



Nationwide Life Insurance Company

Home Office: One Nationwide Plaza, Columbus, Ohio 43216
(Called We, Us or Our in this Certificate)

GROUP VOLUNTARY ACCIDENT INSURANCE CERTIFICATE

POLICYHOLDER: Pima County
POLICY NO.: 0015858-30
POLICY EFFECTIVE DATE: July 1, 2010

This is a summary of the accident insurance the Company provides on behalf of the Policyholder to *You* if *You* are within a class of eligible persons described in Section I - Schedule of Benefits and Coverages, *You* have enrolled for coverage, and if *You* pay the required premiums when due. *Your Dependents* are also covered provided *You* elect the Family Plan and pay the required premiums when due. This document replaces any other group accident insurance summaries or certificates previously issued to *You* that provided similar coverage.

THIS IS A SUMMARY OF COVERAGE ONLY WHICH SUMMARIZES AND EXPLAINS THE PARTS OF THE GROUP POLICY WHICH APPLY TO YOU. PLEASE READ IT CAREFULLY, AS THIS IS LIMITED ACCIDENT INSURANCE WHICH DOES NOT PAY BENEFITS FOR SICKNESS OR DISEASE.

FOR ALL TERMS AND CONDITIONS OF COVERAGE, PLEASE REVIEW THE POLICY ISSUED TO THE POLICYHOLDER AND ON FILE WITH THEM AT THEIR PLACE OF BUSINESS. YOU CAN OBTAIN A COPY OF THE POLICY FROM THE POLICYHOLDER.

THIS CERTIFICATE IS NOT AN INSURANCE POLICY. IN THE EVENT OF A CONFLICT OF PROVISIONS BETWEEN THE POLICY AND THIS CERTIFICATE, THE PROVISIONS OF THE POLICY WILL GOVERN.

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SECTION I – SCHEDULE OF BENEFITS AND COVERAGE

Description of Eligibility and Amount of Insurance

You are insured provided that *You* enrolled for coverage and if *You* are in a class of eligible persons described below:

<u>Class</u>	<u>Description</u>	<u>Amount of Insurance</u>
I	All employees of the Policyholder and employees of Marana Water District, Metro Water, Pima Association of Governments, and Reserve Fund-Supt of Schools working at least 20 hours per week or 40 hours each pay period; excluding temporary employees whose employment has not been extended beyond the first 6 months of employment and seasonal employees.	One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7) or Eight (8) times Basic Annual Earnings, rounded to the next higher \$1,000 if not already an even multiple of \$1,000, subject to a maximum of \$500,000, as elected on <i>Your</i> Enrollment form.

Basic Annual Earnings means total annual compensation excluding bonuses, commissions, overtime, or any other special compensation.

Eligibility Waiting Period

Coverage for eligible persons as described above is subject to completion of 30 days of continuous employment with the Policyholder.

The Family Plan

If *You* enrolled for coverage and also enrolled *Your* spouse/domestic partner and children under age 26, they are covered as follows:

	<u>Amount of Insurance</u>
Spouse/Domestic partner:	100% of the eligible person's Amount of Insurance.
Each child:	\$2,500.

Aggregate Limit of Liability

The Aggregate Limit of Liability is N/A (per accident).

SECTION II – DEFINITIONS

For the purposes of this Certificate the *italicized* terms used herein are defined as follows:

Accident - means an unintended or unforeseeable event or occurrence which happens suddenly and violently.

Actively at Work - means *You* are present at *Your* usual place of employment with the Policyholder or is at another location as assigned or directed by the Policyholder, and is mentally and physically capable of performing the regular duties of the job for which *You* are employed.

On any day that is not *Your* regularly scheduled work day (vacation, personal days and weekends/holidays) *You* will be considered *Actively at Work* on such day provided *You* are not absent due to any type of leave and were *Actively at Work* on *Your* last regularly scheduled work day.

