



UNITED HERITAGE[®]
Life Insurance Company

UNITED HERITAGE LIFE INSURANCE COMPANY

Meridian, Idaho
(Herein called United Heritage)

CERTIFICATE OF INSURANCE

Under
The Group Insurance Policy
As of the
Effective Date
Issued by
UNITED HERITAGE
to
The Policyholder

This is to certify that United Heritage has issued and delivered the Group Insurance Policy to the Policyholder.

The Group Insurance Policy insures the Policyholder's employees who:

- * are eligible for the insurance; and
- * become insured; and
- * continue to be insured,

according to the terms of the Group Insurance Policy.

The terms of the Group Insurance Policy which affect an employee's insurance are summarized in the following pages. This Certificate of Insurance, and the following pages, will become Your booklet-certificate. The booklet-certificate is a part of the Group Insurance Policy. This booklet-certificate replaces any other which United Heritage may have issued to the Policyholder to give to You under the Group Insurance Policy specified herein.

Final interpretation of all provisions and coverages will be governed by the Group Insurance Policy on file with United Heritage at its home office.

UNITED HERITAGE LIFE INSURANCE COMPANY

Anne Aschenbrenner

Secretary

Devin Z. Johnson

President

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SECTION I SCHEDULE OF INSURANCE

Some of the terms used within this Booklet-certificate are capitalized and have special meanings. Please refer to the definitions in Section 2 of this Booklet-certificate when reading about Your benefits.

POLICYHOLDER: COEUR D'ALENE SCHOOL DISTRICT 271

GROUP INSURANCE POLICY NUMBER: GL02058

PLAN EFFECTIVE DATE: October 1, 2004

ELIGIBLE CLASS(ES): **Class 1. All Active Full-Time Employees**
Class 2. Retired Administrators
Class 3. Other Retired Employees
Class 4. All Active Full-time Administrators

1.01.0 THE ELIGIBILITY WAITING PERIOD is the length of continuous service during which You must be an Active Full-time Employee in a class eligible for insurance before You become eligible for coverage. It is as follows:

1. If You are working for the Employer on the Policy Effective Date - You will have completed the Eligibility Waiting Period on Your first day of service in an Eligible Class.
2. If You start working for the Employer after the Policy Effective Date - You will have completed the Eligibility Waiting Period on Your first day of service in an Eligible Class.

1.02.0 CONTRIBUTIONS With respect to Basic Life Insurance, Accidental Death & Dismemberment Insurance, and Basic Dependent Life Insurance coverages, You do not contribute toward the Plan's cost.

With respect to Supplemental Life Insurance coverage, You must contribute toward the Plan's cost.

1.04.0 LIFE INSURANCE BENEFIT (Employee Only)

Amount of Basic Life Insurance

Class 1 & 4	\$50,000
Class 2	\$11,000
Class 3	\$ 5,500

Amount of Supplemental Life Insurance

Class 4	\$60,000
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Class 1 & 4: Employees may elect an amount in \$10,000 increments, not to exceed 5 times his Basic Annual Earnings, to a maximum of \$300,000

Medical Evidence is required for Supplemental Life Insurance amounts over \$150,000.

As used in this Booklet-certificate, Amount of Life Insurance shall include both Your Amount of Basic Life

Insurance and Your Amount of Supplemental Life Insurance.

1.05.1 ACCIDENTAL DEATH, DISMEMBERMENT AND LOSS OF SIGHT BENEFIT (Employee Only)

Class 1 & 4: An amount equal to the Basic Life Insurance Benefit above.

Class 4: An amount equal to the Supplemental Life Insurance Benefit above.

The Conversion Privilege and Waiver of Premium Provision(s) will not apply to Accidental Death, Dismemberment and Loss of Sight Benefits, but may apply to Life Insurance.

1.06.2 MEDICAL EVIDENCE An amount of Supplemental Life Insurance over \$150,000 and an amount of Spouse Supplemental Life Insurance over \$50,000 is available to You only if You furnish evidence of Your good health satisfactory to United Heritage. If the evidence is approved by United Heritage, You will receive a letter stating that the amount indicated on the line entitled "Life Insurance Amount Applied For" of Your Personal Health Statement, has been approved. This rule will also apply each time You become eligible for an increase in Your insurance.

Applies to Class 1 & 4:

1.07.2 REDUCTION IN THE AMOUNT OF LIFE INSURANCE AND PRINCIPAL SUM DUE TO AGE

The Amount of Life Insurance and Principal Sum that applies to You on the date You attain:

1. age 65 will be reduced to 65% of Your Amount of Life Insurance or Principal Sum in force on the day before You attain age 65; and
2. age 70 will be reduced to 50% of Your Amount of Life Insurance or Principal Sum in force on the day before You attained age 65.

Once You attain age 65, if You become insured under this plan or Your Amount of Life Insurance or Principal Sum increases due to a change in:

1. Your class;
2. this Schedule of Insurance; or
3. Your Earnings,

Your Amount of Life Insurance and Principal Sum will be subject to the reductions in the preceding paragraph, made for Insured Persons of the same age and class, or Earnings.

1.08.1 DEPENDENT LIFE INSURANCE BENEFIT (Dependents Only)

Amount of Basic Life Insurance:

Dependent spouse

Class 1: \$6,000
Class 2 & 3: \$2,000

Dependent child(ren):

Class 1:
Over 14 days but less than 6 months of age \$ 100
6 months of age and older \$6,000

Amount of Supplemental Life Insurance:

Class 1:

Dependent Spouse - \$5,000 increments, not to exceed 50% of the Employee's Supplemental Life Insurance Benefit, to a maximum of \$50,000

Dependent child(ren):

Over 14 days but less than 6 months of age - \$1,000

6 months of age and older – \$2,000 increments, not to exceed 25% of the Employee's Supplemental Life Insurance Benefit, to a maximum of \$12,000

Medical Evidence is required for Spouse Supplemental Life Insurance amounts over \$50,000.

1.10.2 (Rev 12/03) DO COVERAGE AMOUNTS CHANGE IF THERE IS A CHANGE IN YOUR CLASS OR IN THE PLAN? Changes in coverage include any which result in any type of increase, decrease and/or limitation in coverage, due to a change in:

1. class;or
2. the Schedule of Insurance or the Booklet-certificate.

If you are not required to contribute towards the cost, changes in coverage will become effective on the date of such change, except that any increase in coverage will be subject to the Deferred Effective Date provision.

If you are required to contribute towards the cost, any decrease in coverage will be effective on the date of such change. Any increase in coverage will be subject to the Effective Date and the Deferred Effective Date provisions.

