GROUP POLICY FOR:

UNIVERSITY OF KENTUCKY

ALL MEMBERS
Group Member Life Insurance

Print Date: 06/06/2012
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It is agreed that the above Group Policy be amended effective as of July 1, 2012, by striking all pages and replacing such pages with the following updated Group Policy.

The effect of this change is to completely replace the documentation of the contract between the above-named Policyholder and The Principal. Therefore, as of the effective date of this change, all prior versions of that documentation are null and void. This change is not intended to renew the contract between the Policyholder and The Principal in any way which affects the time limits of the coverages or limitations as stated in the original documentation.

The provisions and conditions set forth on any attached page are part of this Amendment the same as if set forth above.

This Amendment will become effective as a written agreement between The Principal and the Policyholder on the first premium due date following the effective date shown above for which premium due under this Group Policy is received by The Principal.

Executed by The Principal as of June 5, 2012.
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POLICY RIDER

GROUP INSURANCE

POLICY NO: 1000286

COVERAGE: Life

EMPLOYER: UNIVERSITY OF KENTUCKY

Effective on the later of the Date of Issue of this Group Policy or March 1, 2005, the following will apply to your Policy:

From time to time The Principal may offer or provide certain employer groups who apply for coverage with The Principal a Financial Services Hotline and Grief Support Services or any other value added service for the employees of that employer group. In addition, The Principal may arrange for third party service providers (i.e., optometrists, health clubs), to provide discounted goods and services to those employer groups who apply for coverage with The Principal or who become insureds/enrollees of The Principal. While The Principal has arranged these goods, services and/or third party provider discounts, the third party service providers are liable to the applicants/insureds/enrollees for the provision of such goods and/or services. The Principal is not responsible for the provision of such goods and/or services nor is it liable for the failure of the provision of the same. Further, The Principal is not liable to the applicants/insureds/enrollees for the negligent provision of such goods and/or services by the third party service providers.

EXCEPT AS SPECIFICALLY DESCRIBED IN THIS RIDER, ALL OTHER BENEFITS AND PROVISIONS WILL BE AS DESCRIBED IN THE GROUP POLICY.

PRINCIPAL LIFE INSURANCE COMPANY
DES MOINES, IOWA 50392-0001

[Signatures]

[Seals]

GC 806 VAL
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This group insurance policy is issued to:

UNIVERSITY OF KENTUCKY

(called the Policyholder in this Group Policy)

The Date of Issue is July 1, 2007.

In return for the Policyholder's application and payment of all premiums when due, The Principal agrees to provide:

MEMBER LIFE INSURANCE

DEPENDENT LIFE INSURANCE

subject to the terms and conditions described in this Group Policy.

This Group Policy is a legal contract between the Policyholder and The Principal.

READ YOUR POLICY CAREFULLY

GROUP POLICY NO. GL 1000286
RENEWABLE TERM - NON-PARTICIPATING
CONTRACT STATE OF ISSUE: KENTUCKY

This policy has been updated effective July 1, 2012
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PART I - DEFINITIONS

When used in this Group Policy the terms listed below will mean:

Active Work; Actively at Work

A Member will be considered Actively at Work if he or she is able and available for active performance of all of his or her regular duties. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered Active Work provided the Member is able and available for active performance of all of his or her regular duties and was working the day immediately prior to the date of his or her absence.

Annual Compensation

For Members with no ownership interest in the business entity of the Policyholder:

On any date, a Member's basic annual (or annual equivalent) wage then in force, as established by the Policyholder. Basic wage does not include commissions, bonuses, tips, differential pay, housing and/or car allowance, or overtime pay. Basic wage does include any deferred earnings under a qualified deferred compensation plan, such as contributions to Internal Revenue Code Section 401(k), 403(b), or 457 deferred compensation arrangements and any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan.

For Members with ownership interest in the business entity of the Policyholder, such as an owner of a sole proprietorship, a partner in a partnership, a shareholder of a corporation or subchapter S-corporation, or a member of a limited liability company or limited liability partnership, Annual Compensation on any date is based on an average of the following earnings as reported for Federal Income Tax purposes for the last two calendar years, unless ownership interest is less than two years in which case an annual equivalent of the average of earnings for the completed months of employment will be used, assuming the owner meets all eligibility requirements:

a. the Member's share (based on ownership or contractual agreement) of the gross revenue or income earned by the Policyholder, including income earned by the Member and others under the Member's supervision or direction; less

b. the Member's share (based on ownership or contractual agreement) of the usual and customary unreimbursed business expenses of the Policyholder which are incurred on a regular basis, are essential to the established business operation of the Policyholder, are deductible for Federal Income Tax purposes; plus

c. the salary, benefits, and other forms of compensation which are payable to the Member,

This policy has been updated effective July 1, 2012
and any contributions to a pension or profit sharing plan made on the Member's behalf by the Policyholder.

Annual Compensation does not include any form of unearned income such as dividends, rent, interest, capital gains, income received from any form of deferred compensation, retirement, pension plan, income from royalties, or disability benefits.

**Date of Issue**

The date this Group Policy is placed in force: July 1, 2007.

**Dependent**

a. A Member's spouse, if that spouse:
   (1) is legally married to the Member; and
   (2) is not in the Armed Forces of any country.

b. A Member's Dependent Child (or Children) as defined below.

**Dependent Child; Dependent Children**

a. A Member's natural child or stepchild, if that child is 14 days but less than 26 years of age.

b. A Member's foster child, if that child:
   (1) meets the requirements above; and
   (2) has been placed with the Member or spouse insured under this Group Policy by an authorized state placement agency or by order of a court; and
   (3) required documentation has been provided and the child is approved in Writing by The Principal as a Dependent Child.

c. A Member's adopted child, if that child meets the requirements in a. above and the Member:
   (1) is a party in a law suit in which the Member is seeking the adoption of the child; or
   (2) has custody of the child under a court order that grants custody of the child to the Member.

An adopted child will be considered a Dependent Child on the earlier of: the date the petition for adoption is filed; or the date of entry of an order granting the adoptive parent custody of the child for the purpose of adoption.

This policy has been updated effective July 1, 2012
Developmental Disability

A Dependent Child's substantial handicap, as determined by The Principal, which:

a. results from mental retardation, cerebral palsy, epilepsy, or other neurological disorder; and

b. is diagnosed by a Physician as a permanent or long-term continuing condition.

Group Policy

The policy of group insurance issued to the Policyholder by The Principal, which describes benefits and provisions for insured Members and Dependents.

Hospital

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, Skilled Nursing Facility, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

Insurance Month

Calendar Month.

Member

Any PERSON who is a full-time employee of the Policyholder and who regularly works at least 28 hours per week. The employee must be compensated by the Policyholder and either the employer or employee must be able to show taxable income on federal or state tax forms. Work must be at the Policyholder's usual place or places of business, at an alternative worksite at the direction of the Policyholder, or at another place to which the employee must travel to perform his or her regular duties. This excludes any person who is scheduled to work for the Policyholder on a seasonal, temporary, contracted, or part-time basis.

Member will also include any such person who is a full-time employee prior to August 1, 1965, and has officially retired from the University of Kentucky and maintains continuous coverage with the Policyholder under this Group Policy.

An owner, proprietor, or partner of the Policyholder's business will be deemed to be an eligible employee for purposes of this Group Policy, provided he or she is regularly scheduled to work for the Policyholder at least 28 hours per week and otherwise meets the definition of a Member.

