

***NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT***



***GROUP LIFE INSURANCE PLAN***

Dear Plan Participant:

We are pleased to provide you with this Certificate which describes your Group Life Insurance Plan. The Life Insurance benefits described in this Certificate are provided in accordance with the terms and provisions of the Group Contract of the North Dakota Public Employees Retirement System (NDPERS) Group Life Insurance Plan.

Your employer pays for the first \$1,300 of Basic Life Insurance and you can purchase additional Employee Supplemental Life Insurance at the level of coverage necessary to protect your family from financial hardships and drastic lifestyle changes due to loss of income as a result of your death. The Plan also provides you the option to purchase coverage for your dependents to assist you with the unexpected expenses you may face if a member of your family dies. In addition, the Plan has an Accelerated Death Benefit which help provide financial support to you and your family should you be diagnosed with a terminal illness.

The Life Insurance Plan is underwritten by ReliaStar Life Insurance Company for the 1999-2001 biennium. Questions concerning benefits or claims should be directed to NDPERS at P.O. Box 1214, Bismarck, North Dakota 58502, or call 701-328-3900 for participants in the Bismarck-Mandan area or toll-free at 1-800-803-7377.

Sincerely,

Joseph Maichel  
NDPERS Board Chairman

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B-5164 (12-99)

**RELIASTAR LIFE INSURANCE COMPANY  
Minneapolis, Minnesota 55440**

ReliaStar Life Insurance Company (ReliaStar Life) certifies that it has issued the Group Policy listed below to the Policyholder. All benefits are controlled by the terms and conditions of the Group Policy. The Group Policy is on file in the Policyholder's office. You may look at the Group Policy there.

**Group Policy Number  
GL-20980-5**

**Policyholder  
North Dakota Public Employees  
Retirement System**

The Dependent's Insurance part of this certificate applies to you only if you are insured for it.

Your beneficiary is the last beneficiary you named, according to the records on file in ReliaStar Life's Home Office or on file with the Plan Administrator, if applicable. You may change your beneficiary any time, according to the terms of the Group Policy.

The certificate summarizes and explains the parts of the Group Policy which apply to you.

This certificate replaces any other certificates ReliaStar Life may have given you under the Group Policy and any other certificate previously issued by any prior insurance carrier.

  
Registrar

## SCHEDULE OF BENEFITS

### Basic Life Insurance, Accidental Death and Dismemberment (AD&D) Insurance

Class	Amount of Life Insurance	Full Amount of AD&D Insurance
Active Employees, Eligible Early Retirees, and Retirees	\$1,300	\$1,300

### Supplemental Life Insurance, Accidental Death and Dismemberment (AD&D) Insurance

Class	Amount of Life Insurance*	Full Amount of AD&D Insurance*
Active Employees and Eligible Early Retirees	\$5,000 increments with the first increment being \$3,700 to a combined Basic and Supplemental maximum of \$200,000.	\$5,000 increments with the first increment being \$3,700 to a combined Basic and Supplemental maximum of \$200,000.

\*Your amount of insurance will terminate at **retirement** or at **age 65** for Eligible Early Retirees.

#### Accelerated Death Benefit

This benefit is equal to 50% of your amount of Basic and Supplemental Life Insurance in force, or \$50,000, whichever is less. This benefit is available to employees only. Employees must have at least \$10,000 in Life Insurance coverage in force to qualify for this benefit.

### Supplemental Dependent Life Insurance

**(Applicable only to the Spouse and Children of an Active Employee or Eligible Early Retiree)**

You must be enrolled for Supplemental Life Insurance coverage in order for your dependent's to be applicable for Supplemental Life coverage.

Class	Amount of Insurance
Spouse	A choice of: \$2,000 or \$5,000*
Child (each)	\$2,000 or \$5,000*
• less than 19 years of age or a full-time student age 19 years but less than 23 years of age	

\*You may change your election from \$2,000 to \$5,000 during an open enrollment period with proof of good health.

## SCHEDULE OF BENEFITS

### Supplemental Spouse Life Insurance

(Applicable only to the Spouse of an Active Employee or Eligible Early Retiree)

You must be enrolled for Supplemental Life Insurance coverage in order for your spouse to be applicable for Supplemental Life coverage.

<b>Class</b>	<b>Amount of Insurance</b>
Spouse	50% of the Employee's or Eligible Early Retiree's Supplemental Life amount, to a maximum of \$100,000*.

\*Proof of good health will be required for amounts of insurance over \$50,000.