If *You* usually perform the regular duties of *Your* job at *Your* home, *You* will be considered *Actively at Work* if *You* meet all the above requirements and could work at the Policyholder's usual place of employment if required to do so.

Aircraft, Owned - means an aircraft to which the Policyholder holds legal or equitable title. The Policyholder can use, alter or sell the aircraft.

Aircraft, Leased - means an aircraft the Policyholder does not own but utilizes for the term of a written lease. Usage will be for longer than a few days or one or two trips. The Policyholder cannot alter or sell the aircraft without consent of the owner.

Aircraft, Controlled - means an aircraft the Policyholder does not own but is leased, rented or borrowed for more than 10 consecutive days during any 12-month period. The Policyholder cannot alter or sell the aircraft without consent of the owner.

Aircraft, Chartered - means an aircraft the Policyholder does not own but hires for an occasional specific trip. The time the Policyholder has it may not exceed 19 consecutive days or more than 15 days in any one 12-month period. One or more aircraft hired on a regular or frequent basis are not considered chartered.

Covered Dependent – means a *Dependent* whom *You* have enrolled for the Family Plan and for whom the appropriate premium is paid when due.

Covered Person – means either *You* or a *Covered Dependent*.

SECTION II - DEFINITIONS (Continued)

Dependent – means:

1. *Your* lawful spouse, if not legally separated or divorced, or *Domestic Partner*.
2. *Your* or *Your Domestic Partner's* unmarried children under age 26 who are:
 - (a) not regularly employed on a full-time basis; and
 - (b) primarily dependent upon *You* or *Your Domestic Partner* for support and maintenance.

The age limitations will not apply to *Your* or *Your Domestic Partner's* unmarried child who is incapable of self-support due to a mental disability or physical handicap. Proof of such incapacity must be furnished to the Company immediately upon enrollment or within 31 days of the child reaching the age limitation. Thereafter, proof will be required whenever reasonably necessary but not more often than once a year after the 2-year period following the age limitation.

The term “child” as used herein means *Your* or *Your Domestic Partner's* natural child, adopted child (or child placed in *Your* and *Your Domestic Partner's* home for purposes of adoption), foster child, stepchild, or other child for whom *You* or *Your Domestic Partner* have legal guardianship (proof will be required). A child must reside with *You* and *Your Domestic Partner* in a parent-child relationship and be eligible to be claimed as an exemption on *Your* or *Your Domestic Partner's* federal income tax return. NOTE: In the event *You* or *Your Domestic Partner* share physical custody of the child with another parent, the requirement that the child reside with *You* and *Your Domestic Partner* will be waived.

Domestic Partner - means an opposite sex or same sex partner who resides with *You* and shares basic living expenses with *You*. Both *You* and *Your Domestic Partner* must: (1) have a close personal relationship; (2) be responsible for each other's common welfare; and (3) be at least the age of consent in the state of residence. Neither *You* nor *Your Domestic Partner* can be related by blood to a degree of closeness that would prohibit a legal marriage, be married to anyone else, or have any other *Domestic Partner*. The Company requires proof of the *Domestic Partner* relationship in the form of a signed and completed Affidavit of Domestic Partnership.

Injury - means bodily injury caused by the direct result of an *Accident* occurring while a *Covered Person's* coverage is in effect which results independently of all other causes in a covered loss.

You(r) - means an eligible person who is within the covered class(es) listed in the Policyholder's Application, who is a U.S. citizen residing in the United States or if not a U.S. citizen, resides permanently in the United States or in a U.S. Territory, who has enrolled for coverage, and for whom the required premium is paid when due.

Physician - means a person who is a qualified doctor of medicine or osteopathy, a dental practitioner, or is any other licensed health care provider that state law requires to be recognized as a *Physician*. As such, he/she must be acting within the scope of his/her license under the laws in the state in which he/she practices and providing only those medical services which are within the scope of his/her license or certificate. It does not include *You*, *Your* spouse, son, daughter, father, mother, brother, sister or other relative.