Period of Limited Activity

This policy has been updated effective July 1, 2012
Any period of time during which a person is:

a. confined in a Hospital for any cause or confined in a Skilled Nursing Facility; or

b. Home Confined. "Home Confined" means that, due to sickness or injury, the person is unable to carry on the regular and usual activities of a healthy person of the same age and sex and unable to leave his or her home except to receive medical treatment.

**Physical Handicap**

A Dependent Child's substantial physical or mental impairment, as determined by The Principal, which:

a. results from injury, accident, congenital defect, or sickness; and

b. is diagnosed by a Physician as a permanent or long-term dysfunction or malformation of the body.

**Physician**

a. A licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or

b. any other licensed health care practitioner that state law requires be recognized as a Physician under this Group Policy.

The term Physician does not include the Member, an employee of the Member, a business or professional partner or associate of the Member, any person who has a financial affiliation or business interest with the Member, anyone related to the Member by blood or marriage, or anyone living in the Member's household.

**Policy Anniversary**

July 1, 2010 and the same day of each following year.

**Policyholder**

The entity to whom this Group Policy is issued (see Title Page).

**Prior Policy**

The Group Term Life coverage of either:

a. the Policyholder; or

b. a business entity which has been obtained by the Policyholder through a merger or

This policy has been updated effective July 1, 2012
acquisition;

for which this Group Policy is a replacement.

**Proof of Good Health**

Written evidence that a person is insurable under the underwriting standards of The Principal. This proof must be provided in a form satisfactory to The Principal.

**Qualifying Event**

A Qualifying Event for Accelerated Benefits is a medical condition, which would, in the absence of extensive or extraordinary medical treatment; result in a dramatically limited life span. Such conditions may include, BUT ARE NOT LIMITED TO, one or more of the following:

a. coronary artery disease resulting in an acute infarction or requiring surgery;

b. permanent neurological deficit resulting from cerebral vascular accident;

c. end stage renal failure; or

d. acquired immune deficiency syndrome (AIDS).

**Signed or Signature**

Any symbol or method executed or adopted by a person with the present intention to authenticate a record, and which is on or transmitted by paper or electronic media, and which is consistent with applicable law and is agreed to by The Principal.

**Skilled Nursing Facility**

An institution (including one providing sub-acute care), or distinct part thereof, that is licensed by the proper authority of the state in which it is located to provide skilled nursing care and that:

a. is supervised on a full-time basis by a Doctor of Medicine (M.D.) or Doctor of Osteopathy (D.O.) or a licensed registered nurse (R.N.); and

b. has transfer arrangements with one or more Hospitals, a utilization review plan, and operating policies developed and monitored by a professional group that includes at least one M.D. or D.O.; and

c. has an existing contract for the services of an M.D. or D.O., maintains daily records on each patient, and is equipped to dispense and administer drugs; and

This policy has been updated effective July 1, 2012
d. provides 24-hour nursing care and other medical treatment.

Not included are rest homes, homes for the aged, nursing homes, or places for treatment of mental disease, drug addiction, or alcoholism.

**Terminally Ill**

A Member will be considered Terminally Ill, for Accelerated Benefits, if he or she has experienced a Qualifying Event and is expected to die within 12 months of the date he or she requests payment of Accelerated Benefits.

**Total Disability; Totally Disabled**

A Member's inability, as determined by The Principal, due to sickness or injury, to perform the majority of the material duties of any occupation for which he or she is or may reasonably become qualified based on education, training or experience.

**Written or Writing**

A record which is on or transmitted by paper or electronic media, and which is consistent with applicable law.
PART II - POLICY ADMINISTRATION

Section A - Contract

Article 1 - Entire Contract

This Group Policy, the current Certificate, the attached Policyholder application, and any Member applications make up the entire contract. The Principal is obligated only as provided in this Group Policy and is not bound by any trust or plan to which it is not a signatory party.

Article 2 - Policy Changes

Insurance under this Group Policy runs annually to the Policy Anniversary, unless sooner terminated. No agent, employee, or person other than an officer of The Principal has authority to change this Group Policy, and, to be effective, all such changes must be in Writing and Signed by an officer of The Principal.

The Principal reserves the right to change this Group Policy as follows:

a. Any or all provisions of this Group Policy may be amended or changed at any time, including retroactive changes, to the extent necessary to meet the requirements of any law or any regulation issued by any governmental agency to which this Group Policy is subject.

b. Any or all provisions of this Group Policy may be amended or changed at any time when The Principal determines that such amendment is required for consistent application of policy provisions.

c. By Written agreement between The Principal and the Policyholder, this Group Policy may be amended or changed at any time as to any of its provisions.

Any change to this Group Policy, including, but not limited to, those in regard to coverage, benefits, and participation privileges, may be made without the consent of any Member or Dependent.

Payment of premium beyond the effective date of the change constitutes the Policyholder's consent to the change.

Article 3 - Policyholder Eligibility Requirements

This policy has been updated effective July 1, 2012
To be an eligible group and to remain an eligible group, the Policyholder must:

a. be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit corporation within the meaning of the Internal Revenue Code; and

b. make at least the level of premium contributions required for insurance on its eligible Members. The Policyholder must:

(1) contribute at least 50% of the required premium for all Members (including disabled Members, if any); and

c. if the Member is to contribute part of the premium, maintain the following participation percentages with respect to eligible employees and Dependents, excluding those for whom Proof of Good Health is not satisfactory to The Principal:

(1) Employees:
   - at least 75% of all eligible employees must enroll;

(2) Dependents:
   - maintain a Dependent participation of at least 75% of eligible Dependents; and

d. if the Member is to contribute no part of the premium, 100% of eligible employees and Dependents must enroll.

**Article 4 - Policy Incontestability**

In the absence of fraud, after this Group Policy has been in force two years, The Principal may not contest its validity except for nonpayment of premium.

**Article 5 - Individual Incontestability**

All statements made by any individual insured under this Group Policy will be representations and not warranties. In the absence of fraud, these statements may not be used to contest an insured person's insurance unless:

a. the insured person's insurance has been in force for less than two years during the insured's lifetime; and

b. the statement is in Written form Signed by the insured person; and
c. a copy of the form which contains the statement is given to the insured or the insured's beneficiary at the time insurance is contested.

However, these provisions will not preclude the assertion at any time of defenses based upon the person's ineligibility for insurance under this Group Policy or upon the provisions of this Group Policy.

In addition, if an individual's age is misstated, The Principal may at any time adjust premium and benefits to reflect the correct age.

**Article 6 - Information to be Furnished**

The Policyholder must, upon request, give The Principal all information needed to administer this Group Policy. If a clerical error is found in this information, The Principal may at any time adjust premium to reflect the facts. An error will not invalidate insurance that would otherwise be in force. Neither will an error continue insurance that would otherwise be terminated.

The Principal may inspect, at any reasonable time, all Policyholder records, which relate to this Group Policy.

**Article 7 - Certificates**

The Principal will give the Policyholder Certificates for delivery to insured Members. The delivery of such Certificates will be in either paper or electronic format. The Certificates will be evidence of insurance and will describe the basic features of the coverage. They will not be considered a part of this Group Policy.

**Article 8 - Assignments**

Only assignments of Member Life Insurance will be allowed under this Group Policy and only if:

a. they are not collateral assignments or assignments for consideration; and

b. they are in Written form and recorded at the home office of The Principal in Des Moines, Iowa.

The Principal will assume no responsibility for the validity of effect of any assignment.

**Article 9 - Dependent Rights**

*This policy has been updated effective July 1, 2012*

**PART II - POLICY ADMINISTRATION**
A Dependent will have no rights under this Group Policy except as set forth in PART III, Section F, Article 2.