# EMPLOYEE'S INSURANCE

## Definitions

**active employee** - a permanent employee who is employed by a governmental unit, as that term is defined in section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, elective state officers as defined by subsection 2 of section 54-06-01, and disabled permanent employees who are receiving compensation from the North Dakota workers' compensation fund. As used in this subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least 20 hours per week and 20 or more weeks a year.

**retiree** - an individual who is entitled to a retirement allowance from a department, board or agency and who has been participating in the Basic Life plan.

**eligible early retiree** - an eligible early retiree is an individual who meets all of the following requirements:

- is age 55 but less than age 65;
- has 10 years or more of service; and
- has an early retirement agreement with a State University or College.

**temporary employee** - an employee who is employed by the state, a participating county, city or school district, or any combination thereof, members of the legislative assembly, judges of the supreme or district courts, and elected state officers as defined by the state, who are employed for an average of fewer than 20 hours per week for 20 or more weeks per year. Temporary employees are eligible for employee's coverage, dependent and supplemental spouse coverage as described in this certificate, EXCEPT temporary employees and their dependents must provide us with proof of good health we accept, without expense to us, before the temporary employee and their dependents will be insured.

## Eligibility

The employee is eligible as follows:

- For Basic Life Insurance, the first day of the month following the date the employee starts continuous service with the state or participating governmental unit.
- For Supplemental Life Insurance:
  - If application is made within 31 days, the first day of the month following the date the employee starts continuous service with the state or participating governmental unit.
  - If application is made after 31 days, the first day of the month following the date of approval.

The employee must meet the following conditions to become insured –

- Be eligible for the insurance.
- Be actively at work.
- Give to ReliaStar Life proof of good health, which it approves –
  - for Supplemental Life Insurance, if the employee applies for insurance more than 31 days after becoming eligible.
  - if the employee applies after converting any part of this insurance under the Conversion Right.

The employee may be required to pay for the cost of obtaining proof of good health.

## Effective Date of Employee's Insurance

The employee's insurance starts on the latest of the following dates:

- The date the employee becomes eligible.
- The date the employee returns to active work if the employee is not actively at work on the date insurance would otherwise start. **Exception:** The employee's insurance starts on a nonworking day if the employee was actively at work on the employee's last scheduled working day before the nonworking day.
- For Supplemental Life Insurance, the date the employee applies for insurance, if the employee has to pay any part of the premium.
- The first day of the month following the date ReliaStar Life approves the employee's proof of good health, if proof is required.

# EMPLOYEE'S INSURANCE

## Effective Date of Change in Amount of Insurance

If you elect to increase your coverage, you must file the necessary applications during the designated annual enrollment season. All requests for increases in coverage are subject to proof of good health. Changes can be made at no other times.

The amount of your insurance changes on -

- the first day of the month following approval, if you are actively at work on that date,
- the date you return to active work if you are not actively at work on that date, or
- the first day of the month following date of approval, if the first day of the month is a nonworking day and you were actively at work on your last scheduled working day before the nonworking day.

If you elect to decrease your supplemental coverage, you may do so at any time by completing the necessary application, provided you are not pre-taxing the premium through a flexible spending account. Your decreased level of coverage would go into effect the first day of the month following the month in which the application is received in the Policyholder's office.

If you elect to drop your supplemental coverage, you may do so at any time by completing the necessary application, provided you are not pre-taxing the premium through a flexible spending account.

## Termination of Insurance

Your insurance stops on the earliest of the following dates:

- The last day of the month during which you were last actively at work for the state or participating governmental unit.
- The last day of the month during which you are no longer eligible for insurance under the Group Policy.
- The date the Group Policy terminates.
- The end of the period for which you paid premiums, if you do not make a required premium contribution when due.
- For Supplemental Life Insurance if you ARE NOT an eligible early retiree, the last day of the month during which you retire.
- For Supplemental Life Insurance if you ARE an eligible early retiree, on your 65th birthday.
- For Accelerated Death Benefit, the date your Life Insurance stops. The Accelerated Death Benefit stops at the beginning of the period in which you are eligible to convert your Life Insurance.
- For AD&D Insurance, the date your Life Insurance stops or the date Life Insurance premiums are waived under the Waiver of Life Insurance Premium Disability Benefit. AD&D Insurance stops at the beginning of the period in which you are eligible to convert your Life Insurance.

ReliaStar Life stops providing a specific benefit to you on the date that benefit is no longer provided under the Group Policy.

