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**COMPANION LIFE INSURANCE COMPANY**  
7909 PARKLANE ROAD, SUITE 200, COLUMBIA, SC 29223-5666  
PO Box 100102, Columbia, SC 29202-3102  
(803) 735-1251  
(Herein called Companion Life)

Certifies that it has issued the group insurance policy shown below and, subject to the terms of that policy you, the Insured, are eligible.

This certificate is merely evidence of your insurance under the Policy, and all matters pertaining to such insurance are subject to the terms and conditions of the Policy. This certificate replaces any certificate previously issued to the employee by Companion Life under the Policy.

Policy Number: 626-25-48398-000  
Policyholder: MONTANA MUNICIPAL INS. AUTHORITY  
C/O ISU INC.  
6621 SOUTHPOINT DR. N  
#325  
JACKSONVILLE, FL 32216

Certificate Date:

Certificate Number:

Insured Employee:

**SCHEDULE OF BENEFITS**

**Please refer to page 0.2.**

**PLEASE READ YOUR CERTIFICATE CAREFULLY.**

A handwritten signature in black ink, appearing to read 'Trescott N. Hinton, Jr.' with a stylized flourish at the end.

**Trescott N. Hinton, Jr.**  
President

TERM LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE CERTIFICATE  
Renewal at Option of Companion Life  
(Non-Participating)

## SCHEDULE OF BENEFITS

BASIC TERM LIFE BENEFIT: ..... As Shown in Application  
BASIC AD&D PRINCIPAL SUM: ..... As Shown in Application  
SUPPLEMENTAL TERM LIFE BENEFIT: ..... NOT PROVIDED  
SUPPLEMENTAL AD&D PRINCIPAL SUM: ..... NOT PROVIDED  
DEPENDENT LIFE BENEFIT: ..... As Shown in Application  
SHORT TERM DISABILITY TOTAL DISABILITY BENEFIT: ..... NOT PROVIDED  
VOLUNTARY SHORT TERM DISABILITY BENEFIT: ..... NOT PROVIDED

The amount of Term Life insurance and the principal sum for Accidental Death and Dismemberment Insurance, if provided, shall each reduce by 50% at age 70, 50% at age 70, and then 75% at age 75.

If insurance amounts are based on annual earnings, then Companion Life will determine the benefit amounts using the earnings information most recently reported to Companion Life prior to the date of loss.

## CERTIFICATE GUIDE

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## **SECTION 1**

### **ACTIVELY AT WORK PROVISION**

"Active, Full-Time Employee" means an employee who performs all of the duties of his or her job with the Policyholder. This job may be at either:

1. the Policyholder's normal place of employment; or
2. at some other place to which the regular business operations of the Policyholder require that person to go.

"Full-time", means an employee must be:

1. scheduled to work for the Policyholder at least 30 hours each week; and
2. on the regular payroll of the Policyholder for that work.

"Active work" is work performed as an active, full-time employee. "Actively at work" means being engaged at active work.



## SECTION 2

### DEFINITIONS

"Earnings" means the Insured's rate of earnings from the Policyholder in effect immediately prior to the date a claim begins. It does not include bonuses, overtime pay and other extra compensation other than commissions. Commissions will be averaged over the 12 month period prior to the date a claim begins.

"Total Disability" or "Totally Disabled" means any disability that:

1. Begins while the Policy is in force as to the Insured.
2. Results from injury or sickness.
3. Prevents the Insured from engaging in any occupation for which he or she is or becomes qualified by education, training, or experience.
4. Requires the Insured to be under the regular care and attendance of a licensed physician.

"Schedule of Benefits" means the description of benefits set forth on the face page of this Certificate.

"Insured" means an eligible employee who is insured under the Policy.

"Insured Dependent" means an Insured's eligible spouse and/or child(ren) who are insured under the Policy, if the Policy provides Dependent Life Insurance.

"The date the Insured retires" or "retirement" means the effective date of the Insured's:

1. retirement pension benefits under any plan of a federal, state, county or municipal retirement systems, if such pension benefits include any credit for employment with the Policyholder;
2. retirement pension benefits under any plan which the Policyholder sponsors, or makes or has made contributions;
3. retirement benefits under the United States Social Security Act of 1935, as amended, or under any similar plan or act.

"Physician" means a medical doctor or surgeon licensed to render services in accordance with the laws of the state where such services are rendered. The term "physician" will also include a licensed medical practitioner whose services are required by law to be recognized on the same basis as if they had been performed by a licensed medical doctor. Such practitioner must be acting within the scope of his or her license. Physician does not include the Insured; or a member of the Insured's immediate family (spouse, daughter, son, father, mother, sister, or brother).