**Article 10 - Policy Interpretation**

The Principal has complete discretion to construe or interpret the provisions of this group insurance policy, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. The decisions of The Principal in such matters shall be controlling, binding and final as between The Principal and persons covered by this Group Policy, subject to the Claims Procedures in PART IV, Section D.

**Article 11 - Electronic Transactions**

Any transaction relating to this Group Policy may be conducted by electronic means if performance of the transaction is consistent with applicable state and federal law.

Any notice required by the provisions of this Group Policy given by electronic means will have the same force and effect as notice given in writing.
Section B - Premiums

Article 1 - Payment Responsibility; Due Dates; Grace Period

The Policyholder is responsible for collection and payment of all premiums due while this Group Policy is in force. Payments must be sent to the home office of The Principal in Des Moines, Iowa.

The first premium is due on the Date of Issue of this Group Policy. Each premium thereafter will be due on the first of each Insurance Month. Except for the first premium, a Grace Period of 60 days will be allowed for payment of premium. "Grace Period" means the first 60-day period following a premium due date. The Group Policy will remain in force until the end of the Grace Period, unless the Group Policy has been terminated by notice as described in PART II, Section C. The Policyholder will be liable for payment of the premium for the time this Group Policy remains in force during the Grace Period.

Article 2 - Premium Rates

The premium rate(s) for each Member insured for Life Insurance will be:

a. Member Life Insurance
   $0.085 for each $1,000 of insurance in force.

b. For Member's Dependent Spouse
   $0.17 for each $1,000 of Dependent Life Insurance in force.

c. Dependent Life Insurance
   $0.13 for each $1,000 of Dependent Life Insurance in force for the Member's Dependent Child.

If the Policyholder has at least two other eligible group insurance policies underwritten by The Principal, as determined by The Principal, the Policyholder may be eligible for a multiple policy discount.

Article 3 - Premium Rate Changes

The Principal may change a premium rate:

a. on any premium due date, if the initial premium rate has then been in force 36 months or more and if Written notice is given to the Policyholder at least 31 days before the date of change; or

This policy has been updated effective July 1, 2012

PART II - POLICY ADMINISTRATION

GC 6004 Section B - Premiums, Page 1
b. on any date the definition of Member or Dependent is changed; and

c. on any date the Policyholder's business, as specified on the Policyholder application, is changed; and

d. on any date that a schedule of insurance or class of insured Members is changed; and

e. on any premium due date, if the Policyholder has been receiving a multiple policy discount rate and the Policyholder drops below the minimum number of coverages to receive such discount rate; and

f. on any date the premium contribution required of Members is changed; and

g. with respect to Member Life Insurance, on any Policy Anniversary, if the average age, average Scheduled Benefit amount, or the male/female distribution for then insured Members has changed since the last Policy Anniversary; and

h. on any Policy Anniversary, if the volume of insurance for then insured Members has increased or decreased by more than 25% since the last Policy Anniversary.

If the Policyholder has other group insurance with The Principal, and if life coverage is initially added on a date other than the Policy Anniversary and it is more than six months before the next Policy Anniversary, The Principal reserves the right to change the premium rate on the next Policy Anniversary. Written notice will be given to the Policyholder at least 31 days before the date of change.

If the Policyholder agrees to participate in the electronic services program of The Principal and, at a later date elects to withdraw from participation, such withdrawal may result in certain administrative fees being charged to the Policyholder.

**Article 4 - Premium Amount**

The amount of premium to be paid on each due date will be determined in these ways:

a. Member Life Insurance
   The total volume of insurance in force will be divided by 1,000. The result will then be multiplied by the premium rate then in effect.

b. Dependent Spouse Life Insurance
   The total volume of insurance in force will be divided by 1,000. The result will then be multiplied by the premium rate then in effect.

c. Dependent Child Life Insurance
   The total volume of insurance in force will be divided by 1,000. The result will then be

**This policy has been updated effective July 1, 2012**
multiplied by the premium rate then in effect.

To ensure accurate premium calculations, the Policyholder is responsible for reporting to The Principal, the following information during the stated time periods:

a. Members who are eligible to become insured are to be reported during the month prior to or during the month that coverage becomes effective.

b. Members whose coverage has terminated are to be reported within a month of the date coverage terminated.

c. Changes in Annual Compensation are to be reported within a month of the date that the change in Annual Compensation took place.

d. Changes in Member insurance class are to be reported within a month of the date that the change in insurance class took place.

If a Member is added or a present Member's insurance is increased or terminated on other than the first of an Insurance Month, premium for that Member will be adjusted and applied as if the change were to take place on the first of the next following Insurance Month.

Article 5 - Contributions from Members

Members may be required to contribute a part of the premium for their Member insurance under this Group Policy.

Members are required to contribute all of the premium for their Dependent's insurance under this Group Policy.

This policy has been updated effective July 1, 2012

PART II - POLICY ADMINISTRATION

GC 6004 Section B - Premiums, Page 3
Section C - Policy Termination

Article 1 - Failure to Pay Premium

This Group Policy will terminate at the end of the Grace Period if total premium due has not been received by The Principal before the end of the Grace Period. Failure by the Policyholder to pay the premium within the Grace Period will be deemed notice by the Policyholder to The Principal to discontinue this Group Policy at the end of the Grace Period.

Article 2 - Termination Rights of the Policyholder

The Policyholder may terminate this Group Policy effective on the day before any premium due date by giving Written notice to The Principal prior to that premium due date. The Policyholder's issuance of a stop-payment order for any amounts used to pay premiums for the Policyholder's coverage will be considered Written notice from the Policyholder.

Article 3 - Termination Rights of The Principal

The Principal may nonrenew or terminate this Group Policy by giving the Policyholder 31 days advance notice in Writing, if the Policyholder:

a. ceases to be actively engaged in business for profit within the meaning of the Internal Revenue Code, or be established as a legitimate nonprofit corporation within the meaning of the Internal Revenue Code; or

b. fails to maintain the participation percentages requirements of PART II, Section A with respect to eligible employees, excluding those for whom Proof of Good Health is not satisfactory to The Principal; or

c. fails to maintain three or more insured employees under this Group Policy; or

d. fails to pay premium in accordance with the requirements of PART II, Section B; or

e. has performed an act or practice that constitutes fraud or has made an intentional misrepresentation of material fact under the terms of this Group Policy; or

f. does not promptly provide The Principal with information that is reasonably required; or

g. fails to perform any of its obligations that relate to this Group Policy.

The Principal may terminate the Policyholder's coverage on any premium due date if the

This policy has been updated effective July 1, 2012

PART II - POLICY ADMINISTRATION

GC 6005

Section C - Policy Termination, Page 1
Policyholder relocates to a state where this Group Policy is not marketed, by giving the Policyholder 31 days advanced notice in Writing.

**Article 4 - Policyholder Responsibility to Members**

If this Group Policy terminates for any reason, the Policyholder must:

a. notify each Member of the effective date of the termination; and

b. refund or otherwise account to each Member all contributions received or withheld from Members for premiums not actually paid to The Principal.
Section D - Policy Renewal

Article 1 - Renewal

Insurance under this Group Policy runs annually to the Policy Anniversary, unless sooner terminated.

While this Group Policy is in force, and subject to the provisions in PART II, Section C, the Policyholder may renew at the applicable premium rates in effect on the Policy Anniversary.
PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

Section A - Eligibility

Article 1 - Member Life Insurance

A person will be eligible for Member Life Insurance on the date the person becomes a Member as defined in PART I.

