SEDGWICK COUNTY, KANSAS
DIVISION OF FINANCE
Purchasing Division
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EMPLOYEE LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT, AND DEPENDENT LIFE INSURANCE
#17-0011
ADDENDUM 1

April 3, 2017

The following is to ensure that vendors have complete information prior to submitting a response. Below are some clarifications regarding Employee Life, Accidental Death and Dismemberment, and Dependent Life Insurance:

Questions and/or statements of clarification are in bold font, and *answers to specific questions are italicized.*

1. **List the first known date, but benefit, per contract:**

Answer: DISCLAIMER-Some vendors have an earlier start date with Sedgwick County than listed

A. *Dental: Delta Dental – 1/1/2009 (this is one that started earlier, but I don't have exact date)*
B. *Vision: Superior Vision – 1/1/2012*
C. *Flexible Spending Accounts: ASI Flex -1/1/2012*
D. *Life & AD&D Insurance: Advance Life-1/1/2010*
E. *Cobra Retiree Administration: Harrington Health -1/1/2003*
F. *Employee Assistance Program: EMPAC – 1/1/2012*
G. *Voluntary Products: We do not currently offer Voluntary Products-no vendor*

2. **The format you want the rates in is Cost Per Check but it is my understanding that the County pays the premium for the life insurance and the employee only pays for the buy-ups. That being said are you looking for that to be filled in if an employee wants an additional $10,000, $15,000, $25,000 and so on? Same for the dependent coverage? Is the maximum buy-up $75,000?**

Answer: Yes, the cost per check would need to be filled in if another option other than what we have is presented in the RFP. We will accept a cost per month as well. Same for employee and dependent coverage. The current maximum buy up is $75,000. Keep in mind our employees also receive a life insurance policy by being a member of KPERS and a death benefit policy for being a member of KP&F.

3. **Why has the County decided to bid these services at this time (fees, service issues, standard due diligence, etc.)?**

Answer: Current contracts are due for a new RFP.

4. **Are the claims technology adequate for the County and participants?**

Answer: Yes

5. **What would be the catalyst for the County to change administrators?**

Answer: Meeting or exceeding all solicitation conditions and instructions as outlined herein to include clarity, completeness, and comprehensiveness of the response, proven ability to provide high quality service, qualifications and expertise and, the most advantageous proposal as determined by Sedgwick County.

6. **Does the current administrator/vendor provide the County with a dedicated account team to work with for**

onboarding and plan administration?

Answer: Yes, each of the RFP's have a dedicated account team. Regular meetings are required between Sedgwick County Human Resources and the vendor. Depending on the product, a regular scorecard will be provided to the vendors to discuss differing levels of expectations (i.e. customer satisfaction, account administration).

7. **How many informational seminars does the County anticipate the TPA will need to provide?**

Answer: If the TPA is new, seminars would be required before a go live date. Depending on the product TPA is administrating, there may be Open Enrollment meetings for the TPA to attend/conduct. Some products will not require seminars (i.e. Cobra Retiree administration) and some products will require more (i.e. Employee Assistance Program).

8. **What is the turnaround time for claims with the current TPA?**

Answer: Varies by vendor

9. **Does the current TPA provide online and mobile claims and account inquiry technology?**

Answer: Dental, Vision, Flexible Spending Accounts all provide online and mobile access.

10. **Any plan design alternatives desired?**

Answer: We are willing to review any plan design options your company offers.

11. **Does Sedgwick County currently utilize a ben admin/HRIS/payroll/enrollment vendor? If so, who?**

Answer: No all eligibility/payroll/benefits administration is handled in-house.

Included with this document are the All Benefit Eligible Employees spreadsheet, the Employee Life, Accidental Death and Dismemberment, and Dependent Life Insurance Census spreadsheet, and the 2013 Advance Life Policy PDF.

Firms interested in submitting a ***proposal*** must respond with complete information and **deliver on or before 1:45 p.m. *April 25, 2017*.** Late ***proposals*** will not be accepted and will not receive consideration for final award.

"PLEASE ACKNOWLEDGE RECEIPT OF THIS ADDENDUM ON THE *PROPOSAL* RESPONSE PAGE."

Kara Kingsley
Purchasing Agent

ADVANCE
Insurance Company of Kansas
1133 S.W. Topeka Boulevard, Topeka, KS 66629-0001 (785)273-9804

In Consideration of the application for this Policy made by

Sedgwick County Employees

(herein called the Policyholder)

and the payment by the Policyholder of all premiums when due, Advance Insurance Company of Kansas agrees to make the payments provided in this Policy to the person or persons entitled to them, according to the terms of the Policy.

The first premium for this Policy is due on its effective date and subsequent premiums are due on February 1, 2013, and on the same day of each month thereafter.

Policy Anniversaries are January 1, 2015, and the same day of each year thereafter.

The provisions and conditions set forth on the following pages are a part of this Policy.

Advance Insurance Company of Kansas has executed this Policy at its Home Office in Topeka, Kansas, this 25th day of January, 2013, to take effect on the 1st day of January, 2013.

GROUP INSURANCE POLICY
NO. AIC KS 00096124
PROVIDING
LIFE INSURANCE
ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE
DEPENDENT LIFE INSURANCE

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***The coverages specified are included only if the Policy contains the specific sections identified.**

SCHEDULE OF INSURANCE

The amount of an Insured's, or Dependent's insurance if applicable, is determined from the following schedule. The initial amount of coverage is the amount that applies to the Eligible Person's classification on the date the coverage becomes effective. An Insured may become eligible for increases/decreases in the amount of insurance in accordance with the Schedule, provided the Insured is Actively at Work on that day. Any increase/decrease will be effective on the latest of:

1) the first day of the Insurance Month which coincides with or follows the date the Company receives notification of the salary change;
2) the first day of the Insurance Month which coincides with or follows the date the Insured becomes eligible for the increase/decrease;
3) the day the Insured resumes Active Work if not Actively at Work on the day the increase/decrease otherwise would have been effective; or
4) the day any required Evidence of Insurability is approved by the Company.

Insurance benefits based on salary will be determined by the salary information being used to calculate an Insured's premium as shown on the Policyholder's billing at the time of a covered occurrence. The amount of an Insured's or Dependent's insurance shall be reduced by the amount of any life insurance in effect as a result of exercising the rights under the Conversion Privilege Section of this Policy.

AMOUNT OF BASIC LIFE INSURANCE
$ 10,000
$ 15,000
$ 25,000
$ 35,000
$ 50,000
$ 75,000

AMOUNT OF BASIC ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE
$ 10,000
$ 15,000
$ 25,000
$ 35,000
$ 50,000
$ 75,000

New employees are eligible for any level of Basic Life or Basic AD&D without evidence of insurability at initial enrollment.

Employees are eligible to change their current selections in Basic Life Insurance or Basic AD&D Insurance at any Open Enrollment following their effective date without Evidence of Insurability. Evidence of Insurability satisfactory to the Company will be required for any increase in benefit amounts if requested at other than during an Open Enrollment.