### **SECTION 3**

#### **TERM LIFE INSURANCE BENEFIT**

As Shown in Application

If an Insured dies while insured under the Policy, Companion Life will pay the applicable Life Insurance Benefit shown in the Schedule of Benefits.

#### **Part 1**

#### **CONTINUATION OF BASIC TERM LIFE INSURANCE BENEFIT DURING TOTAL DISABILITY**

#### **EXTENSION OF BASIC TERM LIFE INSURANCE BENEFIT**

In the event of termination of employment, a death benefit will be paid if the Insured dies while Totally Disabled provided that the disability:

1. began while the person was both insured under the Policy and under age 60; and
2. has been continuous until death; and
3. began within 12 months of the date of death.

#### **WAIVER OF BASIC TERM LIFE INSURANCE PREMIUM BENEFIT**

If an Insured becomes Totally Disabled, prior to age 60, Companion Life will waive premium for the Basic Term Life Insurance Benefit. The waiver of premium will begin on the first of the month following 12 consecutive months of Total Disability. The Insured must file written notice within 12 months after the date of Total Disability to be eligible for this benefit.

With respect to the Insured, this Waiver of Premium Benefit shall end on the earliest of the following:

1. on the date the Insured's Total Disability ends;
2. on the 91st day after Companion Life requests proof of continuous Total Disability, provided the Insured fails to furnish Companion Life with such proof during such 91 day period;
3. on the Premium Due Date immediately prior to the Insured's 65th birthday;
4. on the effective date of any individual life insurance policy obtained in accordance with Part 2, Right to Convert;
5. on the date the Insured retires.

#### **AMOUNT OF BASIC TERM LIFE INSURANCE BENEFIT CONTINUED**

The Basic Term Life Insurance Benefit which is continued during Total Disability is the applicable amount of Basic Term Life Insurance in force as to the Insured on the date such Insured's Total Disability begins (subject to any reductions shown in the Schedule of Benefits).

This Continuation of Basic Term Life Insurance Benefit During Total Disability does not apply to the Accidental Death and Dismemberment Benefit.

## Part 2

### RIGHT TO CONVERT

If an Insured is no longer eligible for part or all of the Life Insurance Benefit provided by the Policy, such Insured is entitled to apply to Companion Life for an individual policy of life insurance, without submitting evidence of insurability provided:

1. The policy applied for:
  - A. is a type of individual life policy, other than term or universal life, then being issued by Companion Life; and
  - B. does not include Accidental Death and Dismemberment, Short Term Disability or other Supplemental benefits; and
2. The amount of life insurance applied for under such individual life policy is in accordance with the **Amount To Convert** provision below; and
3. The Insured agrees to pay the premium for such individual life policy. The premium will be based on the following, as of the effective date of such individual life policy;
  - A. Companion Life's usual rate for the amount and type of individual life policy;
  - B. the Insured's attained age; and
4. The Insured applies and pays the first premium for such individual life policy within 31 days following termination or reduction of the Life Insurance Benefit under the Policy. Such individual life policy will become effective on the first day following the end of such 31 day period.

### AMOUNT TO CONVERT

This conversion privilege is allowed for the Term Life Insurance that ceases as described in items 1. and 2.

1. The Insured may convert all or part of the amount of Life Insurance Benefit the Insured is no longer eligible for due to;
  - A. reductions resulting from attainment of a specific age, as shown in the Schedule; or
  - B. loss of the individual eligibility.

2. If the Insured has been insured under the Policy for at least 3 years, the lesser of the amounts shown in (i) or (ii) below may be converted if the Insured is no longer eligible due to:
  - A. termination of the Policy; or
  - B. termination of the class of Insureds to which the Insured belongs; or
  - C. reduction of benefits for the class of Insureds to which the Insured is a member:
    - (i) \$10,000, or
    - (ii) All or part of the amount for which the Insured is no longer eligible. This amount will be reduced by the amount of any life insurance for which the Insured becomes eligible to receive under a group policy issued or reinstated by Companion Life or any other insurer during the thirty-one day period immediately following termination of insurance under the Policy.

If the Insured dies during the conversion period the maximum amount of Term Life Insurance which the Insured would have been entitled to have issued shall be payable as a claim under the Policy; whether or not application for the individual policy or the payment of the first premium has been made.

The rights or benefits granted under this provision are in lieu of any other rights or benefits granted under the Policy.

### **Part 3**

#### **SUICIDE EXCLUSION**

With respect to the Life Insurance Benefit, in the event an Insured, while sane or insane (in Missouri while sane), dies from intentionally self-inflicted injuries or any attempts thereat, within two years from the effective date of coverage, Companion Life's liability shall be only to return premiums paid under the Policy as to such Insured.