In no circumstance will a person be eligible for Member Life Insurance under this Group Policy if the person is eligible under any other Group Term Life Insurance policy underwritten by The Principal.

Article 2 - Dependent Life Insurance

A person will be eligible for Dependent Life Insurance on the latest of:

a. the date the person is eligible for Member Life Insurance; or
b. the date the person first acquires a Dependent; or
c. the date the person enters a class for which Dependent Life Insurance is provided under this Group Policy; or
d. the date Dependent Life Insurance is added to this Group Policy.

If a Member's Dependent is employed and is covered under group term life coverage or coverages provided by the Dependent's employer, the date such coverage terminates because the Dependent is no longer eligible under his/her employer's coverage will be considered the date the Member first acquires that Dependent (and any other Dependent who was also covered under such group coverage or coverages).
Section B - Effective Dates

Article 1 - Member Life Insurance

a. Actively at Work

A Member's effective date for Member Life Insurance will be as explained in this article, if the Member is Actively at Work on that date. If the Member is not Actively at Work on the date insurance would otherwise be effective, such insurance will not be in force until the day of return to Active Work.

However, this Actively at Work requirement will be waived for Members who:

(1) are absent from Active Work because of a regularly scheduled day off, holiday, or vacation day; and
(2) were Actively at Work on their last scheduled work day before the date of their absence; and
(3) were capable of Active Work on the day before the scheduled effective date of their insurance or change in their insurance, whichever is applicable.

This Actively at Work requirement may also be waived as described below.

When insurance under this Group Policy replaces coverage under a Prior Policy, the Active Work requirement may be waived for those Members who:

(1) are eligible and enrolled under this Group Policy on its Date of Issue; and
(2) were covered under the Prior Policy on the date of its termination.

In no event will the Active Work requirement be waived for those Members who, on the date of termination of the Prior Policy, either:

(1) had the option, under the terms of the Prior Policy, to convert their coverage under the Prior Policy to an individual policy; or
(2) were eligible under the terms of the Prior Policy, to have their premiums waived due to Total Disability.

NOTE: When insurance under this Group Policy replaces coverage under a Prior Policy and the Active Work requirement is waived, any benefits payable will be the lesser of the Scheduled Benefit of this Group Policy or the amount that would have been paid by the Prior Policy had it remained in force.

b. Effective Date for Initial Insurance When Proof of Good Health is Required

This policy has been updated effective July 1, 2012
Insurance for which Proof of Good Health is required (see e. below) will be in force on the later of:

(1) the date insurance would have been effective if Proof of Good Health had not been required; or
(2) the date Proof of Good Health is approved by The Principal.

c. **Effective Date for Initial Noncontributory Insurance When Proof of Good Health is not Required**

Unless Proof of Good Health is required (see b. above and e. below), insurance for which the Member contributes no part of premium will be in force on the date the Member is eligible.

d. **Effective Date for Initial Contributory Insurance When Proof of Good Health is not Required**

If a Member is to contribute a part of premium, insurance must be requested in a form provided by The Principal. Unless Proof of Good Health is required (see b. above and e. below), the requested insurance will be in force on:

(1) the date the Member is eligible, if the request is made on or before that date; or
(2) the date of the Member's request, if the request is made within 31 days after the date the Member is eligible.

If the request is made more than 31 days after the date the Member is eligible, Proof of Good Health will be required before insurance can be in force (see b. above and e. below).

e. **Proof of Good Health Requirements**

The type and form of required Proof of Good Health will be determined by The Principal. A Member must submit Proof of Good Health:

(1) If insurance for which a Member contributes a part of premium is requested more than 31 days after the date the Member is eligible including any insurance the Member refuses and later requests.
(2) If insurance is requested under this Group Policy by a Member that was eligible under the Prior Policy, but elected to waive coverage under the Prior Policy.
(3) If a Member has failed to provide required Proof of Good Health or has been refused insurance under this Group Policy at any prior time.
(4) If a Member elects to terminate insurance and, more than 31 days later, requests to be insured again.
(5) If, on the date a Member becomes eligible, fewer than five Members are insured.
(6) If, on the date a Member becomes eligible for any increased or additional
Scheduled Benefit amount, fewer than five Members are insured.

(7) To make effective any Scheduled Benefit amounts for the Member that are, initially or through later increases, in excess of:

- $750,000 for Members who are under age 65; and
- $750,000 for Members who are age 65 or over but under age 70; and
- *$10,000 for Members who are age 70 or over.

Exception: No Proof of Good Health is required for the initial excess insurance for Members insured on July 1, 2007.

*If a Member is insured under this Group Policy on its Date of Issue and this insurance replaces insurance in force on the day immediately before the Date of Issue: the lesser of the amount shown above or the amount for which the Member was insured under the replaced insurance.

g. Effective Date for Benefit Changes Due to Change in Annual Compensation

(1) A change in the Member's Scheduled Benefit amount because of a change in the Member's Annual Compensation for which Proof of Good Health is not required (see e. above) will normally be effective on the date of change. However, if the Member is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a change in a Member's Annual Compensation will be effective on the date of the change, whether or not the Member is Actively at Work.

Any termination of Scheduled Benefit amounts due to a change in the Member's Annual Compensation will be effective on the date of the change, whether or not the Member is Actively at Work.

(2) A change in a Member's Scheduled Benefit amount because of a change in the Member's Annual Compensation for which Proof of Good Health is required (see e. above) will be effective on the later of:

- the date the change would have been effective if Proof of Good Health had not been required; or
- the date Proof of Good Health is approved by The Principal.

g. Effective Date for Benefit Changes Due to Change in Insurance Class

(1) A change in the Member's Scheduled Benefit amount because of a change in the Member's insurance class for which Proof of Good Health is not required (see e. above) will normally be effective on the date of change. However, if the Member is not Actively at Work on the date a Scheduled Benefit change would otherwise

This policy has been updated effective July 1, 2012

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

GC 6007  Section B - Effective Dates, Page 3
be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a change in a Member's insurance class will be effective on the date of the change, whether or not the Member is Actively at Work.

Any termination of Scheduled Benefit amounts due to a change in the Member's insurance class will be effective on the date of the change, whether or not the Member is Actively at Work.

(2) A change in a Member's Scheduled Benefit amount because of a change in the Member's insurance class for which Proof of Good Health is required (see e. above) will be effective on the later of:

- the date the change would have been effective if Proof of Good Health had not been required; or
- the date Proof of Good Health is approved by The Principal.

h. Effective Date for Benefit Changes Due to Change by Policy Amendment

(1) A change in the Member's Scheduled Benefit amount because of a change in the Schedule of Insurance (as described in PART IV, Section A) by amendment to this Group Policy for which Proof of Good Health is not required (see e. above) will be effective on the date of change. However, if the Member is not Actively at Work on the date an increase in the Scheduled Benefit would otherwise be effective, the Scheduled Benefit in force for the Member before the change will continue to apply to the Member until the day of return to Active Work. When the Member returns to Active Work, the Scheduled Benefit increase will then be in force for the Member. Any decrease in Scheduled Benefit amounts due to a change by amendment to this Group Policy will be effective on the date of change, whether or not the Member is Actively at Work.

(2) A change in the Member's Scheduled Benefit amount because of a change in the Schedule of Insurance (as described in PART IV, Section A) by amendment to this Group Policy for which Proof of Good Health is required (see e. above) will be effective on the later of:

- the date the change would have been effective if Proof of Good Health had not been required; or
- the date Proof of Good Health is approved by The Principal.

i. Effective Date for Benefit Changes Due to Changes Requested by the Member

(1) A change in a Member's Scheduled Benefit amount because of a request by the Member for which Proof of Good Health is not required (see e. above) will normally be effective on the date of the request. However, if the Member is not
Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a request by the Member will be effective on the date of the change, whether or not the Member is Actively at Work.