## Continuation of Life Insurance

If you are no longer eligible for insurance because you stop active work your insurance may be continued. Premiums must be paid. Your insurance stops at the end of the period for which your premiums were paid, if the next premium contribution is not paid on time. The length of time your insurance continues depends on the reason you stopped active work. Your continuation of insurance is subject to all other terms of the Group Policy.

## Family and Medical Leave Act of 1993

Certain employers are subject to the FMLA. If you have a leave from active work certified by your employer, then for purposes of eligibility and termination of coverage you will be considered to be actively at work. Your coverage will remain in force so long as premiums are paid and you continue to meet the requirements as set forth in the FMLA.

## Non-Medical Reasons

If you stop active work because of non-medical leave of absence, the Policyholder may continue your insurance one year (or two years if board approved) after the Policy Month you stop active work.

## EMPLOYEE'S INSURANCE

### **Sickness or Accidental Injury**

If you stop active work because of sickness or accidental injury, the Policyholder may continue your Life Insurance as long as all required premiums are paid. If the Policyholder has continued your insurance for 12 months because of sickness or injury, you should apply for the Waiver of Life Insurance Premium Disability Benefit.

### **Total Disability for Insurance**

If you stop active work because you are totally disabled, you may continue your insurance.

For your insurance to be continued -

- the Group Policy must stay in force, and
- you or someone on your behalf must give ReliaStar Life proof that you are totally disabled when ReliaStar Life asks. Each time ReliaStar Life asks for proof that you are totally disabled, ReliaStar Life may require you to have a doctor's examination. ReliaStar Life specifies the doctor and pays for the exams required.

Your continuation of insurance because of total disability stops on the earliest of the following dates:

- The date you are no longer totally disabled.
- The date ReliaStar Life starts waiving your premiums under the Waiver of Life Insurance Premium Disability Benefit.

# DEPENDENT'S INSURANCE

## Definitions

### **dependents -**

- your lawful spouse.
- your child less than 19 years of age.
- your child 19 years of age but less than 23 years of age, who is a student dependent.

The term "child" means –

- your natural or adopted child, who is dependent on you for support and maintenance.
- a child for whom you have a legal obligation for purposes of adoption.
- a child who is primarily dependent on you for support and lives with you in a permanent parent-child relationship, and who is your stepchild, your foster child, or a child for whom you are legal guardian.

A dependent is not –

- a married child.
- a spouse or child living outside the United States or Canada.
- a spouse or child on active military duty.
- a child eligible for employee's insurance under the Group Policy.
- a parent of you or your spouse.
- a spouse or child who does not give ReliaStar Life proof of good health when asked, or whose proof ReliaStar Life does not accept.

### **Eligibility**

You are eligible for dependents' insurance on the later of the following dates:

- The date you are eligible for employee's insurance.
- The date you first acquire a dependent as defined.

If you and your spouse are insured as employees under the Group Policy, you may be insured:

- as an employee under your own certificate;
- as a dependent under your spouse's certificate; or
- as both an employee and a dependent spouse.

When both parents of a child are insured under the policy as employees, the child may be insured as a dependent of either or both parents.

You must meet all of the following conditions to become insured for Dependent's Insurance:

- be insured for employee's insurance.
- apply for dependents' insurance, and pay the appropriate premium. You must apply for all dependents you have on the application date.
- give ReliaStar Life proof of good health for your dependent, which it approves, without expense to ReliaStar Life, if you are applying more than 31 days after becoming eligible.

To become insured for supplemental spouse insurance, you must meet all of the above conditions. You must also apply for supplemental spouse insurance and pay the appropriate premium.

### **Effective Date of Dependent's Insurance**

Your dependent's insurance starts on the latest of the following dates:

- The date you become eligible for Dependent's Insurance.
- The date of your dependent's final discharge from any facility for care and treatment of sickness or accidental injury, for any dependent, other than a newborn, who is confined in such facility on the date your dependent's insurance starts.
- The first day of the month following the date ReliaStar Life approves your dependent's proof of good health, if ReliaStar Life requires proof.

If you acquire a new dependent while insured for Dependent's Insurance, that dependent becomes insured automatically unless confined in any facility for the care and treatment of sickness or accidental injury. A new dependent who is confined is insured on the date of his or her final discharge from the facility which provides care and treatment for sickness or accidental injury. A newborn (live birth) dependent is insured automatically, whether or not confined.

