

BENEFIT PLAN

**Prepared Exclusively for
Davie County Schools**

**Employee Life Insurance and
Dependent Life Insurance**

**What Your Plan
Covers and How
Benefits are Paid**

**Aetna Life Insurance Company
Booklet-Certificate**

This Booklet-Certificate is part of the Group Insurance Policy between **Aetna** Life Insurance Company and the Policyholder

We want you to knowSM



Table of Contents

Preface	1	Accelerated Death Benefit	
Coverage for You and Your Dependents.....	1	Changes to Your Coverage Amounts	10
Life Insurance Coverage		Changes in Contributory Coverage	
Eligibility, Enrollment and Effective Date of Your		Change in Dependent's Coverage	
Coverage	2	When Life Insurance Coverage Amounts are	
Who is Eligible.....	2	Reduced	12
Employees		Age Reduction Rules	
Determining if You Are in an Eligible Class		When You Retire	
Eligibility For Life Insurance If Permanently And		When Coverage Ends.....	12
Totally Disabled		When Coverage Ends For Employees	
Obtaining Coverage for Dependents		When Coverage Ends for Dependents	
How and When to Enroll.....	4	Continuation of Coverage.....	13
Enrollment		Handicapped Dependent Children	
Evidence of Good Health		Converting to an Individual Life Insurance Policy	
When Your Coverage Begins.....	4	14
Your Effective Date of Coverage		Eligibility	
Your Dependent's Effective Date of Coverage		Features of the Conversion Policy	
Your Life Insurance Plan.....	5	Your Premiums and Payments	
How the Plan Works.....	5	Electing Conversion	
Naming Your Beneficiary		When an Individual Policy Becomes Effective	
Conversion Benefit		Impact of Death during Conversion Application	
Accelerated Death Benefit	6	Timeframe	
The Amount of Accelerated Death Benefit		General Provisions	16
Requesting an Accelerated Death Benefit		Confidentiality.....	16
Accelerated Death Benefit Payment		Additional Provisions	16
Effect of an Accelerated Death Benefit Payment		Assignments	16
on:		Claims of Creditors	16
Claims of Creditors		Misstatements	16
Tax Consequences		Incontestability	17
Dependent Life Insurance.....	8	Reporting of Claims	17
Life Insurance Portability	8	Reporting of Life Insurance Claims	
Eligibility Criteria		Payment of Benefits.....	17
Electing Coverage		Contacting Aetna.....	17
Portability Effective Date		Effect of Prior Coverage - Transferred Business	18
Features of the Portable Life Insurance		Glossary *	19
Age Reductions			
Accidental Death Benefit			
Permanent and Total Disability Feature			

* Defines the Terms Shown in Bold Type in the Text of This Document.

Preface (GR-9N-02-005-02 NC)

Aetna Life Insurance Company (ALIC) is pleased to provide you with this *Booklet-Certificate*. The plan is underwritten by Aetna Life Insurance Company of Hartford, Connecticut (referred to as **Aetna**).

This *Booklet-Certificate* is part of the *Group Insurance Policy* between Aetna Life Insurance Company and the Policyholder. The *Group Insurance Policy* determines the terms and conditions of coverage. **Aetna** agrees with the Policyholder to provide coverage in accordance with the conditions, rights, and privileges as set forth in this *Booklet-Certificate*. The Policyholder selects the products and benefit levels under the plan. A person covered under this plan and their covered dependents are subject to all the conditions and provisions of the *Group Insurance Policy*.

The *Booklet-Certificate* describes the rights and obligations of you and **Aetna**, what the plan covers and how benefits are paid for that coverage. It is your responsibility to understand the terms and conditions in this *Booklet-Certificate*. Your *Booklet-Certificate* includes the *Schedule of Benefits* and any amendments or riders.

If you become insured, this *Booklet-Certificate* becomes your *Certificate of Coverage* under the *Group Insurance Policy*, and it replaces and supersedes all certificates describing similar coverage that **Aetna** previously issued to you.

IMPORTANT NOTICE READ YOUR BOOKLET-CERTIFICATE CAREFULLY.

Group Policyholder:	Davie County Schools
Group Policy Number:	GP-886264
Effective Date:	January 1, 2010
Issue Date:	June 17, 2010
Booklet-Certificate Number:	1



Ronald A. Williams
Chairman, Chief Executive Officer and President

Aetna Life Insurance Company
(A Stock Company)

Coverage for You and Your Dependents (GR-9N-02-005-02 NC)

Life Insurance Coverage

A benefit is payable if you lose your life or a covered dependent loses his or her life while coverage is in effect. Please refer to the *Life Insurance* and *Life Insurance For Your Dependents* sections for more details about covered losses.

Eligibility, Enrollment and Effective Date of Your Coverage

(GR-9N-29-005-02 NC)

Who Can Be Covered

How and When to Enroll

When Your Coverage Begins

Throughout this section you will find information on who can be covered under the plan, how to enroll and what to do when there is a change in your life that affects coverage. In this section, 'you', 'your' and 'yours' means you and your covered dependents to whom this *Booklet-Certificate* is issued and whose insurance is in force under the terms of this group insurance policy.

Who is Eligible

Your employer determines the criteria that are used to define the eligible class for coverage under this plan. Such criteria are based solely upon the conditions related to your employment. **Aetna** will rely upon the representation of the employer as to your eligibility for coverage under this plan and as to any fact concerning such eligibility.

Employees

You are eligible for coverage under this plan if you are **actively at work** and:

- You are in an eligible class, as defined below;
- You have completed any probationary period required by the policyholder; and
- You have reached your eligibility date.