The Suicide Exclusion will not apply to the Insured who:

1. is actively at work on the effective date of the Policy; and
2. was insured for Group Life Insurance under the prior carrier's policy on its termination date.

### **Part 4**

#### **THE ACCELERATED BENEFITS PROVISION**

##### **THE BENEFIT**

The Insured with a medically determined terminal condition would be eligible to receive the following accelerated benefit:

Fifty percent (50%) of the Basic Term Life Insurance benefit in effect on the Insured's last day of active work up to a maximum insured amount of \$100,000. The maximum payable under this benefit is \$50,000.

An "Accelerated Benefit" covered under the Policy is a benefit payable;

1. to the Insured. If, during his or her lifetime, the Insured sustains a terminal condition, as defined in this provision, the Insured or his or her legal representative may request a lump-sum accelerated death benefit payable once during the lifetime of the Insured, and
2. which reduces the death benefit otherwise payable under the Policy, and
3. which is payable upon the occurrence of a single qualifying event which results in the payment of a benefit amount fixed at the time of acceleration.

## **TAX TREATMENT**

Benefits paid under this provision may be taxable. The Insured or his or her beneficiary may incur a tax obligation. As with all tax matters, an Insured should consult with his or her personal tax advisor and/or attorney.

## **DEFINITION OF TERMINAL CONDITION**

"Terminal Condition" means that the Insured has a medically determinable condition with no reasonable prospect of cure, which can be expected to result in death within 12 months of the date of disability. The proof of Terminal Condition satisfactory to Companion Life must be certified by the Insured's attending physician and one other physician.

Companion Life reserves the right to have the Insured examined at its expense by one or more physicians of its choice in connection with a request for Accelerated Death Benefit for Terminal Condition.

## **ELIGIBILITY REQUIREMENTS**

All eligible actively at-work full time employees who have been covered under the Basic Term Life Insurance are eligible for the Accelerated Benefit. The benefit terminates at the earliest of:

1. when the Insured's Basic Term Life terminates, or
2. at attained age 70, or
3. at retirement from employment.

In order to be eligible for this benefit, the Insured must have been continuously covered for at least one year under the Policy prior to sustaining a terminal condition, or covered under the Policy from the Policy Effective Date.

## **EFFECTIVE DATE OF THE ACCELERATED BENEFITS**

The Accelerated Benefit provision shall be effective for accidents on the Policy Effective Date. The Accelerated Benefit provision shall be effective for illness thirty (30) days following the Policy Effective Date.

## **EXCLUSIONS AND LIMITATIONS**

The Accelerated Benefit will not apply:

1. to any self-inflicted injuries or suicide attempts;
2. to any Supplemental Term Life Insurance benefits, including Dependent Life, nor to any Accidental Death and Dismemberment benefits;
3. if an Insured is totally disabled on his or her Effective Date of coverage;
4. to a Basic Term Life Insurance benefit that has been assigned;
5. to a Basic Term Life Insurance benefit payable to an irrevocable beneficiary;
6. to a Basic Term Life Insurance benefit with a face amount of less than \$10,000;
7. if the required Basic Term Life Insurance premium is due and unpaid.

## **CONVERSION**

The amount of Basic Term Life Insurance that may be converted is the Insured's Basic Term Life Insurance reduced by the Accelerated Benefit amount paid.

## **REDUCTIONS**

If a benefit reduces in accordance with a reduction provision the total amount payable to the Insured will not be affected by the advanced payment.

## **FREQUENCY**

Only one Accelerated Benefit payment will be made to an Insured.

## **TERMINATION**

This provision will terminate for the Insured on the earliest of the following dates:

1. the date the Policyholder terminates coverage under the Policy;
2. the date the Policy terminates;
3. the date the Insured retires;
4. the date the Insured dies;
5. the date the Insured receives an Accelerated Benefit payment; or
6. the date the Insured continues coverage under the Conversion Provisions of the Policy.

## SECTION 4

### ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

As Shown in Application

#### Part 1

If an Insured suffers any of the following losses, Companion Life will pay the indicated percentage of the Principal Sum, provided such loss:

1. results from Injury and independently of all other causes, which injury is caused by an accident that occurs while this benefit is in force as to the Insured; and
2. occurs within 90 days of that accident. The Principal Sum is shown in the Schedule of Benefits.

Loss of Life	100%
Loss of Both Hands or Both Feet	100%
Loss of Entire Sight of Both Eyes	100%
Loss of One Hand and One Foot	100%
Loss of One Hand and the Entire Sight of One Eye	100%
Loss of One Foot and the Entire Sight of One Eye	100%
Loss of One Hand or One Foot	50%
Loss of Entire Sight of One Eye	50%

"Loss" as above used means:

1. with reference to hand or foot, complete loss of the use of the hand, or foot; and
2. with reference to eye, irrecoverable loss of the entire sight thereof.