# DEPENDENT'S INSURANCE

## **Termination of Insurance**

Your Dependent's Insurance stops on the earliest of the following dates:

- The date the dependents' insurance part of the Group Policy stops.
- The date the Group Policy terminates.
- The end of the period for which you made your last premium contribution for dependents' and supplemental spouse insurance if you do not make a required contribution when due.
- The date your employee's insurance stops.
- For each insured dependent, the last day of the month during which your insured dependent is no longer a dependent as we defined, including him or her no longer being an eligible student dependent.
- The date your Life Insurance premiums are waived under the Waiver of Life Insurance Premium Disability Benefit of the Group Policy.

ReliaStar Life stops providing a specific benefit under your dependent's insurance on the date that benefit is no longer provided under the Group Policy.

## **Termination of Eligibility as a Student Dependent**

Your student dependent is no longer an eligible student on the earliest of the following dates:

- The date of graduation.
- The date he or she voluntarily stops attending school full-time.
- Thirty-one days following the date he or she involuntarily stops attending school full-time and does not return to school full-time within that 31 days.
- At the end of any 12 month period during which the student dependent did not complete at least 8 months of full-time attendance, unless he or she is attending school full-time on that date.

Insurance does not stop solely due to school vacations. If your insured student dependent is unable to attend school full-time because of sickness or accidental injury, ReliaStar Life will continue the insurance until the first day of the next regular semester or quarter.

## **Qualified Medical Child Support Orders (QMCSO)**

If you are insured under the Group Policy, you may enroll your child if you have a QMCSO. Coverage as a result of a QMCSO will end once the order is no longer in effect or if alternative comparable coverage is provided to the child without interruption.

## **Continuation of Insurance**

Your insured dependent's insurance may be continued. Premiums must be paid. Your insured dependent's insurance stops at the end of the period for which the last premium was paid if the next premium is not paid on time. Your insured dependent's continuation is subject to all other terms of the Group Policy.

## **Family and Medical Leave Act of 1993**

If your coverage remains in force due to a certified leave under the FMLA, then your dependents' coverage will also remain in force so long as premiums are paid and you continue to meet the requirements as set forth in the FMLA.

## **You Stop Active Work**

If you stop active work and your insurance is being continued, your dependent's insurance will also be continued as shown in the Employee's Insurance part of this certificate.

# LIFE INSURANCE

## **Employee's Life Insurance**

ReliaStar Life pays a death benefit to your beneficiary if written proof is received that you have died while this insurance is in force. The death benefit is the amount of Life Insurance for your class shown on the Schedule of Benefits in effect on the date of your death.

ReliaStar Life pays the death benefit for all causes of death.

## **Waiver of Life Insurance Premium Disability Benefit**

ReliaStar Life waives your Life Insurance premium that becomes due while you are totally disabled. The premium will be waived if you satisfy certain conditions. When ReliaStar Life waives a premium, the amount of Life Insurance you had on the day total disability began continues in force.

Premiums are waived for Life Insurance and the Accelerated Death Benefit only. Premiums are not waived for Accidental Death and Dismemberment Insurance, if any, or for any other Insurance under the Group Policy.

## **Conditions, Notice and Proof of Total Disability**

ReliaStar Life requires written notice of claim and proof of total disability to waive your premium. All of the following conditions must also be met:

- Total disability must begin before your 60th birthday.
- You are insured for the Waiver of Life Insurance Premium Disability Benefit on the date you become totally disabled.
- You continue to be totally disabled.
- Your insurance is in force when you suffer the sickness or accidental injury causing the total disability.
- All premiums are paid up to the date total disability begins.

ReliaStar Life needs written notice of claim before it waives any premium. This notice must be received –

- while you are living,
- while you are totally disabled, and
- within one year from the date total disability begins. If you cannot give ReliaStar Life notice within one year, your claim is still valid if you show you gave ReliaStar Life notice as soon as reasonably possible.

ReliaStar Life needs proof of your total disability before any premiums can be waived. ReliaStar Life may require you to have a physical exam by a doctor it chooses. ReliaStar Life pays for that exam. ReliaStar Life can only require one exam a year after premiums have been waived for 2 full years.

When ReliaStar Life approves your proof of total disability, premiums are waived as of the date you became totally disabled. ReliaStar Life refunds, to the Policyholder, any premium paid for a period during which you were totally disabled. It is the Policyholder's responsibility to refund to you any part of the premium you paid.

## **Termination of Waiver of Premium**

ReliaStar Life stops waiving premiums on the earliest of the following dates:

- The date you are no longer totally disabled.
- The date you do not give ReliaStar Life proof of total disability when asked.
- The date you attain age 65.