United Heritage may modify, amend or change the provisions, terms and conditions of the Schedule of Insurance or this Booklet-certificate at any time with the consent of the Employer.

Consent of any participant or any other person referred to in this Booklet-certificate shall not be required to amend or change the Schedule of Insurance or this Booklet-certificate.

1.12.1 RETIREE COVERAGE: If You retire after having been covered as an Active Full-Time Employee, Your Life Insurance may be continued.

1. The Deferred Effective Date provision will not apply to a Retired Employee.
2. Amount of Life Insurance – Retired Administrators \$11,000; All other Retired Employees \$5,500
3. Termination of Insurance - Your Retiree Coverage will terminate on the earliest to occur of the following dates:
 - a. the date on which the policy is terminated;
 - b. the last day of the period for which premium contribution has been made.
4. The provision entitled "Reduction in Amount of Basic Life Insurance Due to Age", appearing in the Schedule of Insurance, shall not apply to a Retired Employee.
5. The section entitled "Waiver of Premium" appearing in the Benefits section shall not apply to a Retired Employee.
6. The Accelerated Death Benefit will not apply to a Retired Employee.
7. Accidental Death, Dismemberment and Loss of Sight Benefits will not apply to a Retired Employee.

SECTION II DEFINITIONS

The terms listed will have these meanings:

2.01.0 ACTIVE FULL-TIME EMPLOYEE -- An employee who works for the Employer on a regular basis in the usual course of the Employer's business. He must work at least the number of hours in the Employer's normal work week. This must be at least 20 hours.

An employee will be considered actively at work on a day which is one of the Employer's scheduled work days if He is performing, at his usual place of work or at another place to which He is required to travel, and in the usual manner, all of the regular duties of his work on a full-time basis on that day. He will also be considered actively at work on a paid vacation day or on a day which is not one of the Employer's scheduled work days only if He was actively at work on the preceding scheduled work day.

2.02.0 COVERED PERSON -- You or any of Your Covered Dependents.

2.03.1 DEPENDENT

1. Your spouse; and
2. Your unmarried child who:
 - a. is at least 15 days old but not yet 19 years old; or
 - b. is 19, has not yet attained age 25, is primarily dependent upon You for financial support and attends an accredited school (other than a correspondence school) on a regular and full-time student basis as his principal activity.

The term "full-time student" shall mean registered for not less than 12 course credit hours per semester. If the institution establishes full-time student status by a method other than semester credit hours, United Heritage reserves the right to determine whether the student qualifies as a Dependent.

The term "child", shall include Your:

- a. stepchild;
- b. legally adopted child; and any other child related to You by blood or marriage, who lives with You in a regular parent-child relationship and is primarily dependent upon You for financial support.

Any person who is eligible for Insured Person's coverage under this plan will not be eligible for insurance under the Dependent's Life Insurance Benefit.

Any dependent who is in full-time military, naval or air force service cannot be a Dependent.

No person can be insured as a Dependent of more than one employee.

2.04.1 EARNINGS -- Regular pay, not counting:

1. commissions; or
2. bonuses; or
3. overtime pay; or
4. any other pay or fringe benefits.

2.05.0 EMPLOYER -- Employer means the Policyholder.

2.06.0 HE/HIS -- He or She. His or her.

2.07.0 PLAN ANNIVERSARY DATE -- The date occurring in each Calendar Year which is an anniversary

of the Plan Effective Date, unless otherwise specifically stated in the Schedule of Insurance.

2.08.0 PLAN MONTH -- Begins on the Plan Effective Date. Each Plan Month after that begins on the same day of the month.

2.09.0 WE/US/OUR -- United Heritage Life Insurance Company.

2.10.0 YOU/YOUR/INSURED PERSON -- The employee to whom this Booklet- certificate is issued.

SECTION III WHEN YOUR COVERAGE STARTS

3.01.0 WHO ARE ELIGIBLE PERSONS? All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

3.02.0 WHEN WILL YOU BECOME ELIGIBLE? You are eligible for coverage on:

1. the Plan Effective Date, if You have completed the Eligibility Waiting Period prior to the Plan Effective Date; or
2. the date You satisfy the Eligibility Waiting Period while in an eligible class.

See the Schedule of Insurance for the Eligibility Waiting Period.

3.03.0 (Rev 12/03) WHEN DOES YOUR COVERAGE START? (EFFECTIVE DATE) If You are not required to contribute towards the plan's costs, You will become an Insured Person on the date You become eligible for coverage.

If You must contribute towards the plan's costs, You are required to enroll for coverage. To do so You must complete and sign a group insurance enrollment form acceptable to United Heritage and deliver it to the Employer.

You will become an Insured Person, or any increase in coverage will be effective, on the first to occur of:

1. the date You are eligible, if requested on or before that date;
2. the date requested if within 31 days after the date You become eligible; or
3. the date United Heritage approves Your Evidence of Insurability.

Evidence of Insurability:

1. is required if You enroll or request an increase in coverage more than 31 days after the date You become eligible;
2. is required for any amount over the guaranteed issue amount;
3. is required for a requested increase in Your benefit if You were not insured for your maximum benefit immediately prior to the requested increase; and
4. must be furnished at Your own expense.

All of the above effective dates are subject to the Deferred Effective Date provision.

3.04.0 WHEN WILL COVERAGE BECOME EFFECTIVE IF A DISABLING CONDITION CAUSES YOU TO BE ABSENT FROM WORK ON THE DATE COVERAGE IS TO START? (DEFERRED EFFECTIVE DATE) If You are absent from work due to injury or sickness on the date Your insurance would otherwise have become effective or would have been increased, Your effective date of insurance or the effective date of any increase in insurance will be deferred until the date You return to work as an Active Full-Time Employee.

3.05.1 WHAT HAPPENS TO YOUR COVERAGE UPON TRANSFER OF INSURANCE CARRIERS?

1. In providing replacement coverage of a prior policy, our Policy shall immediately cover You if You were validly covered under the previous policy, providing such benefits at the date of discontinuance, and if You were within the definitions of Eligibility and would have otherwise been eligible for coverage under Our Policy.
2. If You were entitled to coverage under Our Policy, You shall continue to be covered by Us until the date Your coverage would terminate in accordance with the provisions of Our Policy.

3. If You were validly insured under the prior carrier's policy on the date of discontinuance, and if benefits would have been payable under the prior carrier's policy, no provision of Our Policy shall reduce or exclude benefits on the basis that the condition giving rise to benefits pre-existed the Effective Date of Our Policy.
4. In a situation where a determination of the prior carrier's benefit is required by Us, at Our request, the prior carrier shall furnish a statement of benefits available or pertinent information, sufficient to permit verification of the benefit determination by Us.