Determining if You Are in an Eligible Class (GR-9N-29-005-02 NC)

You are in an eligible class if:

- You are a regular full-time employee, as defined by your employer.

In addition, to be in an eligible class you must be scheduled to work on a regular basis at least 30 hours per week during your Employer's work week.

Eligibility for Life Insurance if Permanently and Totally Disabled

You may remain eligible for Life Insurance coverage, subject to change or termination as provided elsewhere in the group contract, if your Employer determines that you have become permanently and totally disabled, if the total disability starts:

- while you are insured; and
- on or after the date this subsection applies to you; and
- before you retire; and
- your employer continues premium payments for this coverage.

This eligibility ceases the date your Employer determines that you are no longer permanently and totally disabled.

Report a disease or injury to your Employer as soon as you can. Your Employer will help you determine if you qualify.

Determining When You Become Eligible (GR-9N-29-005-02 NC)

You become eligible for the plan on your eligibility date, which is determined as follows.

On the Effective Date of the Plan

If you are in an eligible class on the effective date of this plan, your coverage eligibility date is the effective date of the plan.

After the Effective Date of the Plan

If you are hired after the effective date of this plan, your coverage eligibility date is the date you are hired.

If you enter an eligible class after the effective date of this plan, your coverage eligibility date is the date you enter the eligible class.

Obtaining Coverage for Dependents *(GR-9N 29-010 02)*

Your dependents can be covered under your plan. You may enroll the following dependents:

- Your legal spouse; and
- Your dependent children.

Aetna will rely upon your employer to determine whether or not a person meets the definition of a dependent for coverage under the plan. This determination will be conclusive and binding upon all persons for the purposes of this plan.

Coverage for Dependent Children *(GR-9N 29-010 02)*

To be eligible, a dependent child must be:

- Unmarried; and
- At least 14 days old, but under age 19; or
- Under age 26, as long as he or she is a full-time student at an accredited institution of higher education and solely depends on your support*.

* Note: Proof of full-time student status is required each year. This means that the child is enrolled as an undergraduate student with a total course load of at least 12 credits or is enrolled as a graduate student with a total course load of at least 9 credits.

An eligible dependent child includes:

- Your biological children;
- Your stepchildren;
- Your legally adopted children;
- Your foster children, including any children placed with you for adoption;
- Any children for whom you are responsible under court order;
- Your grandchildren in your court-ordered custody; and
- Any other child who lives with you in a parent-child relationship.

Coverage for a handicapped child may be continued past the age limits shown above. See *Handicapped Dependent Children* for more information.

Important Reminder

Keep in mind that you cannot receive coverage under the plan as:

- Both an employee and a dependent; or
- A dependent of more than one employee.

How and When to Enroll (GR-9N 29-015 01 NC)

Enrollment

You will be provided with plan benefit and enrollment information when you first become eligible to enroll. To complete the enrollment process, you will need to provide all requested information for yourself and your eligible dependents. You will also need to agree to make required contributions for any contributory coverage. Your employer will determine the amount of your plan contributions, which you will need to agree to before you can enroll. Remember plan contributions are subject to change.

Remember plan contributions are subject to change.

You will need to enroll within 31 days of your eligibility date.

For Dependent Life Insurance, newborns are automatically covered from the 14th day until the 31st day after birth. To continue coverage after 31 days, if additional monthly premiums will be required to enroll a new spouse or a dependent child, you must submit a change form and return it to your employer within the 31-day enrollment period of acquiring a new dependent. This applies to a newborn child or an adopted or foster child newly placed in the adoptive/foster home. If no additional monthly premium will be required when you add a dependent child to your plan, you should complete a change form. A foster care or adoptive child will be covered from the date of placement in the home provided coverage for that child is put into place effective within 31 days.

Evidence of Good Health (GR-9N 29-015-02)

You must provide evidence of good health that is satisfactory to **Aetna** if:

- You request to enroll more than 31 days after your eligibility date.

If you are required to submit evidence of good health, you must:

- Complete and sign a health and medical history form provided by **Aetna**;
- Submit to a medical examination, if requested;
- Provide any additional information that **Aetna** may require including attending **physician's** statements; and
- Furnish all such evidence at your own expense.

When Your Coverage Begins

Your Effective Date of Coverage

Your coverage takes effect on the later of:

- The date you are eligible for coverage; and
- The date you return your completed enrollment information; and
- The date any required evidence of good health is approved by Aetna; and
- The date your required contribution is received by **Aetna**.

Active Work Rule: If you happen to be ill or injured and away from work on the date your coverage would take effect, the coverage will not take effect until you return to full-time work for one full day. This rule also applies to an increase in your coverage.

Your Dependent's Effective Date of Coverage

Your dependent's coverage takes effect on the same day that your coverage becomes effective, if you have enrolled them in the plan by then.

Note: New dependents need to be reported to **Aetna** within 31 days because they may affect your contributions. If you do not report a new dependent within 31 days of his or her eligibility date, evidence of good health may be required.

Your Life Insurance Plan

(GR-9N 03-005 01)

Naming Your Beneficiary

Benefit Payments

Changing Your Elections

Life insurance is an important component of your financial planning. The Life Insurance Plan pays a benefit to your beneficiary if you die while covered by the plan. Refer to the *Schedule of Life Insurance Benefits* for information about the plan's benefit. This section will help you understand the following:

- Naming a Beneficiary
- Payment of Benefits
- How to convert your coverage, and
- How to change coverage amounts

How the Plan Works (GR-9N 03-005 01)

Naming Your Beneficiary

A beneficiary is the person you designate to receive life benefits if you should die while you are covered. You may name anyone you wish as your beneficiary. You may name more than one beneficiary. You will need to complete a beneficiary designation form, which you can get from your employer.