(2) A change in the Member's Scheduled Benefit amount because of a request by the Member for which Proof of Good Health is required (see e. above) will be effective on the later of:

- the date the change would have been effective if Proof of Good Health had not been required; or

- the date Proof of Good Health is approved by The Principal.

j. Effective Date for Benefit Changes Due to Change in the Member's Family Status

A Member may request an increase in Scheduled Benefit amount, a decrease in Scheduled Benefits, or the addition of Scheduled Benefits for which he or she was not previously insured if a change in the Member's family status as described below has occurred, provided a request for such increase, decrease, or addition is made in Writing within 31 days after the date of the change in family status:

(1) marriage or divorce;
(2) death of a spouse or child;
(3) birth or adoption of a child;
(4) termination of employment by the Member's spouse or a change in the spouse's employment that causes loss of group coverage;
(5) the Member's employment or the Member's spouse's employment changes from part-time to full-time or from full-time to part-time;
(6) the Member or the Member's spouse takes an unpaid leave of absence.

A change in the Scheduled Benefits because of a request by the Member when a change in family status has occurred for which Proof of Good Health is not required (see e. above) will normally be effective on the date of the request. However, if the Member is not Actively at Work on the date a Scheduled Benefit change would otherwise be effective, the Scheduled Benefit change will not be in force until the date the Member returns to Active Work. Any decrease in Scheduled Benefit amounts due to a request by the Member will be effective on the date of the change, whether or not the Member is Actively at Work.

A change in the Scheduled Benefits because of a request by the Member when a change in family status has occurred for which Proof of Good Health is required (see e. above) will be effective on the later of:

(1) the date the change would have been effective if Proof of Good Health had not
(2) the date Proof of Good Health is approved by The Principal.

Article 2 - Dependent Life Insurance

Dependent Life Insurance is available only with respect to Dependents of Members currently insured for Member Life Insurance. If a Member is eligible for Dependent Life Insurance, such insurance will be effective under the same terms as set forth for Member Life Insurance in this Section B, Article 1, except as described below.

a. In no event will Dependent Life Insurance be in force for a Member who is not insured for Member Life Insurance.

b. If a Dependent spouse is in a Period of Limited Activity on the date Dependent Life Insurance or an increase in Dependent Life Insurance Scheduled Benefit due to a change in the Member's Annual Compensation or insurance class would otherwise be effective, such insurance or increase will not be in force for that Dependent spouse until the Period of Limited Activity ends.

c. If insurance is requested under this Group Policy for a Dependent spouse that was eligible under the Prior Policy, but elected to waive coverage under the Prior Policy.

d. If a Dependent is confined in a Hospital or Skilled Nursing Facility on the date an increase in the Dependent Life Insurance Scheduled Benefit would otherwise be effective, the Scheduled Benefit in force for the Dependent will continue to apply to the Dependent until such confinement ends. When the Hospital or Skilled Nursing Facility confinement ends, the Scheduled Benefit increase will then be in force for the Dependent.

e. Any required Proof of Good Health will be with respect to the health of the Member's Dependents.

f. If Dependent Life Insurance is in force for a Dependent of the Member, a Member will be insured with respect to a new Dependent (other than a newborn child) on the date the new Dependent is acquired, provided the new Dependent is not then confined in a Hospital or Skilled Nursing Facility. Requests for insurance and Proof of Good Health are not required provided The Principal has been notified of the new Dependent within 31 days after the date the Dependent is acquired.

g. If Dependent Life Insurance is in force for a Dependent of the Member, a newly born child will be covered under this Group Policy on the date the child is 0 days old, provided the child meets the definition of a Dependent Child as defined in PART I.

This policy has been updated effective July 1, 2012

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

GC 6007 Section B - Effective Dates, Page 6
Section C - Individual Terminations

Article 1 - Member Life Insurance

A Member's insurance under this Group Policy will terminate on the earliest of:

a. the date this Group Policy is terminated; or
b. the end of the Insurance Month for which the last premium is paid for the Member's insurance; or
c. the end of any Insurance Month, if requested by the Member before that date; or
d. the end of the Insurance Month in which the Member ceases to be a Member as defined in PART I; or
e. the end of the Insurance Month in which the Member ceases to be in a class for which Member Life Insurance is provided; or
f. the date the Member retires; or
g. the end of the Insurance Month in which the Member ceases Active Work.

Article 2 - Dependent Life Insurance

A Member's insurance under this Group Policy for a Dependent will terminate on the earliest of:

a. the date his or her Member Life Insurance ceases; or
b. the date Dependent Life Insurance is removed from this Group Policy; or
c. the end of the Insurance Month for which the last premium is paid for the Member's Dependent Life Insurance; or
d. the end of any Insurance Month, if requested by the Member before that date; or
e. the end of the Insurance Month in which the Member ceases to be in a class for which Dependent Life Insurance is provided; or
f. for a Dependent spouse on the last day of the Insurance Month in which that Dependent spouse ceases to be a Dependent as defined in PART I; or

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PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

GC 6008 Section C - Individual Terminations, Page 1
g. for each Dependent Child, on the last day of the Insurance Month in which that Dependent Child ceases to be a Dependent as defined in PART I.

Article 3 - Termination for Fraud

The Principal may at any time terminate a Member's or Dependent's eligibility under the Group Policy:

a. in Writing and with 31-day notice, if the individual submits any claim that contains false or fraudulent elements under state or federal law; or

b. in Writing and with 31-day notice, upon finding in a civil or criminal case that a Member or Dependent has submitted claims that contain false or fraudulent elements under state or federal law; or

c. in Writing and with 31-day notice, when a Member or Dependent has submitted a claim which, in good faith judgement and investigation, a Member or Dependent knew or should have known, contains false or fraudulent elements under state or federal law.

Article 4 - Coverage While Outside of the United States

If a Member or Dependent is temporarily outside the United States, the Member or Dependent may choose to continue his or her insurance, subject to premium payment for a period of twelve months or less for one of the following reasons:

a. travel; or

b. a business assignment.

The twelve-month period will not be reduced for any time covered under a Prior Policy.

If a Member or Dependent is outside the United States for any other reason than those listed above, coverage for the person concerned will automatically terminate.
Article 1 - Member Life Insurance

a. Sickness or Injury (Other Than Total Disability)

If Active Work ends because a Member is sick or injured but not Totally Disabled, insurance for that Member may be continued until the earlier of:

(1) the date insurance would otherwise cease as provided in PART III, Section C; or
(2) the end of the Insurance Month in which the Member recovers.

b. Layoff, Approved Leave of Absence, Sabbatical or Educational Leave

If Active Work ends because a Member is on layoff or approved leave of absence, insurance for that Member may be continued until the earliest of:

(1) the date insurance would otherwise cease as provided in PART III, Section C, Article 1 a. through g.
(2) the end of the Insurance Month in which the layoff or approved leave of absence ends; or
(3) the date the Member becomes eligible for any other group life coverage; or
(4) the date 12 months after the end of the Insurance Month in which Active Work ends.

If Active Work ends because a Member is on sabbatical or educational leave, insurance for that Member may be continued until the earliest of:

(1) the date insurance would otherwise cease as provided in PART III, Section C, Article 1 a. through g.
(2) the end of the Insurance Month in which the sabbatical or educational leave ends; or
(3) the date the Member becomes eligible for any other group life coverage; or
(4) the date 12 months after the date Active Work ends.

c. Family and Medical Leave Act (FMLA)

If a Member ceases Active Work due to an approved leave of absence under FMLA, the Policyholder may choose to continue the Member's insurance, subject to premium payment.