SECTION IV WHEN YOUR DEPENDENT'S COVERAGE STARTS

4.01.0 WHO IS ELIGIBLE FOR DEPENDENT COVERAGE? Each person who is eligible for Insured Person coverage will be eligible for coverage for his Dependents.

4.02.0 WHEN WILL YOU BECOME ELIGIBLE FOR DEPENDENT COVERAGE? You will become eligible for Dependent coverage on the later of:

1. the date You become eligible for Insured Persons coverage; or
2. the date You acquire Your first Dependent.

4.03.0 WHEN DOES COVERAGE FOR YOUR DEPENDENT(S) START? If You are not required to contribute toward the plan's cost, Your Dependent(s) will become a Covered Person on the date on which You become eligible for such coverage

If You must contribute toward the plan's cost, You are required to enroll for Dependent coverage. To do so You have to complete and sign a group insurance enrollment form acceptable to United Heritage and deliver it to the Employer.

Your Dependent will become a Covered Person on the first to occur of:

1. the date You are eligible for Dependent Coverage, if You enroll or have enrolled by then;
2. the date You enroll for Dependent Coverage, if You do so within 31 days after the date You are eligible; or
3. with respect to each Dependent, the date United Heritage approves the Dependent's Evidence of Insurability. Evidence is required if You enroll for Dependent Coverage more than 31 days after the date You are eligible.

Such evidence must be furnished for each Dependent at Your own expense.

In no event will Dependent Coverage become effective before the date You become an Insured Person.

All of the above effective dates are subject to the Deferred Effective Date provision.

4.04.0 ARE THERE EXCEPTIONS TO THE EVIDENCE OF INSURABILITY REQUIREMENT FOR LATE ENROLLING DEPENDENTS? This evidence requirement will be waived for Your Dependent spouse and Dependent children, if:

1. Your spouse and children were previously covered for life benefits provided by Your spouse's employer's group plan; and
2. Your spouse and children have ceased to be covered under the employer's group plan due to Your spouse's loss of employment or cancellation of the group plan; and
3. Your spouse and children provide United Heritage with proof of prior coverage, including the date of termination, when applying for Dependent Coverage; and
4. coverage with United Heritage is requested within 31 days of Your spouse's loss of coverage with the employer.

Dependents who qualify for this waiver will be subject to all other conditions, restrictions and limitations of this plan.

4.05.0 WHEN WILL COVERAGE BECOME EFFECTIVE IF A DISABLING CONDITION CAUSES YOUR DEPENDENT TO BE CONFINED ON THE DATE COVERAGE IS TO START? (DEFERRED EFFECTIVE DATE) If a Dependent is confined at home, in a hospital or elsewhere because of disability on the date his insurance would have become effective or been increased, his effective date of insurance or any increase in insurance will be deferred until He is discharged from the hospital or place of confinement and has engaged in substantially all the normal activities of a healthy person of the same age for a period of at least 15 days in a row.

"Confined elsewhere" means that the Dependent is unable to perform, unaided, the normal functions of daily living, or leave his home or other place of residence without assistance.

4.06.1 ARE THERE EXCEPTIONS TO THE DEFERRED EFFECTIVE DATE PROVISION? The Deferred Effective Date provision will not apply to any Dependent if You were insured with respect to such Dependent on the day before the Plan Effective Date under a prior plan of dependent group life insurance sponsored by the Employer.

The amount of insurance on the life of a covered Dependent with respect to whom You become insured in accordance with this exception will be the lesser of:

1. the amount of insurance in force on the life of the Dependent under the prior plan on the day before the Plan Effective Date; or
2. the amount of insurance on his life as determined from the Schedule of Insurance.

SECTION V WHEN YOUR COVERAGE TERMINATES

5.01.0 WHEN DOES YOUR COVERAGE TERMINATE? Your insurance will terminate on the earliest of:

1. the date the Group Insurance Policy terminates; or
2. the date premium is due for You but not paid by the Employer; or
3. the last day of the period for which You make any required premium contribution, if You fail to make any further required contribution; or
4. the date You are no longer in a class eligible for coverage; or
5. the date Your Employer terminates Your employment; or
6. the date You are absent from work as an Active Full-Time Employee.

5.02.0 UNDER WHAT CONDITIONS CAN YOUR INSURANCE BE CONTINUED? If You are absent from work as an Active Full-Time Employee due to one of the following reasons and Your employment has not been terminated by Your Employer, Your insurance may be continued up to the maximum period of time stated below, as long as the Employer continues payment of premium. Such continuation shall be at the Employer's option, but must be according to a plan which applies to all employees in the same way.

**IF YOU ARE ABSENT FROM
ACTIVE FULL-TIME WORK
BECAUSE OF:**

**YOUR INSURANCE MAY BE
CONTINUED:**

injury or sickness

until the end of a period of twelve consecutive months beginning on the date You were first absent from work as an Active Full-Time Employee.

documented leave of absence
other than Family Medical
Leave, approved by Your Employer

until the end of the month following the month
in which the leave of absence commenced

temporary employment on a
part-time basis

for a period of three consecutive months time
beginning on the date You first became a
part-time employee.

temporary layoff, owing
to lack of work

until the end of the month following the month
in which the layoff commenced

The coverage provided above will also terminate on the first to occur of items 1-5 in the provision entitled "When does Your coverage terminate".

5.03.1 MAY COVERAGE BE CONTINUED DURING A FAMILY OR MEDICAL LEAVE? If You are granted a leave of absence according to the Family and Medical Leave Act of 1993, Your Insurance may be continued for up to 12 weeks, or longer if required by state law, following the date Your coverage would have terminated, subject to the following:

1. the leave authorization is in writing;
2. the required premium for You is paid; and
3. Your benefit level, or the amount of Earnings upon which Your benefit may be based, will be that in effect on the day before said leave commenced; and
4. such continuation will cease immediately if one of the following events should occur:
 - a. the leave terminates prior to the agreed upon date;
 - b. the termination of the Group Insurance Policy;
 - c. non-payment of premium when due by the Policyholder or You;
 - d. the Group Insurance Policy no longer insures Your class.

In all other respects, the terms of Your insurance remain unchanged.

5.05.1 WHEN DOES DEPENDENT COVERAGE TERMINATE? A covered Dependent's insurance will terminate on the earliest of:

1. the date Your coverage terminates; or
2. the last day of the period for which any required premium contribution is made, if You fail to make any further required contribution; or
3. the date You are no longer eligible for Dependent Coverage; or
4. the date the Dependent no longer meets the definition of Dependent; or
5. the date You are no longer in a class eligible for Dependent Coverage; or
6. the date the Employer or United Heritage terminates Dependent Coverage.