*Basic Life Insurance and Basic AD&D Insurance will be reduced by 35% for an Insured Person who attains age 70, will reduce an additional 20% of original amount of insurance at age 75, will reduce an additional 15% of the original amount of insurance at age 80, will further reduce 15% of the original amount of insurance at age 85 and will terminate when such Insured Person retires.

SCHEDULE OF INSURANCE (continued)

DEPENDENTS INSURANCE

OPTION 1

DEPENDENT	AMOUNT OF LIFE INSURANCE
Spouse	$ 5,000
Dependent Child (age 15 days to 6 months)	$ 250
Dependent Child (age 6 months and above)	$ 5,000

OPTION 2

DEPENDENT	AMOUNT OF LIFE INSURANCE
Spouse	$ 10,000
Dependent Child (age 15 days to 6 months)	$ 250
Dependent Child (age 6 months and above)	$ 10,000

OPTION 3

DEPENDENT	AMOUNT OF LIFE INSURANCE
Spouse	$ 10,000

OPTION 4

DEPENDENT	AMOUNT OF LIFE INSURANCE
Dependent Child (age 15 days to 6 months)	$ 250
Dependent Child (age 6 months and above)	$ 10,000

The Dependent Life Insurance terminates when the Insured employee attains age 75, terminates employment, retires, or in the event the dependent is no longer a legal spouse or eligible dependent, whichever may occur first.

New employees are eligible to select any Dependent Life benefit amount without evidence of insurability.

Employees are eligible to change their current selection in Dependents Insurance at any Open Enrollment following their effective date without evidence of insurability. Evidence of insurability satisfactory to the Company will be required for changes made within the year if coverage was not selected at their first opportunity or at Open Enrollment.

DEFINITIONS

Accident or Accidental Bodily Injury means an unforeseen, unexpected and unintended event, which is the direct cause, independent of disease or bodily infirmity or any other cause, of an accidental bodily injury sustained by the Insured while the Insured's coverage is in force under this Policy.

Actively at Work or Active Work means to be eligible to be insured, or for any increase in insurance, an Eligible Person must be actively at work; performing all of the normal duties of his job at his usual place of employment and working at least the minimum number of hours each week as designated in writing by the Policyholder (or Participating Employer) and agreed to by the Company. If he is absent from work on a day when he would otherwise be eligible to become insured or increase the amount of his insurance, eligibility shall be considered suspended until he returns to active work.

Eligibility will not be suspended for time off for vacation, jury duty or funeral leave where the person could have been Actively at Work on that day. Eligibility will be suspended for time off due to an Injury or Sickness, a strike, lockout or layoff.

Owners, partners and individual proprietors are subject to, and required to be working each week, the minimum hourly requirement to be Actively at Work.

Except as otherwise specifically provided by the terms of this policy, a Person is eligible to continue to be insured only while he continues on Active Work.

Chartered Aircraft means one the Policyholder or Participating Employer does not own. It will be hired for one purpose or one trip or for general use; and, the time it is retained may not exceed 10 straight days or more than 15 days in any one year. One or more aircraft hired on a regular or frequent basis are not chartered.

Company means Advance Insurance Company of Kansas.

Contributory Insurance means insurance for which an Eligible Person enrolls and agrees to pay a portion of the premium or the entire premium. Contributory Insurance requires at least 75% enrollment of the Eligible Persons. Evidence of Insurability satisfactory to the Company is required if Enrollment is not received by the Company within 63 days of Eligibility.

Eligible Person means an individual, who is a resident citizen of the United States, or alien legally residing in the United States, who:

1) is employed with the Policyholder (or Participating Employer) as their main occupation;
2) is working at that occupation at least the minimum number of hours each week as designated in writing by the Policyholder (or Participating Employer) and agreed to by the Company;
3) is a member of an Eligible Class that is covered by this Policy;
4) has been Actively At Work for at least three out of the four working weeks immediately preceding the Eligible Person's eligibility date for coverage; and
5) is not a part-time, temporary, seasonal, leased, contracted or 1099 employee.

Evidence of Insurability means a medical history that is satisfactory to the Company that will include, but is not limited to, a health statement provided by the Eligible Person (or Eligible Person's dependent, if applicable), submitting to a medical examination, if requested, and medical records provided to the Company by the physician, medical practitioner, medical facility, or other provider of medical services for the person enrolling in coverage. Evidence of Insurability must be provided at the expense of the employee. We will use the medical history to determine if an Eligible Person (or Eligible Person's dependent) is:

1) eligible to become insured under this Policy; or
2) eligible for any increases in insurance.

Guarantee Issue means the guaranteed coverage an Eligible Person may receive, up to a specified amount, without providing Evidence of Insurability satisfactory to the Company when Enrollment is received by the Company within 63 days of Eligibility. After 63 days, the person is not eligible for Guarantee Issue if the Insurance is Contributory or Non-Contributory Insurance is rejected in writing.

The guarantee issue limit may be adjusted when the number of Insureds changes by 10% or more from the number insured on this Policy's effective date of coverage.

DEFINITIONS (continued)

Hospital means an institution that is a short term, acute, general hospital or intensive care unit that:

1) is a duly licensed public or private institution;
2) has organized departments for medicine and major surgery; and
3) for compensation, is engaged in providing inpatient, diagnostic, therapeutic, and psychiatric services for diagnosis, treatment, and care of sick and injured persons.

Insurance Month means that period of time beginning at 12:00 A.M. on the first day of any calendar month and ending at 11:59 P.M. on the last day of the same calendar month.

Insured or Insured Person means the individual who is eligible for the coverage provided by this Policy, who is enrolled, the required premium is paid and coverage is in force under this Policy.

Leased Aircraft means one the Policyholder or Participating Employer does not own. The aircraft will be used for the term of the written lease. The time must be longer than a few days or one or two trips. The Policyholder or Participating Employer cannot alter or sell the aircraft without consent of the owner.

Male Pronoun whenever used includes the female.

Non-Contributory Insurance means insurance for which the Policyholder pays the entire premium.
Non-Contributory Insurance requires 100% enrollment of the Eligible Persons except for those who reject the coverage in writing or any as to whom Evidence of Insurability is not satisfactory to the Company. The Policyholder will be billed for premium from the Effective Date of insurance.

Physician means a person who is a doctor of medicine, osteopathy, psychology, or other healing art recognized by the Company; licensed to practice in the state or jurisdiction where care is being given; and, practicing within the scope of that license. Physician does not include the Insured or a relative of the Insured.

Owned Aircraft means one to which the Policyholder or Participating Employer holds legal or equitable title. The Policyholder or Participating Employer can use, alter or sell the property as they wish.

Policy means this Group Insurance Policy issued by the Company to the Policyholder.

Policyholder means the employer or association, or trust as shown on the Cover Page of this Policy.

Regular Care of a Physician means the Insured personally sees and is attended by a Physician (who is not the Insured or a relative):

1) with medical training and clinical experience suitable to treat the Insured's disabling condition; and
2) whose treatment is consistent with the diagnosis of the disabling condition; and, according to guidelines established by medical, research, and rehabilitative organizations; and, administered as often as needed to achieve the maximum medical improvement.

