excess of the Guarantee Issue Amount of \$50,000. However, this requirement will be waived on the Group Policy Effective Date for an amount equal to the amount of life insurance under the Prior Plan on the day before the Group Policy Effective Date, if you apply on or before the Group Policy Effective Date.
- e. For any Dependents Life Insurance Benefit for your Spouse in excess of the Guarantee Issue Amount of \$25,000. However, this requirement will be waived on the Group Policy Effective Date for an amount equal to the amount of dependents life insurance under the Prior Plan on the day before the Group Policy Effective Date, if you apply on or before the Group Policy Effective Date.
- f. For any increase resulting from a plan or option change you elect for you or your Spouse.

**Evidence Of Insurability is not required for a Child.**

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

**During Your Employer's Annual Enrollment Period**

During your Employer's Annual Enrollment Period certain Evidence Of Insurability requirements will be waived with respect to Plan 2 Life Insurance and Dependents Life Insurance. However, we will not waive the Evidence Of Insurability requirements if you or your Spouse previously submitted Evidence Of Insurability that was not approved by us under any group policy issued by us to the Policyholder or covering your Employer.

1. If you are insured for Plan 2 Life Insurance, requirement f. above will be waived if you apply for an increase in your Plan 2 Life Insurance of \$25,000, or less, during the Annual Enrollment Period. However, Evidence Of Insurability is required to become insured for an increase that exceeds \$25,000.
2. If you are eligible but not insured for Plan 2 Life Insurance, requirements a. and c. above will be waived if you apply for Plan 2 Life Insurance of \$25,000, or less, during the Annual Enrollment Period. However, Evidence Of Insurability is required to become insured for more than \$25,000.
3. If your Spouse is eligible but not insured for Dependents Life Insurance, requirements a. and c. above will be waived if you apply for Dependents Life Insurance of \$10,000 for your Spouse during the Annual Enrollment Period. However, Evidence Of Insurability is required for your spouse to become insured for more than \$10,000.

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

#### **For A Family Status Change**

In the event of a Family Status Change certain Evidence Of Insurability requirements will be waived with respect to Plan 2 Life Insurance and Dependents Life Insurance. However, we will not waive the Evidence Of Insurability requirements if you or your Spouse previously submitted Evidence Of Insurability that was not approved by us under any group policy issued by us to the Policyholder or covering your Employer.

1. If you are insured for Plan 2 Life Insurance, requirement f. above will be waived if you apply for an increase in your Plan 2 Life Insurance of \$25,000, or less, within 31 days of a Family Status Change. However, Evidence Of Insurability is required to become insured for an increase that exceeds \$25,000.
2. If you are eligible but not insured for Plan 2 Life Insurance, requirements a. and c. above will be waived if you apply for Plan 2 Life Insurance of \$25,000, or less, within 31 days of a Family Status Change. However, Evidence Of Insurability is required to become insured for more than \$25,000.
3. If your Spouse is eligible but not insured for Dependents Life Insurance, requirements a. and c. above will be waived if you apply for Dependents Life Insurance of \$10,000 for your Spouse within 31 days of a Family Status Change. However, Evidence Of Insurability is required for your spouse to become insured for more than \$10,000.

Family Status Change means any of the following events:

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

You may increase your Life Insurance due to any of the event(s) above.



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## PREMIUM CONTRIBUTIONS

Life Insurance:	Plan 1: Noncontributory
	Plan 2: Contributory
Dependents Life Insurance:	
Spouse:	Contributory
Child:	Contributory

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## SCHEDULE OF INSURANCE

### SCHEDULE OF LIFE INSURANCE

#### For you:

##### Life Insurance Benefit:

Plan 1 Life Insurance is available as shown in the schedule below.