If you name more than one primary beneficiary, the life insurance benefits will be paid out equally unless you stipulate otherwise on the form. If you name more than one primary beneficiary and the amount or percentage of the payment to your primary beneficiaries does not equal 100% of your life insurance amount, the difference will be paid equally to your named primary beneficiaries.

You may change your beneficiary choice at any time by completing a new beneficiary designation form. Send the completed form to your employer or to **Aetna**. The beneficiary change will be effective on the date you sign a new beneficiary designation form.

Prior to your death, you are the only person who can name or change your beneficiary. No other person may change your beneficiary on your behalf, including, but not limited to, any agent under power of attorney, whether durable or non-durable, or other power of appointment.

Aetna pays life insurance benefits in accordance with the beneficiary designation it has on record. Any payment made before **Aetna** receives your request for a beneficiary change will be made to your previously designated beneficiary. **Aetna** will be fully discharged of its duties as to any payment made, if the payment is made before **Aetna** receives notification of a change in beneficiary.

If Your Beneficiary Dies Before You

If one of your named primary beneficiaries dies before you, his or her share will be payable in equal shares to any other named primary beneficiaries who survive you. If you have named a contingent beneficiary, your contingent beneficiary will only be paid if all primary beneficiaries die before you.

If you have not named a primary or contingent beneficiary, or if the person you have named dies before you, payment will be made as follows to those who survive you:

- Your spouse.
- If there is no spouse, in equal shares to your children.
- If there is no spouse, or you have no children, to your parents, equally or to the survivor.

- If there is no spouse, or you have no children, or parents, in equal shares to your brothers and sisters.
- If none of the above survives, to your executors or administrators.

If Your Beneficiary Is a Minor

The method of payment will differ if your beneficiary is:

- A minor; or
- Legally unable to give a valid release for payment of any Life Insurance benefit, in **Aetna's** opinion.

Aetna will issue (as permitted by applicable state law) the life insurance payment to:

- The guardian of your beneficiary's estate; or
- The custodian of the beneficiary's estate under the Uniform Transfer to Minors Act; or
- An adult caretaker/legal guardian.

Aetna will be fully discharged of its duties as to the extent of the payment made. **Aetna** is not responsible for how the payment is used.

Conversion Benefit (GR-9N 03-005 03) (GR-9N 03-010 01)

A life conversion option may be available without a medical exam if you apply for it within 31 days of your loss of eligibility under the plan. For more information about the conversion provision, refer to the *Conversion* section.

Accelerated Death Benefit (GR-9N 03-075 02)

The plan's Accelerated Death Benefit feature allows you to receive a partial life insurance benefit if you or your spouse are:

- Diagnosed with a terminal illness and not expected to survive more than the ADB Months; or
- Diagnosed with one of the following medical conditions:
 - Amyotrophic Lateral Sclerosis (Lou Gehrig's disease);
 - End stage heart, kidney, liver and/or pancreatic organ failure and you are not a transplant candidate;
 - A medical condition requiring artificial life support, without which you would die; or
 - A permanent neurological deficit resulting from a cerebral vascular accident (stroke) or a traumatic brain injury which are both expected to result in life-long confinement in a **hospital** or **skilled nursing facility**.

Important Reminder

You cannot request an Accelerated Death Benefit payment if you have assigned your life insurance benefits, or the life insurance benefits of your spouse.

The Amount of Accelerated Death Benefit

You can request up to the Accelerated Death Benefit percentage of the life insurance that is currently in effect for the person for whom you are making the request. The amount you request cannot be:

- Less than the Accelerated Death Benefit minimum; or
- More than the Accelerated Death Benefit maximum.

You may request and receive an Accelerated Death Benefit under this plan only **once** on your own behalf, and only **once** on behalf of any spouse.

Requesting an Accelerated Death Benefit (GR-9N 03-080 02)

To request the Accelerated Death Benefit, you must complete and submit a request form to **Aetna**. The request form must include:

- A statement of the amount requested; and
- A **physician's** statement verifying that you are suffering from a non-correctable **terminal illness**, or, are suffering from one of the listed medical conditions that is expected to result in a drastically limited life span. The statement must also provide the following information:
 - All medical test results;
 - Laboratory reports; and
 - All supporting documentation and information on which the **physician's** statement is based.

Submit the form to **Aetna**. **Aetna** may, at its own expense, require you or your spouse to submit to an independent medical exam by a **physician** it chooses. **Aetna** will not process your Accelerated Death Benefit request until the exam has been completed and **Aetna** has received the results.

Aetna May Refuse Your Accelerated Death Benefit Request:

Aetna may stop processing your Accelerated Death Benefit request or refuse your Accelerated Death Benefit request if:

- The group policy terminates coverage for your eligible class before **Aetna** approves your Accelerated Death Benefit request (even if all or part of your life insurance coverage continues for any reason);
- All of your, or your spouse's life insurance coverage terminates under the group policy for any reason before **Aetna** approves your Accelerated Death Benefit request; or
- You die before **Aetna** issues the Accelerated Death Benefit payment.

Accelerated Death Benefit Payment (GR-9N 03-085 02)

If your request is approved, **Aetna** will pay you the Accelerated Death Benefit in a lump sum. The amount will be reduced by an interest charges that would have accrued on the requested amount.

- The interest charge is equal to the sum of daily interest that would have accrued on that amount during the Accelerated Death Benefit months that follow your request for an Accelerated Death Benefit payment.