Sickness means illness, disease, pregnancy, and complications of pregnancy, childbirth, and miscarriage. The Sickness must begin while the Insured is covered under this Policy.

Total Disability or Totally Disabled means that the Insured, as a result of Injury or Sickness, is under the Regular Care of a Physician, and is unable to engage in any employment or occupation for which the Insured is, or becomes, qualified by reason of education, training or experience. The failure to pass a physician examination required to maintain a license to perform the duties of the Insured's occupation does not alone mean that the Insured is disabled. Total Disability must begin while the Insured's coverage is in force under this Policy. A person engaged in any gainful employment for wage or profit is not Totally Disabled.

Waiting Period means the number of days an Eligible Person must be Actively at Work in an eligible class before becoming eligible for insurance. The Waiting Period is described in the Application for Group Insurance or as designated in writing by the Policyholder (or Participating Employer) and agreed to by the Company.

GENERAL PROVISIONS

Entire Contract. This Policy, the Policyholder's Application, a copy of which is attached, and the Insured's enrollment forms, if any, constitute the entire contract between the parties. All statements made by the Policyholder and by Insured's are representations and not warranties. No statement will be used to contest the coverage provided by this Policy unless a copy of the statement has been furnished to the Insured, or to his beneficiary, with the Group Certificate.

Only an Officer of the Company may change this Policy or extend the time for payment of any premium. No change will be valid unless made in writing and signed by an Officer of the Company. Any change so made will be binding on all persons referred to in this Policy.

Errors Related to Coverage. If the Company's records of an Insured's coverage are in error due to a Company error or delay, the record will be corrected after discovery of the error. If premiums are involved, the Company may need to make a backdated change in the Insured's premiums. The Company will make whatever change is needed in the Insured's coverage and/or premiums to assure that the Insured has the coverage they are entitled to under this Policy.

Incontestability. The validity of this Policy will not be contested after it has been in force for two years from the effective date, except for non-payment of premiums or for material misrepresentations and/or fraudulent statements by the Policyholder. As to any Insured, the Company may not contest the validity of this Policy after it has been in force for two years from the effective date of the Insured's coverage except for non-payment of premiums or for material misrepresentations and/or fraudulent statements by the Policyholder or by the Insured. This clause will not affect the Company's right to contest claims made for accidental death or accidental dismemberment benefits.

Non-Participating. This Policy will not be entitled to share in the surplus earnings of the Company.

Basis of Reserve. The reserve for this Policy will not be less than the reserve computed using the 1960 Commissioners Standard Group Mortality Table with interest at three percent per annum.

Policyholder (and Participating Employers) Responsibilities Concerning Enrollment. It is the responsibility of the Policyholder/Participating Employer to submit enrollment forms only for those employees and dependents that meet the eligibility criteria and to ensure and verify the continued eligibility status of covered employees. The Company has the Right to Recovery with regard to benefits paid on behalf of ineligible persons.

Information to be Furnished. The Policyholder (and Participating Employers) will be required to furnish the information as is necessary to administer this Policy. Information will include, but is not limited to, employee status changes, retirements, layoffs, and the sale of the policyholder's business. The Company may inspect any of the Policyholder's records (and Participating Employers' records) that relate to this Policy.

Misstatement of Age. If an Insured's age has been misstated, premiums will be subject to an equitable adjustment. If the amount of benefit is dependent upon age, the benefit will be that which would have been payable based upon the Eligible Person's correct age.

Certificates. The Policyholder will be furnished with individual Certificates for delivery to each Insured. These Certificates summarize the benefits provided by this Policy. The Certificate is not a part of this Policy. It does not modify or extend the Company's liability.

Conformity with State Statutes. If any provision of this Policy conflicts with any applicable law, the provision will be deemed to conform to the minimum requirements of the law.

Worker's Compensation. This Policy is not to be construed to provide benefits required by Workers' Compensation laws.

Right to Amend. The Company may change any or all of the provisions of this contract by notifying the Policyholder. The Company must give the Policyholder at least 31 days advance written notice of any change.

Right to Recovery. If a payment made by the Company under the Policy exceeds the correct amount due under the Policy, the Company may recover the overpayment from the person, or their estate, or entity to which the benefit was paid.

PROVISIONS FOR PARTICIPATING EMPLOYERS

A Participating Employer has no rights under this Policy except as provided in this Section. The Participating Employer will be responsible for all premiums payable with respect to any of its employees who are Insured under this Policy.

Participating Employer means an employer who has been approved by the Company for participation in the coverage provided by this Policy. A list of Participating Employers, if applicable, follows the Application for Group Insurance in this Policy.

Effective Date. As it applies to any Participating Employer, the Effective Date of this Policy will be the later of:

1) this Policy's date of issue;
2) the first day of the Insurance Month coinciding with or next following the Company's approval of the Participating Employer; or
3) a date agreed upon by the Company, the Participating Employer, and the Policyholder.

Termination. Coverage under this Policy will cease as to the employees of any Participating Employer on the date the Participating Employer:

1) no longer meets the definition of a Participating Employer;
2) suspends active business operations, dissolves, merges, or is placed in bankruptcy or receivership;
3) is excluded from coverage by Policy amendment; or
4) stops paying premiums as required by this Policy.

If an employer ceases to be a Participating Employer, it may not be a Participating Employer again until the Company re-approves it.

ELIGIBILITY AND EFFECTIVE DATES FOR INSURANCE

Eligibility. An Eligible Person becomes eligible for the coverage provided by this Policy on the later of:

1) this Policy's date of issue; or
2) the first day of the Insurance Month coinciding with or next following the date the Eligible Person completes the Waiting Period as shown on the Application for Group Insurance.

Enrollment. To enroll in coverage, or reject Non-Contributory Insurance, an Eligible Person must submit the information required by the Company:

1) electronically; or in writing in a group insurance enrollment form or waiver form which is satisfactory to us; and,
2) sign and deliver it to the Employer; and
3) it must be received by the Company within 63 days of eligibility.

Evidence of Insurability satisfactory to the Company must be submitted if:

1) the enrollment form is received more than 63 days after the day of Eligibility;
2) the Insurance is Non-Contributory and coverage is rejected; or
3) the Eligible Person is not enrolling during Open Enrollment.

Effective Date. Insurance becomes effective on the later of the dates the Eligible Person enrolls and:

1) becomes eligible for the coverage;
2) resumes Active Work, if not Actively at Work on the day of Eligibility;
3) receives the Company's approval of Evidence of Insurability, if required; or
4) the first of the month following Open Enrollment.