If the Insured suffers more than one of the above losses as a result of the same accident, the benefit provided under this provision will be paid only for the greatest loss.

If loss of Life results while an Insured was riding as a fare-paying passenger in or upon a public conveyance being operated by a licensed common carrier for passenger service, the Accidental Death benefits provided under the Policy will be increased. The additional benefit payable will be the lesser of:

1. 100% of the Principal Sum shown in the Schedule of Benefits; or
2. \$100,000.

#### ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT EXCLUSIONS

The Policy does not provide benefits for any loss caused by, contributed to by, or resulting from:

1. Declared or undeclared war or any act of war;
2. Service in the armed forces of any country or international authority;
3. Suicide or intentionally self-inflicted injury whether the Insured was sane or insane (in Missouri while sane) at the time of the suicide or injury;
4. Flying in an aircraft owned, operated, leased or chartered by the Policyholder;
5. Participation in, or in consequence of having participated in, the commission of any felony;
6. Sickness or disease, ptomaine or bacterial infection (except infections occurring through an accidental cut or wound);

7. Intentionally taking a narcotic, drug, barbiturate, hallucinogenic drug, alcohol or any combination of these when not part of a professional medical treatment plan.

The Accidental Death and Dismemberment Benefit is not available to Insured Dependents.

## **Part 2**

### **SEAT BELT BENEFIT**

The Accidental Death benefits provided under the Policy will be increased if, as a result of driving or riding in a private passenger automobile, the Insured dies as a result of an automobile accident.

The additional benefit payable will be the lesser of:

1. 100% of the Principal Sum shown in the Schedule of Benefits; or
2. \$10,000.

### **CONDITIONS**

Companion Life must receive proof that:

1. the Insured was insured for Accidental Death and Dismemberment benefits under the Policy; and
2. according to the official vehicle accident report, the Insured was wearing a properly installed seat belt or lap and shoulder restraint, or any other National Highway Traffic Safety Administration approved restraint at the time of the accident.

### **EXCLUSION**

This additional benefit will not be paid if:

1. the Insured was driving while impaired by alcohol or drugs; or
2. the driver of the automobile, in which the Insured was riding, was driving while impaired by alcohol or drugs.

### **DEFINITION**

A "private passenger automobile" is a four-wheel private passenger car, station wagon, van, truck or jeep-type automobile. It is not:

1. a taxi, bus or any other vehicle being used for public conveyance;
2. used in off-road activities; or
3. used in testing, racing or endurance contests, either amateur or professional.

## **PART 3**

### **PAYMENT OF BENEFITS**

Upon receipt of due proof of loss, the Accidental Death and Dismemberment benefit will be paid to the Insured, if living; otherwise, to the beneficiary. All Claim Provisions and Beneficiary and Settlement Provisions apply to this coverage.

## **SECTION 5**

### **DEPENDENT LIFE INSURANCE BENEFIT**

As Shown in Application

#### **PART 1**

##### **DEPENDENT DEFINED**

An eligible dependent is any one of these family members:

1. The Insured's spouse, if not legally separated from the Insured;

Spouse will include a legally married spouse of an insured active employee or insured retiree as well as a surviving spouse.

The effective date of this change is January 1, 2008.

2. Each unmarried child (including any stepchild, legally adopted child or foster child) of the Insured who is:
  - A. at least 14 days and under 19 years of age; and
  - B. depends on the employee for the major part of his or her support.

However, the age limit is raised to under 23 years if the child is in school as a full-time student and financially dependent upon the Insured.

An eligible dependent will not include anyone who:

1. is eligible for Employee Insurance; or
2. is entitled to any extended coverage under the Policy by reason of having been an employee of the Policyholder.

If both husband and wife are Insureds, their children will be covered as dependents of the husband or wife, but not of both.

#### **PART 2**

##### **ELIGIBILITY REQUIREMENT FOR DEPENDENT INSURANCE**

An Insured will be eligible for Dependent Insurance on the first day on which he or she:

1. First enters a class that provides Dependent Insurance; and
2. First gains a dependent. This will include gaining a dependent after a time without one.

#### **PART 3**

##### **REQUIREMENTS FOR DEPENDENT INSURANCE**

1. An Insured must enroll for Dependent Insurance that is shown to be contributory in the Group Application for the coverage to become effective.
2. In the case of a late enrollment:
  - A. evidence of insurability must be given for each of the Insured's then dependents; and

B. for the insurance to take effect for a dependent, the Company must approve the evidence of insurability provided for that dependent.