Important Reminder

The interest rate used to calculate the interest charge will not exceed the current yield on 90-day Treasury bills on the date the Accelerated Death Benefit payment is requested.

Effect of an Accelerated Death Benefit Payment on: Your Life Insurance Benefit

The amount of life insurance covering you, your spouse will be reduced by the amount of the Accelerated Death Benefit payment, plus the interest charges.

Life Conversion

An Accelerated Death Benefit payment affects the amount of life insurance you, your spouse is eligible to convert to an individual policy. The converted amount will be limited to the reduced amount of life insurance after the Accelerated Death Benefit payment.

Refer to the *Converting to an Individual Life Insurance Policy* section for more information about the conversion privilege.

Claims of Creditors (GR-9N 03-090 01)

To the extent allowed by law:

- Your Accelerated Death Benefit payment is exempt from any legal or equitable process for your debts; and

- You are not required to request an Accelerated Death Benefit in order to satisfy claims of creditors.

Tax Consequences

You may wish to carefully consider the tax consequences of requesting an Accelerated Death Benefit. Consult your counsel or tax advisor before proceeding with the request.

Important Reminder

While **Aetna** cannot offer you or your employer legal or tax advice, you should consult with your tax advisor before you request an Accelerated Death Benefit since the amount of the Accelerated Death Benefit you receive may be subject to income taxes upon receipt of the Accelerated Death Benefit payment.

Dependent Life Insurance (GR-9N 03-010 01)

Dependent life insurance pays a benefit to you if one of your covered dependents dies at any time or place. **Aetna** will pay the benefit in one lump sum. If you are not living at the time the benefit is paid, the payment will be made to your executors or administrators. **Aetna** has the option to make this payment to your spouse.

The following dependents are *not* eligible for dependent life insurance:

- Full-time, active military personnel; and
- Children less than 14 days of age.

Refer to *Eligibility* for more information about dependent eligibility.

Life Insurance Portability (GR-9N 31-045 01)

Life Insurance coverage for which you pay the total cost, may be continued if coverage under the group plan ends because;

- you stop employment;
- you are no longer in a class that is eligible for coverage; or
- your dependents lost coverage when they no longer qualify as a covered dependent.

Eligibility Criteria

You or your dependent may elect to continue life insurance coverage under this provision if:

- The amount of your life insurance is at least \$5,000;
- The amount of your spouse's life insurance is at least \$1,000;
- The amount of your dependent child's Life Insurance, is at least \$1,000;

You may elect to continue your dependent life insurance coverage under this provision only if you elect to continue your own life insurance coverage.

You may not elect to continue any life insurance coverage under this provision if:

- you are older than age 98;
- your dependent spouse is older than age 98;
- your dependent child is less than 12 months to reach the age where he or she will not meet the plan's definition of a dependent child;
- you are ill or injured and away from work on the date your coverage stops under this plan;
- coverage under the group policy is canceled and replaced by like coverage under another policy;

- coverage under the group policy is canceled because your employer has gone out of business; and
- coverage has been converted to an individual life policy in accordance with the plan's conversion privilege.

The Life Insurance Conversion provision does not apply to any amount of your life insurance for which you elect coverage under this provision. It may be available for:

- any amount of your life insurance to which the terms of this provision do not apply;
- any amount of your life insurance to which the terms of this provision apply, but for which you do not elect coverage under this provision; or
- any amount of your life insurance in force under this provision that stops because of age.

Electing Coverage

You must submit a written request within 31 days after your life insurance coverage under the group plan ends.

To do so you must:

- Obtain a portability request form from your employer and complete it.
- Submit the first premiums due with the completed request form to **Aetna**.

Portability Effective Date

Life insurance coverage continued under this provision will become effective following the end of the 31 day election period if you have completed a portability request form and submitted the first premium.

Your effective date of coverage under the portability feature is called your portability date.

Features of the Portable Life Insurance

All of the terms and conditions of the group life insurance will apply under the portability provision, except where noted.

Maximum Amount	You	Dependent Spouse	Dependent Children
The maximum amount, will be the lesser of the amount of insurance when coverage ends and	\$500,000	\$100,000	\$5,000

At time of application, you can elect a smaller amount of life insurance for yourself, as long as the amount is:

- Available under the group plan for your employment classification;
- More than the amount for your spouse or dependent child; and
- Permitted by any applicable law.

Age Reductions

The amount of your or your spouse's life insurance in force reduces over time due to age. It will never decrease below \$5,000. The following Age Reduction Chart illustrates the reduction(s).

Effective Date	Reduction Amount
January first following age 65	35% of original amount or \$5,000
January first following age 70	60% of original amount or \$5,000
January first following age 75	75% of original amount or \$5,000

When you continue your life insurance coverage under this provision and your or your spouse's age is 65 years or older, the life insurance benefit amount will be limited to the reduction amount shown in the above Chart.

The conversion privilege does not apply to any amount of life insurance for which you elect coverage under this provision. However, the conversion privilege may be available for:

- Any amount of life insurance to which the terms of this portability provision do not apply;
- Any amount of life insurance to which the terms of this portability provision apply, but for which you do not elect coverage under this provision;
- Any amount of life insurance in force under this provision that ceases because of age.

Accidental Death Benefit

The plan will also pay an accidental death benefit if:

- You die before age 70 while your life insurance is in force under the portability provision; or
- Your spouse dies while his or her life insurance is in force under the portability provision.

The accidental death benefit is in addition to the life insurance benefit payable under the portability provision and is only payable if you have elected to be covered for the accidental death benefit.