If ReliaStar Life stops waiving your premiums, your Life Insurance will stay in force only if all of the following conditions are met:

- The Life Insurance under the Group Policy is still in force.
- You are eligible for Employee's Insurance under the Group Policy.
- Your premium payments are resumed.

The amount of Life Insurance that stays in force will be the amount shown on the Schedule of Benefits in effect on the date your premium payments are resumed.

## LIFE INSURANCE

If you buy an individual policy under the Conversion Right of the Group Policy during the first year of your disability, your Life Insurance may be restored. ReliaStar Life will cancel the individual policy as of its issue date:

- If within 12 months of the date you become totally disabled you –
  - file a claim under this provision and ReliaStar Life approves it, and
  - surrender the individual policy without claim, except for refund of premium.

When ReliaStar Life cancels your individual policy, ReliaStar Life –

- refunds all premiums paid for the individual policy.
- restores your Life Insurance under the Group Policy.
- retains the beneficiary named under the individual policy as beneficiary under the Group Policy, unless you ask ReliaStar Life to change the beneficiary in writing.

### **Beneficiary**

The beneficiary is named to receive the proceeds to be paid at your death. You may name more than one beneficiary. The Policyholder cannot be the beneficiary.

You may name, add or change beneficiaries by written request as described below. You may also choose to name a beneficiary that you cannot change without his or her consent. This is an irrevocable beneficiary.

You may name, add or change beneficiaries by written request if all of the following conditions are met:

- Your coverage is in force.
- ReliaStar Life has written consent of all irrevocable beneficiaries.
- You have not assigned the ownership of your insurance. The rights of an assignee are described in the Assignment section.

All requests are subject to the approval of ReliaStar Life. A change will take effect as of the date it is signed but will not affect any payment ReliaStar Life makes or action it takes before receiving your notice.

### **Payment of Proceeds**

ReliaStar Life pays proceeds to the beneficiary. If there is more than one beneficiary, each receives an equal share, unless you have requested otherwise, in writing. Benefits are not paid out to minor children listed as beneficiaries, unless a trust or guardianship has been established. To receive proceeds, a beneficiary must be living on the earlier of the following dates:

- The date ReliaStar Life receives proof of your death.
- The tenth day after your death.

If there is no eligible beneficiary or if you did not name one, ReliaStar Life pays the proceeds in the following order:

1. Your spouse.
2. Your natural and adopted children.
3. Your parents.
4. Your estate.

The person must be living on the tenth day after your death.

### **Settlement Options**

Settlement options are alternative ways of paying the proceeds under the Group Policy. Proceeds is the amount of each benefit ReliaStar Life pays when you die or when you receive a lump sum amount under the Accelerated Death Benefit. To find out more about settlement options, please contact the Policyholder.

# LIFE INSURANCE

## Accelerated Death Benefit

**NOTE: AT THIS TIME IT IS UNCLEAR WHETHER YOU WILL BE REQUIRED TO PAY TAX ON ACCELERATED DEATH BENEFIT PROCEEDS. YOU SHOULD CONSULT WITH YOUR PERSONAL TAX ADVISER TO ASSESS POSSIBLE TAX IMPLICATIONS.**

ReliaStar Life pays this benefit if it has been determined that you have a terminal condition. Accelerated Death Benefit proceeds is the amount ReliaStar Life pays to you or your legal representative while you are living when it has been determined that you have a terminal condition. The Accelerated Death Benefit proceeds are paid in one lump sum and are paid only once. This lump sum payout is the only Settlement Option available to you prior to your death.

The Accelerated Death Benefit is the amount of the Accelerated Death Benefit shown on the Schedule of Benefits in effect on the date you apply for Accelerated Death Benefit proceeds. You will not be able to increase your contributory Life Insurance benefit after the time you apply for the Accelerated Death Benefit, unless you are determined to be ineligible to receive Accelerated Death Benefit proceeds.

To receive the Accelerated Death Benefit, **all** of the following conditions must be met. You must:

- request this benefit in writing while you are living. If you are unable to request this benefit yourself, your legal representative may request it for you.
- be insured as an employee for Life Insurance benefits.
- have Basic and Supplemental Life Insurance benefits of at least \$10,000 as shown on the Schedule of Benefits.
- provide to ReliaStar Life a doctor's statement which gives the diagnosis of your medical condition; and states that because of the nature and severity of such condition, your life expectancy is no more than 6 months. ReliaStar Life may require that you be examined by a doctor of its choosing. If ReliaStar Life requires this, ReliaStar Life pays for the exam.
- provide to ReliaStar Life written consent from any irrevocable beneficiary, assignee, and, in community property states, from your spouse.