SECTION VII LIFE CONVERSION PRIVILEGE

7.01.1 The following does not apply to any Accidental Death, Dismemberment and Loss of Sight Benefits.

7.02.0 UNDER WHAT CONDITIONS CAN A COVERED PERSON'S LIFE INSURANCE COVERAGE BE CONVERTED TO ANOTHER PLAN UNDER THE CONVERSION PRIVILEGE? If a Covered Person's insurance terminates because:

1. Your employment ends;
2. a Covered Person is no longer in an eligible class; or
3. Your Dependent no longer meets the definition of a Dependent,

then He may convert his life insurance to a personal life insurance policy.

7.03.0 HOW DOES A COVERED PERSON CONVERT COVERAGE? To convert life insurance, a Covered Person must, within 31 days of the termination of his group life insurance, make written application to United Heritage and pay the premium required for this life insurance for his age and class of risk. If He does so, United Heritage will issue to him a personal life insurance policy. This policy will:

1. be issued without evidence of insurability;
2. be on one of the life insurance policy forms , except term insurance, then customarily issued by United Heritage for Group Life Conversions;
3. be for the same amount for which He was last insured under this Group Insurance Policy; contain no disability, supplementary or Accidental Death, Dismemberment and Loss of Sight benefits; and
4. be effective on the 32nd day after Your group life insurance terminates.

7.04.0 CAN A COVERED PERSON CONVERT HIS COVERAGE IF THE POLICY TERMINATES? If the insurance of a Covered Person who has been insured under this Group Insurance Policy for at least five years terminates because either United Heritage or the Employer:

1. terminates the Group Insurance Policy;
2. terminates insurance for his class; or
3. terminates the Dependent Life Benefits;

then He may convert his life insurance to a personal life insurance policy, subject to the same conditions and limitations which apply to an Insured Person whose employment terminates.

The Amount of Insurance for this insurance policy will be the lesser of:

1. the amount for which He was last insured under this Group Insurance Policy, reduced by any amount for which He is or becomes eligible under any other group life insurance policy within 31 days of termination of insurance; or
2. \$2,000

This conversion policy will be effective on the 32nd day after Your group life insurance terminates.

Any personal life insurance policy issued under this Life Conversion Privilege shall be in lieu of all other benefits provided by the Group Insurance Policy.

You may exercise the rights provided by the Waiver of Premium provision of this plan if:

1. all conditions of the Waiver of Premium provision are met;
2. You surrender the personal life policy to United Heritage; and
3. You disclaim all benefits under the personal policy except refund of premium.

7.05.0 WHAT IF A COVERED PERSON DIES DURING THE CONVERSION ELECTION PERIOD? If a Covered Person dies within the 31 day conversion election period, United Heritage will, upon receipt of due proof of his death, pay the Amount of Life Insurance He was entitled to convert.

SECTION VIII LIFE INSURANCE BENEFIT PROVISIONS

8.01.0 WHEN DO BENEFITS BECOME PAYABLE? When United Heritage receives due proof of a Covered Person's death, the Amount of Life Insurance in force for such person will be paid. The Amount of Life Insurance is shown in the Schedule of Insurance.

8.02.0 TO WHOM ARE BENEFITS PAYABLE? Benefits payable at Your death will be paid to the beneficiary or beneficiaries named in writing by You, provided the names are on file with the Employer.

8.03.0 WHOM ARE BENEFITS PAYABLE IF THERE IS NO BENEFICIARY DESIGNATION? Unless You request otherwise in Your filed beneficiary designation, payment will be made as follows:

1. If more than one beneficiary is named, each will be paid an equal share.
2. If any named beneficiary dies before You, his share will be divided equally among the named beneficiaries who survive You.
3. If no beneficiary is named, or if no named beneficiary survives You, United Heritage may, at its option, pay:
 - a. Your surviving relatives in the following order:
 - (i) all to Your surviving spouse; or
 - (ii) if Your spouse does not survive You, in equal shares to Your surviving children; or
 - (iii) if no child survives You, in equal shares to Your surviving parents; or
 - b. the executors or administrators of Your estate.

Payments to minors will be subject to applicable laws in the policy state of issue.

The Amount of Life Insurance payable at a covered Dependent's death will be paid to You, if living; otherwise, United Heritage may, at its option, pay the benefit to Your surviving spouse or to the executors or administrators of Your estate.

8.04.0 WHAT BENEFITS ARE PAYABLE FOR BURIAL EXPENSE IF THERE IS NO NAMED BENEFICIARY? If there is no named beneficiary, United Heritage may pay up to \$250 of Your Amount of Life Insurance to any party it deems to be entitled to such payment because of burial expense. United Heritage will be released from further liability for any amount so paid.

8.05.1 WHAT IF YOUR DEATH RESULTS FROM SUICIDE? No Supplemental Life benefit will be payable if Your death results from suicide, whether sane or insane, within 2 years of:

1. the effective date of Your coverage; or
2. the effective date of an increase in Your coverage.

8.06.0 ARE INTEREST AND BENEFITS UNDER THE PLAN ASSIGNABLE? No assignment of interest under this plan shall be binding on United Heritage until and unless:

1. the original of the form documenting the assignment; or
2. a true copy of it,

is received and acknowledged by United Heritage at its home office in Meridian, Idaho. Regardless of an assignment of interest, no person may assign benefits under the plan. United Heritage has no responsibility for the validity or effect of any assignment.

8.07.0 DOES CONVERSION COVERAGE AFFECT THE AMOUNT OF LIFE INSURANCE BENEFITS PAYABLE? If a Covered Person has individual life insurance in force which was issued due to termination of employment, in accordance with the Conversion Privilege, his Amount of Life Insurance will be reduced by the amount of the individual life insurance in force.

8.08.0 HOW ARE INSTALLMENTS PAYABLE UNDER THE OPTIONAL METHOD OF SETTLEMENT?

Subject to the terms of the next paragraph, You may elect, in writing, to have all or part of Your Amount of Life Insurance paid in installments upon Your death. If You do not so elect, any beneficiary may make such election after You die. The first payment will be made when United Heritage receives due proof of Your death. Installments may be elected according to the table below, but no method of payment may be elected which yields installments of less than \$25.

SCHEDULE OF INSTALLMENTS

Number of Years During Which Payments Will Be Made	Amount of Each Installment for Each \$1,000 of the Amount of Insurance	
	Annual	Monthly
1	\$1,000.00	\$84.29
2	506.17	42.67
3	341.60	28.80
4	259.33	21.87
5	210.00	17.71
10	111.47	9.41
15	78.80	6.65
20	62.58	5.29

Each installment after the first will include interest. The guaranteed rate of interest is 2 ½% compounded yearly.