INDIVIDUAL TERMINATIONS

An Insured's coverage will terminate on the earliest of:

1) the day this Policy terminates;
2) the last day of the Insurance Month in which the Insured requests termination of coverage;
3) the last day of the Insurance Month for which premium payment is made on behalf of the Insured;
4) the day the Insured ceases to be in a class of persons which is eligible for coverage under this Policy;
5) the day the Insured ceases to be a Full-time Employee Actively at Work including a temporary layoff, leave of absence or a general work stoppage (including a strike or lockout);
6) the day the Insured enters the Armed Forces of any state or country on active duty except for duty of 30 days or less for training in the Reserves or National Guard or leave of absence pursuant to the Uniformed Services Employment & Reemployment Rights Act (USERRA);
7) with respect to any particular insurance benefit, the day that portion of this Policy providing the benefit terminates;
8) the day the Insured's employer ceases to be a Participating Employer;
9) the last day of the month in which the Insured's employment with the Policyholder (or Participating Employer) terminates; or
10) the last day of the Insurance Month in which a written waiver is received rejecting Non-contributory Insurance.

Ceasing Active Work results in termination of coverage except as follows, provided premium payments are continued on behalf of the Insured:

1) the Insured is disabled due to illness or injury, then coverage may be continued during the disability until the earliest of:
   a) i. one year; or
   b) ii. until termination of this Policy.
2) the cessation of work is due to a temporary layoff or approved leave of absence, then coverage may be continued for up to five Insurance Months after the layoff or leave begins;
3) coverage may be extended for up to three Insurance Months for an Insured who qualifies for a leave of absence under the Family and Medical Leave Act, providing appropriate documentation is submitted; or
4) the cessation of work is due to furlough or leave associated with the performance of service in the uniformed services as defined under USERRA, in which case coverage may be continued for up to five Insurance Months.

PREMIUMS

Payment of Premiums. No coverage provided by this Policy will be in effect until the first premium for the coverage is paid. For coverage to remain in effect, each subsequent premium must be paid on or before its due date. The Policyholder is responsible for paying all premiums, including adjustments if any, as they become due. Premiums are payable on or before their due dates at the Company's Home Office.

Premium Rates. The initial premium is determined on the basis of the rates shown below.

Right to Change Premium Rates. The Company may change any premium rate for all future premiums when:

1) the terms of this Policy are changed;
2) a division, subsidiary or affiliated company is added to or deleted from this Policy;
3) the number of Insureds increase or decrease by 20% from the number insured on this Policy's effective date; or
4) the Company's liability changes due to a change in federal, state or local law.

The Company may also change any premium rate on any Policy Anniversary or any premium due date after the expiration of any rate guarantee period.

Premium Amount. The amount of premium due on each due date will be the sum of the products obtained by multiplying each rate by the amount of insurance to which the rate applies. For premium purposes only, the effective date of any change in the amount of insurance is the first day of the Insurance Month that coincides with or follows the change.

Unless the Company and this Policyholder agree otherwise, the Company will give at least 31 days advance written notice of any increase in premium rates.

INITIAL PREMIUM RATE SCHEDULE

The monthly premium rate (per $1,000 of life insurance) is set forth below.

Monthly Group Life Rate	$.09/$1,000 of insurance
Monthly Accidental Death & Dismemberment (AD&D) Rate	$.02/$1,000 of insurance
Monthly Dependent Life Rate(5,000/250/5,000)	$2.42 Per Family Unit
Monthly Dependent Life Rate(10,000/250/10,000)	$4.74/Per Family Unit
Monthly Dependent Life Rate – Spouse only (10,000/000/0000)	$2.79/Per Family Unit
Monthly Dependent Life Rate – Chil(ren) only (0000/250/10,000)	$1.95/Per Family Unit

The above rates are guaranteed for 12 months from the Policy's date of issue, unless any of the Policy's terms are changed.

REFUND OF PREMIUM

If any premium is paid for an Insured beyond the date coverage terminated for that Insured, the Company will refund the amount paid up to twelve (12) months. Coverage will not extend beyond the Insured's termination date, subject to the terms of the preceding paragraph dealing with the cessation of active work.

GRACE PERIOD

A Grace Period of 31 days from the due date will be allowed for the payment of each premium after the first. This Policy will remain in effect during the Grace Period, unless the Policyholder has given the Company prior written notice of discontinuance, provided the premium is paid before the end of the Grace Period. The Policyholder will be liable for the payment of a pro rata premium for the time this Policy was in force during the Grace Period.

POLICY TERMINATION

Automatic Termination. This Policy will terminate without any action on the part of the Company on the due date of any premium that remains unpaid at the end of the Grace Period. The Company will be liable for valid claims incurred prior to the end of the Grace Period.

Termination by the Company. The Company may terminate this Policy on the due date of any premium without cause by giving at least 31 days advance written notice of its intent to terminate to the Policyholder. The Company may also terminate the coverage on any premium due date without advance written notice if:

1) the Policyholder fails to furnish any information which Advance Insurance Company of Kansas may reasonably require;
2) the number of Insureds total less than 2; or
3) all or part of the premium is paid by Insureds and less than 75% of those eligible for coverage are insured; or
4) all of the premium is paid by this Policyholder and less than 100% of those eligible for the coverage are insured except for those who reject the coverage in writing or any as to whom Evidence of Insurability in not satisfactory to the Company.

If coverage under this Policy terminates for any reason the Policyholder will be liable to the Company for all unpaid premiums for the period during which the Policy was in force, with respect to those Insureds.

Termination by the Policyholder. The Policyholder may terminate this Policy at any time by giving notice to the Company. This Policy will then terminate on the date the Company receives the notice or some later date on which the Policyholder and the Company have agreed. The Policyholder remains responsible for the payment of premiums to the date of termination.

Notice. Written notice to the Policyholder will be deemed to be effective on the date it is placed in the United States mail, postage prepaid and properly addressed to the primary location of the Policyholder. Notice will be deemed to be properly addressed if it reflects the last address shown in the Company's records.

CLAIMS PROVISIONS

Notice of Claim. Written notice of claim must be given within 20 days after the occurrence or commencement of any loss covered by this Policy or as soon thereafter as is reasonably possible. Notice given by or on behalf of the Insured or beneficiary to the Company at its home office or to any authorized agent of the Company, with information sufficient to identify the insured, will be deemed notice to the Company.

Claim Forms. When notice of claim is received, the Company will send forms for filing the required proof to the claimant. If the claimant does not receive these forms within 15 days, the proof of loss requirement may be met by giving the Company a written statement of the nature and extent of the loss within the time limit stated in the Proofs of Loss provision.

Proofs of Loss. Written proof of loss must be furnished to the Company's Home Office in case of claim for loss for which this Policy provides coverage within 90 days after the commencement of the period for which the Company is liable. Failure to furnish the proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within the time, provided the proof is furnished as soon as reasonably possible.

Time Payment of Claims. Benefits payable under this Policy will be paid upon receipt of required written proof of the loss.

Legal Actions. No legal action to recover any benefits may be brought before 60 days after the required written proof of loss has been given. No legal action may be brought more than 5 years after written proof of loss is required to be given.

Physical Exams and Autopsy. The Company at its expense may: 1) have an Insured examined, as often as reasonably necessary, while any claim is pending; 2) require an autopsy, where allowed by law, if a claim for death benefits is made.