Plan 1 (basic):	Class 1: 1.5 times your Annual Compensation, rounded to the nearest \$1, if not already a multiple of \$1. There is no maximum amount.
	Class 2: None

Plan 2 Life Insurance is available to Members of Employers affiliated for optional employee life insurance only. Employees of Employers who do not offer optional employee life insurance are not eligible to elect Plan 2 Life Insurance. Plan 2 is a Contributory plan requiring premium contributions from Members.

Plan 2 (optional):	If your Employer is affiliated for optional employee life insurance, you may apply for Life Insurance in multiples of \$5,000, from \$5,000 to \$300,000.
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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 Dependents:

Dependents Life Insurance is available to Members of Employers affiliated for optional employee life insurance only. Employees of Employers who do not offer optional employee life insurance are not eligible to elect Dependents Life Insurance.

#### For your Spouse:

##### Dependents Life Insurance Benefit:

If your Employer is affiliated for optional employee life insurance, you may elect one of the following options:

Option 1:	\$10,000
Option 2:	\$25,000
Option 3:	\$50,000
Option 4:	\$100,000

For your Child:

Dependents Life Insurance Benefit: If your Employer is affiliated for optional employee life insurance, you may elect one of the following options:

- Option 1: \$10,000
- Option 2: \$20,000

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### REDUCTIONS IN INSURANCE

Your insurance is not subject to reductions due to age.

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### OTHER BENEFITS

Waiver Of Premium: No  
Accelerated Benefit: Yes, for Members and Dependents

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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 on your Spouse

Leave Of Absence Period:

Military leave: 16 months

Furlough: 12 months (up to 3 years for a Board of Regents employee).

Any other approved leave of absence: 60 days

Insurance Eligible For Portability:

For you:

Life Insurance Yes

Minimum amount: \$10,000

Maximum amount: \$500,000

For your Spouse:

Dependents Life Insurance Yes

Minimum amount: \$5,000

Maximum amount: \$100,000

For your Child:

Dependents Life Insurance Yes

Minimum amount:	\$1,000
Maximum amount:	\$20,000
Annual Compensation based on:	Current compensation as of your last full day of Active Work

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## PREMIUM RATES AND RENEWALS

### Premium Rates:

#### Life Insurance:

Plan 1: \$0.124 monthly per \$1,000 of Life Insurance

Plan 2:

Age of Member on Last January 1	Monthly Rate Per Multiple of \$1,000
Under 25	\$ 0.037
25 through 29	0.037
30 through 34	0.055
35 through 39	0.064
40 through 44	0.073
45 through 49	0.110
50 through 54	0.156
55 through 59	0.293
60 through 64	0.467
65 through 69	0.869
70 through 74	1.409
75 or over	1.528

#### Dependents Life Insurance:

##### Spouse:

Age of Spouse on Last January 1	Monthly Rate Per Multiple of \$1,000
Under 25	\$ 0.09
25 through 29	0.09
30 through 34	0.13
35 through 39	0.14
40 through 44	0.16
45 through 49	0.23
50 through 54	0.34
55 through 59	0.65
60 through 64	0.99
65 through 69	1.91
70 through 74	3.08
75 or over	3.33

##### Child:

Option 1: \$1.00 monthly per Member electing Dependents Life Insurance on Child(ren), regardless of the number covered

Option 2: \$2.00 monthly per Member electing Dependents Life Insurance on Child(ren), regardless of the number covered

Premium Due Dates:

Noncontributory insurance: October 1, 2016, January 1, 2017, March 1, 2017, July 1, 2016, and the first day of each October, January, March and July thereafter.

Premiums are paid in arrears for the preceding calendar quarter.

Contributory insurance: August 1, 2016 and the first day of each calendar month thereafter.

Premiums are paid in arrears for the preceding calendar month.

Grace Period: 45 days

Initial Rate Guarantee Period: July 1, 2016 to January 1, 2022

Notice of Rate Change: 180 days

Minimum Participation:

Life Insurance:

Percentage: Plan 1: 100% of eligible Members

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## 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 or electronically for any elective increase in your Life Insurance.