Aetna must receive proof that death:

- Was a direct result of a bodily injury suffered in an accident; and
- Occurred within 365 days after the accident and while this plan was in force.

Limits

Not all events, which may be ruled as “accidental”, are covered by this Plan. Refer to the *Exclusions that Apply to Accidental Death and Personal Loss Coverage* section of this Booklet-Certificate for a list of exclusions that apply to this provision.

Permanent and Total Disability Feature

The plan’s permanent and total disability feature is available to you only. It is not available to any of your covered dependents. It applies only to disabilities that begin after you have paid your first premium for this coverage. However:

- The permanent and total disability feature is the same as the life plan’s permanent and total disability feature. All terms and conditions set forth under the permanent and total disability feature under the life insurance plan continue to apply. Please refer to *Permanent and Total Disability* in the life plan section of this Booklet-Certificate.

You are permanently and totally disabled only if disease or injury stops you from working at any reasonable job, as defined in the *Permanent and Total Disability Feature*.

- Any insurance extended under this feature will cease on the first anniversary of your portability effective date following the date you reach age 99.

Accelerated Death Benefit

The accelerated death benefit provision, if included in the life plan, does not apply to life insurance in force under this portability provision.

Changes to Your Coverage Amounts (GR-9N 03-015 03)

The amount of your life insurance benefit depends on a variety of factors, including your earnings, employment status, and employee class. Your benefit level may change as the result of a change in one or more of these factors.

Changes in Contributory Coverage

A change in your rate of earnings, employment status or employee class may change the amount of your life insurance coverage. A reduction in your coverage will be effective on:

- The date you request a change in your life insurance coverage; or
- The date your earnings, status or class changes for all other coverage.

An increase in your insurance coverage will be effective on the date your earnings, status or classification changes. If you are not actively at work on the date of the change, the increase in any coverage will be postponed until you return to active work for one full day.

You have the right to refuse an increase in life insurance coverage. You must make this request within 31 days of the date the change would have become effective.

Important Reminder

If you refuse an increase in life insurance, future changes in your earnings, status or class will not increase your coverage, unless **Aetna** gives written consent.

A retroactive change in your rate of earnings, status or classification will not change your coverage retroactively. Any resulting change in coverage will be effective on the date **Aetna** receives notice of the change, or as otherwise agreed upon between **Aetna** and your employer.

The rules described above do not apply to reductions due to age or retirement. For more information, please refer to *When Life Insurance Amounts Are Reduced* sections.

Changes in Benefit Level

If a change in benefit level increases or decreases your insurance coverage, your new coverage amounts will be effective on the date of the change. If you are not actively at work on the date of the change, the increase in any coverage will be postponed until you return to active work for one full day.

You have the right to refuse an increase in life insurance coverage. You must make this request within 31 days of the date the change would have become effective.

Important Reminder

If you later decide to elect the increase (or any future increase) in life insurance, the change will be effective on the date **Aetna** gives written consent.

Changing Your Elections

You must provide **Aetna** with evidence of good health if:

- You did not enroll for supplemental life insurance when you first became eligible, and now want to enroll; or
- You would like to increase the amount of your supplemental life insurance, except as described in the Evidence Requirements section of your *Schedule of Benefits*.

Your enrollment or increase in supplemental life insurance will be effective on the date **Aetna** approves your evidence of good health.

Important Reminder

Aetna may require you to undergo a health exam at your own expense to verify your good health.

Changes in Dependent's Coverage (GR-9N 03-020 03)

An increase or decrease in the amount of coverage for your dependent, as the result of a change in the dependent's age, status or benefit level, will become effective on the date the age, status or benefit level change occurs. If you are not actively at work on the date of the change, the increase in your dependent's coverage will be postponed until you return to active work for one full day.

When Life Insurance Coverage Amounts are Reduced (GR-9N 03-025 01)

Age Reduction Rules

Life insurance amounts will be reduced at age 65 then continue to reduce according to the schedule below.

If You Are Age:	Your Insurance Amounts Will Be:
65	65% of your life amount
70	40% of your life amount
75	25% of your life amount

Reductions are based on the amount of life insurance coverage amounts in force on the day prior to the first day of the month in which you attain age 65.

The reduction will take effect on the first day of the calendar month following the month in which you attain the limiting age.

If you become eligible for coverage after you reach age 65, your amount of life insurance will be figured by multiplying:

- The amount of insurance you would have been eligible for prior to age 65; times
- The applicable percentage, based on your current age, as shown in the above schedule.

When You Retire (GR-9N 03-025 01)

Life Insurance coverage ends when you retire.

When Coverage Ends (GR-9N 30-005 02) (GR-9N 30-005-HRPA-NC)

Coverage under your plan can end for a variety of reasons. In this section, you will find details on how and why coverage ends, and how you may still be able to continue coverage.

When Coverage Ends For Employees (GR-9N 30-005 02)

Your coverage under the plan will end if:

- The plan is discontinued;
- You voluntarily stop your coverage;
- The group policy ends;
- You are no longer eligible for coverage;
- You do not make any required contributions;
- You become covered under another plan offered by your employer; or

- Your employment stops for any reason, including job elimination or being placed on severance. This will be either the date you stop active work, or the day before the first premium due date that occurs after you stop active work. However, if premium payments are made on your behalf, Aetna may deem your employment to continue, for purposes of remaining eligible for coverage under this Plan, as described below:
 - If you are not **actively at work** due to **illness or injury or temporary leave of absence**, your coverage may continue until stopped by your employer, but not beyond 12 months from the start of the absence.
 - If you are not **actively at work** due to temporary lay-off, your coverage may continue until stopped by your employer. Your coverage will not continue beyond the end of the policy month after the policy month in which your absence started. A "policy month" is defined in the group policy on file with your employer.
 - If you are eligible as a permanently and totally disabled employee, your coverage may be deemed to continue for Life Insurance while you remain eligible.