War – means armed conflict, hostilities or warlike operations (whether war be declared or not) by order of any government or public authority including but not limited to invasion, acts of any enemy foreign to a *Covered Person's* nationality or the country in (or over) which the act occurs, civil war, riot, rebellion, insurrection, revolution, overthrow of the legally constituted government, civil commotion assuming the proportions of (or amounting to) an uprising, military or usurped power, or explosion of war weapons.

SECTION III – YOUR EFFECTIVE AND TERMINATION DATES

Your coverage begins on the later of:

1. the Policy Effective Date; or
2. the date *You* become eligible subject to any required waiting period as described in Section I – Schedule of Benefits and Coverages.

However, if *Your* individual enrollment is required and written enrollment is received by the Policyholder prior to the Policy Effective Date, coverage will begin on the later of:

1. the Policy Effective Date provided any required waiting period has been completed as described in Section I – Schedule of Benefits and Coverages; or
2. the 1st day of the month coincident with or next following the date in which any required waiting period is completed.

For all written enrollments received after the Policy Effective Date, coverage will begin on the later of:

1. the date in which written enrollment is received by the Policyholder; or
2. the 1st day of the month coincident with or next following the date in which any required waiting period is completed.

You must be *Actively at Work* as of *Your* effective date of coverage. If, on the date coverage would otherwise take effect, *You* are not *Actively at Work*, *Your* effective date of coverage will be deferred until the day *You* return to work unless *You* were previously insured under the Policyholder's prior policy which this replaces in whole or in part on the day before the Policy Effective Date.

Your coverage ends on the earliest of:

1. the date the Policy terminates;
2. the date *You* request in writing that *Your* coverage be terminated;
3. the date *You* enter full-time active duty in the armed forces of any country or international authority;
4. the date *You* cease to be eligible as described in Section I – Schedule of Benefits and Coverages provided all required premiums are paid;
5. the last day of the period for which premiums have been paid if *You* fail or refuse to make any required premium payment; or
6. the date *You* are no longer *Actively at Work* provided all required premiums are paid unless otherwise provided below.

If *You* cease to be *Actively at Work* due to an authorized family or medical leave, coverage may be continued for the full period of the leave not to exceed the earlier of: (a) the date *You* actually retire; or (b) *Your* presumed normal retirement date as established by the Policyholder's applicable retirement plan and if no such date has been established, *Your* presumed retirement date shall be the date *You* attain age 65. All required premiums must continue to be paid when due.

If *You* cease to be *Actively at Work* due to a temporary layoff or leave of absence (for other than family or medical reasons), coverage may be continued for the full period of the layoff or leave of absence as agreed to in advance and in writing by the Policyholder not to exceed 12 months from the date *You* were last *Actively at Work*. All required premiums must continue to be paid when due.

Any continuation of coverage must be based on rules that preclude individual selection and is subject to the Policy remaining in force.

SECTION IV – YOUR AMOUNT OF INSURANCE

Your Amount of Insurance is as described in Section I – Schedule of Benefits and Coverages and if enrollment is required, as elected by *You* and held on file with the Policyholder. The Amount of Insurance applicable to a *Covered Dependent* is as described in Section I – Schedule of Benefits and Coverages.

The Amount of Insurance payable for a covered loss reduces at age 75 in accordance with the following schedule:

<u>AGE ON DATE OF ACCIDENT</u>	<u>PERCENTAGE OF AMOUNT OF INSURANCE</u>
Age 75-79	65%
Age 80 or older	35%

Premium for a *Covered Person* age 75 or older is based on the Amount of Insurance to which he/she would have been entitled prior to the attainment of age 75.

SECTION V – AGGREGATE LIMIT OF LIABILITY

The maximum amount the Company will pay for all covered losses resulting from the same *Accident* will not exceed the Aggregate Limit of Liability as described in Section I – Schedule of Benefits and Coverages.