Amount Payable on Death. Upon receipt of satisfactory proof of an Insured's death, the Company will pay a lump sum death benefit equal to the amount of Life Insurance that is in effect on the date of death, as shown in the Schedule of Insurance. The benefit will be paid in U.S. currency in accordance with the Beneficiary and Payment of Claims Sections.

Payment of Claims. Benefits for loss of life will be payable in accordance with the Beneficiary section of this policy and the provisions respecting the payment described herein and effective at the time of payment. If any benefit under this Policy becomes payable, but no designated beneficiary is then living, the Company may, at its option, pay a sum not exceeding $250.00 to any person appearing to the Company equitably entitled by reason of having incurred funeral or other expenses incident to the last illness or death of the Insured. Any payment made in good faith under this Section will fully discharge the Company to the extent of the payment.

Appeal Process. If a claim is denied, the claimant, or the claimant's representative may appeal to us for a full and fair review. They may: 1) request a review upon written application within 180 days of the claim denial;
2) request copies of all documents, records and other information relevant to the claim; 3) submit written comments, documents, records and other information relating to the claim.

We will make a decision no more than 45 days after we receive the appeal unless we determine special circumstances exist that require an extension of time to process the appeal. If an extension is required, we will make our decision no more than 90 days after receipt of the appeal. If we request additional information from the policyholder, the claimant or the claimant's representative, the time from our request for information until we receive it is not included in the time limit for a decision to be made. The written decision will include specific references to the Policy provisions on which the decision is based.

Interpreting the Policy Terms and Conditions. Pursuant to the Employee Retirement Income Security Act of 1974, as amended (ERISA), if applicable, or pursuant to contract if ERISA does not apply, the Company has been delegated the discretionary authority to determine eligibility for benefits and to construe and interpret all terms and provisions of the policy, as well as the discretionary authority to make factual determinations as to whether any individual is entitled to receive benefits pursuant to the policy. We have the continuing fiduciary duty to act prudently and in the interest of the Insured, their beneficiaries, and other plan participants and beneficiaries. If an Insured has a claim for benefits that is denied or ignored, in whole or in part, the claimant, or the claimant's representative may file suit in court for a review of eligibility or entitlement to benefits under the policy. This right accrues only upon exhaustion of the appeals procedure provided above. This provision applies whether or not the interpretation of the policy is governed by ERISA.

BENEFICIARY

Payments to the Beneficiary. At the death of an Insured, the amount of the Insured's Insurance will be paid to the named Beneficiary who survives the Insured. If no named Beneficiary survives the Insured, payment will be made in equal shares to the first surviving class of the following classes of successive preference beneficiaries:

1) surviving spouse;
2) surviving children born to or legally adopted by the Insured;
3) surviving parent(s);
4) surviving brother(s) or sister(s);
5) executors or administrators of the Insured's estate; or
6) in accordance with the Payment of Claims Section of this Policy.

An affidavit, signed by any member of the first surviving class of preference beneficiaries described in item (2), (3), or (4) above, stating the names and addresses of the members of the class shall be sufficient proof to the Company that the person or persons so named therein shall be sole surviving members of the class. Payment by the Company based upon an affidavit shall be full acquittance hereunder. Benefits for any loss of life benefit payable to any minor shall be paid to the legally appointed conservator of the minor. The right of the Beneficiary to receive any amount is subject to the Payment of Claims Section of this Policy.

If an Insured's named Beneficiary dies:

1) within 15 days of the Insured's death; and
2) before the Company receives satisfactory proof of the Insured's death;

then payment will be made to any surviving primary beneficiary, or surviving contingent beneficiary. If none survive, payment will be made in accordance with the Payments to the Beneficiary section above.

Naming the Beneficiary. An Insured's Beneficiary is designated at enrollment.

Changing the Beneficiary. Only the Insured or the Insured's assignee may change the Beneficiary. A new Beneficiary may be named by filing a written notice of the change with the Policyholder. The change will be effective as of the date it was received by the Policyholder and subject to any action taken prior to receipt.

When applying for a conversion policy under the Conversion Privilege Section, an Insured must name a beneficiary. If the Beneficiary named for the conversion policy is other than the one named under this Policy, the application for the conversion policy will be treated as a written notice of change of beneficiary.

WAIVER OF PREMIUM BENEFIT
In the Event of Total Disability

Benefit. The Insured's and an Insured Dependent's Basic and Optional Life Insurance coverage provided under this Policy can be continued without payment of premiums, if the Insured Employee:

1) becomes Totally Disabled from any occupation before reaching age 60; and
2) submits satisfactory proof of the Total Disability which is received by the Company within 12 months of the day the Total Disability began; and
3) has been continuously Totally Disabled for at least 6 months;
4) remains Totally Disabled; and
5) is not otherwise in a class of persons eligible for insurance under this Policy; and
6) has paid all required premium.

Premiums paid for the Insured(s) during the qualifying period will be retroactively credited to the Policyholder on approval of the Waiver.

Amount of Insurance To Be Continued. The life insurance continued by this Section will be the amount of the Insured's and an Insured Dependent's Basic and Optional Life Insurance in effect on the day the Insured becomes Totally Disabled. In no event will the Insured's or Insured Dependent's Basic or Optional Life Insurance be increased for any reason while the Insured is Totally Disabled under the terms of this Policy. Any insurance extended will however, be reduced in accordance with the limitations and reductions listed in the Schedule of Insurance.

Further Written Proof. From time to time, the Company may require proof that the Insured continues to be Totally Disabled. For the first two years of Total Disability the Company may require proof of continued Total Disability as often as reasonably necessary so long as the Insured claims to be Totally Disabled. After two years, as long as the Insured claims to be Totally Disabled, proof of continued Total Disability will be required annually. If the Insured dies after being approved for this benefit, the Company may request proof that the Insured remained Totally Disabled until death.

Examination By A Physician. The Company, at its expense, may have the Insured examined as often as reasonably necessary. After the Insured has been Totally Disabled for two years, the Company will not require the Insured be examined more than once a year.

Termination of the Benefit. Any Basic and Optional Life Insurance on the Insured and an Insured Dependent that is extended under this Section will terminate automatically on the day the Insured:

1) ceases to be Totally Disabled;
2) ceases to be under the Regular Care of a Physician;
3) fails to take a required medical examination;
4) fails to submit any proofs required by the Company; or,
5) reaches age 70; or
   this Policy terminates.

Rights After Termination. If continuation of life insurance under this Waiver of Premium provision ceases, and the Insured returns to a class of persons eligible for insurance under this Policy, coverage for the Insured and any Insured Dependents will resume when premium payments are resumed. If continuation of life insurance under this Waiver of Premium provision ceases, but the Insured does not return to the class, the Insured and any Insured Dependents then become eligible only for those benefits outlined in the Conversion Privilege Section.

Conversion Policies. If an Insured or an Insured Dependent obtains a conversion policy under the terms of the Conversion Privilege Section prior to the Insured being approved for Waiver of Premium, and the Insured is later approved for the Waiver of Premium benefit, the conversion policy must be surrendered to the Company without claim, except for the return of any unearned premium.