A Member may qualify to have his or her insurance continued under one or more of the continuation provisions described in a., b., and c. above. If a Member qualifies for

This policy has been updated effective July 1, 2012
continuation under more than one provision, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

**Article 2 - Dependent Insurance - Developmentally Disabled or Physically Handicapped Children**

**a. Qualification**

Dependent Life Insurance for a child may be continued after the child reaches the maximum age for Dependent Children as defined in PART I of this Group Policy, provided that:

1. the child is incapable of self-support as the result of a Developmental Disability or Physical Handicap and became so before reaching the maximum age and is dependent on the Member for primary support; and
2. except for age, the child continues to be a Dependent Child as defined in PART I; and
3. proof of the child's incapacity is sent to The Principal within 31 days after the date the child reaches the maximum age; and
4. further proof that the child remains incapable of self-support is provided when The Principal requests; and
5. the child undergoes examination by a Physician when The Principal requests. The Principal will pay for these examinations and will choose the Physician to perform them.

**b. Period of Continuation**

Insurance for a Dependent Child who qualifies as set forth above may be continued until the earlier of:

1. the date insurance would cease for any reason other than the child's attainment of the maximum age; or
2. the date the child becomes capable of self-support or otherwise fails to qualify as set forth in a. above.

This policy has been updated effective July 1, 2012
Section E - Reinstatement

Article 1 - Reinstatement

A Member's terminated insurance will be reinstated if:

a. insurance ceased because of layoff or approved leave of absence; and

b. the Member returns to Active Work for the Policyholder within six months of the date insurance ceased.

The Member's reinstated insurance will be in force on the date of return to work. However, the Actively at Work and Period of Limited Activity provisions discussed in PART III, Section B, will apply. Also, Proof of Good Health will be required to place in force any Scheduled Benefit that would have been subject to Proof of Good Health had the Member remained continuously insured.

Only the period of time during which a Member is actually insured will be included in determining the length of his or her continuous coverage under this Group Policy. For this purpose the period of time during which a reinstated Member's insurance was not in force:

a. will not be considered an interruption of continuous coverage; and

b. will not be used to satisfy any provision of this Group Policy which pertains to a period of continuous coverage.

In addition, a longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

Article 2 - Federal Required Family and Medical Leave Act (FMLA)

A Member's terminated insurance may be reinstated in accordance with the provisions of the Federal Family and Medical Leave Act (FMLA), subject to the Actively at Work and Period of Limited Activity provision discussed in PART III, Section B.

Article 3 - Reinstatement of Coverage for a Member or Dependent When Coverage Ends due to Living Outside of the United States

If coverage for a Member or Dependent terminates because the person is outside of the United States as discussed in PART III, Section C, Article 4, the Member or Dependent may

This policy has been updated effective July 1, 2012
become eligible again for coverage under this Group Policy, but only if:

a. the Member or Dependent return to the United States within six months of the date on which coverage terminated because the person is outside of the United States; and

b. in the case of a Member, the Member returns to Active Work in the United States for the Policyholder for a period of at least 30 consecutive days. The Member will be eligible for coverage on the day immediately following completion of the 30 consecutive days of Active Work; and

c. in the case of the Dependent, he or she remains in the United States for 30 consecutive days. If the Dependent does so, he or she will be eligible for reinstatement of coverage on the day after completion of the 30 consecutive days of residence.

The reinstated coverage will be on the same basis as that being provided on the date coverage is reinstated. However, any restrictions on this coverage that were in effect before reinstatement will continue to apply. If the Member or Dependent does not complete the 30 consecutive days of residence, the coverage for such person will not be reinstated.
Section F - Individual Purchase Rights

Article 1 - Member Life Insurance

a. Individual Policy

If a Member qualifies and makes timely application, he or she may convert the group coverage by purchasing an individual policy of life insurance under these terms:

(1) The Member will not be required to submit Proof of Good Health.
(2) The policy will be for life insurance only. No disability or other benefits will be included.
(3) The policy will be on one of the forms, other than term insurance, then issued by The Principal to persons in the risk class to which the Member belongs on the individual policy's effective date.
(4) Premium will be based on the Member's age and the standard rate of The Principal for the policy form to be issued.

b. Purchase Qualification

A Member will qualify for individual purchase if insurance under this Group Policy terminates and:

(1) the Member's total Life Insurance, or any portion of it, terminates because he or she ends Active Work or ceases to be in a class eligible for insurance; or
(2) after the Member has been continuously insured under this Group Policy for at least five years, his or her total Member Life Insurance terminates because this Group Policy terminates or is amended to exclude the Member's insurance class; or
(3) the Member's Accelerated Benefits Premium Waiver Period as described in PART IV, Section A, ceases.

c. Application/Effective Date

Notice of the individual purchase right must be given to the Member by the Policyholder before insurance under this Group Policy terminates, or as soon as reasonably possible thereafter.

A Member must apply for individual purchase and the first premium for the individual policy must be paid to The Principal within 31 days after the date Member Life Insurance terminates under this Group Policy.

Any individual policy issued will then be in force on the 32nd day following such
d. **Individual Policy Amount**

The amount of insurance that may be purchased may vary:

(1) If termination is as described in b. (1) above, the maximum amount will be the Member Life Insurance benefit in force on the date of termination or the portion of Member Life Insurance that has terminated, less any individual policy amount purchased earlier under this Article 1, and less any Accelerated Benefit payment as described in PART IV, Section A, Article 6.

(2) If termination is as described in b. (2) above, the maximum amount will be the lesser of:

- $10,000; or
- the Member Life Insurance benefit in force on the date of termination, less any Accelerated Benefit payment as described in PART IV, Section A, Article 6 and less the amount for which the Member becomes eligible under any group policy within 31 days.

(3) If termination is as described in b. (3) above, the maximum amount will be the Member Life Insurance benefit in force on the date the Member ceases Active Work, less any individual policy amount purchased earlier under this Article 1, and less any Accelerated Benefit payment as described in PART IV, Section A, Article 6.

**Article 2 - Dependent Life Insurance**

a. **Individual Policy**

If a Dependent qualifies and makes timely application, he or she may purchase an individual policy of life insurance under these terms:

(1) The Dependent will not be required to submit Proof of Good Health.
(2) The policy will be for life insurance only. No disability or other benefits will be included.
(3) The policy will be on one of the forms, other than term insurance, then issued by The Principal to persons in the risk class to which the Dependent belongs on the individual policy's effective date.
(4) Premium will be based on the Dependent's age and the standard rate of The Principal for the policy form to be issued.

b. **Purchase Qualification**

A Dependent will qualify for individual purchase if:
(1) Dependent Life Insurance, or any portion of it, terminates because he or she ceases
to be a Dependent as defined in PART I; or because the Member dies, ends Active
Work, or ceases to be in a class eligible for such insurance; or
(2) the Dependent spouse's Dependent Life Insurance terminates as described in PART
III, Section C; or
(3) the Dependent spouse's Dependent Life Insurance terminates because of divorce or
separation from the Member; or
(4) after the Dependent has been continuously insured for Dependent Life Insurance
for at least five years, such insurance terminates because the Group Policy
terminates, or is amended to eliminate Dependent Life Insurance, or the Member's
insurance class; or
(5) the Dependent's Life Insurance terminates because the Member's Accelerated
Benefits Premium Waiver Period as described in PART IV, Section A, ceases.

c. Application/Effective Date
Notice of the individual purchase right must be given to the Member by the
Policyholder before insurance under this Group Policy terminates, or as soon as
reasonably possible thereafter.