On the date payments are to begin, a comparison will be made to the payments that would result using our Single Premium Annuity policy then being issued. If larger payments would result using the annuity, we will make payments under that annuity policy instead. Such an action by United Heritage will be without charge to the payee.

If this option is chosen, and if you die before we have made payments for the required number of years, we will continue payments to your designated beneficiary until the total of payments made to you prior to your death and to your beneficiary after your death equals the number of payments originally chosen for the option.

If the payee is a corporation, a partnership, an association, an assignee, or a trust, then no Optional Method of Settlement is available without consent of United Heritage. Any reasonable arrangement for payment can be made if both You and United Heritage so agree.

SECTION IX WAIVER OF PREMIUM

9.01.0 TO WHAT COVERAGES DOES THE WAIVER OF PREMIUM BENEFIT APPLY? The Waiver of Premium benefit applies only to Basic and Supplemental Life Insurance coverage. Waiver of Premium does not apply to any Dependent Life Insurance Benefits or Accidental Death, Dismemberment and Loss of Sight Benefits, if included in this plan. While You are eligible for Waiver of Premium, if such coverages are included in this plan, they may be continued if You continue to pay the required premium, subject to all other terms and conditions of the plan.

9.02.0 WHAT CONDITIONS MUST BE SATISFIED BEFORE YOU ARE ELIGIBLE FOR WAIVER OF PREMIUM? If, prior to age 60 and while insured under the Plan, You are Disabled, then Your insurance will be continued and all premiums will be waived. However, Your continued insurance will be subject to any reductions provided by any part of the plan.

Proof of Your disability must be furnished to United Heritage within one year of Your last day of work as an Active Full-time Employee.

Waiver of Premium due to Disability will begin once satisfactory proof of Your Disability is provided by an attending physician licensed to practice in the United States.

9.03.2 WHAT DOES DISABLED MEAN? For the purpose of this Waiver of Premium Provision, Disabled means that You:

1. are prevented by disability for nine consecutive months from doing any work for which You are or could become qualified by education, training or experience; or
2. have a life expectancy of 12 months or less.

9.05.0 IF YOU EXERCISE YOUR CONVERSION PRIVILEGE, HOW IS WAIVER OF PREMIUM AFFECTED? If You choose to convert Your insurance plan to a personal life policy, then the Waiver of Premium provisions will no longer apply unless:

1. within twelve months after Your last day of work as an Active Full-time Employee, You surrender the personal life policy; and
2. no claim was made under the personal policy other than for return of premium.

9.06.0 CAN UNITED HERITAGE HAVE A CLAIMANT EXAMINED FOR PROOF OF DISABILITY? United Heritage requires You to provide satisfactory proof that You are or continue to be Disabled. During the first two years following the date You qualify as Disabled, We may have You examined at reasonable intervals. Thereafter, We will only require an annual examination to confirm Your continued disability status.

If You fail to submit any required proof used by United Heritage to determine if You are or continue to be Disabled, or refuse to be examined as required by United Heritage, then Your premiums will no longer be waived. In addition, no benefit will be payable under the Accelerated Death Benefit.

9.07.0 WHAT IF YOU ARE NO LONGER DISABLED? If You are no longer Disabled, and You return to work in a class of persons eligible for insurance under this plan, then premiums will no longer be waived as of the date You return to work as an Active Full-time Employee. If You have received a benefit under the Accelerated Death Benefit, Your Amount of Life Insurance payable at death will be reduced by that amount.

If You are no longer Disabled, but do not return to work within an eligible class, then premiums will no longer be waived as of the date the Total Disability ceases or as of the date Your condition is no longer considered terminal.

However, if You are not eligible for any other group life insurance, then You are entitled to the Conversion Privilege. You may convert the Amount of Life Insurance that is in force for You on that date. If You have received a benefit under the Accelerated Death Benefit, Your Amount of Life Insurance in force will be reduced by that amount.

9.08.1 HOW LONG WILL PREMIUMS BE WAIVED? Your premium will be waived and Your coverage will be continued until You attain age 65. Waiver of premium is not available if You become Disabled on or after age 60.

9.09.0 On the date Your coverage under this Waiver of Premium provision ceases, You will be entitled to convert Your coverage. You may convert no more than the Amount of Life Insurance that was in force for You on the date the Waiver of Premium ceased.

9.10.0 HOW DOES TERMINATION OF THE POLICY AFFECT YOUR CONTINUED INSURANCE UNDER THE WAIVER OF PREMIUM BENEFIT? Termination of the Group Insurance Policy or Plan will not affect any insurance that is continued under the terms of this provision.

9.11.0 WHAT IF THE GROUP INSURANCE POLICY TERMINATES OR YOU DIE BEFORE YOU QUALIFY FOR WAIVER OF PREMIUM? If the Group Insurance Policy terminates or You die while You are Disabled, but before You qualify for Waiver of Premium and:

1. You were continuously Disabled from Your last day of work as an Active Full-time Employee until the time You died or the policy terminated; and
2. proof of Your Disability is furnished to United Heritage within one year from Your last day of work as an Active Full-time Employee, then coverage continues as follows:
 - a. If the policy terminates, Your coverage will continue in accordance with all of the requirements of this Waiver of Premium provision.
 - b. If You should die, United Heritage will pay the Amount of Life Insurance which would have been in force for You if Your insurance had not terminated. Any such payment will fully discharge United Heritage's liability for Your insurance.

SECTION X

ACCELERATED DEATH BENEFIT

Employee Only

10.01.0 WHAT CONDITIONS ARE NECESSARY FOR BENEFITS TO BECOME PAYABLE? If You are diagnosed as being Terminally ill and are less than age 60, then You may request that a portion of the Amount of Life Insurance be paid as an Accelerated Death Benefit. Upon satisfactory proof of Your condition, United Heritage will pay this Accelerated Death Benefit in a lump sum to You. The Amount of Life Insurance on You must be at least \$10,000 to be eligible for this benefit.

Your request for an Accelerated Death Benefit cannot exceed 50% of the in force Amount of Life Insurance, and is subject to a minimum of \$3,000 and a maximum of \$175,000.

For example, if You have an Amount of Life Insurance equal to \$20,000 and You are Terminally Ill, You can request any portion of Your Amount of Life Insurance between \$3,000 to \$10,000 to be paid to You now instead of to Your beneficiary at Your death. However, if You decide to request only \$3,000 now, You cannot request the additional \$7,000 in the future.