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

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

An increase in your Life Insurance subject to Evidence Of Insurability becomes effective on the later of a) the first day of the calendar month after we approve your Evidence Of Insurability, and b) the date determined as follows:

- (i) The date of the Family Status Change, if you apply within 31 days of a Family Status Change.
- (ii) The first day of the following plan year, if you apply during an Annual Enrollment Period.
- (iii) The date you apply, if you apply at any other time.

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

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

- (i) The date of a change in your Annual Compensation.
- (ii) The first day of the calendar month coinciding with or next following the date you apply for an elective increase or the date of a change in your classification.
- (iii) The later of the date you apply or the date of the Family Status Change, if you apply within 31 days of a Family Status Change.
- (iv) The first day of the next plan year following the date you apply, if you apply during an Annual Enrollment Period.

#### 2. Decreases

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

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

### D. Repatriation Benefit

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

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

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

E. Suicide Exclusion: Life Insurance

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

1. The amount payable will exclude the amount of your Plan 2 (optional) Life Insurance 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, and whether Evidence Of Insurability is required.

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

1. Life Insurance subject to Evidence Of Insurability

Life Insurance subject to Evidence Of Insurability becomes effective on the later of a) the first day of the calendar month after we approve your Evidence Of Insurability, and b) the date determined as follows.

- a. The date you apply, if you apply within 31 days after you become eligible and for an amount over the Guarantee Issue Amount.
- b. The date of the Family Status Change, if you apply within 31 days of a Family Status Change.
- c. The first day of the following plan year, if you apply during an Annual Enrollment Period.
- d. The date you apply, if you apply at any other time.

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 31 days after you become eligible.
- (iii) The later of the date you apply or the date of the Family Status Change, if you apply within 31 days of a Family Status Change.
- (iv) The first day of the following plan year, if you apply during the Annual Enrollment Period.

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

become eligible.

3. Takeover Provision

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

G. When Life Insurance Ends

Life Insurance ends automatically on the earliest of:

1. The date the last period ends for which a premium was paid for your Life Insurance;
2. The date the Group Policy terminates;
3. 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 ability to work is limited because of Sickness, Injury, or Pregnancy.
  - b. During the first 60 days of:
    - (1) A temporary layoff; or
    - (2) A strike, lockout, or other general work stoppage caused by a labor dispute between your collective bargaining unit and your Employer.
  - c. 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.
  - d. 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

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:

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

An increase in your Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the later of a) the first day of the calendar month after we approve your Dependent's Evidence Of Insurability, and b) the date determined as follows:

- a. The date of the Family Status Change, if you apply within 31 days of a Family Status Change.
- b. The first day of the following plan year, if you apply during an Annual Enrollment Period.
- c. The date you apply, if you apply at any other time.

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

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

- a. The first day of the calendar month coinciding with or next following the date you apply for an elective increase.
- b. The later of the date you apply or the date of the Family Status Change, if you apply within 31 days of a Family Status Change.
- c. The first day of the following plan year, if you apply during an Annual Enrollment Period.

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

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

### 2. Effective Date

You must apply in writing or electronically for Dependents Life Insurance and agree to pay premiums.

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 latest of:

- i. The date your Life Insurance becomes effective;
- ii. The first day of the calendar month after we approve Evidence Of Insurability for your Spouse; and
- iii. The date determined as follows:
  - a) The date you apply, if you apply within 31 days after you become eligible and for an amount over the Guarantee Issue Amount.
  - b) The date of the Family Status Change, if you apply within 31 days of a Family Status Change.
  - c) The beginning of the following plan year, if you apply during an Annual Enrollment Period.
  - d) The date you apply, if you apply at any other time.