If the total amount payable for all covered losses in any one *Accident* exceeds the Aggregate Limit of Liability, each *Covered Person's* covered loss will be paid at the same ratio that the Aggregate Limit of Liability has to the total amount of all covered losses. The Company shall not be liable for amounts in excess of the Aggregate Limit of Liability.

SECTION VI - DESCRIPTION OF COVERAGE

Accidental Death and Dismemberment Benefit

If, within 365 days from the date of an *Accident, Injury* results in any of the following losses, the Company will pay the benefit set opposite such loss; provided, however, that if a *Covered Person* sustains more than one such loss as the result of any one *Accident*, the Company will pay only the largest amount to which a *Covered Person* is entitled. This amount will not exceed the Amount of Insurance.

<u>Loss of:</u>	<u>Benefit:</u> (% of Amount of Insurance)
Life.....	100%
Both Hands	100%
Both Feet	100%
Sight of Both Eyes	100%
One Hand and One Foot.....	100%
One Hand and the Sight of One Eye.....	100%
One Foot and the Sight of One Eye	100%
Speech and Hearing in Both Ears.....	100%
Speech or Hearing in Both Ears	50%
One Hand.....	50%
One Foot	50%
Sight of One Eye.....	50%
Hearing in One Ear	25%
Thumb and Index Finger of the Same Hand.....	25%

“Loss” of a hand or foot means complete severance through or above the wrist or ankle joint. “Loss” of an eye means total and irrecoverable loss of sight. “Loss” of speech means total and irrecoverable loss of audible communication. “Loss” of hearing means permanent total deafness in an ear such that it cannot be corrected to any functional degree by any aid or device. “Loss” of thumb and index finger means severance of each through or above the metacarpophalangeal joint of both digits.

Exposure and Disappearance Provision

If by reason of an *Accident* occurring while a *Covered Person’s* coverage is in force:

1. a *Covered Person* is unavoidably exposed to the elements and as a result of such exposure suffers a loss described above, the loss will be covered.
2. a *Covered Person’s* body is not found within 1 year of such *Accident*, then it will be deemed subject to all other terms and provisions that a *Covered Person* has suffered a loss of life. If a *Covered Person* is subsequently found to be alive, the benefit will be immediately refunded to the Company.

SECTION VII – ADDITIONAL BENEFITS

Family Plan Benefit

If *You* elect the Family Plan and pay the required premiums when due, the Company will provide coverage for *Your Dependents* as described in Section I – Schedule of Benefits and Coverages.

If a husband and a wife or *Domestic Partners* in the same family unit are both eligible to enroll for coverage, one, but not both, may elect the Family Plan. The other spouse or *Domestic Partner* may elect coverage for himself or herself only. In the event that a person is insured as both him/herself and a *Covered Dependent*, the combined Amount of Insurance on such person cannot exceed \$500,000.

A *Dependent's* coverage begins on the later of:

1. the date *Your* coverage begins provided *You* elected the Family Plan; or
2. the date the *Dependent* becomes eligible as defined if *You* are already paying for the Family Plan.

A child of *Yours* born while this Policy is in force is covered from the moment of birth until the 31st day of age. After this time, the child will remain covered only if *You* have provided written notice of birth to the Policyholder and paid the required premium due, if any. Notice is not required if *You* are already paying the Family Plan premium and no enrollment is required.

A newly adopted child of *Yours* is covered from the moment of adoption (or placement for adoption) for a period of 31 days. After this time, the child will remain covered only if *You* have provided written notice to the Policyholder of the adoption (or placement for adoption) and pays the required premium due, if any. Notice is not required if *You* are already paying the Family Plan premium and no enrollment is required.

A *Dependent's* coverage ends on the earliest of:

1. the date *Your* coverage ends;
2. the date *You* request in writing that coverage for *Your Dependents* be terminated;
3. the date the *Covered Dependent* enters full-time active duty in the armed forces of any country or international authority;
4. the date the *Covered Dependent* ceases to be eligible as defined provided all required premiums are paid; or
5. the last day of the period for which premiums have been paid if *You* fail or refuse to make any required premium payments on behalf of *Your Dependents*.