3. Deferral Rule - To effect new coverage on a dependent the following rule will apply:

The new coverage will be deferred for a dependent if he or she is confined in a medical care unit when it is due to take effect. In this case, the new coverage will take effect on the first day that the dependent is free from confinement.

In this Rule, "medical care unit" means:

- A. a licensed general hospital; or
- B. a unit that treats one or more specific ailments; or
- C. any type of convalescent or skilled nursing care facility.

This deferral rule does not apply to a newborn child upon reaching the minimum age if:

- A. on that date the child is hospital confined; and
- B. has been continuously so confined since birth.

#### **PART 4**

#### **EFFECTIVE DATE OF DEPENDENT INSURANCE**

An Insured's Dependent Insurance will take effect on the first day of the Policy Month that coincides with or next follows the date that:

- 1. The Eligibility Requirement is met;
- 2. At least one dependent will become covered.

#### **PART 5**

#### **SCHEDULE OF DEPENDENT INSURANCE**

As Shown in Application

The insurance amount for an Insured's spouse or child may not exceed 50% of the Insured's amount of life insurance under the Policy.

## **PART 6**

### **WHEN A DEPENDENT BECOMES COVERED FOR CHANGES IN A BENEFIT AMOUNT**

The effective date of increases in a benefit amount is subject to the Deferral Rule. The effective date of a benefit decrease is not subject to the Deferral Rule.

A dependent will be covered for a change in the amount of an in force benefit as follows:

1. **Benefit Change Due to Change in Age.** The change takes effect on the first day of the Policy Month that coincides with or next follows the date of the age change.
2. **Benefit Change Due to Change in Employee's Benefit Amount.** The change takes effect on the same day as the change in the Insured's personal coverage.

## **PART 7**

### **WHEN A DEPENDENT BECOMES COVERED FOR A NEWLY ACQUIRED BENEFIT**

Subject to the Deferral Rule, a dependent will first be covered for a newly acquired benefit from the date that:

1. The person is an eligible dependent and eligible for the new benefit;
2. The Insured has enrolled for Dependent Insurance; and
3. The enrollment requirements of the Policy are met for that benefit.

## **PART 8**

### **TERMINATION OF DEPENDENT INSURANCE**

Termination of an Employee's Dependent Insurance -

Dependent Insurance of an Insured will terminate on the earliest of:

1. The first day of the Policy Month that coincides with or next follows the date of the Insured's death; or
2. The date that the Insurance of an Insured terminates; or
3. The date Dependent Insurance benefits are discontinued under the Policy; or
4. The date the Insured's class changes to one that does not provide Dependent Insurance benefits; or
5. The beginning of the period for which premium is not paid as to the Insured Dependent; or
6. The Premium Due Date immediately prior to the Insured Dependent Child's 19th birthday (23rd birthday, if attending school on a full-time basis), marriage or entry into the armed forces.
7. For contributory coverage only: The end of the last period for which a premium charge has been paid if the next premium charge is not paid when due.

## **PART 9**

### **LOSS OF DEPENDENT STATUS**

Dependent Insurance will cease for a person on the date that he or she is no longer an eligible dependent.

## **PART 10**

### **DEATH BENEFIT**

Companion Life will pay a death benefit as shown in items 1. or 2. upon receipt of proof of death. It will be paid to the Insured if living at the time of payment; otherwise, it will be paid to the Insured's estate.

1. **Death Benefit While the Dependent is Covered** - When a person who is covered as a dependent dies, Companion Life will pay a death benefit. This benefit will be the amount of Dependent Term Life Insurance in force on that person's life at time of death.
2. **Death Benefit During the Conversion Period** - A death benefit will be paid if a dependent dies:
  - A. within 31 days after all or part of the Dependent Term Life Insurance for the dependent would otherwise have terminated; and
  - B. during the period the dependent would have been entitled to have a conversion policy issued under the terms of the Conversion Privilege.

The death benefit will be the amount of Dependent Term Life Insurance that could have been converted for the dependent.

## **PART 11**

### **CONVERSION PRIVILEGE**

This conversion privilege is allowed for the Dependent Term Life Insurance that ceases as described in items 1. and 2. below. This privilege must be exercised by the Insured Dependent unless legally unable to make a valid contract. In that case, the application must be made by the Insured, if living, otherwise by the legal guardian of the Insured Dependent.

1. The Insured Dependent may convert all or part of the amount of insurance that ceases due to:
  - A. provisions of the Group Application; or
  - B. loss of eligibility.

However, no conversion is allowed for life insurance which stops solely due to non-payment of contributions.