#### b. Dependents Life Insurance Not Subject To Evidence Of Insurability

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;
- iii. The date you apply, if you apply within 31 days after you become eligible;
- iv. The later of the date you apply or the date of the Family Status Change, if you apply within 31 days of a Family Status Change; and
- v. The first day of the following plan year, if you apply during the Annual Enrollment Period.

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

c. Hospital or Nursing Home Confinement Limitation

Dependents Life Insurance will not become effective for a Dependent who is confined to a Hospital or a Nursing Home on the day before the scheduled effective date of your Dependents Life Insurance. Dependents Life Insurance for that Dependent will become effective on the day after the Hospital confinement ends, if on that date Dependent is performing in the customary manner all the normal activities of a person in good health of the same age and gender. However, this limitation will not apply to a newborn Child or Child who is Disabled.

Hospital means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians.

Nursing Home means a licensed institution operated for the purpose of providing nursing care and treatment for individuals which provides 24-hour nursing services under the direction and supervision of a Physician

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

e. In the event Dependents Life Insurance is not in effect at the time you acquire a newborn or adopted Child, that Child is automatically insured for 31 days from the moment of live birth or placement.

However, you must apply in writing and remit premium back to the date of birth or placement within 31 days for Dependents Life Insurance to continue. If the application is not received within the 31 days, the Dependents Life Insurance terminates. This section does not apply to you if you have an existing Dependent Child and you previously declined to enroll in Dependents Life Insurance.

f. Takeover Provision

A Spouse who was eligible under the Prior Plan for more than 31 days but was not insured must submit satisfactory Evidence Of Insurability to become insured for Dependents Life Insurance.

G. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

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

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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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## CONTINUITY OF COVERAGE

### A. Waiver Of Active Work Requirement

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

### B. Payment Of Benefit

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

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

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## PORTABILITY OF INSURANCE

### A. Portability Of Insurance

If your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan, you may be eligible to buy portable group insurance coverage as shown in the **Coverage Features** for yourself and your Dependents without submitting Evidence Of Insurability. To be eligible you must satisfy the following requirements:

1. On the date your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan, 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** provision for other options that may be available to you under the Group Policy.)

2. On the date your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan, you are under age 80.
3. You must apply in writing and pay the first premium directly to us at our Home Office within 60 days after the date your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan. 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 Policyholder'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.

The combined amounts of insurance purchased under this **Portability Of Insurance** provision and the **Right To Convert** provision cannot exceed the amount in effect under the Group Policy on the day before your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan.

C. When Portable Insurance Becomes Effective

Portable group insurance will become effective the day after your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan, if you apply within 60 days after the date your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan.

If death occurs within 60 days after the date your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan, life insurance benefits, if any, will be paid according to the terms of the Group Policy in effect on the date your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan, and not the terms of the Group Life Portability Insurance Policy. In no event will the benefits paid exceed the amount in effect under the Group Policy on the day before your insurance under the Group Policy terminates or you retire under the Policyholder's retirement plan.

## CONTINUED LIFE INSURANCE

A. Continued Life Insurance Benefit

Insurance may be continued with payment of premiums for up to 12 months while you are under age 65 and your ability to work is limited because of Sickness, Injury, or Pregnancy.

Your Insurance may be continued with payment of premiums beyond those 12 months if you are Disabled and under age 65.

B. Definitions For Continued Life Insurance

1. Insurance means your Plan 2 (optional) Life Insurance and Dependents Life Insurance under the Group Policy.
2. 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. Amount Of Insurance

The amount of Insurance eligible for Continued Life Insurance is the amount in effect on the day before you become 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 Disabled.
2. If you receive an Accelerated Benefit, Insurance will be reduced according to the **Accelerated Benefit** provision.

D. When Continued Life Insurance Ends

Continued Life Insurance ends on the earliest of:

1. The date you cease to be Disabled;
2. The date the last period ends for which a premium contribution is made for your Insurance;

3. 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;
4. The date the Group Policy terminates;
5. The date you retire or withdraw membership the retirement system; and
6. The date you reach age 65.