After qualifying for benefits under this Accelerated Death Benefit, Your coverage will be continued in accordance with the Waiver of Premium section.

10.02.0 WHAT DOES TERMINAL ILLNESS/TERMINALLY ILL MEAN? Terminally Ill or Terminal Illness means that You have a life expectancy of 12 months or less.

RECEIPT OF ANY BENEFITS IN ACCORDANCE WITH THIS PROVISION WILL REDUCE LIFE INSURANCE BENEFITS PAYABLE UPON DEATH. LIFE INSURANCE BENEFITS PAYABLE UPON DEATH WILL BE CALCULATED BASED ON THE AMOUNT OF LIFE INSURANCE YOU ARE ELIGIBLE TO RECEIVE WITHOUT REGARD TO ACCELERATED BENEFITS MINUS ANY ACCELERATED BENEFITS ACTUALLY RECEIVED.

ADDITIONALLY, ANY BENEFITS RECEIVED UNDER THIS PROVISION MAY BE TAXABLE. SEE YOUR PERSONAL TAX ADVISOR FOR FURTHER INFORMATION.

10.03.0 CAN UNITED HERITAGE HAVE A CLAIMANT EXAMINED FOR PROOF OF TERMINAL ILLNESS? United Heritage requires proof that You are Terminally Ill. Any diagnosis submitted as proof of Terminal Illness must be provided by an attending physician licensed to practice in the United States. If You fail to submit satisfactory proof that You have a Terminal Illness, or if any examination as may be required by United Heritage is refused, then no Accelerated Death Benefit will be payable.

10.04.0 WHAT IF YOU ARE NO LONGER TERMINALLY ILL? If You are no longer Terminally Ill, and You return to work in a class of persons eligible for insurance under this plan, then Your Amount of Life Insurance payable at death will be reduced by any amount of Accelerated Death Benefits You have received.

If You are no longer Terminally Ill, but do not return to work within an eligible class, then Your coverage will terminate as of the date Your condition is no longer considered terminal.

However, if You are not eligible for any other group life insurance, then You are entitled to the Conversion Privilege. The Amount of Life Insurance that You are eligible to convert will be reduced by any amount of Accelerated Death Benefits You have received.

10.05.0 WHAT LIMITATIONS APPLY TO THIS BENEFIT? The Accelerated Death Benefit provision will be subject to all applicable terms and conditions of this plan. You may not request an Accelerated Death Benefit if:

1. You have already received an Accelerated Death Benefit under this or any other plan;
2. You are considered a Retiree under this plan;
3. You are age 60 or older.
4. you are required by law to accelerate benefits to meet the claims of creditors;
5. a government agency requires You to apply for benefits to qualify for a government benefit or entitlement.

10.06.0 WHAT IF YOU MADE AN ASSIGNMENT UNDER THIS PLAN? If You have executed an assignment of interest with respect to Your Amount of Life Insurance, in order to pay benefits under this provision, United Heritage must receive a release from the individual to whom the assignment was made before any benefits are payable.

10.08.0 WHAT IS THE COST? To cover administrative expenses, we will deduct a charge of \$300.00 from the Accelerated Benefit.

SECTION XI ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

11.01.0 WHAT CONDITIONS ARE NECESSARY FOR BENEFITS TO BECOME PAYABLE? United Heritage will pay a benefit according to the schedule shown below if You suffer accidental bodily injury while Your insurance is in force and:

1. a Loss results directly from such injury, independent of all other causes; and
2. such a Loss occurs within 90 after the date of the accident causing the injury.

Benefits for loss of life will be paid in accordance with Your beneficiary designation. Benefits payable for all other losses are payable to You.

11.02.0 WHAT TYPES OF INJURIES ARE EXCLUDED FROM COVERAGE? No benefit will be paid for a loss caused or contributed to by:

1. sickness;
2. disease;
3. any medical treatment for items (1) or (2);
4. any infection, except a pus-forming infection of an accidental cut or wound;
5. war or any act of war, whether war is declared or not;
6. any injury received while in any armed service of a country which is at war or engaged in armed conflict;
7. any intentionally self-inflicted injury, suicide, or suicide attempt, whether sane or insane;
8. taking drugs, sedatives, narcotics, barbiturates, amphetamines or hallucinogens unless prescribed for or administered to You by a licensed physician;
9. an accident caused by Your intoxication while operating a motor vehicle.

As used above, "intoxication" means that Your blood alcohol content or the results of other means of testing Your blood alcohol level, meets or exceeds the legal presumption of intoxication under the law of the state where the accident took place.

11.03.0 WHAT IS THE PRINCIPAL SUM PAYABLE? The benefit payable for any loss is that which is shown opposite the Loss in the following schedule. The Principal Sum is shown in the Schedule of Insurance. No benefit is payable for any loss which is not shown in the schedule below.

<u>DESCRIPTION OF LOSS</u>	<u>BENEFIT</u>
Loss of life	Principal Sum
Loss of a hand	One-half the Principal Sum
Loss of a foot	One-half the Principal Sum
Loss of an eye	One-half the Principal Sum
Loss of Speech or Hearing	One-half the Principal Sum
Loss of thumb and index finger on either hand	One-quarter the Principal Sum
Loss of movement of both upper and lower limbs (Quadriplegia)	Principal Sum
Loss of movement of three limbs (Triplegia)	Three-quarters the Principal Sum
Loss of movement of both lower limbs (Paraplegia)	Three-quarters the Principal Sum

Loss of movement of both upper and lower limbs on one side of the body (Hemiplegia)	One-half the Principal Sum
Loss of movement of one limb (Uniplegia)	One-quarter the Principal Sum
More than one of the above resulting from one accident	Principal Sum or the sum of the Benefits payable for each Loss, whichever is lesser

Loss of:

1. a hand or foot means that it is completely cut off at or above the wrist or ankle joint;
2. an eye means that sight in the eye is completely lost and cannot be recovered or restored;
3. speech or hearing means that speech or hearing is lost entirely and the Loss cannot be recovered or restored. Hearing must be lost in both ears; and
4. movement of limbs means that movement is completely lost and is irreversible.
5. Loss of thumb and index finger means actual severance through or above the metacarpophalangeal joints.

11.05.1 SEAT BELT/AIR BAG BENEFIT This benefit is subject to all conditions and limitations of the Accidental Death, Dismemberment and Loss of Sight Benefit.