In no case will coverage for a *Dependent* take effect before *Yours* or end later than *Yours*.

All other provisions, limitations and exclusions remain unchanged except as specifically noted herein.

SECTION VII – ADDITIONAL BENEFITS (Continued)

Loss of Use/Paralysis Benefit

The following types of loss are hereby added to the list of covered losses for which Accidental Death and Dismemberment Benefits are payable under this Policy.

<u>Loss of:</u>	<u>Benefit:</u> (% of Amount of Insurance)
Use of Both Arms and Both Legs	100%
Use of Both Arms or Both Legs.....	75%
Use of One Arm and One Leg.....	50%
Use of One Arm or One Leg	25%

Definition

Loss of Use – for purposes of this Loss of Use/Paralysis Benefit only, means loss of functional, normal or characteristic use or paralysis of the entire arm and/or leg, including but not limited to quadriplegia, paraplegia, hemiplegia or uniplegia, which continues without interruption for a period of 12 consecutive months and at the end of such period is determined by a *Physician* to be continuous, permanent and irrecoverable. Arm means the entire arm from the shoulder joint including the attached hand. Leg means the entire leg from the hip joint including the attached foot. Quadriplegia means total paralysis of both arms and both legs. Paraplegia means total paralysis of both legs. Hemiplegia means total paralysis of one arm and one leg on the same side of the body. Uniplegia means total paralysis of one arm or one leg.

The final determination as to whether a “loss of use” is permanent and irrecoverable will be made through use of the most current edition of the “Guides to the Evaluation of Permanent Impairment” published by the American Medical Association. (In the event the referenced guide ceases to be published, the Company will select another appropriate measurement of impairment values.) The determination must be made by a *Physician*. The Company has a right, at its own expense, to have the determination verified by a *Physician* of the Company’s choice.

The 12 consecutive month waiting period will be waived if the “loss of use” is due solely to complete and irreversible paralysis.

If a *Covered Person* sustains more than one such loss as the result of any one *Accident*, the Company will pay only the largest amount to which the *Covered Person* is entitled. This amount will not exceed the Amount of Insurance.

All other provisions, limitations and exclusions remain unchanged except as specifically noted herein.

SECTION VII – ADDITIONAL BENEFITS (Continued)

Policyholder Aircraft Coverage Benefit

The Company hereby waives the exclusion in Section VIII entitled 'Exclusions' with regard to an aircraft that is being used by or for the Policyholder as well as the exclusion with regard to a *Covered Person* serving as pilot or crew member (or student taking a flying lesson) provided the *Covered Person* is traveling or flying (including getting in or out, on or off or being struck or run down) as a passenger or pilot or crew member in any aircraft described below:

- 1 - 1976 Cessna 310 (6 seats)
- 1 - 1979 Cessna T-210 (6 seats)
- 1 - Helio Courier HT-295 (2 to 4 seats)
- 1 - Helio Courier HT-800 (2 to 4 seats)
- 1 - MD-530 Helicopter (4 seats)

This waiver applies only if at the time of the *Accident* such aircraft:

1. is *Owned, Controlled* or *Leased* by or for the Policyholder;
2. has a current valid airworthiness certificate;
3. is operated with the consent of the Policyholder; and
4. is piloted by a certified pilot authorized to aviate the above aircraft who has completed a pilot history form and whose names are held on file with the Policyholder and the Company provided that at the time of the *Accident* he/she has a current valid license with the appropriate ratings for the aircraft(s) described above.

All other provisions, limitations and exclusions remain unchanged except as specifically noted herein.