### **ACCELERATED BENEFIT**

#### A. Accelerated Benefit

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

Qualifying Medical Condition means you are terminally ill as a result of an illness or physical condition which is reasonably expected to result in death within 24 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. The Member must apply on behalf of a Child. 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 100% of your Insurance. The maximum Accelerated Benefit is \$500,000. The minimum Accelerated Benefit is \$5,000 or 10% of your Insurance, whichever is greater.

The Accelerated Benefit will be paid to you. The Accelerated Benefit for a Child will be paid to the Member. If you recover from your Qualifying Medical Condition after receiving an Accelerated Benefit, we will not ask you for a refund.

#### D. Effect On Insurance And Other Benefits

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

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

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

The amount of the Accelerated Benefit; minus

An interest charge calculated as follows:

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

A = The amount of the Accelerated Benefit.

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

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

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

E. Exclusions

No Accelerated Benefit will be paid if:

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

F. Definitions For Accelerated Benefit

Insurance means your Life Insurance Benefit, Dependents Life Insurance Benefit, if any, under the Group Policy.

You and your mean any person insured under the Group Policy under the Group Policy.

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**RIGHT TO CONVERT**

TRUE COPY

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 60-day period after the date of any Qualifying Event.
2. Insurance means all your insurance under the Group Policy.
3. Qualifying Event means termination or reduction of your Insurance for any reason except:
  - a. The Member's failure to make a required premium contribution.
  - b. Payment of an Accelerated Benefit.
4. You and your mean any person insured under the Group Policy.

C. Limits On Right To Convert

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

1. You may not convert Insurance which has been in effect for less than the Minimum Time Insured. See **Coverage Features**.

2. The maximum amount you have a Right To Convert is the lesser of:
  - a. The amount of your Insurance which ended, minus any other group life insurance for which you become eligible during the Conversion Period; and
  - b. The Maximum Conversion Amount. See **Coverage Features**.

D. The Individual Policy

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

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

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

E. Death During The Conversion Period

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

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**CLAIMS**  
**TRUE COPY**

A. Filing A Claim

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

B. Proof Of Loss

Proof Of Loss means written proof that a loss occurred:

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

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

C. 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.

D. Time Of Payment

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

E. Notice Of Decision On Claim

We will evaluate a claim for benefits promptly after we receive it. With respect to all claims except benefits based on disability, within 90 days after we receive the claim we will send the claimant: (a)

a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for an additional 90 days.

With respect to benefits based on disability, within 45 days after we receive the claim we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for 30 days. Before the end of this extension period we will send the claimant: (a) a written decision on the claim for the benefits based on disability; or (b) a notice that we are extending the period to decide the claim for an additional 30 days. If an extension is due to the claimant's failure to provide information necessary to decide the claim for benefits based on disability, the extended time period for deciding the claim will not begin until the claimant provides the information or otherwise responds.

If we extend the period to decide the claim, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

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

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

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

#### F. Review Procedure

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

1. Within 180 days after receiving notice of the denial of a claim for benefits based on disability;
2. Within 60 days after receiving notice of the denial of any other claim.

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

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

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

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

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



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

With respect to benefits based on disability, the person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgment, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgment and will not be subordinate to that person. The claimant may request the names of medical or vocational experts who provided advice to us about a claim for benefits based on disability.

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

1. The reasons for our decision.
2. Reference to the parts of the Group Policy on which our decision is based.
3. Information concerning the claimant's right to receive, free of charge, copies of non-privileged documents and records relevant to the claim.

If the claimant disagrees with our decision, before taking legal action, the claimant must make a written request to the Policyholder for a hearing pursuant to K.S.A. 74-4904(2) within 30 days after we send written notice of our decision.

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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 Insurance, subject to 1 through 8 below.