It is your employer's responsibility to let **Aetna** know when your employment ends. The limits above may be extended only if **Aetna** and your employer agree, in writing, to extend them.

When Coverage Ends for Dependents (GR-9N-30-015-02)

Coverage for your dependents will end if:

- You are no longer eligible for dependents' coverage;
- You do not make the required contribution toward the cost of dependents' coverage;
- Your own coverage ends for any of the reasons listed under *When Coverage Ends for Employees*;
- Your dependent is no longer eligible for coverage. In this case, coverage ends at the end of the calendar month when your dependent no longer meets the plan's definition of a dependent.
- Your dependent becomes eligible for comparable benefits under this or any other group plan offered by your employer as an employee.
- Your life insurance is being extended under this Plan as a permanently and totally disabled employee.

Coverage for dependents may continue for a period after your death. Coverage for handicapped dependents may continue after your dependent reaches any limiting age. See *Continuation of Coverage* for more information.

Continuation of Coverage (GR-9N 31-010 03) (GR-9N 31-015 02-NC)

Handicapped Dependent Children (GR-9N 31-015 02-NC)

Life Insurance for your fully handicapped dependent child may be continued past the maximum age for a dependent child. However:

- Life Insurance may not be continued if the child has been issued an individual life conversion policy.
- Life Insurance may not be continued if at the time you become eligible for dependent coverage under this plan and your child's age has exceeded the maximum age for dependent children under this plan, even if your child was covered under a prior group plan on the day before this plan takes effect.

Your child is fully handicapped if:

- he or she is not able to earn his or her own living because of mental retardation or a physical handicap which started prior to the date he or she reaches the maximum age for dependent children under your plan; and
- he or she depends chiefly on you for support and maintenance.

Proof that your child is fully handicapped must be submitted to **Aetna** no later than 31 days after the date your child reaches the maximum age under your plan.

Coverage will cease on the first to occur of:

- Cessation of the handicap.
- Failure to give proof that the handicap continues.
- Failure to have any required exam.
- Termination of Dependent Coverage as to your child for any reason other than reaching the maximum age under your plan.

Aetna will have the right to require, no more frequently than annually, proof of the continuing handicap and dependency.

Converting to an Individual Life Insurance Policy (GR-9N 31-030-02 NC)

Eligibility

You may be eligible to apply for an individual life insurance policy, called a conversion policy, if the group plan coverage for you or your dependents ends because:

- Your employment was terminated;
- You are no longer in an eligible class of; or
- Your coverage amount has been reduced because of the group policy age, pension or retirement reductions.

You may also convert your covered dependents life insurance to an individual policy, if:

- You are no longer in an eligible class that is eligible for dependent coverage; or
- Your dependent no longer qualifies as a covered dependent due to age.

Your dependents may convert their coverage as an individual policy if their coverage ends because:

- Your marriage ends in divorce or annulment; or
- You die.

In these circumstances, an application for conversion can be completed and submitted to **Aetna** without providing proof of good health.

When life insurance ends because that part of the group contract ends or because that part of the group contract discontinues as to your employee class, and your life insurance has been in force under the group contract for at least 5 years in a row, the amount in force less the (a) amount of any group life insurance for which the person becomes eligible within 31 days of the date coverage ended may be converted to an individual policy or (b) \$10,000.

Features of the Conversion Policy

The amount of coverage in the conversion policy will be determined at the time of application. The policy will take into consideration:

- Your age or the age of your dependents,
- The group plan's policy value in force in the prior 5 year period and the current entitlement under the group plan,
- Aetna's available products at the time of application.

The converted policy may be any kind of individual policy then customarily being issued for the amount being converted and for your age (nearest birthday) on the date it will be issued. The provisions of the conversion policy may not be the same as the provisions of the group plan. The conversion policy may not be a term policy, may not include disability or other supplementary benefits, it may contain exclusions, or may have exclusions that are different from those in the group policy. Once your individual policy becomes effective it will replace the benefits and privileges of your former group plan.

Your Premiums and Payments

Aetna will set the premium cost for the converted policy at the customary rates in effect at the time the policy is issued. You will be responsible for making premium payments on a timely basis.

Electing Conversion

You or your dependents will need to apply for an individual policy within 31 days after your group life insurance coverage ends or is reduced.

Your employer will provide you with a copy of the application for conversion of term life insurance, which features detailed instructions.

Submit your completed application along with the first premium payment to Aetna within 31 days after your insurance ends for the reasons stated above.

When an Individual Policy Becomes Effective

Your individual policy will become effective after Aetna has processed your completed application and premium payment. The individual policy will become effective at the end of the 31 day period described in the *Electing Conversion* section.

Impact of Death during Conversion Application Timeframe

If you or your dependent die during the 31-day conversion period and before the individual policy becomes effective, benefits to your beneficiary will be paid through your group plan. The amount payable is limited to the maximum amount that would have been converted to your individual policy. This limit will apply even if **Aetna** has not received a conversion application or the first premium payment for the individual policy.

General Provisions

(GR-9N 32-005 02)

Confidentiality

Information contained in your medical records and information received from any provider incident to the provider patient relationship shall be kept confidential in accordance with applicable law. Information may be used or disclosed by **Aetna** when necessary for the operation of the plan and administration of this Booklet-Certificate, or other activities, as permitted by applicable law. You can obtain a copy of **Aetna's** Notice of Information Practices at www.aetna.com.