SECTION VII – ADDITIONAL BENEFITS (Continued)

Safety Device Benefit

If a *Covered Person* suffers loss of life while driving or riding in an Automobile for which Accidental Death Benefits are payable, the Company will pay an additional benefit equal to 100% of a *Covered Person's* Amount of Insurance up to a maximum of \$10,000 if:

1. the Automobile is equipped with original, factory-installed Seat Belts;
2. the Seat Belt was in actual use by the *Covered Person* and properly fastened at the time of the *Accident*; and
3. the position of the Seat Belt is confirmed in the official report of the *Accident* or by the investigating officer.

Definitions

Automobile – for purposes of this Safety Device Benefit only, means a motor vehicle of the private passenger type, including passenger vans, mini-vans, sport utility vehicles and of the cargo type, including cargo vans and pick up trucks with a gross vehicle weight of less than 26,000 pounds, and which do not require the operator to possess a commercial drivers license.

Seat Belt – for purposes of this Safety Device Benefit only, means those belts that form an occupant restraint system and includes infant and child passenger restraint systems when properly used with a seat belt.

All other provisions, limitations and exclusions remain unchanged except as specifically noted herein.

SECTION VIII – EXCLUSIONS

No benefit will be paid for any loss resulting in whole or part from, or contributed to by, or as a natural or probable consequence of any of the following even if the immediate cause of the loss is an accidental bodily injury:

1. Suicide or any attempt at suicide while sane or insane.
2. Intentionally self-inflicted injury while sane or insane, including any form of auto-eroticism.
3. Sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from any of these.
4. The medical or surgical treatment of sickness, disease or bodily infirmity whether the loss results directly or indirectly from the treatment, including but not limited to cosmetic surgery and gastric bypass surgery.
5. Infections of any kind, regardless of how contracted, including as the result of surgery, except bacterial infection that is the direct result of an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition, including but not limited to diabetes.
6. Travel or flight (including getting in or out, on or off) in any aircraft or device which can fly above the earth's surface, unless the Company has agreed as otherwise provided in Section VII:
 - a) if such aircraft is being used:
 - for aerobatics or stunt flying, racing or endurance tests, crop dusting, seeding, fertilizing, or spraying, fire fighting, any exploration, pipe or power line patrol, traffic patrol, the pursuit of animals or birds, aerial photography, banner towing, skywriting, recreational sports, or test or experimental purposes;
 - when a special permit or waiver from the proper authority having jurisdiction over civil aviation has to be issued;
 - for travel, or is designed for travel, beyond the earth's atmosphere;
 - by or for any military authority. (Aircraft flown by the United States Air Force Air Mobility Command (AMC) or similar service of another country are not excluded); or
 - by or for the Policyholder. (This exclusion applies whether the aircraft or device is *Owned*, *Controlled* or *Leased*, as defined. *Chartered Aircraft*, as defined, are not excluded).
 - b) if the *Covered Person* is riding as a passenger in such aircraft or device if it:
 - is not intended or licensed for the transportation of passengers;
 - does not have a current/valid airworthiness certificate; or
 - is being piloted by a person who does not hold a current/valid medical and pilot certificate with the appropriate ratings for the aircraft.
 - c) if the *Covered Person* is:
 - serving as pilot or crew member (or student taking a flying lesson);
 - hang-gliding; or
 - parachuting except when necessary to make a parachute jump for self-preservation.

SECTION VIII – EXCLUSIONS (Continued)

7. Full-time active duty in the armed forces of any country or international authority. (Reserve duty in an organized U.S. Military Reserves or the National Guard for up to 30 days is not excluded.)
8. Aneurysm, stroke or cerebrovascular accident or event; cardiovascular accident or event; myocardial infarction or heart attack; coronary thrombosis.
9. Commission of or attempt to commit a crime.
10. The voluntary inhalation of poisonous gases or solvents.
11. Voluntary self-administration of any prescription drug or controlled substance not prescribed by, or not taken as prescribed by, a *Physician* or taken in accordance with the manufacturers recommended dosage or any over the counter medication not taken in accordance with the manufacturers recommended dosage. (Accidental ingestion of a poisonous food substance is not excluded.)
12. The *Covered Person* being deemed and presumed, under the law of the locale in which the *Injury* is sustained, to be under the influence of alcohol or intoxicating liquors.
13. Declared or undeclared *War*, nuclear reaction or nuclear radiation.