## Benefit Payment

ReliaStar Life pays the Accelerated Death Benefit proceeds to you unless both of the following are true:

- It is shown, to the satisfaction of ReliaStar Life, that you are physically and mentally incapable of receiving and cashing the lump sum payment.
- A representative appointed by the courts to act on your behalf does not make a claim for the payment.

If ReliaStar Life does not pay you because the two above conditions apply, payments instead will be made to one of the following:

- A person who takes care of you.
- An institution that takes care of you.
- Any other person ReliaStar Life considers entitled to receive the payments as your trustee.

## Accelerated Death Benefit Exclusions

ReliaStar Life does not pay benefits for a terminal condition if either of the following apply:

- the required Accelerated Death Benefit premium or Life Insurance premium is due and unpaid.
- the terminal condition is directly or indirectly caused by attempted suicide or intentionally self-inflicted injury, whether sane or insane.

# LIFE INSURANCE

## Effects on Coverage

When ReliaStar Life pays out this benefit, your coverage is affected in the following ways:

- Your total available Life Insurance benefit equals your amount of Basic and Supplemental Life Insurance shown on the Schedule of Benefits at the time you apply for the Accelerated Death Benefit.
- Your Life Insurance benefit is reduced by the Accelerated Death Benefit proceeds paid out under this provision.
- Your Life Insurance benefit amount which you may convert is reduced by the Accelerated Death Benefit proceeds paid out under this provision.
- You will not be able to increase your contributory Life Insurance benefit after ReliaStar Life approves you to receive the Accelerated Death Benefit.
- Your premium is reduced based upon the remaining amount of your Life Insurance benefit. Such premium must be paid, unless waived, to keep your Life Insurance coverage in force.
- You will not be able to reinstate your coverage to its full amount in the event of a recovery from a terminal condition.
- Your dependents' Life Insurance coverage will be unaffected by Accelerated Death Benefit proceeds paid to you, provided all required premiums are paid.
- Your receipt of Accelerated Death Benefit proceeds does not affect your Accidental Death and Dismemberment Insurance. Thus, if you should die in an accident after receiving Accelerated Death Benefit Proceeds, your Accidental Death and Dismemberment Insurance will be based on your Life Insurance in force prior to the Accelerated Death Benefit payout, provided your premium is not being waived.

## Accidental Death & Dismemberment (AD&D) Insurance

ReliaStar Life pays this benefit if you lose your life, limb or sight due to an accident. All of the following conditions must be met:

- You are covered for AD&D Insurance on the date of the accident.
- Loss occurs within 180 days of the date of the accident.
- The cause of the loss is not excluded.

ReliaStar Life pays the benefit shown below if you suffer any of the losses listed. The Full Amount is shown on the Schedule of Benefits. ReliaStar Life pays only one Full Amount while the Group Policy is in effect. If you have a loss for which ReliaStar Life paid 1/2 of the Full Amount, ReliaStar Life pays no more than 1/2 of the Full Amount for the next loss.

### For loss of:

### The benefit is:

Life.....	Full Amount
Both hands .....	Full Amount
Both feet .....	Full Amount
Sight of both eyes .....	Full Amount
1 hand and 1 foot.....	Full Amount
1 hand and sight of 1 eye.....	Full Amount
1 foot and sight of 1 eye.....	Full Amount
1 hand .....	1/2 Full Amount
1 foot.....	1/2 Full Amount
Sight of 1 eye.....	1/2 Full Amount
Thumb and forefinger of 1 hand.....	1/4 Full Amount

ReliaStar Life does not pay a benefit for loss of use of the hand or foot.

Death benefits are paid to your beneficiary. All other benefits are paid to you.

# LIFE INSURANCE

## **Accidental Death and Dismemberment Exclusions**

ReliaStar Life does not pay benefits for loss directly or indirectly caused by any of the following:

- Suicide or intentionally self-inflicted injury, while sane or insane.
- Physical or mental illness.
- Bacterial infection or bacterial poisoning. **Exception:** Infection from a cut or wound caused by an accident.
- Riding in or descending from an aircraft as a pilot or crew member.
- Any armed conflict, whether declared as war or not, involving any country or government.
- Injury suffered while in the military service for any country or government.
- Injury which occurs when you commit or attempt to commit a felony.
- Use of any drug, narcotic or hallucinogenic agent –
  - unless prescribed by a doctor.
  - which is illegal.
  - not taken as directed by a doctor or the manufacturer.