CONVERSION PRIVILEGE

General Conversion Privilege. An individual life policy, known as a conversion policy, may be purchased from the Company without Evidence of Insurability if all or part of an Insured's or Insured Dependent's Life Insurance, provided by this Policy terminates for any reason except:

1) termination or amendment of this Policy; or
2) the Insured's request for:
   i. termination of insurance; or
   ii. cancellation of payroll deduction.

To purchase a conversion policy, application and payment of the first premium must be made within 31 days after the Life Insurance is terminated.

Any Policy issued under the General Conversion Privilege will:

1) be in an amount not to exceed the amount of the Life Insurance which was terminated, less the amount of any group life insurance for which the person becomes eligible within 31 days after insurance terminates;
2) be on any form (except term) then issued by the Company at the age and amount for which application is made;
3) be issued at the Insured's or Insured Dependent's age at nearest birthday;
4) be issued without Accidental Death & Dismemberment, disability or other supplemental benefits; and
5) require premiums based on the class of risk to which the Insured or Insured Dependent then belongs.

General Conversion Privilege – Policy Termination or Amendment. A conversion policy may also be purchased from the Company if:

1) all or a part of an Insured's or Insured Dependent's Life Insurance terminates due to amendment or termination of this Policy; and
2) the Insured or Insured Dependent has been covered continuously under this Policy for at least five years.

Any conversion policy issued due to Policy termination or amendment will be subject to the same conditions as a policy issued under the General Conversion Privilege except its amount may not exceed the lesser of:

1) $2,000; or
2) the amount of Life Insurance which terminates, less the amount of any group life insurance for which the Insured or Insured Dependent becomes eligible within 31 days after the insurance terminates.

PROVISIONS APPLICABLE TO ALL CONVERSION POLICIES

Effective Dates. The coverage provided by a conversion policy issued under this Section will be effective on the later of:

1) the date of issue; or
2) 31 days after the date on which the person's Life, or Dependent Life, Insurance terminates.

Death During Conversion Period. The Company will pay a death benefit under this Policy equal to the amount of the Life Insurance which could have been converted if the person:

1) was entitled to purchase a conversion policy; and
2) dies within the 31 day conversion period.

This death benefit will be paid even if the Insured or Insured Dependent failed to apply and pay the first premium for the conversion policy. If the first premium was paid for the conversion policy, the amount of the premium paid will be refunded and the conversion policy will be void.

Notice of Conversion Privilege. Written notice of the right to convert will be:

1) given personally to the Insured by the Policyholder, or
2) mailed by the Policyholder to the Insured's last known address.

An additional period in which to convert will be granted if this written notice is not given to the Insured at least 15 days before the 31 day conversion period ends. Any extension of the conversion period will expire on the earliest of:

1) 15 days after the Insured is given the written notice; and
2) 60 days after the 31 day conversion period ends, even if the Insured is never given the notice.

No death benefit will be payable under this Policy after the 31 day conversion period expires, even though the right to convert may be extended.

Conversion Policies. If an Insured or Insured Dependent has obtained a conversion policy under the terms of the Conversion Privilege Section, no benefits will be payable under this Policy unless:

1) the conversion policy is surrendered to the Company; and
2) the only claim made under the conversion policy is for the return of unearned premiums paid on it, less dividends and policy loans.

DEPENDENTS LIFE INSURANCE

Benefit. Upon receipt of satisfactory proof of an Insured Dependent's death, the Company will pay the Dependent Life Insurance amount, not to exceed the amount of Dependents Insurance shown in the Schedule of Insurance Section.

The death benefit will be paid:

1) to the Insured;
2) if the Insured fails to survive the Dependent, to the Insured's Beneficiary; or
3) according to the Payment of Claims Section.

Dependent means a person who is a resident citizen of the United States, or alien legally residing in the United States that is:

1) the Insured's lawful spouse who is not legally separated from the Insured;
2) the Insured's, or their spouse's, unmarried dependent child by birth or adoption who is:
   a) more than 14 days but less than 26 years of age;
   b) age 26 and over provided the child is covered hereunder upon reaching age 19 and has become incapable of self-support due to a severe handicap resulting from a physical condition or a Nervous or Mental Condition prior to their 19th birthday. For such child to be deemed a Dependent, the Insured must submit a special application to the Company. The Company will then determine the child's eligibility. The Company will request written proof from time to time related to this child's incapacity and dependence. When the child is no longer disabled, they will cease to be a Dependent.

The term Dependent does not include:

1) anyone serving in the Armed Forces of any state or country, except for duty of 30 days or less for training in the Reserves or National Guard; or
2) a spouse or child confined in a hospital on the date the Dependent Insurance otherwise would have become effective. Insurance for that particular Dependent will become effective 10 days after final discharge from the hospital; or
3) a child of a dependent child unless the Insured or their spouse has court ordered custody or court ordered guardianship.

Eligibility. An Insured becomes eligible for Dependents Insurance on the later of:

1) the date the Insured becomes eligible for Basic Life Insurance;
2) the effective date of this Section; or
3) the date the Insured first acquires a Dependent.

Enrollment. To enroll in Dependent coverage, an Insured Employee must submit the information required by the Company:

1) electronically; or in writing in a group insurance enrollment form which is satisfactory to us; and,
2) sign and deliver it to the Participating Employer; and
3) it must be received by the Company within 63 days of eligibility.

Evidence of Insurability satisfactory Evidence of Insurability must be submitted to the Company for each Insured's Dependent if the enrollment form is received more than 63 days after the date the Insured:

1) becomes eligible for Dependents Insurance;
2) first acquires a Dependent; or
3) and is not enrolling during Open Enrollment.

Effective Date. An Insured's Dependents Insurance will become effective on the later of the dates:

1) the Insured becomes eligible for Dependents Insurance;
2) the Insured resumes Active Work, if not Actively at Work on the day of Eligibility;
3) the Company approves, for each eligible Dependent, any required Evidence of Insurability;
4) the first of the month following Open Enrollment; or
5) a person becomes a Dependent.

DEPENDENTS LIFE INSURANCE (continued)

Termination. An Insured's Dependents Insurance will cease for all of the Insured's Dependents when:

1) the Insured's Basic Life Insurance terminates;
2) Dependents Insurance is discontinued under this Policy;
3) the Insured ceases to be in a class of persons eligible for Dependents Insurance;
4) the Insured requests that the Dependents Insurance be terminated;
5) the last day of the premium paying period for which the Insured has made any required contribution toward the cost of the Dependents Insurance;
6) the last day of the month in which the Insured Dependent ceases to be a Dependent as defined in this Section; or
7) the Insured attains age 75.

Incontestability. The validity of this Policy as to any Dependent will not be contested after Dependent's Life Insurance has been in force for two years from the effective date of coverage for that Dependent, except for non-payment of premiums or for material misrepresentations and/or fraudulent statements by the Policyholder or by the Insured.

Misstatement of Age. If a Dependent's age has been misstated, premiums will be subject to an equitable adjustment. If the amount of benefit depends upon age, the benefit will be the amount which would have been payable based upon the Dependent's correct age.