SECTION IX - CLAIMS PROVISIONS

NOTICE OF CLAIM:

Written notice of death or injury must be given to the Company within 30 days after a covered loss begins or as soon as reasonably possible. Notice can be given to the Company at the Company's home office or to the Company's agent as shown on the Policyholder's Application. Notice should include the *Your* name and address as well as this Policy Number. If written notice is not received within 30 days, the claim may be reduced or invalidated. The claim will not be reduced or invalidated if:

1. it can be shown that it was not possible within reason to submit notice within the 30 day period; and
2. it is further shown that notice was given as soon as possible.

CLAIM FORMS:

When the Company receives a notice of claim, the Company will send forms for filing proof of loss. If claim forms are not sent within 15 days after receipt of such notice, proof of loss requirements stated below will be deemed to have been met if within 90 days written proof of the nature and extent of the loss is submitted.

PROOF OF LOSS:

Written proof of loss must be given to the Company within 90 days after the date of loss. If the proof of loss is not submitted within 90 days, the claim may be reduced or invalidated. The claim will not be reduced or invalidated if:

1. it can be shown that it was not possible within reason to submit notice within the 90 day period; and
2. it is further shown that notice was given as soon as possible.

PAYMENT OF CLAIMS:

All benefits will be paid in United States currency. Loss of life benefits will be paid to the beneficiary as described in the Designation or Change of Beneficiary provision in Section X entitled 'General Policy Provisions'. To receive proceeds, a beneficiary must be living on the earlier of the following dates: (a) the date the Company receives proof of the loss of life; or (b) the 10th day after the death.

All other benefits will be paid to the *Covered Person* suffering the loss. If the *Covered Person* dies before all payments due have been made, the amount still payable will be paid to his/her beneficiary as described in the Designation and Change of Beneficiary provision in Section X entitled 'General Policy Provisions'.

TIME OF PAYMENT OF CLAIMS:

Benefits for covered losses, other than benefits that require periodic payment, will be paid as soon as the Company receives proper written proof of such loss. Benefits for covered losses that require periodic payment shall be paid on a timely basis provided that the Company receives proper written proof of such loss.

SECTION X - GENERAL PROVISIONS

DESIGNATION OR CHANGE OF BENEFICIARY:

You may designate a beneficiary to whom loss of life benefits are payable. The designation shall be as follows in descending order of preference:

1. beneficiaries designated in writing by the *Insured* for this Policy on file with the Policyholder, if any, otherwise;
2. beneficiaries as designated in writing for any group life insurance plan or its renewals in force for the Policyholder, if any, otherwise;
3. in equal shares to the members of the first surviving class of those that follow, if any:
 - (a) *Your* lawful spouse, if not legally separated or divorced;
 - (b) *Your* natural child, adopted child, foster child, stepchild, or other child for whom *You* have or had legal guardianship (proof will be required); or
 - (c) *Your* parents, whether natural, step or adoptive; otherwise
4. *Your* estate.

You may change *Your* beneficiary designation from time to time without the consent of the designated beneficiary by giving notice in writing to the Policyholder. When a request for designation or change is received by the Policyholder, it will take effect on the date of its execution whether or not *You* are living on the date it is received by the Policyholder. Any interest created by the request will be subject to any payment made or action taken before its receipt.

A *Covered Dependent's* beneficiary is *You*. If no beneficiary is living on the date of a *Covered Dependent's* death, the beneficiary is *Your* estate.

ASSIGNMENT:

No assignment of interest in loss of life benefits shall be binding on the Company until the original or duplicate thereof is received by the Company. The Company assumes no responsibility for the validity of such assignment.