2. If the Insured Dependent has been insured under the Policy for at least 3 years, the lesser of the amounts shown in (i) or (ii) below may be converted if the Insured Dependent is no longer eligible due to:
  - A. termination of the Policy; or
  - B. termination of the Policyholder's coverage under the Policy; or
  - C. amendment of the Policy to terminate the Dependent Term Life Insurance under the Insured's Eligible Class.
    - (i) \$10,000, or
    - (ii) All or part of the amount that ceases. This amount is reduced by any new dependent life insurance for which the Insured becomes eligible under any other group policy issued within 31 days of termination under the Policy.

## **PART 12**

### **TYPE OF CONVERSION POLICY AVAILABLE**

A conversion policy will be one of the kinds of individual life insurance policies, other than term life or universal life insurance, then being issued by the Company. The conversion policy will not include accidental death, disability or other supplementary benefits. It will be issued without evidence of insurability.

## **PART 13**

### **EFFECTING A CONVERSION PRIVILEGE**

A conversion policy will take effect at the end of 31 days after insurance termination. To convert, the person requesting conversion must submit the following to the Company within that 31 day period:

1. Written application.
2. The first premium payment.

## **PART 14**

### **CONVERSION POLICY PREMIUM RATE**

The premiums for the conversion policy will be at:

1. the Company's usual rates for its type and amount;
2. the dependent's class of risk; and
3. the dependent's age last birthday as of its effective date.



## **SECTION 6**

### **BENEFICIARY AND SETTLEMENT OPTIONS**

#### **PART 1**

##### **BENEFICIARY DESIGNATION**

The beneficiary or beneficiaries of an Insured shall be that person or persons indicated on the Insured's individual application for insurance. This application will be filed with the Policyholder. The beneficiary of an Insured Dependent, if the Policy provides Dependent Life Insurance, shall be the Insured.

#### **PART 2**

##### **CHANGE OF BENEFICIARY**

Unless the Insured has made an irrevocable assignment of benefits, the beneficiary may be changed by sending a written request to the Home Office of Companion Life. When such request is received by Companion Life, the change of beneficiary shall take effect as of the date of execution of the written request, but without prejudice to Companion Life on account of any payment previously made by Companion Life.

#### **PART 3**

##### **CONSENT OF BENEFICIARY**

If the Insured does initially name the spouse as beneficiary, Companion Life will require written consent of the spouse to name or change the beneficiary in community property states.

#### **PART 4**

##### **PREFERENTIAL BENEFICIARY**

If the Insured has died and no beneficiary is living or named, Companion Life may, at its option, pay the benefits to the Insured's estate or to the following surviving relatives of the Insured:

The Insured's:

1. Spouse;
2. Child or children;
3. Parent(s);
4. Brothers and sisters; or
5. Executors or administrators.

Companion Life will not be liable to the extent of any payment so made, unless it receives written notice of a valid claim by some other person before payment is made.

**PART 5**

**MINOR BENEFICIARY**

If the beneficiary is a minor or, in the opinion of Companion Life, is not able to give valid release for any payment due, Companion Life may, at its option and until claim is made by the duly appointed guardian, pay the benefit to the person or entity who appears to have assumed the care and support of the beneficiary. Benefits in this event will be made in monthly payments of not more than \$50 each.

Companion Life will not be liable to the extent of any payment so made in good faith.

**PART 6**

**MORE THAN ONE BENEFICIARY**

If the Insured has named more than one beneficiary, the applicable amount of insurance shall be paid to the beneficiaries who survive the Insured, in equal shares, unless the Insured has specified a different proportion.

**PART 7**

**NO BENEFICIARY**

If the beneficiary predeceases the Insured or if the Insured does not designate a beneficiary, then the applicable amount of life insurance will be paid to the estate of the Insured.

**PART 8**

**SETTLEMENT OPTIONS**

An Insured may elect or change a settlement option by filing a written request with Companion Life. The settlement options available will be those offered by Companion Life when the option is chosen. If an Insured does not request a settlement option, the beneficiary may do so after the Insured's death.

## SECTION 7

### ASSIGNMENT

1. The Insured may make an irrevocable assignment of interest under the Policy. The assignment:
  - A. must be made in writing on a form approved by Companion Life;
  - B. must be an absolute assignment that transfers all rights except those of an irrevocably named beneficiary; and
  - C. must not be a collateral assignment.
2. Assignment of interest conveys all rights of ownership. These include the right to change the beneficiary, receive payment of claims and assign the insurance.
3. Companion Life is not responsible for the validity or results of the assignment.



## **SECTION 9**

### **CHANGE OF CLASS OR EARNINGS**

If a change in an Insured's class or earnings would increase the amount of the benefits entitled to be received under the Policy, such increase in benefits will become effective on the Premium Due Date following such change, provided:

1. Notice of the change is given to Companion Life within 30 days of the change.
2. Such increase in benefits does not exceed the Guarantee Issue Amount, stated in the Group Application.