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

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

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## **BENEFIT PAYMENT AND BENEFICIARY PROVISIONS**

### A. Payment Of Benefits

1. Except as provided in item 4 below, benefits payable because of your death will be paid to the Beneficiary you name. See B through D of this section.
2. The benefits below will be paid to you if you are living.
  - a. Dependents Life Insurance benefits.
  - b. Accelerated Benefits.
3. Dependents Life Insurance benefits which are unpaid at your death will be paid to your estate.
4. The Repatriation Benefit will be paid to the person who incurs the transportation expenses.

### B. Naming A Beneficiary

Beneficiary means any natural person or persons, estate or trust, or any combination thereof you name to receive death benefits. You may name one or more Beneficiaries.

If you name two or more Beneficiaries in a class:

1. Two or more surviving Beneficiaries will share equally.
2. If only one Beneficiary in a class survives, we will pay the total death benefits to that Beneficiary.

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

You may name or change Beneficiaries in writing or electronically.

Your designation:

1. Must be dated;
2. Must be delivered to the Policyholder 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 or, if an electronic designation, verified by the Policyholder.

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

### C. 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 child or children who are dependent upon you for at least one-half of the child or children's support.
3. Your parent or parents who are dependent upon you for at least one-half of the parent or parents' support.
4. Your child or children who are not dependent upon you for at least one-half of the child or children's support.

5. Your parent or parents who are not dependent upon you for at least one-half of the parent or parents' support.
6. Your estate.

D. Methods Of Payment

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

1. Lump Sum

All amounts payable may be payable in a lump sum if the Recipient chooses.

2. Standard Secure Access Checking Account

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

- a. Bears interest at a rate equal to the 13-week Treasury Bill (T-Bill) auction rate, but not to exceed 5%;
- b. Is owned by the Recipient;
- c. Is subject to the terms and conditions of a confirmation certificate which will be given to the Recipient; and
- d. Is fully guaranteed by us.

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

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**TIME LIMITS ON LEGAL ACTIONS**

No action at law or in equity may be brought until 60 days after we have been given Proof Of Loss. No such action may be brought more than five 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.

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## **CLERICAL ERROR AND MISSTATEMENT**

### **A. Clerical Error**

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

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

### **B. The Policyholder and your Employer act on their own behalf as your agent, and not as our agent.**

### **C. Misstatement Of Age**

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

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

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## **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.

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## **DEFINITIONS**

Annual Compensation means your annual rate of pay from your Employer. Your Annual Compensation will be based on your current rate of pay or the amount of compensation you earned in the 12 month period immediately preceding your last full day of Active Work, whichever is higher, as provided by K. A. R. 80-7-1. Annual Compensation includes:

1. Contributions you make through a salary reduction agreement with your Employer to:
  - a. An Internal Revenue Code (IRC) Section 403(b) 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 Compensation 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 child from live birth to age 26; or
2. Your Disabled child who is continuously incapable of self-sustaining employment because of mental or physical handicap; and chiefly dependent upon you for support and maintenance or institutionalized because of mental retardation or physical handicap.

Child includes any of the following:

- i. Your adopted child;
- ii. Your stepchild, if living in your home; and
- iii. A child living in your home for whom you are the court appointed legal guardian.

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

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

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

Evidence Of Insurability means an applicant must:

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

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

Injury means an injury to your body.

Life Insurance means life insurance under the Group Policy.

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

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

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

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

Sickness means your sickness, illness, or disease.

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

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## POLICYHOLDER PROVISIONS

### A. Premiums

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

### B. Contributions From Members

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

### C. Changes In Premium Rates

We may change Premium Rates when:

1. A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations; or
2. 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 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. 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.

#### I. Records And Reports

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

#### J. Agency And Release

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

#### K. Notice Of Suit

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

#### L. Entire Contract, Changes

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

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

attachment to the Group Policy. No agent has authority to change the Group Policy or to waive any of its provisions.

M. Effect On Workers' Compensation, State Disability Insurance

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

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