WHAT CONDITIONS ARE NECESSARY FOR A SEAT BELT BENEFIT TO BECOME PAYABLE? If You die from injuries sustained in a Motor Vehicle and a benefit is payable under the Accidental Death, Dismemberment and Loss of Sight Benefit, a Seat Belt Benefit will be paid. This benefit is payable provided that:

1. the injury occurs while You are a passenger riding in or the licensed operator of a duly registered Motor Vehicle;
2. You are wearing a Seat Belt at the time of the Accident, as verified on the police accident report; and
3. at the time of the Accident, You were not operating the Motor Vehicle while under the influence of any intoxicant or narcotic. "Under the influence of any intoxicant" means Your blood alcohol level, regardless of which test is used, meets or exceeds the legal presumption of intoxication under the laws of the state where the accident occurred.

WHAT IS THE PRINCIPAL SUM PAYABLE? The Seat Belt Benefit is the lesser of:

1. 10% of the Principal Sum; or
2. \$10,000.

If You are eligible for this benefit, the benefit amount will be paid to Your beneficiary in addition to the Principal Sum, in accordance with Claim provisions.

The Principal Sum is shown in the Schedule of Insurance.

WHAT CONDITIONS ARE NECESSARY FOR AN AIR BAG BENEFIT TO BECOME PAYABLE? If a Seat Belt benefit is payable, we will pay an additional 5% of the Principal Sum, subject to a maximum of \$5,000, as an Air Bag benefit, provided that:

1. You were positioned in a seat that was equipped with a factory installed Air Bag;
2. You were properly strapped in the Seat Belt when the Air Bag inflated; and
3. The police report establishes that the Air Bag inflated properly upon impact.

Accident for the purposes of this Seat Belt Benefit, means the unintentional collision of a Motor Vehicle during which You are wearing a Seat Belt.

Motor Vehicle means a duly registered, four wheeled, private passenger car, pick-up truck, van, self-propelled motor home or sport utility vehicle which is not being used as a Common Carrier.

Common Carrier means a conveyance operated by a concern, other than the Policyholder, organized and licensed for the transportation of passengers for hire and operated by an employee of that concern.

Seat Belt means an unaltered belt, lap restraint, or lap and shoulder restraint installed by the manufacturer of the Motor Vehicle, or proper replacement parts as required by the Motor Vehicle manufacturer's specifications.

Air Bag means an inflatable supplemental passive restraint system installed by the manufacturer of the Motor Vehicle, or proper replacement parts as required by the Motor Vehicle manufacturer's specifications, that inflates upon collision to protect an individual from injury and death. An Air Bag is not considered a Seat Belt.

11.09.1 REPATRIATION BENEFIT Subject to all conditions and limitations of this AD&D Benefit, if You die, then a Repatriation Benefit will be paid in addition to the Principal Sum. For a Repatriation Benefit to be payable, the death must occur outside the territorial limits of the state or country of Your place of permanent residence.

WHAT IS THE REPATRIATION BENEFIT PAYABLE? The Repatriation Benefit payable is the lesser of:

1. the expense incurred for:
 - a. preparation of Your body for burial or cremation; and
 - b. transportation of Your body to the place of burial or cremation; or
2. 5% of the Principal Sum; or
3. \$5,000.

SECTION XII GENERAL PROVISIONS

12.01.0 WHEN CAN THIS PLAN BE CONTESTED? Except for non-payment of premium, The Group Insurance Policy cannot be contested after two years from the Plan Effective Date.

No statement made by a Covered Person relating to His or her insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during the Covered Person's lifetime. In order to be used, the statement must be in writing and signed by the Covered Person.

12.02.0 WHO INTERPRETS POLICY TERMS AND CONDITIONS? United Heritage has full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of the Group Insurance Policy.

12.03.0 HOW DO YOU DESIGNATE OR CHANGE YOUR BENEFICIARY? You may designate or change a beneficiary by doing so in writing on a form satisfactory to United Heritage and filing the form with the Employer. Only satisfactory forms sent to the Employer prior to Your death will be accepted.

Designations will become effective as of the date You signed and dated the form, even if You have since died. We will not be liable for any amounts paid before receiving notice of a beneficiary change from the Employer.

In no event may a beneficiary be changed by a Power of Attorney.

SECTION XIII CLAIM PROVISIONS

13.01.0 ARE SPECIAL FORMS REQUIRED TO FILE A CLAIM? If You die, Your beneficiary will be furnished a claim form. United Heritage will send these forms within 15 days after receiving a Notice of Claim. If United Heritage does not send the forms within 15 days, the claimant may submit any other written proof which fully describes the nature and extent of His claim. The completed claim form and a certified copy of Your death certificate should be sent to United Heritage. When the required claim papers are received and approved by United Heritage, the Amount of Life Insurance on Your life will be paid.

13.03.0 WHEN SHOULD UNITED HERITAGE BE NOTIFIED OF A CLAIM? A claimant must give United Heritage, or its appropriate representative, written notice of a claim within 20 days after the loss happens or starts. If notice cannot be given within that time, it must be given as soon as possible after that.

Such notice must include:

1. the claimant's name and address; and
2. the Policy or Plan number.

13.04.0 WHEN MUST PROOF OF LOSS BE GIVEN? Written Proof of Loss must be sent to United Heritage, or its appropriate representative, within 90 days after the date of such loss.

However, all claims must be submitted to United Heritage within 90 days of the date the Covered Person's insurance terminates.

If proof is not given by the time it is due, it will not affect the claim if:

1. it was not possible to give proof within the required time; and
2. proof is given as soon as possible, but no later than a year after it is due unless the claimant is not legally competent.

13.05.0 WHEN AND TO WHOM WILL YOUR CLAIM BE PAID? Claims payable for loss will be paid as soon as due written proof is received. If any payment is due at the end of a claim, it will be paid as soon as written Proof of Loss is received.

Any payments owing at Your death may be paid to Your estate. If any payment is owed to:

1. Your estate;
2. a person who is a minor; or
3. a person who is not legally competent,

then United Heritage may pay up to \$1,000 to any of Your relatives who is entitled to it in the opinion of United Heritage. Any such payment shall fulfill United Heritage's responsibility for the amount paid.

13.06.0 CAN UNITED HERITAGE HAVE A CLAIMANT EXAMINED OR REQUEST AN AUTOPSY? United Heritage reserves the right to examine any claimant and to perform an autopsy, if not forbidden by law. Any such examinations will be as reasonably required by United Heritage and at United Heritage's expense.

13.07.0 WHAT NOTIFICATION WILL YOU RECEIVE IF YOUR CLAIM IS DENIED? If a claim for benefits is wholly or partly denied, the claimant will be furnished with written notification of the decision. This written decision will:

1. give the specific reason(s) for the denial;
2. make specific reference to this plan's provisions upon which the denial is based;
3. provide a description of any additional information necessary to prepare a claim and an explanation of why it is necessary; and
4. provide an explanation of the review procedure.