If notice is not given within the required time or the increase in benefits would exceed the Guaranteed Issue Amount, stated in the Group Application, such increase in benefits:

1. Must be approved by Companion Life; and
2. Will become effective on the Premium Due date following Companion Life's approval.

If the Insured is not at work full-time due to injury or sickness on the date an increase in benefits is due to begin, such increase in benefits will not begin until the Insured returns to full-time work.

If a change in an Insured's class or earnings would decrease the amount of benefits entitled to be received under the Policy, such decrease in benefits will become effective on the Premium Due Date following the change.



## **SECTION 10**

### **WHEN INDIVIDUAL INSURANCE BEGINS**

To become insured, eligible employees must make written application to Companion Life. Coverage will begin on the Premium Due Date, shown in the Group Application for benefits, following the date Companion Life approves the application. Companion Life may require evidence of insurability before approving the application.

If an eligible employee is not at full-time work due to an injury or sickness on the date insurance is due to begin, it will not begin until return to full-time work.

## **SECTION 11**

### **WHEN INDIVIDUAL INSURANCE ENDS**

The insurance will end with respect to an Insured, on the earliest of the following:

1. When the Policy is cancelled;
2. When the insurance is cancelled for the class of insureds to which the Insured belongs;
3. The beginning of the period for which premium is not paid as to the Insured;
4. Except for Retirees, the date the Insured is no longer actively working on a full-time basis in any class or classes insured under the Policy unless (and only with respect to the Basic Term Life Insurance Benefit, if provided by the Policy) the Continuation of Basic Term Life Insurance Benefit During Total Disability applies.



## SECTION 12

### CLAIM PROVISIONS

**NOTICE OF CLAIM:** Written notice of claim must be given within 30 days after a covered loss begins, or as soon as reasonably possible. The notice may be given to Companion Life at PO Box 100102, Columbia, SC 29202-3102. Notice should include information which identifies the Insured or Insured Dependent and the Policy.

**CLAIM FORMS:** When Companion Life receives notice of claim, forms for filing proof of loss will be sent to the claimant. If these forms are not sent within 15 days, the claimant will meet the proof of loss requirements if, within 90 days after the loss began, he or she gives Companion Life written proof of the nature and extent of the loss.

**PROOFS OF LOSS:** Written proof of loss must be given to Companion Life within 90 days after the loss begins. Companion Life will not deny nor reduce any claim if it was not reasonably possible to give Companion Life such proof in the time required. In any event, proof must be given to Companion Life within 1 year after it is due, unless the claimant is legally incapable of doing so. Companion Life has the right to require proof of the continuance of total disability at any time during the first two years after receipt of initial proof of total disability; and thereafter, once a year.

**PAYMENT OF CLAIMS:** Benefits provided by the Policy will be paid to the beneficiary determined in accordance with Section 6 of this Certificate, entitled **BENEFICIARY AND SETTLEMENT OPTIONS**.

**TIME OF CLAIM PAYMENTS:** Short Term Disability Benefit claims (if this Policy provides a Short Term Disability Benefit) will be paid weekly as of the dates required. Claims for other benefits will be paid not more than 60 days after receipt by Companion Life of written proofs of loss.

**PHYSICAL EXAMINATIONS AND AUTOPSY:** Companion Life at its own expense will have the right and opportunity to have the Insured examined as often as reasonably necessary while a claim is pending. Companion Life at its own expense may have an autopsy made (during the period of contestability), unless prohibited by law. If the Insured fails to submit proof of continuing Total Disability when required; or fails to be examined medically when required, no further benefit will be provided for that Total Disability.

**LEGAL ACTIONS:** No legal action may be brought to recover on the Policy before 60 days after written proof of loss has been furnished, as required by the Policy. No such action may be brought after 6 years from the time written proof of loss is required to be furnished.



## SECTION 13

### GENERAL PROVISIONS

**MISSTATEMENT OF AGE:** If an Insured's or Insured Dependent's age has been misstated, benefits payable for such Insured or Insured's Dependent will be what the premium paid would have purchased at the correct age. This benefit will be subject to the applicable Policy maximums.

**EMPLOYEE ELIGIBILITY:** Active full-time Employees of the Policyholder (Employer) who:

1. are in a class of employees determined by conditions of employment, which is agreed upon as eligible by the Policyholder and Companion Life; and
2. have been continuously employed during the minimum service period, as shown in the Group Application, immediately preceding their individual effective dates of insurance.

Full-time means regularly working a minimum of least 30 hours per week at the Policyholder's usual and customary place of business for each employee.