A Dependent must apply for individual purchase and the first premium for the individual
policy must be paid to The Principal within 31 days after the date Dependent Life
Insurance for the Dependent terminates under this Group Policy.

Any individual policy issued will then be in force on the 32nd day after such
termination date.

d. Individual Policy Amount
The amount of insurance that a Dependent may purchase may vary:

(1) If termination is as described in b. (1) above, the maximum amount will be the
Dependent Life Insurance benefit in force for the Dependent on the date of
termination or the portion of Dependent Life Insurance that has terminated, less
any individual policy amount purchased earlier under this Article 2.
(2) If termination is as described in b. (2), b. (3) or b. (5) above, the maximum
amount will be the Dependent Life Insurance benefit in force for the Dependent on
the date of termination, less any individual policy amount purchased earlier under
this Article 2.
(3) If termination is as described in b. (4) above, the maximum amount will be the
lesser of:
- $10,000; or
- the Dependent Life Insurance benefit in force for the Dependent on the date
of termination, less the amount for which the Dependent becomes eligible

This policy has been updated effective July 1, 2012

PART III - INDIVIDUAL REQUIREMENTS AND RIGHTS

GC 6011 Section F - Individual Purchase Rights, Page 3
under any group policy within 31 days.
PART IV - BENEFITS

Section A - Member Life Insurance

Article 1 - Schedule of Insurance

Subject to the Effective Date provisions of PART III, Section B, and the qualifying provisions of this Section A, the Scheduled Benefit for an insured Member will be based on his or her class:

<table>
<thead>
<tr>
<th>Class</th>
<th>*Scheduled Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL ACTIVE MEMBERS</td>
<td>The amount that is equal to 1 times the Member's Annual Compensation (this amount will be rounded to the next higher $1,000, if it is not already an exact multiple of $1,000). A Member's Scheduled Benefit amount will not exceed $1,000,000 or be less than $10,000.**</td>
</tr>
<tr>
<td>RETIRED MEMBERS - ANY FULL-TIME EMPLOYEE PRIOR TO AUGUST 1, 1965, WHO HAS OFFICIALLY RETIRED FROM THE UNIVERSITY OF KENTUCKY</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

However, if a Member has received any payments under the Accelerated Benefits provision as described in Section A, Article 6, the Scheduled Benefit will be reduced by the amount of such payment.

*The Scheduled Benefit is subject to the Proof of Good Health requirements as shown in PART III, Section B, Article 1. Because of the Proof of Good Health requirements, the amount of insurance approved by The Principal may be different than the Scheduled Benefit. If the approved amount of insurance is different than the Scheduled Benefit, the approved amount will apply.

**A Member may elect to reduce his or her Scheduled Benefit amount to $50,000. However, if a Member elects this reduction and later requests to increase his or her Scheduled Benefit amount, Proof of Good Health will be required.

This policy has been updated effective July 1, 2012
Article 2 - Death Benefits Payable

If a Member dies while insured for Member Life Insurance under this Group Policy, The Principal will pay his or her beneficiary the Scheduled Benefit (or approved amount, if applicable) in force on the date of death, less any Accelerated Benefit payment as described in PART IV, Section A, Article 6. However, if a beneficiary is suspected or charged with the Member's death, the Death Benefits Payable may be withheld until additional information has been received or the trial has been held.

If a Member who was insured dies within the 31-day individual purchase period described in PART III, Section F, The Principal will pay his or her beneficiary the individual policy amount, if any, the Member had the right to purchase.

No payment will be made before The Principal receives Written proof of the Member's death.

Article 3 - Beneficiary

A beneficiary should be named at the time a Member applies or enrolls under this Group Policy. A Member may name or later change a named beneficiary by sending a Written request to the Policyholder. A change will not be effective until recorded by the Policyholder. Once recorded, the change will apply as of the date the request was Signed. If The Principal properly pays any benefit before a change request is received, that payment may not be contested. Further:

a. The naming of a new beneficiary in an application for individual purchase under PART III, Section F, Article 1, will be treated as a beneficiary change request under this Group Policy.

b. If a Member's terminated insurance is reinstated, his or her beneficiary will be as recorded on the date of termination.

If a Member is insured under this Group Policy on its Date of Issue and this insurance replaces insurance in force on the day immediately before the Date of Issue, the beneficiary named in such replaced insurance and recorded by the Policyholder or The Principal will be the beneficiary under this Group Policy until a new beneficiary is named.

Article 4 - Facility of Payment

If any of the below occur, benefits will be paid as stated. All such payments will discharge The Principal to the full extent of those payments.

a. If a beneficiary is found guilty of the Member's death, such beneficiary may be disqualified from receiving any benefit due. Payment may then be made to any
contingent beneficiary or to the executor or administrator of the Member's estate.

b. Any benefit due a beneficiary who dies before the Member's death will be paid in equal shares to the Member's surviving beneficiaries.

c. If a beneficiary dies at the same time or within 15 days after the Member dies, but before The Principal receives Written proof of the Member's death, payment will be made as if the Member survived the beneficiary.

d. If no beneficiary survives the Member or if the Member has not named a beneficiary, payment will be made in the following order of precedence as numbered:

(1) to the Member's spouse;
(2) to the Member's children born to or legally adopted by the Member;
(3) to the Member's parents;
(4) to the Member's brothers and sisters; or
(5) if none of the above, to the executor or administrator of the Member's estate.

e. If The Principal believes a person is not legally able to give a valid receipt, as determined by The Principal, for a payment, and no guardian has been appointed, The Principal may pay whoever has assumed the care and support of the person.

The Principal may pay, at its option, a sum not exceeding $500 to any person appearing to be entitled to by reason of having incurred funeral or other expenses relating to the last illness or death of the Member.

Article 5 - Settlement of Proceeds

When The Principal receives Written proof of the Member's death, the Scheduled Benefit (or approved amount, if applicable) in force for the Member, less any Accelerated Benefit payment as described in PART IV, Section A, Article 6 will be placed in an interest-bearing draft account at an interest rate determined by The Principal, unless a lump sum or other settlement option has been elected. With the interest-bearing draft account, the balance will be available to the beneficiary at any time, in total or in part, subject to the following terms:

a. withdrawals must be made by draft furnished by The Principal; and

b. the draft amount must be at least $500 or more and may not exceed the account balance; and

c. if the account balance falls below $500, the balance will be paid to the beneficiary in a lump sum and the account closed; and

d. the account cannot be assigned or used as collateral.

This policy has been updated effective July 1, 2012

PART IV - BENEFITS

GC 6013 Section A - Member Life Insurance, Page 3
The Interest Draft Account will not be available if the Scheduled Benefit amount payable is $5,000 or less; or if the beneficiary is anything other than a natural person. In these instances, a lump sum payment will be made.

In the event the Interest Draft Account is not available or otherwise does not apply, The Principal reserves the right to make payment of proceeds according to other settlement options if agreed to, in Writing, by The Principal.

Payment of benefits will be subject to the Beneficiary and Facility of Payment provisions of this PART IV, Section A.

**Article 6 - Accelerated Benefits**

**a. Accelerated Benefits Qualification**

To be qualified for an Accelerated Benefit payment, a Member must:

1. be Terminally Ill and insured for a Member Life Insurance benefit of at least $10,000; and
2. send a request for Accelerated Benefit payment to The Principal; and
3. provide proof satisfactory to The Principal that he or she is Terminally Ill.