## **Dependents' and Supplemental Spouse Life Insurance**

ReliaStar Life pays a death benefit in the amount of the Dependents' and Supplemental Spouse Life Insurance shown on the Schedule of Benefits. ReliaStar Life pays according to the Schedule of Benefits in effect on the date your insured dependent dies.

ReliaStar Life pays the proceeds to you, if you are living on the earlier of the following:

- The day ReliaStar Life receives proof of your insured dependent's death at its Home Office.
- The tenth day after your insured dependent's death.

If you are not living on either of these dates, ReliaStar Life pays proceeds to the following beneficiaries in the order listed:

1. Primary beneficiaries on file with the Policyholder, if living.
2. Contingent beneficiaries on file with the Policyholder, if living.

If there is no eligible beneficiary or if you did not name one, ReliaStar Life pays proceeds to the persons listed below in order. The person must be living on the tenth day after your insured dependent's death:

1. Your spouse.
2. Your natural and adopted children.
3. Your parents.
4. Your estate.

# CONVERSION RIGHTS

## Life Insurance

You or your insured dependent may convert this insurance to an individual life insurance policy if any part of your or your insured dependent's Life Insurance under the Group Policy stops. Proof of good health is not required.

### Conditions for Conversion

You or your insured dependent may convert this Life Insurance if it stops for any of the following reasons:

- You are no longer actively at work.
- You are no longer eligible for Employee's Insurance under the Group Policy.
- your Life Insurance or your Dependents' or Supplemental Spouse Life Insurance is changed or cancelled because the Group Policy is changed or cancelled.
- For your Life Insurance –
  - the amount of Life Insurance is reduced.
  - the premium is no longer being waived under the Waiver of Life Insurance Premium Disability Benefit, and your Group Life Insurance stops.
- For your Dependents' or Supplemental Spouse Life Insurance –
  - your Dependents' Life Insurance stops.
  - your Supplemental Spouse Life Insurance stops.
  - your spouse or child is no longer a dependent as defined.
  - your Dependents' or Supplemental Spouse Life Insurance shown on the Schedule of Benefits is reduced.
  - your Life Insurance premiums are waived because of total disability.
  - if you become divorced, your insured spouse may convert.
  - you die.

You or your insured dependent may convert this insurance by applying and paying the first premium for an individual policy within 31 days after any part of your or your insured dependent's insurance stops. ReliaStar Life or the Policyholder must be notified. ReliaStar Life will supply you or your insured dependent with a conversion form to complete and return.

If your insured dependent is too young to contract for life insurance, the following people may apply in this order:

1. You, while living.
2. Your spouse, while living.
3. The court-appointed guardian of your insured dependent.

### Type of Converted Policy

You or your insured dependent may purchase any individual nonparticipating policy offered by ReliaStar Life, except term insurance. The new policy must provide for a level amount of insurance and have premiums at least equal to those of ReliaStar Life's whole life plan with the lowest premium.

If your previous coverage included additional benefits such as disability, Accidental Death and Dismemberment Insurance or the Accelerated Death Benefit, the new insurance will not include these benefits.

### Amount of Conversion Coverage

If your Life Insurance or your Dependents' or Supplemental Spouse Life Insurance is changed or cancelled because the Group Policy is changed or cancelled, the amount of the individual policy is limited to the lesser of –

- \$10,000, or
- the amount of your or your Dependents' or Supplemental Spouse Life Insurance which stops, minus the amount of other group insurance for which you or your insured dependent becomes eligible, within 31 days of the date your or your insured dependent's insurance stops.

If your Life Insurance or your Dependents' or Supplemental Spouse Life Insurance stops for any reason other than the above, the amount of the individual policy may be any amount up to the amount of your Life Insurance or your Dependents' or Supplemental Spouse Life Insurance that stopped.

## CONVERSION RIGHTS

### **Effective Date**

The new policy takes effect 31 days after the part of your or your insured dependent's Life Insurance being converted stops.

If you or your insured dependent dies within the 31-day period allowed for making application to convert, ReliaStar Life will pay a death benefit to your or your insured dependent's beneficiary in the amount you or your insured dependent were entitled to convert. ReliaStar Life will pay the amount whether or not application was made. ReliaStar Life will return any premium paid for the individual policy to your or your insured dependent's beneficiary named under the Group Policy.

### **Premiums**

Premiums for the new policy are based on your or your insured dependent's age on the date of conversion.