**DUAL COVERAGE PRECLUDED:**

No person may be insured under the Policy as:

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

**ERISA:** If the Policy is an integral part of an employee welfare benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), Companion Life is a claim fiduciary. As claim fiduciary, Companion Life shall have the discretionary authority to determine eligibility for benefits and to construe the terms of that part of the ERISA plan represented by this Contract. Any judicial review of a decision of Companion Life shall be conducted under the arbitrary and capricious standard of review with deference given to the claim fiduciary's decision.

**SPENDTHRIFT CLAUSE:** To the extent allowed by law, no benefit of the Policy is subject to the claim or legal process of a creditor of an Insured or a beneficiary.

**RECORDS AND ESSENTIAL DATA:** The Policyholder will keep a record of all Insureds. This record will contain all of the data that is specified by Companion Life.

**ALLOCATION OF AUTHORITY:** Except for those functions which the Policy specifically reserves to the Policyholder, Companion Life has full and exclusive authority to control and manage the Policy, to administer claims and to interpret the Policy and resolve all questions arising in the administration, interpretation and application of the Policy.

Companion Life's authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the group policy and any claim under it; and
3. The right to determine:
  - A. eligibility for insurance;
  - B. entitlement to benefits;
  - C. the amount of benefits payable; and
  - D. the sufficiency and the amount of information Companion Life may reasonably require to determine A, B, or C above.

Subject to the review procedures of the group policy, any decision Companion Life makes in the exercise of this authority is conclusive and binding.

**NOTICE**

**LIMITATIONS AND EXCLUSIONS UNDER THE  
MONTANA LIFE AND DISABILITY INSURANCE GUARANTY ASSOCIATION ACT**

**Issued by:**

**COMPANION LIFE INSURANCE COMPANY  
7909 PARKLANE ROAD, SUITE 200  
COLUMBIA, SOUTH CAROLINA 29223-5666  
P.O. BOX 100102, COLUMBIA SC 29202-3102  
(803) 735-1251**

SUMMARY OF THE MONTANA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT  
AND NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS

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

IMPORTANT DISCLAIMER

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

COVERAGE IS NOT PROVIDED BY THE MONTANA LIFE AND HEALTH INSURANCE GUARANTY  
ASSOCIATION FOR YOUR POLICY OR CONTRACT OR ANY PORTION OF IT UNDER WHICH THE  
RISK IS BORNE BY YOU, THE POLICYHOLDER.

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

This information is provided by:

Montana Life and Health Insurance Guaranty Association  
P.O. Box 541  
Helena, Montana 59624  
1-800-347-8997

State of Montana Department of Insurance  
Sam W. Mitchell Building  
P.O. Box 4009  
Helena, Montana 59604-4009  
(406)444-2040  
1-800-332-6148

SUMMARY

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

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

Exclusions From Coverage. Persons holding such policies or contracts are NOT protected by this Association if:

- they are not residents of the State of Montana, except under certain very specific circumstances;
- the insurer was not authorized or licensed to do business in Montana at the time the policy or contract was issued.

The Association also does not provide coverage for:

- persons holding policies issued by a nonprofit hospital or medical service organization (the "Blues"), an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessments, or by an insurance exchange;
- any policies or contracts or any part of the policies or contracts under which the risk is borne by the policyholder;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- plans of employers, associations or similar entities to the extent they are self-funded or uninsured (that is, not insured by an insurance company, even if an insurance company administers them);
- dividends;
- experience rating credits;
- credits given in connection with the administration of a policy or contract;
- any unallocated annuity contract issued to an employee benefit plan that is protected under the Federal Pension Benefit Guaranty Corporation; and
- any portion of any unallocated annuity contract that is not issued to or in connection with a specific employee, union, or association of natural persons benefit plan or a governmental lottery.

Limits on Amount of Coverage. The act also limits the amount the Association is obligated to pay out. The Association cannot pay more than what the insurance company would owe under a policy or contract. Furthermore, the amounts the Association is authorized to pay are limited.

Allocated Contracts. For any one life insured, the Association will pay a maximum of \$300,000--no matter how many policies and contracts there were with the same company, even if they provided different types of coverage. Within this overall \$300,000 limit, the Association will not pay more than \$100,000 in cash surrender values, \$100,000 in health insurance benefits, \$100,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits--again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverage.

Unallocated Contracts. With respect to each individual participating in a governmental retirement plan established under sections 401, 403(b), or 457 of the Internal Revenue Code and covered by an unallocated annuity contract or with respect to the beneficiaries of each individual, if deceased, the Association will pay, in the aggregate, \$100,000 in present value annuity benefits, including surrender and withdrawal values. With respect to any one contract holder covered by any unallocated annuity contract not included in the prior sentence, the Association will pay up to \$5 million in benefits, irrespective of the number of contracts held by that contract holder.