Refund of Premium. If any premium is paid for a Dependent beyond the date coverage terminated for that Dependent, the Company will refund the amount paid up to twelve (12) months. Coverage will not extend beyond the date coverage terminated for the Dependent.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Benefit. If an Insured employee sustains an accidental bodily injury in a covered accident that directly causes one of the following losses within 365 days of the date of the injury, the Company will pay the benefit listed below. Should the Insured employee sustain more than one such loss as the result of any one accident, the total benefit for all losses resulting from the same accident may not exceed the Principal Sum. The Principal Sum is shown in the Schedule of Insurance.

LOSS	BENEFIT
Loss of thumb and index finger of the same hand through or above the joint closest to the wrist	One-fourth the Principal Sum
Loss of one hand by severance at or above the wrist	One-half the Principal Sum
Loss of one foot by severance at or above the ankle	One-half the Principal Sum
Irrecoverable loss of the sight in one eye **resulting in legal blindness**	One-half the Principal Sum
Loss of Speech that is the total and irrecoverable loss of audible communication	One-half the Principal Sum
Loss of Hearing that is permanent total deafness in **both** ears such that it cannot be corrected to any functional degree by any aid or device	One-half the Principal Sum
Any combination of two or more of the losses listed above	Principal Sum
Loss of life	Principal Sum

Exclusions: No benefit will be paid for a Loss caused by or contributed to by:

1) any intentionally self-inflicted injury, suicide, suicide attempt, taking of poison (this does not include accidental ingestion of a poisonous food substance), or intentional asphyxiation or inhaling of gas (including carbon monoxide), while sane or insane;
2) sickness, disease, bodily or mental infirmity (this does not include bacterial infection which results from an accidental cut or wound);
3) war or act of war, whether declared or undeclared, insurrection, rebellion, or participating in a riot or civil commotion;
4) accident occurring while the Insured is serving on full-time active duty for more than 30 days in any Armed Forces. Reserve or National Guard active duty for training is not excluded or a leave of absence pursuant to the Uniformed Services Employment & Reemployment Rights Act (USERRA);
5) attempt or commission of an assault or felony by the Insured;
6) taking drugs, sedatives, narcotics, barbiturates, amphetamines, or hallucinogenic drugs unless taken as prescribed by, or administered by, a licensed physician;
7) the injured Person's intoxication. Intoxication means that blood alcohol content or the results of other means of testing alcohol level, meet or exceed the legal presumption of intoxication as defined by the jurisdiction in which the accident occurs; or
8) travel or flight (including getting in or out, on or off) in any aircraft, including balloons, gliders or hang-gliding except as a fare-paying passenger on a commercial airline or Chartered Aircraft; or, as a passenger, crew member or pilot on a business flight while on the Policyholder's business. It will not include travel or flight:
    i. by an Insured who is:
        a) a student taking a flying lesson;
        b) parachuting for recreational purposes; or
    ii. in any aircraft or device being used for test or experimental purposes.

    A business flight on the Policyholder's business means the Insured has been assigned by, or have the authorization of, the Policyholder to travel or fly for the purpose of furthering the business of the Policyholder. The aircraft:
    a) must have a current and valid Federal Aviation Administration of the United States (FAA) standard air worthiness certificate; and,
    b) is operated by a person holding a current and valid FAA pilot's certificate of rating authorizing him or her to operate the aircraft.

Limitations. This Provision does not apply to injury occurring during the 31-day period as provided by the Conversion Privilege or while insurance is being continued in accordance with the Waiver of Premium Benefit.

SEAT BELT AND AIR BAG BENEFIT

If the Insured employee dies as a result of a motor vehicle accident while driving or riding as a passenger in a Private Passenger Automobile, the Company will pay an additional Seat Belt benefit equal to the lesser of 10 percent of the amount of the Insured employee's Principal Sum or $10,000. The Principal Sum is shown in the Schedule of Insurance.

This benefit is in addition to the Accidental Death & Dismemberment Insurance and will be paid when The Company receives proof that:

1) the Insured employee's death was a result of the accident;
2) the Insured employee died while coverage under the Policy was in force;
3) the Insured employee died within 365 days of the accident;
4) the Private Passenger Automobile was equipped with seat belts at the time of the accident;
5) the Insured employee's seat belt was in actual use and was properly fastened at the time of the accident; and
6) the position of the seat belt is certified in the official accident report, or by the investigating officer.

If a benefit is payable under the Seat Belt Benefit and the automobile is equipped with a factory installed Air Bag system, the Company will pay an additional benefit of the lesser of 5 percent of the Insured employee's Principal Sum or $5,000 if:

1) the Insured employee is positioned in a seat that is designed to be protected by an air bag; and
2) the air bag inflated properly upon impact and is certified in the official accident report; or by the investigating officer.

A Seat Belt and Air Bag benefit will not be payable if Accidental Death & Dismemberment Insurance is not payable.

Private Passenger Automobile means a four-wheel passenger car (including Policyholder-owned cars), station wagon, jeep, pick-up truck, SUV and van-type car that is licensed for use on public highways at the time of the accident.

Seat Belt means a properly installed combination lap and shoulder restraint system that meets the Federal Vehicle Safety Standard of the National Highway Traffic Safety Administration or any successor government agency. Seat belt will include a lap belt alone, but only if the automobile did not have a combination lap and shoulder restraint system when manufactured. Seat belt does not mean a shoulder restraint alone.

REPATRIATION of REMAINS BENEFIT

If the Insured employee dies as a result of injury sustained in a covered accident that occurs at least 150 miles from the Insured employee's current primary place of residence and a Principal Sum is payable under the Policy, The Company will pay a Repatriation Benefit. This benefit provides reimbursement for covered expenses reasonably incurred, to transport the body by the most direct and economical route to a mortuary near the Insured employee's current primary place of residence.

However, when combined with two or more AICK insurance plans containing a Repatriation of Remains Benefit, the combined overall maximum for these plans together cannot exceed the actual expenses for the preparation and transportation of an Insured employee's body to a mortuary.

The Repatriation Benefit is equal to the reasonable expenses incurred to a maximum of the lesser of 2 percent of the Insured's Principal Sum or $2,000 for the following services:

1) documentation and authorization from local authorities;
2) embalming or cremation;
3) a coffin or urn appropriate for the transportation of mortal remains; or
4) transportation of the mortal remains to the funeral director responsible for burial.

This benefit is paid in addition to the Principal Sum to the Beneficiary.

A Repatriation of Remains Benefit will not be payable if Accidental Death & Dismemberment Insurance is not payable.

Reasonable Expense means the usual and customary fee or charge for the services rendered and the supplies furnished in the area where the services are rendered or supplies furnished. Proof of actual paid expenses must be presented within one year following the Insured's death for payment of the Repatriation of Remains benefit.

DISAPPEARANCE

The Company will presume death due to an injury to the Insured if:

1) the Insured's body is not found within one year from the date of an aircraft accident in which he or she was a pilot, crew member, or passenger; and,
2) if the aircraft is covered by the Group Policy.