Additional Provisions

The following additional provisions apply to your coverage:

- You cannot receive multiple coverage under the plan because you are connected with more than one employer.
- In the event of a misstatement of any fact affecting your coverage under the plan, the true facts will be used to determine the coverage in force.
- This document describes the main features of the plan. Additional provisions are described elsewhere in the *group policy*. If you have any questions about the terms of the plan or about the proper payment of benefits, contact your employer or **Aetna**.
- Your employer hopes to continue the plan indefinitely but, as with all group plans, the plan may be changed or discontinued with respect to your coverage.

Assignments (GR-9N 32-005 02)

An assignment is the transfer of your rights under the group policy to a person you name. **Aetna** and your employer must give written consent to the assignment.

To request assignment of your Life Insurance you must complete an assignment form. Forms are available from your employer. Send the completed form to **Aetna** for consent. You may wish to contact legal counsel prior to assigning your life insurance or accidental death benefit coverage rights. Neither your employer nor **Aetna** guarantees or assumes any obligation concerning the sufficiency or validity of any assignment for purposes of your tax or estate planning.

Claims of Creditors

Life benefit payments are exempt from legal or equitable process for your debts, where permitted by law. The exemption applies to the debts of your beneficiary, too.

Misstatements

If any fact as to the Policyholder or you is found to have been misstated, a fair change in premiums may be made. If the misstatement affects the existence or amount of coverage, the true facts will be used in determining whether coverage is or remains in force and its amount.

All statements made by the Policyholder or you shall be deemed representations and not warranties. No written statement made by you shall be used by **Aetna** in a contest unless a copy of the statement is or has been furnished to you or your beneficiary, or the person making the claim.

Aetna's failure to implement or insist upon compliance with any provision of this policy at any given time or times,

shall not constitute a waiver of **Aetna's** right to implement or insist upon compliance with that provision at any other time or times. This includes, but is not limited to, the payment of premiums. This applies whether or not the circumstances are the same.

Incontestability (GR-9N 32-005 02)

During the first two years that your insurance is in force, any statement that you have made may be used by **Aetna** in contesting the validity of that coverage. This also applies to any increase in your coverage for the two years that follow the effective date of that increase, if evidence of good health was required in order for the increase to take effect.

Once coverage (including any increases in coverage) has been continuously in effect for two years, the validity of your insurance (or increase in coverage) under this plan shall not be contested by **Aetna** unless your statement was in writing on a form signed by you and was fraudulently made in order to obtain that coverage or increase.

Aetna may also contest the validity of your insurance at any time under this plan for non-payment of premiums when due.

Reporting of Claims (GR-9N-32-020-01)

You are required to submit a claim to **Aetna** in writing. Claim forms may be obtained from **Aetna**.

Your claim must give proof of the nature and extent of the loss. You must furnish true and correct information as **Aetna** may reasonably request.

Reporting of Life Insurance Claims

In addition to the above, a claim must be submitted to **Aetna** in writing.

Payment of Benefits (GR-9N-32-025-02)

Benefits will be paid as soon as the necessary proof to support the claim is received. Written proof must be provided for all benefits.

Any death benefit for loss of life will be paid in accordance with the beneficiary designation. Payment will be made in one sum.

If your beneficiary is a minor or, in **Aetna's** opinion, legally unable to give a valid release for payment of any life insurance benefit or accidental death and personal loss coverage, the benefit will be payable to the guardian of the estate of the minor, or to the custodian under the Uniform Transfer to Minors Act, or an adult caretaker, when permitted under applicable state law.

Contacting Aetna

If you have questions, comments or concerns about your benefits or coverage, or if you are required to submit information to **Aetna**, you may contact **Aetna's** Home Office at:

Aetna Life Insurance Company
151 Farmington Avenue
Hartford, CT 06156

You may visit **Aetna's** web site at www.aetna.com.

Effect of Prior Coverage - Transferred Business (GR-9N 32-040-01)

If your coverage under any part of this plan replaces any prior coverage for you, the rules below apply to that part.

"Prior coverage" is any plan of group coverage that has been replaced by coverage under part or all of this plan; it must have been sponsored by your employer (e.g., transferred business). The replacement can be complete or in part for the eligible class to which you belong. Any such plan is prior coverage if provided by another group contract or any benefit section of this plan.

Your Life Insurance coverage under this plan replaces and supersedes any prior life insurance coverage. It will be in exchange for everything as to the prior life insurance coverage. If you or your beneficiary becomes entitled to claim under the prior life insurance coverage, your Life Insurance coverage under this plan will be canceled. This will be done as of its effective date. Any premiums paid for your Life Insurance coverage under this plan will be returned to your employer.

The beneficiary you named under a prior **Aetna** life insurance coverage plan will apply to this plan. This can be changed according to the terms of this plan.

Any Age Reduction Rule or Retirement Rule of this policy will apply to you if:

- The Rules do not provide a greater amount of Life Insurance coverage than your amount under the prior coverage; or
- Your Life Insurance coverage had not been reduced under the prior coverage due to age or retirement.

Glossary *

(GR-9N 34-005 01)

In this section, you will find definitions for the words and phrases that appear in **bold type** throughout the text of this Booklet-Certificate.

A (GR-9N-34-010-02-NC) (GR-9N 34-005 02)

Accident (GR-9N 34-005 02)

This means a sudden external trauma that is; unexpected; and unforeseen; and is an identifiable **occurrence** or event producing, at the time, objective symptoms of an external bodily **injury**. The **accident** must occur while the person is covered under this Policy. The **occurrence** or event must be definite as to time and place. It must not be due to, or contributed by, an **illness** or disease of any kind including a reaction to a condition that manifests within the human body or a reaction to a drug or medication regardless of the reason you have consumed the drug or medication.