**b. Proof of Terminal Illness**

Proof that a Member is Terminally Ill will consist of:

1. a statement from the Member's Physician; and
2. any other medical information that The Principal believes necessary to confirm the Member's status.

**c. Benefit Payable**

The Principal will pay a Member who is qualified for Accelerated Benefits whatever amount he or she requests; except that:

1. only one Accelerated Benefit payment will be made during the Member's lifetime; and
2. the amount requested must be at least $5,000; and
3. in no event will payment exceed the lesser of:
   - 75% of the Member Life Insurance benefit in force on the date of the request; or
   - $250,000.
The Accelerated Benefit payment will be made in a lump sum.

d. **Effect on Member Life Insurance Benefits**

If an Accelerated Benefit is paid, the Member Life Insurance Benefit otherwise payable upon the Member's death will be reduced by any Accelerated Benefit payment.

e. **Premium Waiver Period**

A premium waiver period will be established on the date The Principal pays an Accelerated Benefit to a Member. This period will end on the earlier of the Member's death or the date two years after the date of the Accelerated Benefit.

During a premium waiver period:

1. there will be no Member Life Insurance and Dependent Life Insurance premium charge for the Member; and
2. Member Life Insurance will not be terminated if the Member ceases Active Work because of his or her Terminal Illness.
Section C - Dependent Life Insurance

Article 1 - Schedule of Insurance

Subject to the Effective Date provisions of PART III, Section B, the Scheduled Benefit for an insured Dependent will be based on the status of the Dependent:

Class

ALL ACTIVE MEMBERS

<table>
<thead>
<tr>
<th>Dependent</th>
<th>*Scheduled Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse</td>
<td></td>
</tr>
<tr>
<td>Option 1</td>
<td>$5,000</td>
</tr>
<tr>
<td>Option 2</td>
<td>$10,000</td>
</tr>
<tr>
<td>Option 3</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Children (age at death)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td></td>
</tr>
<tr>
<td>14 days to 26 years</td>
<td>$5,000</td>
</tr>
<tr>
<td>Option 2</td>
<td></td>
</tr>
<tr>
<td>14 days to 26 years</td>
<td>$10,000</td>
</tr>
<tr>
<td>Option 3</td>
<td></td>
</tr>
<tr>
<td>14 days to 26 years</td>
<td>$15,000</td>
</tr>
</tbody>
</table>

*The Scheduled Benefit is subject to the Proof of Good Health requirements as shown in PART III, Section B, Article 1. Because of the Proof of Good Health requirements, the amount of insurance approved by The Principal may be different than the Scheduled Benefit. If the approved amount of insurance is different than the Scheduled Benefit, the approved amount will apply.

In no event will a Dependent's Scheduled Benefit be more than 100% of the Member's Scheduled Benefit amount. If a Member elects a Dependent Life benefit in excess of 100% of the Member's Scheduled Benefit amount, the Dependent will be given the highest amount available, not to exceed 100%.

This policy has been updated effective July 1, 2012

PART IV - BENEFITS

GC 6016 Section C - Dependent Life Insurance, Page 1
Article 2 - Death Benefits Payable

If a Dependent dies while insured for Dependent Life Insurance under this Group Policy, The Principal will pay the Scheduled Benefit (or approved amount, if applicable) in force for that Dependent on the date of death.

If a Dependent who was insured dies during the 31-day individual purchase period described in PART III, Section F, Article 2, The Principal will pay the individual policy amount, if any, the Dependent had the right to purchase.

Unless a Beneficiary has been designated, payment will be to the Member if he or she survives the Dependent. If the Member does not survive the Dependent and a beneficiary for Dependent Life has not been named, payment will be to the person named as beneficiary for Member Life Insurance. However, if the Member is suspected or charged with the Dependent's death, the Death Benefits Payable may be withheld until additional information has been received or the trial has been held. If the Member is found guilty of the Dependent's death, he or she may be disqualified from receiving any benefit due. Payment may then be made to the executor or administrator of the Dependent's estate. Payment will be subject to the Beneficiary provisions in Article 3 and the Facility of Payment and Settlement of Proceeds provisions of PART IV, Section A.

No payment will be made before The Principal receives Written proof of the Dependent's death.

Article 3 - Beneficiary

A Member may name or later change a named beneficiary by sending a Written request to the Policyholder. A change will not be effective until recorded by the Policyholder. Once recorded, the change will apply as of the date the request was Signed. If The Principal properly pays any benefit before a change request is received, that payment may not be contested.

This policy has been updated effective July 1, 2012

PART IV - BENEFITS

GC 6016 Section C - Dependent Life Insurance, Page 2
Section D - Claim Procedures

Article 1 - Notice of Claim

Written notice must be sent to The Principal by or for a Member or Dependent who wishes to file claim for benefits under this Group Policy. This notice must be sent within 20 days after the date of the loss for which claim is being made. Failure to give notice within the time specified will not invalidate or reduce any claim if notice is given as soon as reasonably possible.

Article 2 - Claim Forms

The Principal, when it receives notice of claim, will provide appropriate claim forms for filing proof of loss. If the forms are not provided within 15 days after The Principal receives notice, the person will be considered to have complied with the requirements of this Group Policy upon submitting, within the time specified below for filing proof of loss, Written proof covering the occurrence, character, and extent of the loss.

Article 3 - Proof of Loss

Written proof of loss must be sent to The Principal within 90 days after the date of the loss. Proof required includes the date, nature, and extent of the loss. The Principal may request additional information to substantiate loss or require a Signed unaltered authorization to obtain that information from the provider. Failure to comply with the request of The Principal could result in declination of the claim. For purposes of satisfying the claims processing timing requirements of the Employee Retirement Income Security Act (ERISA), receipt of claim will be considered to be met when the appropriate claim form is received by The Principal.

Article 4 - Payment, Denial, and Review

ERISA permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, The Principal will send a Written explanation prior to the expiration of the 45 days. The claimant is then allowed up to 45 days to provide all additional information requested. The Principal is permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to the claimant regarding the extension.

State Time Limits: Unless otherwise preempted by the Employee Retirement Income Security Act (ERISA), state limits will apply. State law requires that benefits payable under the Group Policy will be payable not more than 30 days after receipt of proof and subject to the proof

This policy has been updated effective July 1, 2012
of loss.

In actual practice, benefits under this Group Policy will be payable sooner, provided The Principal received complete and proper proof of loss. Further, if a claim is not payable or cannot be processed, The Principal will submit a detailed explanation of the basis for its denial.

A claimant may request an appeal of a claim denial by Written request to The Principal within 180 days of receipt of notice of the denial. The Principal will make a full and fair review of the claim. The Principal may require additional information to make the review. The Principal will notify the claimant in Writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45-day period because The Principal did not receive the requested additional information, The Principal is permitted a 45-day extension for the review. Written notification will be sent to the claimant regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, "claimant" means Member, Dependent, or Beneficiary.

Article 5 - Medical Examinations

The Principal may have the Member or Dependent whose loss is the basis for claim, be examined by a Physician during the course of a claim. The Principal will pay for these examinations and will choose the Physician to perform them.

Article 6 - Autopsy

If payment for loss of life is claimed, The Principal may require an autopsy. The Principal will pay for any such autopsy.

Article 7 - Legal Action

Legal action to recover benefits under this Group Policy may not be started earlier than 90 days after required proof of loss has been filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

Article 8 - Time Limits

Any time limits in this section will be adjusted as required by law.

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