Covered Aircraft

Make and Model:	1977 Cessna 340 – two engine
License Number:	N74SD
Number of Seats:	Passenger – 6
	Crew – 2

Insert a statement description of how and when the aircraft is used in the business of the Policyholder, Participating Employer, subsidiary or affiliate.

LIVING BENEFIT – AN ACCELERATED BENEFIT

A living benefit is an Accelerated Benefit that, when paid, reduces the face amount of the Basic Term Life Insurance. The balance of the face amount available for Basic Life Insurance benefits after payment of a living benefit is called Reduced Face Amount.

The Living Benefit allows the Insured to apply for an accelerated benefit paid during the Insured's lifetime providing the Insured has a Terminal Condition as defined herein. An Insured must be covered for a minimum of 30 days prior to applying for an accelerated benefit for a terminal condition related to an illness. For terminal condition related to an accident, the Insured may apply from the Effective Date.

The Living Benefit is available to the Insured as an advance of part of the Basic Term Life Insurance in-force under the Group Policy. If the Insured decides not to apply for a Living Benefit, the full amount of the Basic Term Life Insurance will be paid to the Insured's beneficiary if death occurs while insured under the Group Policy.

If, while insured under the Group Policy, the Insured provides written proof satisfactory to us that a Terminal Condition exists, as defined herein, we will pay a Living Benefit of up to fifty percent (50%) of the amount of Basic Term Life Insurance under the Group Policy or $50,000, whichever is less.

There is no additional premium charge to the Insured or the Policyholder for this Living Benefit.

The Living Benefit is **NOT A LONG TERM CARE BENEFIT**. The amount is paid in one lump sum and may be used in any way.

Definition of a Terminal Condition: A terminal condition means a medically determinable condition which can be expected to result in the Insured's death within 24 months.

To apply for a Living Benefit the Insured must provide certification acceptable to us, from a licensed physician (M.D. or D.O.) of a medically determinable condition that can be expected to result in death within twelve months.

We reserve the right to have the Insured examined at our expense in connection with a claim for a Living Benefit. Any examination will be conducted by one or more physicians of our choice.

THE FULL AMOUNT OF THE LIVING BENEFIT PAID MAY BE TAXABLE INCOME. THE COMPANY IS NOT RESPONSIBLE FOR THE TAX CONSEQUENCES OF ANY PAYMENTS. THE INSURED EMPLOYEE SHOULD CONSULT A PERSONAL TAX ADVISOR OR SOCIAL SERVICE AGENCY BEFORE APPLYING FOR A LIVING BENEFIT.

LIVING BENEFIT – AN ACCELERATED BENEFIT (continued)

EXCEPTIONS and LIMITATIONS

No Living Benefit will be paid:

1) if the required group insurance premium is delinquent;
2) on any optional/additional Term Life Insurance or Dependent Life Insurance in-force under the Group Policy or any converted life coverage;
3) if the Insured has named an irrevocable beneficiary or made collateral or absolute assignments of the Basic Term Life Insurance unless, the beneficiary or assignee so consents in writing;
4) on any part of the Basic Term Life Insurance which must be paid to the Insured's child(ren) or former spouse pursuant to a divorce decree;
5) without the written consent of the spouse, if the Insured is married; or
6) due to any intentionally self-inflicted injury or suicide attempt.

RULES AND CONDITIONS GOVERNING PAYMENT OF THE LIVING BENEFIT

1) The Living Benefit must be paid to the Insured during the Insured's lifetime and while insured for Basic Term Life Insurance under the Group Policy.
2) The Living Benefit will be paid in one lump sum, rounded to the nearest thousand, not to exceed 50 or $50,000, whichever is less, of the in-force Basic Term Life Insurance.
3) If the amount of Basic Term Life Insurance is scheduled to reduce because of an age-related reduction within twelve months after the date the Insured applies for a Living Benefit, the maximum Living Benefit will be limited to fifty percent (50%) of the amount of Basic Term Life Insurance which will be in effect after the scheduled age related reduction.
4) Only one Living Benefit will be paid to the Insured under the Group Policy.
5) If the Insured recovers from the Terminal Condition after we have paid a Living Benefit, the Insured will not be asked to refund any part of the Living Benefit paid.
6) If the Insured receives a Living Benefit and then has a right to convert under the Group Policy, the amount of Basic Term Life Insurance the Insured has a right to convert will be based on the reduced face amount.
7) The premiums payable for the reduced face amount under the Group Policy will not decrease after a living benefit is paid.
8) The Living Benefit paid reduces the amount of Basic Term Life Insurance but does not have any effect on the amount of Accidental Death and Dismemberment Insurance, if applicable, under the Group Policy.

DEATH BENEFIT

If the Insured dies after receiving the Living Benefit, while still insured for Basic Term Life Insurance under the Group Policy, the beneficiary will receive the reduced face amount of Basic Term Life Insurance.

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

DISCLAIMER

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

Kansas Life and Health Insurance Guaranty Association
2909 SW Maupin Lane
Topeka, KS 66614

Kansas Insurance Department
420 SW 9th Street
Topeka, KS 66612

This is a brief summary of the Kansas Life and Health Insurance Guaranty Association ("the Association") and the protection it provides for policyholders. If there is any inconsistency between this notice and Kansas law, then Kansas law will control.

The Association was established to provide protection in the unlikely event that your life, annuity or health insurance company becomes financially unable to meet its obligations and is taken over by its Insurance Department. If this should happen, the Association will typically arrange to continue coverage and pay claims, in accordance with Kansas law, with funding from assessments paid by other insurance companies. This safety net was created under Kansas law, which determines who and what is covered and the amounts of coverage. The basic protections provided by the Association are:

- Life Insurance
  $300,000 in death benefits
  $100,000 in cash surrender or withdrawal values
- Health Insurance
  $500,000 in hospital, medical and surgical insurance benefits
  $300,000 in disability insurance benefits
  $300,000 in long-term care benefits
  $100,000 in other types of health insurance benefits
- Annuities
  $250,000 in withdrawal and cash values

The maximum amount of protection for each individual, regardless of the number of policies or contracts, is $300,000. Special rules may apply with regard to hospital, medical and surgical insurance benefits, as well as certain aggregate limits.

Notice and Disclaimer

The Group Insured, on behalf of itself and its participants, hereby expressly acknowledges its understanding this policy constitutes a contract solely between the Group Insured and Advance Insurance Company of Kansas (AICK), which is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans (the "Association"), permitting AICK to use the Blue Cross and Blue Shield Service Marks in a portion of the State of Kansas, and that AICK is not contracting as the agent of the Association. The Group Insured, on behalf of itself and its participants, further acknowledges and agrees that it has not entered into this policy based upon representations by any person other than AICK and that no person, entity, or organization other than AICK shall be held accountable or liable to the Group Insured, for any of AICK's obligations to the Group Insured created under this policy. This paragraph shall not create any additional obligations whatsoever on the part of AICK other than those obligations created under other provisions of this agreement.