Active at Work; Actively at Work; Active Work (GR-9N 34-005 02)

You will be considered to be active at work, actively at work or performing active work on any of your employer's scheduled work days if, on that day, you are performing the regular duties of your job on a full time basis for the number of hours you are normally scheduled to work. In addition, you will be considered to be actively at work on the following days:

- any day which is not one of your employer's scheduled work days if you were actively at work on the preceding scheduled work day; or
- a normal vacation day.

Aetna

Aetna Life Insurance Company.

I (GR-9N 34-045 02)

Illness (GR-9N 34-045 02)

A pathological condition of the body that presents a group of clinical signs and symptoms and laboratory findings peculiar to it and that sets the condition apart as an abnormal entity differing from other normal or pathological body states.

Injury (GR-9N 34-045 02)

An accidental bodily **injury** that is the sole and direct result of:

- An unexpected or reasonably unforeseen occurrence or event; or
- The reasonable unforeseeable consequences of a voluntary act by the person.

The act or event must be definite as to time and place. An **injury** is not the direct result of **illness**.

T (GR-9N-34-095-02-NC) (GR-9N 34-100-02)

Terminal Illness

Terminal Illness means a medical prognosis of 24 months to live.

Confidentiality Notice

Aetna considers personal information to be confidential and has policies and procedures in place to protect it against unlawful use and disclosure. By "personal information," we mean information that relates to a member's physical or mental health or condition, the provision of health care to the member, or payment for the provision of health care or disability or life benefits to the member. Personal information does not include publicly available information or information that is available or reported in a summarized or aggregate fashion but does not identify the member.

When necessary or appropriate for your care or treatment, the operation of our health, disability or life insurance plans, or other related activities, we use personal information internally, share it with our affiliates, and disclose it to health care providers (doctors, dentists, pharmacies, hospitals and other caregivers), payors (health care provider organizations, employers who sponsor self-funded health plans or who share responsibility for the payment of benefits, and others who may be financially responsible for payment for the services or benefits you receive under your plan), other insurers, third party administrators, vendors, consultants, government authorities, and their respective agents. These parties are required to keep personal information confidential as provided by applicable law.

Some of the ways in which personal information is used include claim payment; utilization review and management; coordination of care and benefits; preventive health, early detection, vocational rehabilitation and disease and case management; quality assessment and improvement activities; auditing and anti-fraud activities; performance measurement and outcomes assessment; health, disability and life claims analysis and reporting; health services, disability and life research; data and information systems management; compliance with legal and regulatory requirements; formulary management; litigation proceedings; transfer of policies or contracts to and from other insurers, HMOs and third party administrators; underwriting activities; and due diligence activities in connection with the purchase or sale of some or all of our business. We consider these activities key for the operation of our health, disability and life plans. To the extent permitted by law, we use and disclose personal information as provided above without member consent. However, we recognize that many members do not want to receive unsolicited marketing materials unrelated to their health, disability and life benefits. We do not disclose personal information for these marketing purposes unless the member consents. We also have policies addressing circumstances in which members are unable to give consent.

To obtain a copy of our Notice of Information Practices, which describes in greater detail our practices concerning use and disclosure of personal information, please call 1-866-825-6944 or visit our Internet site at www.aetna.com.

Continuation of Coverage During an Approved Leave of Absence Granted to Comply With Federal Law

This continuation of coverage section applies only for the period of any approved family or medical leave (approved FMLA leave) required by Family and Medical Leave Act of 1993 (FMLA). If your Employer grants you an approved FMLA leave for a period in excess of the period required by FMLA, any continuation of coverage during that excess period will be subject to prior written agreement between Aetna and your Employer.

If your Employer grants you an approved FMLA leave in accordance with FMLA, your Employer may allow you to continue coverage for which you are covered under the group contract on the day before the approved FMLA leave starts. This includes coverage for your eligible dependents.

At the time you request the leave, you must agree to make any contributions required by your Employer to continue coverage. Your Employer must continue to make premium payments.

If any coverage your Employer allows you to continue has reduction rules applicable by reason of age or retirement, the coverage will be subject to such rules while you are on FMLA leave.

Coverage will not be continued beyond the first to occur of:

- The date you are required to make any contribution and you fail to do so.
- The date your Employer determines your approved FMLA leave is terminated.
- The date the coverage involved discontinues as to your eligible class.

Any coverage being continued for a dependent will not be continued beyond the date it would otherwise terminate.

If the group contract provides continuation of coverage (for example, upon termination of employment), you (or your eligible dependents) may be eligible for such continuation on the date your Employer determines your approved FMLA leave is terminated or the date of the event for which the continuation is available.

If you acquire a new dependent while your coverage is continued during an approved FMLA leave, the dependent will be eligible for the continued coverage on the same terms as would be applicable if you were actively at work, not on an approved FMLA leave.

If you return to work for your Employer following the date your Employer determines the approved FMLA leave is terminated, your coverage under the group contract will be in force as though you had continued in active employment rather than going on an approved FMLA leave provided you make request for such coverage within 31 days of the date your Employer determines the approved FMLA leave to be terminated. If you do not make such request within 31 days, coverage will again be effective under the group contract only if and when Aetna gives its written consent.

If any coverage being continued terminates because your Employer determines the approved FMLA leave is terminated, any Conversion Privilege will be available on the same terms as though your employment had terminated on the date your Employer determines the approved FMLA leave is terminated.