13.08.0 WHAT RECOURSE DO YOU HAVE IF YOUR CLAIM IS DENIED? On any denied claim, the claimant or His representative may appeal to United Heritage for a full and fair review.

The claimant may:

1. request a review upon written application within 60 days of receipt of claim denial;
2. review pertinent documents; and
3. submit issues and comments in writing.

A request for an appeal will not be denied if not submitted within 60 days if it is not reasonably possible to make such request within 60 days. In this case, the request must be submitted as soon as reasonably possible thereafter.

A decision will be made by United Heritage no more than 60 days after the receipt of the request, except in special circumstances (such as the need to hold a hearing), but in no event more than 120 days after the request for review is received.

13.09.0 WHEN CAN LEGAL ACTION BE TAKEN? Legal action cannot be taken against United Heritage;

1. sooner than 60 days after Proof of Loss has been furnished; or
2. 3 years after the time Proof of Loss is required to be furnished according to the terms of this Group Insurance Policy.

13.10.0 HOW DOES THIS PLAN AFFECT WORKERS' COMPENSATION COVERAGE? This Plan does not replace Workers' Compensation or affect any requirement for Workers' Compensation coverage.

13.11.0 PHYSICIAN-PATIENT RELATIONSHIP The Insured Person may choose any licensed physician. United Heritage shall not in any way disturb the physician-patient relationship.

**The Following Important Notice
is Provided by Your Employer
for Your Information Only.**

CONFORMING INSTRUMENT For the purpose of meeting certain requirements of the Employee Retirement Income Security Act of 1974, the following information and the attached Claim Procedures and Statement of ERISA Rights are provided for use with Your booklet-certificate to form the Summary Plan Description.

The benefits described in Your booklet are provided under a group policy by the Insurance Company and are subject to the terms and conditions of that policy.

A copy of this policy is available for Your review during normal working hours in the office of the Plan Administrator.

1. **Plan Name**
Coeur d'Alene School District Group Life Insurance Plan

2. **Plan Number**

3. **Employer/Plan Sponsor**
Coeur d'Alene School District 271

4. **Employer Identification Number**

5. **Type of Plan**
Group Term Life Insurance

6. **Plan Administrator**
Same as Employer/Plan Sponsor in Item 3.

7. **Agent for Service of Legal Process**

For the Plan: **Coeur d'Alene School District; 311 N. 10th St; Coeur d'Alene, ID**

For the Policy: **United Heritage Life Insurance Company.**

In addition to the above, Service of Legal Process may be made on a plan trustee or the plan administrator.

8. **Sources of Contributions** -- The Employer pays the premium for the insurance, but may allocate part of the cost to the employee. The Employer determines the portion of the cost to be paid by the employee.

9. **Type of Administration** -- The plan is administered by the Plan Administrator with benefits provided in accordance with the provisions of the applicable group policy.

10. The Plan and its records are kept on a Policy Year basis.

11. **Labor Organizations**
n/a

12. **Names and Addresses of Trustees**
n/a

13. **Plan Amendment Procedure**

The Plan Administrator reserves full authority, at its sole discretion, to terminate, suspend, withdraw, reduce, amend or modify the Plan, in whole or in part, at any time, without prior notice.

United Heritage Life Insurance Company also reserves the right to adjust Your share of the cost to continue coverage by the same procedures.

STATEMENT OF ERISA RIGHTS You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

1. Examine, without charge, at the plan administrator's office and at other locations (worksites and union halls), all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan with the U.S. Department of Labor, such as annual reports and plan descriptions.
2. Obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.
3. Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary financial report.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate Your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of You and other plan participants and beneficiaries. No one, including Your Employer, Your union, or any other person, may fire You or otherwise discriminate against You in any way to prevent You from obtaining a welfare benefit or exercising Your rights under ERISA.

If Your claim for a welfare benefit is denied in whole or in part You must receive a written explanation of the reason for the denial. You have the right to have the plan reviewed and reconsider Your claim. Under ERISA, there are steps You can take to enforce the above rights. For instance, if You request materials from the plan and do not receive them within 30 days, You may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay You up to \$100 a day until You receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If You have a claim for benefits which is denied or ignored, in whole or in part, You may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if You are discriminated against for asserting Your rights, You may seek assistance from the U.S. Department of Labor, or You may file suit in a federal court. The court will decide who should pay court costs and legal fees. If You are successful the court may order the person You have sued to pay these costs and fees. If You lose, the court may order You to pay these costs and fees, for example, if it finds Your claim is frivolous.

If You have any questions about Your plan, You should contact the plan administrator. If You have any questions about this statement or about Your rights under ERISA, You should contact the nearest Area Office of the U.S. Labor Management Services Administration, Department of Labor.

Claim Procedures

1. Claims for Benefits -- An employee wishing to present a claim for benefits for himself or His insured Dependents should obtain claim form or forms from His Employer or Administrator. The applicable section of such form or forms should be completed by (1) Employee, (2) Employer or Administrator and (3) Attending Physician or Hospital.

Following completion, claim form or forms should be forwarded to the individual authorized to process and pay claims (Administrator or Insurance Company's Claim Representative). The individual authorized to process and pay the claims will compute benefits due, and will issue draft(s) in settlement. Unless the employee assigns benefits to a doctor or to a hospital, draft(s) will be made payable to the employee.

A decision will be made by the Insurance Company no more than 90 days after receipt of due proof of loss, except in special circumstances (such as the need to obtain further information), but in no case more than 180 days after the due proof of loss is received. The written decision will include specific reasons for the decision and specific references to the plan provisions on which the decision is based.

2. Appealing Denial of Claims -- If a claim for benefits is wholly or partially denied, notice of the decision shall be furnished to the employee. This written decision will:
 - a. give the specific reason or reasons for denial;
 - b. make specific reference to policy provisions on which the denial is based;
 - c. provide a description of any additional information necessary to prepare the claim and an explanation of why it is necessary; and
 - d. provide an explanation of the review procedure.

On any denied claim an employee or His representative may appeal to the Insurance Company for a full and fair review. The claimant may:

1. request a review upon written application within 60 days of receipt of claim denial;
2. review pertinent documents; and
3. submit issues and comments in writing.

A decision will be made by the Insurance Company no more than 60 days after receipt of the request for review, except in special circumstances (such as the need to hold a hearing), but in no case more than 120 days after the request for review is received. The written decision will include specific reasons for the decision and specific references to the plan provisions on which the decision is based.