## CLAIM PROCEDURES

### Submitting a Claim

You, your insured dependent or someone on your behalf must send ReliaStar Life written notice of the loss on which your claim will be based. The notice must –

- include information to identify you or your insured dependent, like your name, address and Group Policy number, which is GL-20980-5.
- be sent to ReliaStar Life or one of its licensed agents authorized to accept claims.
- be sent within 20 days after the loss for which claim is based has occurred or as soon as reasonably possible.

### Claim Forms

ReliaStar Life or its authorized agent will send proof of loss claim forms to you, your insured dependent or to the Policyholder to give to you. ReliaStar Life will send the forms within 15 days after ReliaStar Life receives your notice of claim.

You, your insured dependent or someone on your behalf must return the completed proof of loss claim forms to ReliaStar Life within 90 days of the loss along with a certified copy of the death certificate. Even if you or your insured dependent does not receive the forms, written proof of loss must be sent to ReliaStar Life within 90 days after the loss or as soon as reasonably possible.

For AD&D Insurance, written proof of loss includes details of how the loss occurred. It also includes copies of itemized doctor, hospital and prescription drug bills or receipts.

## GENERAL PROVISIONS

### **Life Insurance Assignment**

You can change the owner of your Life Insurance under the Group Policy by sending ReliaStar Life written notice. This change is an absolute assignment. You cannot make an absolute assignment to the Policyholder. You transfer all your rights and duties as owner to the new owner. The new owner can then make any change the Group Policy allows. A request for an absolute assignment –

- does not change the insurance or the beneficiary.
- applies only if ReliaStar Life receives your notice.
- takes effect from the date signed.
- does not affect any payment ReliaStar Life makes or action ReliaStar Life takes before receiving your notice.

A collateral assignment is not allowed.

ReliaStar Life assumes no responsibility for the validity of any assignment. You are responsible to see that the assignment is legal in your state and that it accomplishes the goals that you intend.

### **Legal Action**

Legal action may not be taken to receive benefits until 60 days after the date proof of loss is submitted according to the requirements of the Group Policy. Legal action must be taken within 3 years after the date proof of loss must be submitted.

If the Policyholder's state requires longer time limits, ReliaStar Life will comply with the state's time limits.

### **Exam and Autopsy**

For AD&D Insurance, when reasonably necessary, ReliaStar Life may have you or your insured dependent examined while a claim is pending under the Group Policy. ReliaStar Life pays for the initial exam. ReliaStar Life may have an autopsy made if you or your insured dependent dies, if not forbidden by state law.

### **Incontestability**

Your and your dependent's insurance has a contestable period starting with the effective date of your insurance and continuing for 2 years while you are living. During that 2 years, ReliaStar Life can contest the validity of your and your dependent's insurance because of inaccurate or false information received relating to your and your insured dependent's insurability. Only statements that are in writing and signed by you or your insured dependent can be used to contest the insurance.

## DEFINITIONS

**Accident** – an unexpected, external, violent and sudden event.

**Active Work, Actively at Work** – the employee is physically present at his or her customary place of employment with the intent and ability of working the scheduled hours and doing the normal duties of his or her job on that day.

**Group Policy** – the written group insurance contract between ReliaStar Life and the Policyholder.

**Nonworking Day** – a day on which the employee is not regularly scheduled to work, including time off for the following:

- Vacations.
- Personal holidays.
- Weekends and holidays.
- Approved nonmedical leave of absence.

Nonworking day does not include time off for any of the following:

- Medical leave of absence.
- Temporary layoff.
- The Policyholder suspending its operations, in part or total.
- Strike.

**Policyholder** – North Dakota Public Employees Retirement System.

**ReliaStar Life** – ReliaStar Life Insurance Company, at its Home Office in Minneapolis, Minnesota.

**Student Dependent** – a dependent who has his or her chief place of residence with you, does not have a regular full-time job and is a full-time student physically attending classes at a school with a regular teaching staff, curriculum and student body.

ReliaStar Life considers full-time to be the number of credits or courses required for full-time students by the school your dependent is attending.

**Terminal Condition** – an injury or sickness which is expected to result in your death within 6 months and from which there is no reasonable chance of recovery. ReliaStar Life, or a qualified party chosen by ReliaStar Life, will make this determination.

**Total Disability, Totally Disabled** – your inability, due to sickness or accidental injury, to work at any job suited to your education, training or experience.

**Written, In Writing** – signed, dated and received at ReliaStar Life's Home Office and the Policyholder's Office in an acceptable form.

**You, Your** – an employee insured for Employee's Insurance under the Group Policy.